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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable JOHN THUNE, a Senator from the State of South Dakota.

PRAYER

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

Let us pray.

Our Father who art in heaven, we acknowledge that You are our creator and sustainer. Without Your power, we can accomplish nothing of worth. Forgive us for our excessive dependence upon our powers and help us to seek Your wisdom.

Bless now these men and women chosen by the people of this Nation as they strive to make a positive difference in these challenging times. Remind them that they are not alone in their labors because You have promised never to leave them or forsake them. Help them to find shelter in Your love and in the knowledge that in everything You are working for the good of those who love You and are called according to Your purposes.

O God our fortress, bless this Nation that each citizen will strive to live for Your glory. We pray in Your wonderful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN THUNE 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 15, 2005.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN THUNE, a Senator from the State of South Dakota, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. THUNE thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority whip is recognized.

SCHEDULE

Mr. McCONNELL. Mr. President, this morning we will begin immediately to resume consideration of the budget resolution. There are now a little more than 32 hours remaining out of the statutory limit of 50 hours. The chairman and ranking member were on the floor all day yesterday to begin the amendment process, and we expect to have many amendments considered today with votes well into this evening. Once we get underway this morning, we will alert Senators as to the timing of the first votes. We have already alerted Senators that this will be an extremely busy week. We will complete the budget resolution this week for sure. That will require lengthy sessions into each evening as we progress through the week. We will expedite progress on the bill if Senators will cooperate by keeping their schedules flexible and staying close to the floor throughout the day. Again, it is crucial that Senators should arrive at the floor quickly, as votes are ordered, to avoid missing any important budget votes.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RESERVATION OF LEADER TIME

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

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 2006

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. Con. Res. 18, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 18) setting forth the congressional budget for the United States Government for the fiscal year 2006 and including the appropriate budgetary levels for fiscal years 2005 and 2007 through 2010.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the time on the budget be equally divided between the majority and minority.

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

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CONRAD. Mr. President, I yield 20 minutes off the resolution to the Senator from Montana.

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



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The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I thank my good friend from North Dakota and also say that I hope we can make some good sense out of this budget resolution. It is not the first time we have had a budget resolution, but I hope we can show that we are exercising leadership in getting one that makes sense.

I rise to speak about something that I hear more about at home than any other subject. It is astounding, frankly. I was home last weekend, home prior weekends. I hear more and more on this one subject than any other, and that is Social Security.

People in Montana walk up to me and say: Senator, please save Social Security. Don't adopt the privatization plan. It doesn't make sense.

In my experience as a public servant, I have never experienced such a broadside of reaction on Social Security compared to any other issue I have ever faced. It is that great.

Let me tell a little about what I think Montanans are really thinking. Here is what Montanans are telling me about Social Security.

A man from Helena, MT, put it this way:

I have been an employee and employer for 55 years. The Social Security system is the only solid, dependable program that I and everyone I have been involved with can rely on.

Laura from Baker, MT, says:

It seems to me that our Social Security system has worked well for many, many years. I cannot understand the President's desire to reform it.

Well, when it comes to trying to understand why the President wants to privatize Social Security, Laura is not alone. Let me talk a little bit about the President's plan to privatize Social Security and what it would mean in practical terms.

The first thing we have to do is to put aside the notion that privatizing Social Security has anything to do with strengthening Social Security and preserving Social Security for the long run. It does not. Privatization has nothing to do with preserving Social Security for the long run—nothing.

In fact, it undermines Social Security. Social Security's actuaries—these are the Congressional Budget Office folks, and we all agree they are totally nonpartisan, straight shooters—agree that privatizing Social Security does not improve the solvency of the Social Security. In fact, they believe it makes it worse.

Bobby from Eureka, MT, put it this way:

I strongly oppose President George Bush's proposal to privatize Social Security or any part of it. I feel this is only the first step to dismantling Social Security all together.

She is concerned about the first step to dismantle Social Security, and there is a real basis for her beliefs because the private accounts have nothing to do with solvency. Many of us are wondering whether Bobby might be right.

We have to start with the proposition that President Bush is looking somewhere else besides private accounts for the real answer to extending Social Security solvency. To be candid, none of us know exactly how the President wants to pay for extending Social Security solvency.

He hasn't given us a specific proposal. In the State of the Union speech, however, he mentioned five possibilities. What are they? One was limiting benefits for wealthy retirees. Another one he mentioned is indexing benefits to prices rather than to wages. He also mentioned increasing retirement age. Further, he mentioned discouraging early collection of Social Security benefits. Five, changing the way benefits are calculated. All of those options the President has mentioned have one thing in common: they all cut benefits.

Even if we do not know for sure how the President wants to cut Social Security benefits, the administration has not been all that subtle about their druthers. For months, President Bush and many in the administration hinted that their preference is one of the plans put forward by the President's Commission on Social Security. What is that? That plan would divert Social Security payroll taxes into new private savings accounts. As I said, that has nothing to do with solvency. I will come back to that later. But that plan would also deeply cut Social Security benefits for future beneficiaries by changing the way the benefits are calculated. The President's plan would cut benefits, in the President's words, by indexing benefits to prices rather than to wages. What does that mean? What is the effect of that? Let me explain.

Under current law, when the Government calculates a worker's initial Social Security benefit, the Government adjusts the worker's past earnings for the growth in wages and the economy. Under the President's plan, the Government would adjust the worker's past earnings for the growth in prices, not in wages but in prices. What is the effect of that? Most people don't realize it, but wages actually grow faster than prices. Wages actually grow faster in the long run. People see prices rising all the time, but folks do not always focus on how much their wages increase. Wages generally keep up and surpass the increase of prices. On average, over time, wages grow faster than prices. Why is that? That is largely because workers today are more productive than workers used to be. Workers today produce more than workers did years ago. Economists call that productivity. They are more productive, so workers today demand higher wages.

They are more productive, so they have higher wages, even after adjusting for inflation. Even though inflation goes up, workers are more productive, so wages rise faster than inflation, even though prices are going up. So adjusting the initial benefits to a growth in wages makes sense. It is current law. It makes sure Social Security will re-

place roughly the same share of future retirement incomes as it did for previous generations of retirees.

What does the Commission plan to do about that? Their plan to move from wage indexing to a price index means initial benefits for retirees in the future would gradually start to get smaller and smaller than they would under current law. Because these reductions in benefits would accumulate over time, each new group of retirees would get that much more of a cut in their benefits relative to what the current law promises them.

This chart shows the story. It is very illustrative. I hope people pay attention to this. I daresay that every American concerned about Social Security would take a good long hard look at this chart and they would realize the deeper problems in the President's proposal. This chart shows under current law—talking about what the law is today—succeeding generations of retirees can expect Social Security to replace a relatively constant amount of their income. This yellow line shows for people who start to retire today—when they retire, their Social Security benefits are going to be about 40 percent of their previous wages. As wages go up over time and people retire, they get about 40 percent of their wages just before they retire. That is called replacement income. That is the law, and it stays at about 40 percent out into the future.

On average, Social Security promises to replace about 40 percent of income year after year, represented by the yellow line. If we adopt the Commission's plan, what happens? That means the share of income Social Security replaced would go down. That is the red line here. So over time these cuts become very deep. For workers now in their midthirties, benefits will be cut by about 25 percent. For somebody born about now—one of our children or grandchildren—benefits will be cut in half. You see this red line comes about half of where the yellow line is. So somebody who enters the workforce about now, under the President's plan, when he or she retires, is going to receive almost 20 percent of wages, not 40 percent. That is a 50-percent cut. So a person would get much less under the President's plan in the future.

I am looking at some of these pages on the floor. When they work, and if this plan goes into effect, their Social Security benefits will be half when they retire compared to what it would be today under current law if they could retire. I don't know if they would want that.

If the Commission's plan had been in place when Social Security began to pay benefits in 1940—reverse that. Say the President's plan was in effect then; benefits for average earnings would be 60 percent less than today. If the President's plan had been in effect in 1940—I was born in 1941—then the benefits I would receive today, or anybody my age, would be, under the President's

plan, much less than I would get today if I retired. How much less? You can tell by this chart. Today I would get about \$1,278 a month. Under the President's plan, if I retired today, and this were in effect since 1940, I would get \$515 a month. Let me state that again. Under current law, a worker with average wages who retires in 2005 will get about a \$1,278 monthly Social Security check. Had the Commission's plan been in effect since 1940, that average worker would get only \$515 a month in Social Security. That is \$515 a month instead of \$1,278.

Remember, this is kind of a startling statistic. For one-fifth of our seniors, Social Security is their total source of income. For 20 percent of seniors today, Social Security is all of their income. So no matter where you live, this is what you get in Social Security. If this plan had been in effect in 1940, seniors would be receiving \$515 a month now, a lot less than they receive. That kind of cut in benefits would mean that a lot more seniors would be living in poverty. Had the Commission's plan been in effect since 1940, 7 million more seniors would be living in poverty today. Today, about 3.6 million seniors are living in poverty. That is not good. That is bad, but that is a fact. If the President's law had been in effect since 1940, then 10.5 million seniors would be living in poverty—more than three times that.

Someone might say: This isn't going to happen to me under the President's plan. Why? Because I am not going to participate in those private accounts. I will stay away from that. I will just do nothing and keep my payroll tax, which will still go into the Social Security trust fund. I don't have a private account, so this should not affect me. Then I won't have my benefits cut.

Guess what. That is not right. Under the Commission's plan, the President's proposed plan, these cuts would apply even if you did not choose to participate in private accounts. That may not seem fair, but that is a fact. These are the cuts you get irrespective of whether you participate in a private account. It makes no difference whether you do or do not participate in a private account.

Another question people might ask is, Will these cuts apply to people with disabilities, to survivors? To be candid, none of us knows for sure, but the Commission's numbers show that savings of people with disabilities and survivors were included. That means they are going to get cut, too. We are talking about widows or orphans here. Listen to the words of Linda from Great Falls, MT:

My father died when I was 13 years old. My mom went to work as a bookkeeper making a little over \$200 a month. Our entire lives changed, and without the assistance of Social Security benefits, I would never have been able to attend college.

Social Security is a vital lifeline for millions of Americans. We have to be very careful about how we change it. In

addition to the cuts about which I have been talking so far, the President has a plan. It includes a second set of cuts; that is, a second set of cuts for anybody who signs up for the privatized accounts. Remember, I talked about the first round of cuts and benefits. There is a second round.

Under the plan, when workers retire, the Social Security benefits would be further reduced by, first, all of the contributions to the worker's private account. That amounts to an additional reduction in benefits. Then there is another reduction, and what is that? That is the interest that those contributions would have earned had they earned a 3-percent rate of return above inflation. Some people call it a "clawback." I call it a privatization tax.

This next chart, number 4, shows the story. It shows a case of a typical worker born in 1990. So a person born in 1990 retires in 2055. I suppose that would probably apply to a lot of our younger people. After all, this has been pitched for our younger people. Under current law, that person would get \$23,300 each year from Social Security. So under current law, someone who is born in 1990 and retires in 2055, at age 65, that person will get about \$23,300 in benefits from Social Security.

Let's talk about the cuts. The first cut under the President's plan is in benefits, due to changing from wage indexing to price indexing, as I mentioned earlier. What is the effect of that? That would cut a worker's Social Security payments to \$13,104 a year. That change alone—cutting all benefits of all retirees under the President's plan by moving from wage indexing to price indexing—means the benefits that person will receive in 2055, born in 1990, would not be \$23,000, but a whole whopping roughly \$10,000 a year less, a cut down to \$13,000 a year.

Then there is a second cut. That is the cut due to the privatization tax. That would cut a worker's Social Security benefits further. How much further? Down to a mere \$3,276 a year. Just think of this for a minute; suspend judgment and let this sink in. This is what is happening under the President's plan. Today, that person would get \$23,000 in Social Security benefits. The first cut applies to everybody in the President's plan irrespective of whether you have a private account. So everybody will get a cut by \$10,000 a year, down to \$13,000 a year. What about those folks who say: Gee, I am going to beat the system and I am going to divert 3 or 4 percentage points of my payroll tax into my private account. I am going to beat the system.

Wrong. What is really the fine print of the President's probable plan? What is the effect? It is a further deep cut of another \$10,000. So the benefit that a person is going to receive is going to be not \$23,000 but, rather, only \$3,000 a year. The proponents tell us that: Gee, if they keep their private account, that will be made up by the income they will get from the private account, earn-

ings they will get from the private accounts.

Let me just say what the Congressional Budget Office says about this part here, the red part on the chart about earnings. What do they say? They say workers with average earnings will be back to where they were in this middle bar, up to close to \$13,000. So that means that after all the shouting, workers who are now 25 to 35 years old will have total retirement income cut—Social Security benefits plus income from the private accounts—total income cut by about a quarter below what current law promises.

Think of that for a moment. What did people think when they learned about all this? Some know about this, but a lot do not. Do you want to know something, Mr. President? I found something very startling about 2 weeks ago. I hope you will listen to this point because it is pretty important. The point is this: I asked a Senator on the other side of the aisle about 2 weeks ago: Senator, I wonder, does your side understand the fine print of the President's proposal? Does it really understand it? His answer—this was a private conversation—his answer was: Not really.

I said to the Senator: Do you mind if I explain what it does, what the practical effect of all this is? I do not want to be pedantic about it.

He said: Sure; what is it?

So I explained all this to him. He was amazed. He did not know all that. I take him at his word. He said most of the other side did not understand it. Maybe he was being very generous and actually they did. But I was startled by this conversation. He said most do not understand it.

Second, it was a revelation to him when I explained what it actually does.

I mention all this because I think it is important for the facts to get out. Facts often speak louder than words. I hope the facts get out.

The PRESIDING OFFICER (Mr. VITTER). The Senator has used his allotted 20 minutes.

Mr. BAUCUS. If I may have a few more minutes, I would appreciate it.

Mr. CONRAD. I yield another 5 minutes to the Senator.

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

Mr. BAUCUS. Mr. President, I thank the Senator.

I repeat, workers 25 to 35 years old will have total retirement income; that is, Social Security benefit cuts, plus their income from the private accounts—that is income, not the principal reduced by 3 percent—cut by about a quarter below what current law promises. Those with average earnings born in this decade who retire at age 65 will have their total retirement income cut in half—again, their total retirement income cut in half. For those who participate in private accounts, their total income will be cut in half. That is all based on CBO's assumption that the private account will

get a rate of return of 3 percent over and above inflation. It could get more, but it could get less.

Let me remind people that what goes up may also come down. In the late 1920s in America, people might have expected their stocks to go up at least 3 percent a year after inflation. As this chart shows, stocks went down nearly 90 percent between 1929 and 1932. From its high in 1929 of 381, the Dow fell to 41 in 1932.

Under the President's plan, what would happen to your Social Security benefit if the stock market crashed? You would still need to pay the full privatization tax on all the contributions to the worker's private account plus 3-percent interest above inflation. That is even if you did not earn that much. Under the President's plan, you still have to pay all that.

So under the President's privatization plan, your Social Security check will be reduced by more than what you have put in your private account. The only thing that would be guaranteed would be this little green bar at the end of \$3,276 a year. I challenge anyone to explain to me how they can live on \$3,276 a year. Under the President's plan, that is all you would be guaranteed. Under current law, you are guaranteed \$23,000. If the stock market crashes and you are in a private account, your guarantee will only be \$3,000. Come on, I do not think people want to do that. I do not think Congress wants to do that.

As Frederick from Great Falls, MT, asked:

[I]f the bottom falls out of the market, who takes care of them then?

Some say we cannot sustain Social Security's current promises anyway. But the Commission's cuts would be deeper than if we did absolutely nothing to Social Security. If we did nothing to extend the life of Social Security—and no one is recommending that—but if Congress did nothing—again, no one is recommending we do nothing; we have to do something that makes sense—if we did nothing, then according to the Congressional Budget Office, in 2052, we would still be able to pay 80 percent of promised benefits. In contrast, under the Commission's plan—that is the President's probable plan—benefits would be cut before 2052 and benefits would be cut deeper than that in 2052 and after.

This chart puts it together. For that typical worker born in 1990, current law promises Social Security benefits to be \$23,300, as I mentioned earlier. But even if we do nothing—again, I do not advocate doing nothing; we have to do something—Social Security would be able to pay that worker \$18,100 a year. The Commission's plan would cut that to \$13,104, and the President's privatization tax cut would cut the guaranteed benefit to \$3,276. In all likelihood, the worker would get a total package of benefits—their Social Security plus their private account—in the neighborhood of \$13,104.

We do not know how much the rate of return is going to be. That is why it is red with a question mark. It could go up; it could go down. It has to be a high level annual rate of return to equal, frankly, what one would get in total benefits, even after the cuts. As I said, this chart puts it altogether.

That is why the President's privatization plan does not make any sense. From the perspective of typical beneficiaries, it would leave them worse off than if we did nothing. Worse off than if we did nothing—let that sink in a little bit. The President's plan would leave people worse off compared to if we did nothing, at least over the next 40 to 50 years, through 2052. That is roughly the next 60 years—worse off. That is before we take into account the \$5 trillion in new borrowing that the President's plan requires in its first 20 years. I did not talk about that.

Let me summarize. We have demonstrated conclusively why people would be worse off under the President's plan than they would be under current law. Now we add another huge problem with the President's plan. What is that? That is the \$5 trillion of new borrowing the President's plan would require in its first 20 years; \$5 trillion of additional borrowing. We are already deeply in debt.

Jack from Kalispell, MT, wrote me of his suspicion on this:

President Bush is proposing a gimmick to take attention away from plans to reduce future benefits. I believe the Federal Government should solve its own solvency problems and either stop borrowing from the Social Security trust [fund] or actually pay back its loan with market rates for interest.

Jack may have a point. The private accounts are a gimmick, and the benefit cuts are bad enough that anyone associated with them might want to divert their attention away from them.

The reason why the cuts are so deep is because the Commission's plan would place all of the burdens of securing solvency on benefit cuts—all of the burden of solvency on benefit cuts, all of it, all. Within benefits cuts, the Commission's plan would place all the burdens of securing solvency on today's young people and future beneficiaries. He is passing the buck. First he says, OK, all of the solvency solution is on the back of the beneficiaries in terms of benefit cuts. And the \$5 trillion, who is going to pay for that? That is going to be young people in future generations, future taxpayers. They are going to have to pay back that \$5 trillion. That is the effect of switching from wage indexing to price indexing, and I do not think that is fair.

Look at this chart again. The President's plan would change Social Security from a guaranteed \$23,300 in earned benefit to a guaranteed \$3,000—23 down to 3, plus a gamble. That is a benefit you would get from the President's plan. You are guaranteed \$3,000 and you are guaranteed a gamble. It may pay off and be big. The gamble may not pay off. You may lose your

shirt. No wonder people wonder whether the President's plan is more about, as Bobby from Eureka, MT, put it, "only the first step to dismantling Social Security altogether." She is concerned about that. When you look at the effect of the President's plan, you begin to think that maybe Bobby is on to something here.

That is why Democrats have called upon the President to disavow his plan for private accounts funded out of Social Security. We ask him to do so, why? Because we want to make sure these private accounts are not, in Bobby's words, "the first step to dismantling Social Security altogether."

Democrats want to address Social Security's solvency. You bet we do. There is a problem here. It is not a crisis. It is a problem we should address now rather than later. We want to strengthen and protect Social Security for the future. We do think there is a problem. But in order to do that, we need reassurance that the changes we agree to will strengthen Social Security, not dismantle it. The President needs to disavow privatizing Social Security. That is a necessary first step. He needs to state he does not want to dismantle Social Security and has to do that before we can agree on how to fix it. If he makes that statement, boy, you bet there would be a big rush in the Congress, on both sides of the aisle, to fix the solvency problem in Social Security.

That is the problem Americans worry about, solvency of Social Security. That is their concern, so let's address their concern.

Mary from Belgrade, MT, summed it up pretty well. She wrote:

The American Social Security system is one of the most cost-effective pension plans ever devised. It costs a pittance to administer, it is thoroughly honest, and it works flawlessly. "Privatizing" it will almost certainly ruin it.

Privatizing will almost certainly ruin it.

It would add hugely to the crushing burden of national debt, it would mean smaller retirement pensions for millions of retiring Americans, and it would cost 20 to 30 times more to administer. Congress has a duty to the American people to protect this popular, inexpensive, highly effective program. I implore you, Senator Baucus, to tell the President you oppose privatization, and to legislate only a plan that will fix long-term problems without changing the basic structure and function of our Social Security system.

Nobody could have said it better. Mary knows what is going on here. She figured it out. I think a lot of Americans are also beginning to figure it out. And when more figure it out, we have no choice but to address solvency and to take privatization totally off the table.

Mr. President, you can help us a lot if you were to make that statement.

Mary has it right. We need to get beyond plans to privatize Social Security. And once we do, we can get about the business of "fix[ing] its" long-term problems" and securing it for generations to come.

That is why I will support the amendment by the senior Senator from Florida, Mr. NELSON.

The PRESIDING OFFICER. The Senator has consumed his additional time.

Mr. BAUCUS. If I might have 1 more minute.

Mr. CONRAD. I yield an additional minute off the resolution to the Senator.

Mr. BAUCUS. Mr. President, that is why the senior Senator from Florida, Mr. NELSON, is going to offer an amendment on Social Security later this week. It is why I urge my colleagues to support it. We want to keep Social Security, in the words of that man from Helena, as “the only solid, dependable program that [we] can rely on.” They want to keep it. They should keep it. We want to keep it. It is “the only solid, dependable program” seniors can rely on.

We want to keep it, in the words of Laura from Baker, MT, a “system [that] has worked well for many, many years.” And we want to keep a system that can work well for “many, many years to come.”

I very much thank my good friend from North Dakota. I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I yield myself 25 minutes.

I rise in support of the budget resolution that is before the Senate, and I support the leadership of our new chairman. He has shown tremendous leadership on a very tough issue.

This budget is about the future. It is about our children and our grandchildren, as is Social Security. I was pleased to hear the Senator from Montana admit we do have a problem with Social Security. We have some Members who apparently do not think there is a problem with Social Security. I would like to go back to Social Security perhaps at a later time.

We have before us a budget resolution. We have to keep in mind that this budget resolution is about numbers. We are not getting into the specifics of the program, even though we are going to see a lot of amendments on the floor today that are going to be dealing with specifics of the program. In reality, this is about numbers. It is about the top numbers and how the numbers are allocated among the various committees. But the real decisions about how those dollars are going to be spent will rest, in some cases, with an authorization committee, or it may rest with the Appropriations Committee.

If we look back historically at the budget, particularly in the last few years, the growth of the national budget, as reflected in the budget resolution, has been greater than what the growth of the economy has been. This budget is an attempt to reduce the rate of growth.

There are some people who are going to try to characterize that as cuts, but if we look at the total figures in the budget, what we are doing is reducing

the rate of growth. Even if we look at what we have done to reduce the rate of growth in entitlements, which has covered so much of the discussion throughout the budget debate, the growth in entitlements is greater than the growth in the economy.

So we are talking about reducing the rate of growth. I believe this resolution represents a courageous balancing act in trying to bring some sanity to the budgeting process, some fiscal responsibility.

We are funding our social and military priorities. The total discretionary budget authority for 2006 is \$834.4 billion. Most of that is defense spending. We have about \$438 billion, or something like that, that is set aside for discretionary spending in that area. The resolution is consistent with the President's request, plus a generous increase for some educational programs, particularly Pell grants.

The resolution assumes full funding of the President's defense request, which is supporting our global war on terrorism, restructuring our U.S. forces, which I believe is badly needed, future threats, and raising the quality of life for our men and women in uniform. We have some tough decisions that have to be made when we are allocating these dollars, and they do have an impact.

The resolution funds important existing commitments—certainly the reconstruction of Iraq. Nobody can deny the importance of that. We did not step away from that. That is an obligation we have assumed, and it is important we finish the job.

We have a \$50 billion reserve fund put up in this particular budget to begin to address the needs of our men and women in the military.

In education, I mentioned the Pell grant increase, increases in higher education, No Child Left Behind—the increase in Pell grants of 10 percent or \$417 million; we have a \$5.5 billion reserve account for the new Higher Education Act, which is money that is going to be available when the HELP Committee acts.

The budget features sound and vital mechanisms for fiscal restraint and budget discipline, which is something we have lost here in the last few years. I think we have to regain that. It is important that we do something to reduce deficit spending. This is something that will impact our children and grandchildren, if we do not begin to address it today. And the sooner we address it, the better off we are going to be.

If a business is having financial problems or any entity is having financial problems, I think everybody recognizes that if you wait until the last minute to address those financial problems, they get unsolvable. But the earlier you address those problems, the better off you are.

We do have some Social Security problems. My feeling is the sooner we begin to address them, the less the pain is going to be. There is going to be

some pain, but the pain is going to be less. If we wait until the last minute, the pain is going to be unbearable in Social Security.

We have the same thing with many of our other entitlements programs. This budget begins to set discretionary budgets for 2006, 2007, and 2008, which is something that is enforced with the 60-vote point of order. It is a way of expecting a higher threshold if you want to increase spending. If we begin to mortgage the future of our children and grandchildren, then we are going to require a higher threshold in this Congress to be able to do that, which means the issue has to be that much more important in the minds of Senators and the Congress.

We establish points of order against new direct spending totaling \$5 billion in any of the next four 10-year periods.

The resolution continues sensible mechanisms for nondefense spending, advance appropriations, and pay-go, and it contains recommendations for a review of Federal agencies and their performance to eliminate or reduce wasteful, duplicative, inefficient, outdated, or failed programs. This idea in particular represents a growing sentiment within the body. I believe it represents a growing sentiment that we are seeing throughout the Nation. We have seen some efforts to try to restrain spending in high priorities areas in this Congress, such as defense. We are preparing to go through the BRAC process where we are looking closely at defense installations to see if they still meet the mission of a modern military. We need to have a similar type of scrutiny in the nondefense programs, to see if they continue to meet the mission the Congress intended of them when they first passed the legislation. That is being provided for by GPRA, which stands for Government Progress and Results Act, which measures how agencies do. The President has taken this and modified it to prevail as sort of a detailed roadmap through what he called his PART ratings, which is a roadmap I think Congress should pay more attention to.

So he is looking at some accountability within the agencies. Again, we are not talking about anything more than just a reduction in the rate of spending as far as the total budget is concerned.

This budget represents a landmark attempt to do something about entitlement spending. The first attempt was 19 years ago when there was an attempt to rein in entitlement spending in a budget resolution. So it has been awhile since we have looked at these. In the meantime these programs have been running on automatic. They have been spending more than what has been happening in the growth rate of our economy. Over time we are going to pay for it. It is going to be our children and grandchildren.

The resolution includes instructions to produce mandatory savings of \$32 billion over 5 years. This is a very important provision that is being wildly

exaggerated. We have to keep in mind that mandatory spending is two-thirds of our total budget. The total budget is running at 2, a little over \$2.5 trillion. Figure it out. We are only talking about \$32 billion over 5 years. If you want to average it out, it is a little over \$6 billion a year out of this 1 year's budget of over \$2.5 trillion. So many of these provisions I think are being wildly exaggerated. Mandatory spending would still increase from \$1.5 trillion in 2005 to more than \$2 trillion in 2010. That is a growth of \$500 billion in 5 years.

So even though we are cutting back on the rate of spending growth, it is still increasing every year, and it is still increasing at a rate of \$500 billion over a 5-year period of time. Some people in this body say that is too many cuts, but I look at these figures and I wonder who they are kidding.

The doomsday cuts in this resolution barely add up to a moderate restraint of the stratospheric growth of these programs. Many people agree that entitlement spending is swallowing the budget and we must look seriously at our long-term fiscal health. The Federal Government consumes just under 20 percent of our total economy, and entitlements promise to grow and consume a larger and larger portion of this sizable chunk of our gross domestic product. The Congressional Budget Office, for example, estimates 65 percent of Federal resources by 2015. We had testimony in the Budget Committee from the Congressional Budget Office which said these were not sustainable—a personal view. I have to agree, when you look at 65 percent of Federal resources by 2015 as far as entitlement growth is concerned, that is a serious problem, and this Congress needs to face up to it.

Despite the unanimous agreement that we must do something about it before our grandkids have to bear our policy burdens, I hear nothing from the other side except more money, more and more and more. I don't hear any suggestions on what their budget proposal is. They want to raise taxes, they want to increase spending. That is the only plan we get out of the other side. In some ways there is an analogy on Social Security. The other side is continuing to criticize Social Security, but they don't—and some of them, like Senator BAUCUS of Montana, agree now that there is a problem with Social Security, but there is no plan they are putting forward. The President has courageously stepped forward and suggested some plans to protect our children and grandchildren. They are very modest. He has done that with the budget. He is doing that with Social Security.

Last week's markup I thought was very revealing. We had numerous amendments for additional spending in the Budget Committee and the promise of an alternative budget they said through amendments. That is how they were going to make their budget heard.

It is easy to pick out a budget through amendments, but I would like to see a total budget plan presented by the other side if this budget is so bad. But nothing has materialized except more spending and the reductions of the enormously successful tax cuts. And those tax cuts were successful. That is what has created the economic growth we are seeing today.

I had some experience in the House being in the minority which the other aisle finds themselves in, and we had the courage to step forward with a total budget and to make tough choices. We were challenged by the majority, by the Democrats in the House at the time I served on the Budget Committee, to come up with our own budget, and we said, yes, in fairness of debate, we ought to have one. So we did put forward a budget, a total budget about where we wanted to see the country be in 5 years, even in 10 years, and we compared that with the majority, the Democrats on the House side during those early years, and as a result of that, I think we established some credibility.

My challenge to the other side is, you need to come up with your budget. You need to make the tradeoffs. Just submitting amendments here and there and picking at certain parts of the budget for political reasons or because it is an easy program to pick on or whatever is not the way to put together a budget for this country. So I challenge the other side to come up with a total budget and see what their ideas are and what they are going to do to protect the future generations of Americans, our children and our grandchildren.

This resolution makes a minor adjustment to the explosive growth of Medicaid. You would think the sky was falling, and here is the percent of adjustment—.007 percent of Medicaid over 5 years. That is all we are touching. Now, there is still a huge increase going on in Medicaid, as far as I am concerned. We are just reducing that growth from what has been projected out so that there is a .007 percent of Medicaid being impacted over 5 years, which is a reduction. It appears to me that the only option that would be given from the other side is a tax increase without smothering growth and solving the underlying problems.

The clock is ticking. The Budget Committee testimony by the Comptroller General of the GAO revealed estimates that our Nation's unfunded promises over the next 75 years are \$44 trillion. In the entire history of the Federal Government we have raised a total of only \$38 trillion in revenue. That is astounding testimony. We cannot wish this away. We cannot rely solely on economic growth. And we cannot tax our kids and grandkids into oblivion to solve these problems. Annual mandatory spending is on autopilot, rarely undergoing the kind of examination we give to the issue of steroids in Major League Baseball, for

example. And this is much more important.

CBO's baseline projects net mandatory spending will grow at an annual rate of 5.8 percent over the next 10 years. That is \$5.4 trillion in total growth above 2005 spending levels. This resolution offers a modest reduction in the rate of that growth—a courageous and important step in our thinking around here.

The resolution offers a very good start. If someone has a better plan, again, not just a series of constant amendments but a budget, we will be here to discuss it.

Provisions to protect the taxpayer and promote growth are in this budget.

The resolution includes assumptions focusing on preventing economically damaging tax increases. The President's tax cuts, which were passed by this Congress, have helped the economy grow. They have increased revenues, and not only to the Federal Government. We can see that happening in our States. In my State of Colorado we are beginning to see a change in revenues.

Provisions of the Jobs and Growth Tax Relief Package Reconciliation of 2003 are set to expire after tax year 2008. We need to address that.

The budget assumes we will continue the tax cuts that stimulate the economic development that ended our Nation's short recession. Without this budget, capital gains taxes would jump from 15 percent to 20 percent. If there is one tax reduction out there that has been an incentive which stimulated the economic growth, it has been capital gains. We saw that happen during the Kennedy administration. That is one of the tax cuts President Kennedy advocated when he was in office to stimulate revenues in the Federal Government. We have seen that during the Reagan administration. I have seen it happen in the State of Colorado. When we had capital gains adjustments, we saw the revenues improve, as far as State revenues. We have seen it happen again. When we dropped capital gains rates, we saw the tremendous impact it had on the economy which resulted in more revenues to the Federal Government.

Without this budget, taxes on individual income would jump from 15 percent to as much as 35 percent. Incentives for small business owners to invest would be set to expire in 2007. Without this budget, it would dry up. Not extending these tax cuts is like declaring economic war on small businesses and investment.

One of the important things we did was focus on small business. That is where most of our economic growth is. We helped them write off more on their expensing. There was a dramatic increase in what we allowed them to write off on expensing. That is one of the things that helped small business and contributed a lot to our economic growth.

In my view, small business is the key to our economic growth. Reconciliation instructions in this budget direct the Finance Committee to produce more tax relief—\$70.2 billion over 5 years. That means more economic development, more investment, more savings.

We do not tell them how they are going to meet these things, but we put the dollars in there and we direct them in that direction. Personally, as many colleagues, I would endorse a larger number of tax relief provisions because I believe it is more money in the hands of business owners, more money in the hands of consumers, more money in the hands of parents and investors. It stimulates greater growth, education, savings—prosperity at every economic level. Not surprisingly, it will likely increase revenues to State and Federal Government.

The \$70.2 billion is a compromise number. We have already worked on it. Many of us would have liked to have seen over \$100 billion. We thought that would be more appropriate to keep our economy growing. But working with the Members of the Senate, the budget chairman, to his credit, has come up with what I think is a reasonable number. It is a number I can support, which is a little over \$70 billion, holding down the tax burden.

The budget promotes fiscal health and economic development. It holds down the rate of growth in spending and protects the most important national funding priorities we have. It extends expiring tax cuts and reconciles tax cuts that have a known stimulative effect. This budget provides new disciplinary tools for spending restraint. It leads to overall deficit and thus debt reduction.

The mark will cut the deficit in half in 5 years, relative to the size of the economy. Under this resolution, the deficit will fall to 2.2 percent of gross domestic product in 2007; then, as we move on to 2010, reduce it down to 1.3 percent.

Our annual deficits compound our existing debt burden and, long term, there is no greater threat to Social Security, Medicaid, and Medicare, education—and the taxpayer—or other priorities, than the swelling of the public debt. It is something we must begin to address. I think this budget begins to address it in a serious way.

Several years ago I offered the American Debt Repayment Act. It was a suggestion to the Members of Congress that we ought to look at our national debt the way we would the mortgage on our home. We ought to put a plan in place a commitment to begin to pay down that debt.

This budget we have before us attempts to put in place a plan that will aid us in getting us out of the deficit, in a position where we can begin to pay down the national debt. It is clear if we leave it to the designs of Congress on the floor, things get out of hand and more spending happens. But if we have

a plan on how we are going to pay down the debt, it gives some parameters. This budget provides somewhat of a plan. Congress repeatedly shirks its responsibility when it comes to the debt.

So I commend the chairman for doing something in a serious way to deal with our deficit and the debt. Maybe it is time for me to reintroduce the legislation to tie our undisciplined hands. This resolution before us represents a good start, as I said, in restoring such discipline.

There is one other thing. We have had some comments here about Social Security and I think Members are beginning to realize we do have a problem with Social Security. Like the budget, this debate on Social Security is very important to our children and our grandchildren.

I think we have to keep in mind that what the President is suggesting is not a mandate. If you are under 55 years of age or younger, you don't have to get into private accounts if you don't want to—personal accounts, if you don't want to have them. I prefer to refer to them as personal accounts because what we are doing is we are giving individual taxpayers a choice. People who are going to rely on Social Security will have a choice as to how they would like to structure their retirement account. We don't mandate them to do anything.

Do you know what. If we put in place personal accounts, I think the Members of this Senate, particularly people who are opposing personal accounts, would be surprised how many Americans would flock to it. I base my observations on what has happened with Federal employees and State employees. Try to suggest to the Federal employees that somehow or other they ought to participate in Social Security and give up their own retirement plans. It would not be very popular. They have a choice. Federal employees have a choice, as Members of Congress have a choice.

They have a choice. Do they want to put their money in the stock market? They don't invest in individual stocks. It goes into a fund that is managed, and these professional investors manage that stock fund. It goes into a bond fund and professional managers manage that. Or it goes into Treasury notes. Those are the choices Federal employees have.

Why can't ordinary Americans, everyday Americans who are out here working on Main Street, why can't they have the same choice as Federal employees? One concern I get from State employees in Colorado is: Don't put us in the Social Security system. We have our own retirement system, called RA. We have a choice, as State employees, where we want to put our money for retirement, whether we want it to go into a stock market fund or whether we want it to go into a bond market fund or whether to put it in some type of Treasury note. They have three choices. That is what I understand the President is talking about.

When given the choice of whether they want to go into Social Security or they want to go into a similar fund, what we are talking about with personal retirement accounts for Americans, there is a general rejection of that idea. Employees on the Federal level, employees on the State level, don't like that idea because they know Social Security performs so poorly, and when they are given their own choices as to how they want to invest their money for their own retirement plans, they can do a better job than the Government can do. That has been reflected in history. That has been reflected in the experiences we see throughout the States as well as at the Federal level.

Members of Congress have the same choices as Federal employees. During the Presidential campaign we heard the candidates talking about: The American people should have the same choices as Members of Congress have in retirement. We can go ahead and give them that.

I think this is a good budget. I think it tries to address our budget in a responsible way. So I urge my colleagues to join me in passing a budget. We need to pass a budget. That is the responsible thing, to get a budget passed. Then we can continue the debate. I think this is an important issue and I urge my colleagues to join me in supporting this resolution. I yield my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I will yield 4 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, I thank my friend. I might say, in regard to the recent statement by my good friend from Colorado with respect to privatization accounts—with all due respect, I want to point out, I don't know if he is quite accurate. I would like his response to this.

Isn't it true, though, that today Federal employees have both Social Security and private accounts? In addition to Social Security, that is, you have your Thrift Savings Plan. Federal employees have the Thrift Savings Plan, and they also pay into Social Security, which is not the President's program at all. The President's program is to take money away from Social Security and put it into a personal account. Even with the so-called personal account, they wouldn't be able to keep it, as we would our Thrift Savings. They have to give it back to Social Security. It is not even apples and oranges compared to the President's plan, it is watermelons and peanuts.

There is no comparison. The fact is, again to make it very clear, we Federal employees have both Social Security and the private accounts, separate, outside Social Security. We get to keep all we put into our private account because that is our money, whereas in the President's plan, money is taken away from Social Security into a privatization account and the person who

has that account is not able to keep very much of that money. So, as I said, it is not apples and oranges, it is really watermelons to peanuts. Isn't that accurate?

Mr. ALLARD. I thank the Senator from Montana for his response. I appreciate his clarification as far as Federal employees. But the point I would make is in the State of Colorado, our employees in the State don't pay into Social Security. I think a lot of other States do that.

Mr. BAUCUS. If I might respond?

Mr. ALLARD. If I can finish, the point I want to make is we do give choices to Federal employees in their retirement plan. We do it through the 401(k). We give choices to Members of Congress. We give choices to our State employees who do not participate in Social Security. So why can't we give choices to Americans out here on Social Security? We are not mandating them to do this. We give them that choice and give them an opportunity to do that.

In my view, by giving them an opportunity to do that, actually who you help is the disadvantaged. The people who are better income earners are able to utilize individual retirement accounts and 401(k) accounts and get the revenue back and do that.

Mr. BAUCUS. I have 4 minutes, Mr. President. I don't know if I will be able to use my 4 minutes.

Mr. ALLARD. I guess the Senator understands my point, though. And I thank the Senator for yielding.

Mr. BAUCUS. I might say with respect to State plans, most State plans have both Social Security and private plans, but there are a few States that do have only private plans. That is because in those few States they are so lucrative, the employees have a good deal compared with other States. But most States by far have both. Colorado is the exception, a State that has one, the main point being we are talking about choice, Thrift Savings, and choosing different kinds of investment equity that is in a private account today for Federal employees outside of and in addition to Social Security, not carved out of Social Security. We are talking about a carve-out. So it is totally different.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I was frankly astonished to hear the Senator from Colorado say that Members of Congress and Federal employees have a choice not to participate in Social Security. That is not true.

Since 1983, under the new Federal retirement system, FERS, the Federal Employees Retirement System, all of us are in the Social Security system. Members of Congress don't have a choice, if they have been elected since 1983, as to whether to participate in Social Security. The Senator from Colorado is flat wrong, absolutely wrong. I have heard this on talk shows around the country—that Members of Congress

don't participate in Social Security. I want to make very clear that this Member participates in Social Security, and every Member elected since 1983 participates in Social Security. Anyone saying something else is flat wrong. It is incorrect and not even close to being right.

Let us be very clear. Federal employees didn't have a choice as to whether they participated in Social Security. I don't know where the Senator from Colorado got this idea. That is just not correct. Under the Federal Employees Retirement System, since 1983, Federal employees have participated in Social Security. That is a fact. It is important for people to know that.

The Senator from Colorado also said other things that I think are incorrect. The Senator from Colorado said the tax cuts produced more revenue. No, they did not. That is factually incorrect. Here is what happened to the revenue since the tax cuts. The revenue as a share of gross domestic product plunged. It didn't go up, it went down.

It is amazing to me how facts don't seem to matter when ideology gets in the way. Somebody once said everybody is entitled to their own opinion, they are not entitled to their own facts. The facts are that the revenue of the United States plunged to the lowest level since 1959 after the tax cuts. That is a fact.

Here is a second fact. With the tax cuts, the United States suffered the worst multiyear revenue drop since World War II. That is a fact. Revenue did not go up, revenue went down.

This is Federal revenues in trillions of constant 2000 dollars. Revenue went down 18 percent over 3 years with the tax cuts. Tax cuts did not generate more money, they generated less money. That is a fact.

When I hear the claim that this budget before us is fiscally responsible, that is just words. What are the facts? The facts are, according to their own calculation—this is from their own budget document—the debt goes up each and every year of this budget by over \$600 billion. It goes up \$669 billion this year, it goes up \$636 billion next year, \$624 billion in 2007, up \$622 billion in 2008, and up \$611 billion in 2009.

They say they are improving the deficit. No, they are not. This budget before us makes the deficit worse by \$130 billion—worse than if we just put the Government on autopilot and made no policy changes. But this budget does make policy changes, and the policy changes that it makes makes the deficit worse, makes the debt worse in 5 years by over \$3 trillion of additional debt when we have already got the debt that is running away from us.

AMENDMENT NO. 144

Mr. CONRAD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. Conrad], for himself and Ms. STABENOW, proposes an amendment numbered 144.

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

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

The amendment is as follows:

(Purpose: To ensure that 75-year solvency has been restored to Social Security before Congress considers new deficit-financed legislation that would increase mandatory spending or cut taxes)

On page 57, after line 2, insert the following:

“SEC. . POINT OF ORDER TO SAVE SOCIAL SECURITY FIRST.

(a) POINT OF ORDER IN THE SENATE.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit in any fiscal year.

(b) EXCEPTION.—The point of order established by this section shall not apply if 75-year solvency has been restored to the Old-Age, Survivors, and Disability Insurance Trust Funds as determined by the Social Security Administration actuaries.

(c) SUPERMAJORITY WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.”

Mr. CONRAD. Mr. President, the amendment that I send to the desk is the “Save Social Security First” amendment. It acknowledges that we have a challenge in Social Security. Clearly we do. It says what we ought to do is make Social Security a priority.

It says simply this: Before we have any new tax cut, or any new mandatory spending, it should be the policy of the Congress to restore solvency to Social Security. What this amendment says is no new tax cuts, no new mandatory spending, unless they are paid for, or they can achieve a supermajority vote in this Chamber.

It is a very simple amendment. It is about priorities. What is most important? Is it more important to have new spending in other programs? This amendment says no. The priority ought to be to restore solvency in Social Security. Is it a priority to have more tax cuts? This amendment says no. The priority ought to be to restore solvency in Social Security.

This amendment says simply no new mandatory spending or new no tax cuts until Social Security is solvent, unless the tax cuts for the new spending are paid for or unless they can get a supermajority vote in the Senate. You could have new spending or new tax cuts if, No. 1, you pay for them or, No. 2, you are able to get a majority vote. If you can't do those things, you can't have new tax cuts and you can't have new mandatory spending unless we achieve solvency in Social Security.

For all those who have given speeches all across the country and all across their States about Social Security first, this is a chance to put their votes where their speeches are. This is a chance to say, yes, the priority ought

to be restoring solvency to Social Security. That ought to come ahead of tax cuts, and that ought to come ahead of new spending unless those things are paid for. If you pay for new tax cuts or pay for new spending, that is fine. If you can get a supermajority vote, that is fine. Otherwise, we have to restore the solvency of Social Security first.

There is no question we have a problem in Social Security. There is no question at all. Why? Because the Congressional Budget Office tells us that in 2020 the Social Security trust fund will go cash negative; in 2052, Social Security will only be able to meet 78 percent of its obligations.

Clearly, there is a problem. The big driver to the challenge of Social Security is the demographics of the country.

Here is what happened. We have about 40 million who are eligible for Social Security now. By 2050, there will be twice as many.

That is the demographic challenge that we face. It is not just Social Security. We face it in Medicare, we face it in Medicaid, and, in fact, the shortfall in Medicare is eight times the shortfall in Social Security.

When we look at the President's budget plan, what we find is instead of making it better he makes it all much worse.

Why do I say that? Because this chart demonstrates clearly where this is all headed. The green bars are the Social Security trust fund. The blue bars are the Medicare trust fund. The red bars are the President's tax cuts, both those that have been implemented and those he has proposed.

This shows very clearly that right now we are in the sweet spot. Right now we are getting more revenue from the trust funds than we are paying out. But as those trust funds go cash negative, the cost of the President's tax cuts explodes. The result is the country goes right over the fiscal cliff. We are running record deficits now. We haven't seen anything yet. Under the President's plan, the deficits and the debt explode, and they explode right when the trust funds go cash negative.

The President has indicated that he believes there is a 75-year shortfall in Social Security of \$3.7 trillion. That is based, by the way, on a very pessimistic forecast of economic growth. That is based on a forecast that says economic growth for the next 75 years will be 1.8 percent or 1.9 percent. Economic growth in the previous 75 years has averaged 3.4 percent. This whole forecast of Social Security is a very pessimistic forecast.

I must say I have great doubt about the accuracy of the underlying forecast. But based on that forecast, the President says there is this looming shortfall in Social Security. Interestingly enough, the cost of his tax cuts over that same period are three times as much—\$11.6 trillion compared to the \$3.7 trillion shortfall he says exists in Social Security.

When the President sent up his 2002 budget, he told us at the time:

None of the Social Security surplus will be used to fund other spending initiatives or tax relief.

That is what he said. That is not what his budget says. His budget does precisely what he said he would not do. His budget takes every penny of Social Security money that is available to pay and uses it to pay for other things—\$2.35 trillion over the next 10 years.

Just follow this for a moment. The President, on the one hand, says Social Security is short \$3.7 trillion over the next 75 years, but he sends us a budget that takes \$2.5 trillion of Social Security money and uses it to pay for other things.

How is that consistent? How does that make any sense, on the one hand, for the President to say we are short \$3.7 trillion in Social Security over the next 75 years, and then he sends us a budget that takes \$2.5 trillion of Social Security money and uses it to pay for other things? That is a contradiction of staggering proportion.

Interestingly enough, I asked my staff to figure out how much money the President is taking out of Social Security over the next 10 years and then tell me how much his tax cuts are over that same period. Interestingly enough, here is what they came back with: The President is going to take \$2.35 trillion of Social Security money over the next 10 years to pay for other things. The cost of his tax cuts over the same period are almost the identical amount, \$2.6 trillion.

The flaws of the President's Social Security plan are very evident, if you study the details. With the Nation already in record deficit, with the debt skyrocketing, the President says: OK, Social Security is short of money. So in my budget I am going to take even more Social Security money and use it to pay for other things, despite having promised in 2002 not to do that.

Then the President says, in addition, I want to take even more money out of Social Security to establish private accounts. How much? Over the next 10 years the President's plan takes an additional \$754 billion out of Social Security, in addition to the \$2.5 trillion he is taking from his budget to pay for other things. He takes another \$754 billion to establish private accounts. But that is just the tip of the iceberg, because the 20-year cost of the President's plan is \$4.4 trillion. Not million, not billion, trillion: \$4.4 trillion.

Where does the President propose getting that money? He proposes to borrow it. On top of our already record deficits and debt, the President proposes borrowing another \$4 trillion.

Now, the problem with all of that, of course, is, where is he getting the money? Where is he borrowing it? Increasingly, he is borrowing it from foreign countries. The foreign holdings of our debt have gone up almost 100 percent in just the first 3 years of this ad-

ministration. And it is rising very rapidly as we go forward. The President says, Go out and borrow even more.

Here is what is happening to the publicly held debt of the United States under the President's policies. When he came into office we were \$3.3 trillion in debt. By 2015, under the President's policies he will have nearly tripled the debt to \$9.4 trillion.

Social Security is perhaps the most important legislative enactment of our time. Social Security has lifted people out of poverty. Two thirds of retirees rely on Social Security for more than half of their income. Let me repeat that: Two thirds of retirees rely on Social Security for more than half of their income; 31 percent get at least 90 percent of their income from Social Security.

I will never forget going to a community forum in a small rural town in North Dakota. An elderly woman was in the front row. She had a little note pad. On that note pad she had written out her budget for the month. That woman had about \$800 of income a month. That was her only income. She had scrawled in a shaky hand on that note pad where the money went. She had her rent; she had her prescription drugs; she had her food costs. After she was done with rent, utilities, prescription drugs and food, she had no money left.

She said to me, Senator, what will I do if my prescription drug costs go up even more? She was paying, as I recall, out of her roughly \$800 a month in income about \$200 a month in prescription drugs. She was paying, as I recall, \$250 a month in rent. She said, What do I do if my prescription drugs become even more costly?

She was in that category of the 31 percent that get at least 90 percent of their income from Social Security; 33 percent get 50 to 89 percent of their income from Social Security; 36 percent get less than 50 percent of their income. So almost two-thirds rely on Social Security for more than half their income and almost a third get 90 percent of their income, or more, from Social Security.

This is not something we can be gambling with. For those people, Social Security is their lifeline. We know that nearly 50 percent of beneficiaries would be in poverty without Social Security. With Social Security, 9 percent of seniors live in poverty. This is according to the Social Security Administration. Without Social Security, they estimate 48 percent of seniors would live in poverty.

I want to go back to the question of the whole basis for this discussion and debate on Social Security, because it is all based on assumptions. It is all based on forecasts. And the forecast is for economic growth of 1.8 to 1.9 percent for the next 75 years. Economic growth over the previous 75 years was much higher than that, 3.4 percent. The components of the economic growth are two: one is productivity and the second

component is new entrants to the workforce. The reason they are forecasting such lower economic growth for the future is because they look at the demographics of the country and they say we are going to have a real slowdown in new entrants to the workforce.

The other component of economic growth is productivity, and they are assuming productivity will grow at a rate of only 1.6 percent for the next 75 years. That is a very pessimistic forecast. It is much lower than the productivity gains we have been getting over the last 15 years.

The green bars on this chart show the level of productivity growth we have been achieving over the last 15 years. From 1990 to 1994 we were at 2 percent. From 1995 to 1999 we were about 2.5 percent. And from 2000 to 2004 we were over 3.5 percent productivity growth. But the whole basis for these forecasts is that somehow these people that write these forecasts say the productivity growth in the country is going to plunge to 1.6 percent. I don't believe that. I think that is overly pessimistic.

I believe part of this Social Security debate is based on a false premise, a premise that the economic growth of the country is going to collapse from what it has been over the last 75 years to a rate of half as much.

With that said, there still is a challenge in Social Security. Even if these forecasts are all right, there is still a problem. The problem is largely one of demographics. The President's plan is to dramatically cut the benefits. In fact, he would cut the benefits by moving from wage indexing to price indexing. Out in the future that would reduce benefits from what are currently provided by 46 percent.

Now, the President says, yes, that is true; I do have a plan that cuts the benefits dramatically. But, he says, I also have a plan to be able to set aside in private accounts, personal accounts or individual accounts, money that could be invested in the stock market. That money would be in your name. That money would be able to grow perhaps more rapidly. That is the bet that he is making.

The problem with the President's plan, one of the problems, aside from being financed by massive debt, is the way these private accounts function. These private accounts function in a little different way than I have heard the President describe them. Under the President's plan, there is something called an offset. Let me explain how that works.

Under the President's plan, if you set aside \$1,000 for 40 years and you have 6½ percent rates of return during that period, you would have \$92,000 in your account at the end of the 40 years. Let me repeat that: If you put aside \$1,000 a year for 40 years and you got a 6.5 percent rate of return every year for those 40 years, you would have \$92,000 in your account. That sounds pretty good. Under the President's descrip-

tion, that is your money and no one can take it away. That is true as far as the prescription goes.

But what the President has been leaving out is that his plan assumes that the money to establish your account was loaned to you by the Social Security trust fund and they expect to be paid back with interest. I have not heard the President ever describe his plan in quite that way, but that is how it works. Yes, you have this \$92,000 in your account, but they are expecting you to pay back to the trust fund all of the money they theoretically loaned you, plus interest. So at the end of the 40 years, you would owe back \$78,000 under the President's plan.

Now, you do not owe it back out of your individual account. Here is the twist to it. They assume they have loaned you this money for your private account and they expect to be paid back. But they don't expect to be paid back out of your private account. Instead, they expect to have a further reduction in your already reduced traditional Social Security benefit. So you have already taken a reduction in that account, supposedly made up for by these individual accounts, but a big chunk of what you have in your individual account you have to pay back. And you pay it back not out of your individual account but you pay it back out of your already reduced Social Security benefit.

Under this scenario, at least you would be ahead of the game. That is assuming you earned a 6.5 percent rate of return on your private account. But what happens if you do not earn a 6.5 percent rate of return on your private account? What happens then? Then the story is even less appealing. Because under that scenario you would have \$64,000 in your account—not \$92,000—but you would still owe back \$78,000.

For those who are listening to this in somewhat incredulous disbelief, I am not making this up. This is how the President's plan works. I have had his people spend hours with me. I have asked them about it, I have quizzed them about it, and they have assured me this is how it works. Yes, you put money into your individual account. Yes, hopefully you have a rate of return on it, but—and it is a big “but”—you owe the money back because theoretically that \$1,000 a year was loaned to you from the Social Security trust fund and they want it back. And they want it back with interest.

So, if you set aside \$1,000 a year for 40 years and you only earn 5 percent on the money, you would have \$64,000 in your account but you would owe back \$78,000—the \$1,000 a year plus a 5.8 percent rate of return on the money they loaned you. That is a 3 percent real rate of return plus inflation. The Social Security Administration calculates that at 5.8 percent, you would owe back on the \$1,000 a year they gave to you. So, under this scenario, if you only earn 5 percent in your individual account, you owe back more than you

have in your account. And again, you do not pay back out of your individual accounts, although they assume that is where the money was loaned to you; you pay back by taking an additional reduction out of your already reduced Social Security benefit.

When people find out that is the way this works—I have had dozens of people who were very interested in this concept of the President.

When they find out how this thing really works, they become less interested.

Let me just conclude as I began. I am offering an amendment which is at the desk that says, simply, let's put Social Security first. Let's say no new mandatory spending and no new tax cuts until Social Security is solvent, unless those who want more tax cuts or more new spending pay for them or unless they can get a supermajority vote here in the Senate. If they do not pay for them, if they cannot muster a supermajority, then let's not have new mandatory spending or new tax cuts until Social Security is solvent. It is a very simple amendment that says, what are the priorities of the country? Are the priorities new tax cuts that are not paid for or new spending that is not paid for or is the priority to restore the solvency of the Social Security fund?

Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER (Mr. SUNUNU). The Senator from New Hampshire.

Mr. GREGG. Mr. President, let me take a few minutes to try to reframe the issues which are before us because a lot has been said by the other side that has gone unrebuted, and I think it needs to be responded to because some of it, I believe, is bad policy and some is just inaccurate.

The representation that the Senator from Colorado was inaccurate in his statement relative to what has happened to taxes is also inaccurate. The statement of the Senator from Colorado was correct. Since the tax cut was put in place, yes, there was a falling off of tax revenues during that period. It was primarily driven by a recession, which would have been a much more severe recession. And there would have been a much deeper drop in revenues had the tax cuts not occurred.

That recession was driven by two primary elements. The first was the breaking of the bubble of the late 1990s, the largest bubble in the history of the world, the Internet expansion bubble. The second was the attack of 9/11, which was a terrorist attack, which contracted the economy as a result of America adjusting to that. And, of course, we had to spend a lot of money to get ready to deal with this terrorist event, and that was money we had not expected to spend.

But since those tax cuts have been put in place something very significant has happened. There has been an increase of revenues. The recession was shallower than we expected. As a result

of the tax cut being put in place, people, therefore, received more of an incentive to go out and work harder and to invest more of their money. Rather than having the Government make the decision as to where money was being spent, people were making decisions where their dollars were going to be spent.

As a result, we had a more efficient economy and jobs have been created. In fact, we have seen the largest expansion of the economy since the early 1990s in the last quarter. Today we are at a historic low in unemployment. Today revenues are going up, and they have gone up for a number of years.

This chart points it out. Last year revenues went up by 9.4 percent at the Federal level. That is a pretty big jump. The next year—this year—it is expected to go up by 7.6 percent. Next year it is projected to go up by 6.5 percent; then, 6 percent; 6 percent; 5.5 percent. These are very significant increases in Federal revenues, and they are a function of the fact that we have in place a tax law today which gives people the incentive to go out and be productive.

Two specific revenues which have jumped dramatically are revenues from dividend income and revenues from capital gains income, both of which the rates were cut—dividends to 15 percent, capital gains to 15 percent. What was the practical effect of that? If you listened to the other side, you would say the wealthy in America got a huge tax cut. What actually happened was the Government of America got a huge tax windfall. Items which were not being taxed before, such as capital gains assets—assets which had appreciated and which people were refusing to sell or convert or trade because they did not want to have to pay taxes—suddenly people were saying: Well, let's sell that stock. Let's sell that piece of real estate. Let's sell our small business because today we will pay less in tax.

So assets which had been locked down from which the Federal Government was getting no revenue suddenly were being sold. As a result, we had a huge spike in revenues from capital gains. Not only did we get the spike in revenues, we saw those revenues reinvested in a much more efficient way because the dollars that came out of those assets which had been sitting there were now cash in people's hands, and they had been put back in the economy in a more productive way because that is the way a market economy works. So we got a double benefit. We got more tax revenues as a result of that tax cut, and we got a more efficient marketplace. As a result, we have gotten more jobs and more productivity as a nation. That is all a big plus.

Now, the 1930s economics that the other side subscribes to—which is that you can simply tax your way to prosperity, that Americans really should not own their own assets, that the Government owns your assets, that we here

in the Senate have a better way of spending your money than you have—that philosophy has been proven to be not only unconscionable but counterproductive to a strong economy in this day and age. Yet we see it restated here over and over again with amendment after amendment from the other side of the aisle which simply says: Let's tax people more. Let's spend more. We know how to spend your money better than you do. We're just going to raise your taxes and then put it on our special little project. And we are going to put it here or put it there so we can put out a good press release. Well, the effect of that, of course, is to stifle the economy, to stifle productivity, to reduce the creation of the job atmosphere in this country.

What this President understood—as we headed into a recession, which was not of his making, which came out of the 1990s bubble, which came out of the fact that we were attacked on 9/11—what this President understood in this timeframe is, if you reduce taxes, you create an incentive for people to be more productive. If you say to people, you spend your money rather than having the Federal Government take it out of your pocket and have some Senator here in Washington tell you how to spend your money, that dollar is going to be spent more efficiently and create more jobs.

That is exactly what has happened. Not only has that happened, but the Federal revenues are going up as a result of it, and they are headed back toward what the historic level of revenues is in this country, somewhere around 17.9 percent of gross national product.

We do not have as a nation a problem that the American people are undertaxed. Show me an American who is working today who is earning income who feels they are not paying enough in taxes. There are very few who fall into that category. Most Americans pay a fairly heavy load in taxes and a fairly reasonable load in taxes. They do not need to be hit with more taxes. Yet as we go through this budget, the only solution we hear from the other side is: Raise taxes and spend more money. Raise taxes and spend.

The first amendment out of the box—a tax-and-spend amendment. We have a list of tax-and-spend amendments that came out of the Budget Committee that added up to \$220 billion in new spending that the American people were going to be stuck with and \$240 billion of new taxes they were going to be stuck with.

Tax-and-spend—oh, that is a wonderful policy. The only problem is, it creates a fairly significant burden on the American people after you raise the taxes. Americans would rather spend their own money than have us spend it for them, quite honestly. We already spend enough money. This budget will spend \$2.6 trillion. Now, even in the hallways of the Democratic caucus that has to qualify as serious money.

That is a lot of dollars to be spending. And where does it come from? Well, it comes from Americans, Americans who are working.

This budget will spend \$100 billion more this year than we spent last year. Even in the hallways of the Democratic caucus that should be serious money. You can run the State of New Hampshire for 20 years with \$100 billion—20 years. You can take all the revenues from all the people in the State of New Hampshire and wipe them out for the next 10 years in order to pay for this year's increase in the Federal Government.

That is a lot of money, but it is not enough for the other side of the aisle. No, no, no. They have to raise taxes. They have to increase spending because they have to put out their press releases to say that they were concerned about this group or they were concerned about that group.

Well, I have to tell you, a \$2.6 trillion budget shows a lot of concern for a lot of different groups. What we should be concerned about is the American taxpayer. So to make the representation that somehow the American people are undertaxed and we need to raise taxes or that somehow we are not generating significant revenue increases in this economy as a result of having cut taxes is simply inaccurate, in my opinion.

Now, to move on to this specific amendment which raises the issue of Social Security, the practical effect of this amendment would be to essentially say the Federal Government can do nothing until it solves the question of Social Security—that is the practical effect of this amendment—unless we had 60 votes, which around here is pretty hard to get for anything. We can't even get judges through. I can imagine what we would do trying to get the Government to run. We can't even get judges appointed without using 60 votes. So it is pretty obvious that 60 votes is a very high threshold and essentially saying we are going to stop the Federal Government's progress in the area of giving tax relief.

Interestingly enough, it does not say that the Federal Government will not continue to spend dramatic amounts of money. It is basically pointed at tax activity. It says new entitlements, but we all know it is not the new entitlements that are the issue. The expansion of the old entitlements is the issue. So it has a little bit of a disingenuousness to it in that it treats tax policy and then spending policy as dramatically different by essentially saying spending policy is OK, that is exempt, as long as it is on the book, but if it is tax policy and it is on the book and comes to an end, as it does under our rules, we will treat it differently.

But independent of that, the practical effect of this amendment would be to bring the activity in a number of areas of governance to a halt until Social Security is determined to be solvent. This would be philosophically

maybe a nice approach to take, but the problem with it is, from the other side of the aisle we have had no proposals—no proposals—to make Social Security solvent—none, zero, zippo. In fact, the other side of the aisle continues to refuse to engage in discussions about whether Social Security should be made solvent, which the President has initiated. They have essentially said: I'm sorry. You are alleging there is a problem. There is no problem. And we are not going to allow you to move forward even if there is a problem.

So it is a little disingenuous, again, to take the position we should solve Social Security's problems before we do anything else as a Government and at the same time not be willing to put on the table any proposals to address Social Security's problems or even admit that Social Security has a problem, which would be the implication of the Senator from North Dakota in that he said that the scoring of the problem in Social Security was inappropriately arrived at because it used too conservative a number. I presume that means if a more aggressive number had been used, he would deem there was less of a problem with Social Security and maybe there was not a problem. Maybe that would solve the amendment if—maybe we could score ourselves out from underneath this amendment, actually, as I think about it.

But independent of that, it does set up a conundrum that it essentially demands a solution to a problem which the other side claims is not a problem and will not allow us to move forward to a solution on, which in the parlance of American politics I think is called catch-22. You cannot solve the problem because the problem is denied to exist, but you do not move forward until the problem is solved. It is an amendment that I believe has serious questions on that score.

But independent of that, moving on to the question of how Social Security is structured and the problems which Social Security faces, this representation that the Social Security system is solvent through the year 2040, 2036, 2052—whatever the number is that people arrive at, depending on what assumptions are made—is theoretically correct but practically unsustainable because Social Security has no assets. The assumption that Social Security is solvent through that period assumes that Social Security has assets which are physical, but the only asset that the Social Security Administration has is an ability to call, to make a put, to be more accurate, to the American taxpayer to cover bonds which have been put into the fund.

So once the cash that is being paid into the Social Security system falls below the benefits which are being paid out—and that begins to happen in about the year 2018—once that occurs, then there are no assets which the Social Security Administration can call down from like a stock in General Motors or a bond in—I don't know—some

county in America. They do not have anything they are going to be able to convert, any asset they are going to be able to convert to cash to cover the difference. All they have at the Social Security Administration is the ability to say to the American people—specifically, our children and our children's children because those of us in the baby boom generation will be retired at that time and getting the benefit; we will not be paying the taxes—to say to them: You are going to have to pay more taxes.

That is the only asset they have, the ability to say to the American people—working Americans—that you have to pay more taxes in order to pay for the obligations that were incurred years ago by Social Security.

So, yes, theoretically, they are solvent because there is this theoretical obligation that has been committed. But as a practical matter, the effect of that obligation is you are going to demand a much higher tax burden on working Americans. What does it work out to? We had testimony in committee that that works out to a doubling of the payroll tax on working young Americans. That is what that burden would cost in order to maintain the alleged solvency. You can get there, yes, but to get there, you have to double taxes on working Americans. That is what you have to do. Nobody will admit to that. That is what we are going to do to our kids—stick them with this huge tax bill on the allegation that that is an asset they have to cover that is in the Social Security trust fund and allegedly makes it solvent.

The practical effect of that is it will cause our children and our children's children to have much less of a quality of life than we have had, because they are going to have to pay twice as much in payroll taxes. They are not going to be able to send their kids to college with as much ease as we have been able to, although it has been difficult for many. They are not going to be able to buy that first house. They are not going to be able to increase their education or do a lot of things with the ability we have had as a generation, because they are going to be paying so much higher a tax rate in order to support our retired generation. It is so intuitively obvious by looking at this fact that you have to wonder why everybody on the other side of the aisle is burying their head under this issue. The people who are going to create this huge tax burden for our kids are all around this room. It is everybody over 50 years old, and it is the largest generation in American history. It takes

the American system and turns it on its head, because for years we had a pyramid system where more people paid more into Social Security than was taken out. By the time the baby boom generation—my generation—retires, that is not going to be a pyramid; it will be a rectangle. We are such a huge generation and so many will be

retired that we are going to overwhelm the ability of the young people in this country to support us, unless we address this issue today.

It is like that advertisement you used to see on TV for an oil filter that said: You can either pay me now or pay me later. When you pay me later, you are going to replace the entire engine; today you can just put in a new oil filter. That is the way the Social Security system is. You can "pay me now or pay later" when the baby boom generation retires, which will fundamentally undermine the quality of life of younger workers. It will affect their benefits so much. You are going to have to raise younger people's taxes so much.

The unwillingness of the other side of the aisle to face up to this issue is, in my opinion, a failure on their part to address their responsibilities to people who are governing this country today. Yet we see amendment after amendment such as this one, which is an attempt to basically gain political cover on the issue. What we don't see from the other side is a willingness to step up and address the issue. Show us your plan. You have castigated and vilified and basically attempted to destroy the capacity of the President to address this issue time and time again. You have said he has been dishonest in his presentation and that his positions are going to harm America and older people in this country, when he specifically said, of course, it will not affect anybody over 55 and that it is voluntary.

Yet have you come forth with a plan, proposed a plan, or suggested any remedy at all? No, you have not. You put out these amendments, which are for the purpose of political protection. You should be ashamed of yourselves.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I am glad to see my colleague show such spirit. I must say I disagree completely with his characterization not only of my amendment, but of our position on this issue. Look, I think it is very clear. The President came to the American people and said there is a problem in Social Security. I happen to agree there is a problem. My colleague must have missed part of my speech. I made it very clear, although I believe the basis of the assessment of how serious the Social Security situation is is based on a very pessimistic forecast of 1.8 or 1.9 percent economic growth for the next 75 years—

Mr. GREGG. Will the Senator yield so that I may agree with him on something?

Mr. CONRAD. I would love to have the Senator agree with me, but not right now. I want to complete my statement. Then I will be glad to have an exchange with the Senator, for whom I have regard, and I even have affection for the Senator.

I say to my colleague, we do have a difference and it is a very important

difference and it deserves to have this kind of spirited debate. Let me say that the President said there is a problem in Social Security. Again, it is based on a forecast of 1.8 or 1.9 percent economic growth every year for the next 75 years. Economic growth for the previous 75 years has been not 1.9 percent but 3.4 percent. I don't believe this forecast is accurate. I don't believe it is correct. I still believe there is a problem in Social Security and a challenge. The problem is the one the Senator from New Hampshire outlined. It is a demographic problem.

Now, the Senator also said there are no assets in Social Security. That is factually wrong. There are assets. They are Government bonds, backed by the full faith and credit of the United States. The United States has never failed to meet its obligations. Does anybody believe the United States is going to default on those special issuance bonds in the Social Security trust fund? I don't. I believe the United States is going to keep its promise. The Senator is correct, however, that to redeem those bonds, it is going to have to be done out of the current income of the United States. That is the place he and I agree. That is the place he and I might agree that we do have a challenge in Social Security, and the sooner we face up to it, the better. That is a place the Senator and I agree.

Now, with respect to the amendment I have offered, the amendment says, what are the priorities? The Senator indicated that my amendment says you cannot do anything in the Federal Government. No, it doesn't say that. The amendment I have offered says simply you cannot have more tax cuts or new mandatory spending unless you pay for them. That is a novel idea around here. I must say my friends on the other side who say they are conservative have run up the biggest deficits and debt in the history of the country. They are borrowing more from abroad. They increased holdings of U.S. debt by over 100 percent in 4 years. I don't know what happened to my other friends who used to call themselves conservative. There is nothing conservative about borrow and spend. We have heard them hurl the epithet across the aisle that we are tax and spend. I would rather pay for our bills than be in the position of the party across the aisle, which says put it on the charge card, shove the bills off to our kids, because that is what they are doing. They are doing it in this budget.

When my friend describes this budget as fiscally responsible, that is not what his own budget document reveals. It reveals that this budget increases the deficit over just putting the Government on autopilot. If we put the Government on autopilot, we would save \$130 billion over this budget. More than that, the debt of the United States, according to their own calculation—this is their budget document. This is from page 5 of the budget document. It shows the debt going up each and every

year by over \$600 billion, if this budget is passed.

They say they are cutting the deficit in half. How is it, then, that in their own budget document, the debt goes up \$669 billion this year, \$636 billion the next, \$624 billion the next, \$622 billion the next, and \$611 billion the next?

Where is the cutting of the deficit in half? I do not see it. I see the debt going up, up, and away under the budget they have brought here. There is nothing fiscally responsible about it.

Now, the Senator accused us in the committee of offering over \$200 billion of spending. Boy, that sounds bad, doesn't it? The Democrats wanted to increase spending by \$200 billion. Yes, we did. Absolutely we did. Do you know why? Because we wanted to pay for the war. They do not. They want to kind of kid the American people: You can have the war, but it does not cost any money, or at least it only will cost \$50 billion next year.

The Congressional Budget Office says they are not being straight with the American people as to how much this war costs. It would cost at least \$200 billion more. So you know what we did? We put it in the budget, and we paid for it, not just put it on the charge card, not just dump it on our kids. We said: Yes, there is a cost, and we will pay for it.

That is honest budgeting. That is telling the American people the truth, instead of this endless borrow and spend that our colleagues on the other side have fallen into. Borrow to solve Social Security, borrow to pay for the war, borrow for tax cuts, borrow, borrow, borrow, run up debt, and borrow the money from China and Japan and South Korea. If you want to get spirited, I can get spirited, too, because I think this is a reckless course for the country—reckless. We have a massive deficit and the President's answer: Borrow more money, spend more, borrow more, and go hat in hand to China. We have already borrowed \$200 billion from them. Go hat in hand to Japan. I do not know of any country that strengthened itself by borrowing hundreds of billions of dollars from every country all around the world. But that is the President's plan, that is the President's strategy, and it ought to be rejected.

I notice my colleague from Michigan is in the Chamber. I yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 15 minutes.

Ms. STABENOW. Mr. President, I thank my colleague from North Dakota for his outstanding leadership on this issue. I join in his characterization of this entire budget resolution as reckless and out of touch with the lives of the American people.

While I disagree with the chairman, I first want to say I appreciate the way he has conducted himself with the Budget Committee and the resolution. I appreciate very much his giving us the opportunity to debate all of these

issues. But I could not disagree more with the characterization of what is going on or with what is happening in terms of playing politics.

I start by saying that this amendment puts Social Security first. It gets our priorities straight. Second, Social Security is our money—your money, individual money. Each one of us pays into Social Security. It is our American insurance policy so that we know we have a sense of dignity and a foundation for retirement. Then if we become disabled, there is a disability policy or, Heaven forbid, a worker loses their life, something is there for their family. It is your money. It is my money. There is not a penny of the general fund. This is our money that goes into Social Security, and we are saying we want to keep it secure.

The American public is counting on us to keep it secure for the future. And we are saying, with all the talk about Social Security these days, it is time to step up and to fix it and to put Social Security first.

I also say to my chairman, it is so easy to demagog on tax cuts. It is so easy. It is the easiest thing for an elected official to do: Don't worry about paying the bills; don't worry about how the schools are; don't worry about enough police and firefighters; don't worry if you cannot drink the water or breathe the air let's just talk about tax cuts.

You know what, we know it is your money. For those watching, it is all of our individual money, but we also know something else. It is your schools. It is your roads. It is your health care system. It is your military fighting so courageously for us overseas. It is your veterans who are coming home. It is your communities asking us to partner with them so they can provide jobs, economic development in your communities. It is your debt—the largest deficit in the history of the country. You could wipe out every penny of nondefense spending, discretionary spending, and just about pay off this debt this year. It is astounding.

This is reckless, it is irresponsible, and to demagog, always to demagog, and say, Do you want to keep your families safe? Here, have another tax cut. And by the way, you are not going to get it, but the most blessed in your community will. To say we are not going to focus on schools, we do not care about opportunities for the future, to say we do not care about keeping ourselves safe or creating jobs is just plain reckless and the ultimate in demagoguery.

When we had the largest budget surplus in the history of the country 4 years ago, I joined, on the Budget Committee, with our esteemed colleague from North Dakota to support a reasonable future, to take a third of that surplus and put it into tax cuts focused on middle-income people, small businesses, to drive the economy. Let's do tax cuts, I am all for it, and I have

voted for many. But let's also take a third of that and take care of Social Security. We could prefund the baby boomers' liability coming and take care of Social Security for the next 75 years with just a third of that. Then how about taking the other third to make sure our kids have world-class schools, to make sure they have the technology they need, to make sure they can afford to go to college, to make sure our communities have the police and firefighters so when you dial 911, you are going to get the fastest response possible. And, by the way, let's make sure my city can talk to your city and the next city through an up-to-date communications system. And let's make sure that our seniors have a quality nursing home and can get the dignity of home health care, that we are focused on health care, both for those most in need and vulnerable, and to support those providing that health care in our businesses.

We have a lot of work to do. We have not only an aging population, we have an aging infrastructure. Not only individually do we need a face-lift, but our cities need a face-lift—water systems, sewers, roads, and bridges. It is reckless for us, in defining priorities of the future of this country, not to be responsible in addressing each piece of it.

There is a lot of demagoguery going on around here, and unfortunately it is because the easy way for an elected official is not to pay the bills but to talk about tax cuts.

Let me suggest something else. I agree with our esteemed chairman that the bulk of Americans are not getting the tax cuts they need. They are paying too much in taxes. Why? Because the tax cuts that were passed are not going to them. They are going to the most blessed, the wealthiest among us. I do not begrudge people working hard and doing well, but I think they ought to pay for schools as well, and security and roads and health care, the military, war, and the veterans. We all have a stake in America, and we all have a responsibility to do our part.

What I see is the overwhelming majority of the people in my State are getting a twofer. They sure are not getting these tax cuts that are talked about. They are not going to them. But they are going to pay more for schools, get less quality, and have fewer police officers. There are fewer police officers today in most of the cities in my State than there were on 9/11/2001. What is with that? So my folks are going to have to pay more for their kids going to college because we are cutting support for the colleges and programs for folks to be able to afford to go to college. They are going to have to be taking less in the way of services that are basic services.

We are talking about basic quality of life in America. Everyone else looks at America and wants to be like us. What we are seeing in this budget is an effort to roll us back. We don't want to be like China, where they can't drink the

water. Our quality of life has been the gold standard for the world. We have a responsibility to do the right thing and to have a balanced strategy that strategically focuses on tax cuts to move the economy forward, investments as well as the responsibility of paying down this debt and securing Social Security for the future.

How many people here would take the tradeoff of saying we are not going to fund health research? It doesn't matter who you are, you can get cancer, Alzheimer's disease, diabetes, a multitude of health concerns and diseases in this country. Research will make the difference. Who would say that research into health, into cures and technology for the future is not important in the greatest country in the world? Yet all the demagoguery on tax cuts is about removing revenue so that down the road the answer will be: We would love to do that, it would be great, but we are really sorry, there is no funding. That is what this is about, and it is wrong. This is about a balance. We need to work together to get it right.

This amendment begins to get that right because it says we are going to put Social Security first. The President is going all over the country talking about Social Security and what needs to be done. We could start by a value statement about what is important to us. We could start by saying over the next 75 years, we will take a look at the costs of tax cuts that have been passed—\$11.6 trillion. I supported some of those that go directly to our small businesses, to our families, and to stimulate the economy. But the overwhelming majority of this goes, again, to those most blessed who have benefited by the greatness of America in our infrastructure and our opportunity.

If we just said, instead of \$11.6 trillion over 75 years, how about we take 3.7, about a third of that—just a third of it, about 30 percent of that—and we secure Social Security for 75 years, and then you can have the rest? You can have 70 percent of it. But let's secure Social Security first. Social Security is a great American success story. Everyone is benefited by it. Even those right now who are doing very well, who knows what will happen in the future?

I remember folks from Enron sitting in my office, folks who had been wiped out, who said: Thank God for Social Security. I never thought I would need it, but it is the only thing I have left.

Social Security is meant to be there as security for our families—for everybody. It works.

What we are saying is, if we want to talk about a solution, we don't have to ask folks to pay more in payroll taxes, folks who are already being taxed too much and are being asked to have their services cut. We don't have to cut benefits. We can say it is a priority for the American people and we in the Senate are going to make it a priority for us. That is what this amendment does.

Social Security is a great American success story. Prior to Social Security, 50 percent of the seniors in this country were in poverty. Today it is 10 percent. That is worth fighting for. That is a success story. Again:

Honor thy father and thy mother.

It is not just words. We should act on it. This budget does not, in a number of ways, act on that premise.

It is also important, again, to note that Social Security, in fact, is more than retirement. It is our families' insurance policy. It has worked. It costs a half a percent to administer, it has been there, and it will be there if we do the right thing. But it is important to know about not only the retirees but the disabled, and there are survivors benefits. How many folks who work here in the Senate have a story to tell about survivors benefits?

My husband, at 10 his father died. He was the youngest in the family. His mother was older and not well. He survived on Social Security and went on to college and was very successful because of our country's commitment to each other.

I happen to believe caring about other people, caring about community, is a good thing, not a bad thing. Social Security represents what is best about us. Creating a system that we all pay into, you work hard all your life, it is there at retirement or if you need it in case of a financial disaster in your family; it works. Other countries look to us, to this great system of Social Security.

There is no way the President's proposals do not undermine this system. You can't protect people 55 or older or the disabled, the survivors, when you take an insurance system and begin to pull out dollars. I don't care how many times they say it, it is not true. You can't do that. We know that. Regarding Social Security, if we go the route of what the President is talking about with privatized accounts, we know three things will happen. We are going to drastically increase the national debt, which is already the highest in our Nation's history. We will have high administrative costs—instead of a half percent to administer Social Security, we will see anywhere from 10, 15, 20 percent or more. And the folks, by the way, you would pay to administer the accounts are some of the folks we are seeing here at the Capitol now who want very much to make the change. And deep benefit cuts, there is no way to avoid benefit cuts under the President's proposal.

So we are saying this doesn't work. We don't like this. What we have is an alternative. We have the power to put Social Security first in this budget. We have the power to do that. That is what this amendment does. If you don't want to see increased national debt, you don't want to see higher administrative costs, or deep benefit cuts, join our amendment. Our amendment is the responsible approach, unless your goal is to eliminate Social Security. If the

goal is to unravel Social Security for Americans, then you will not support this amendment because this amendment is about fixing Social Security for the future, securing it for the future.

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

Ms. STABENOW. Mr. President, I urge adoption of the amendment.

Mr. CONRAD. I would say to the Senator, would she like additional time? I would be happy to yield her an additional 5 minutes.

Ms. STABENOW. I appreciate that very much, but I notice a colleague here as well and I would not proceed.

Mr. CONRAD. Let me say, it would help us because I need to visit with the chairman of the committee before the next amendment is offered, in the spirit of not surprising each other.

Ms. STABENOW. I am happy to proceed for a moment.

Mr. CONRAD. I am happy to yield an additional 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Ms. STABENOW. I appreciate that. I know we have important matters to discuss on the floor. Let me take the final few moments and speak about the realities of Social Security and what is happening now, what we know to be true about the facts. There has been a lot of misinformation about the situation with Social Security, in terms of its financial security. I think it is important. We all can have different opinions and views and thoughts about what should happen, but we should not have different facts.

The folks we all rely on, as we know, really have no philosophical position. These are the number crunchers whose responsibility it is to tell it to us like it is, the Congressional Budget Office. They tell us this: The Social Security trust fund can pay 100 percent of its obligation until 2052. Beyond that, if we do not do anything, and we need to, they can pay about 80 percent, maybe slightly less, of all the benefits that are currently in law.

We know we have a cap. We know we have a problem. The President's proposal does nothing to fix this.

It actually makes it worse. It makes it worse by adding to the massive debt. It doesn't add anything to the trust fund and, as the Senator from North Dakota was indicating, the accounts are not even fully given to the individual.

There is also a lot of misunderstanding of even how that would work. I would welcome anyone to go to either my Web site or to a number of my Democratic colleagues' Web sites where we have a calculator on the Web site where you can put in your date of birth and average yearly wages over your lifetime, and you can find out for yourself how you would do under the President's proposal. But the reality is we do have a gap. We know that. That is why this amendment is so important.

This amendment basically says that in order to address this gap in funding that comes after 2052, we want to put Social Security first before extension of or any new additional revenue losses, before new tax cuts or any new mandatory spending, that we secure Social Security, that we close that gap for the next 75 years, that we put it at the front of the line before we talk about revenue spending on new things, that we put it at the front of the line.

If in fact this issue has such a high priority for the President, traveling around the country for 60 days to 60 cities, all the effort and debate going on, you would think we would have universal support for this amendment; that it would be a bipartisan vote for this amendment. The only reason not to do it is if you do not support Social Security. If you do not support Social Security as it stands as an insurance policy, then you won't like this amendment. You will not want this amendment. If you prefer to privatize the whole system, then you won't like this amendment. But if you support Social Security as being there for all of our families, if you believe, as I do, that it is a great American success story and we should celebrate it, strengthen it, and secure it, then this amendment is the right amendment for you.

I will go back to the very beginning and say this is always about values and priorities. In fact, the budget resolution is our value document. Just as looking at our own personal checkbooks tells us a little bit about ourselves, looking at the budget resolution of the Federal Government, tells us something about all of us and the people we represent.

Right now this budget resolution is out of balance. This budget resolution is reckless because it adds to the national debt. It does nothing to pay down in a real way the deficit that doesn't even include all of the expenditures. And it is out of touch with American families. It is plain out of touch.

When we are talking about a third of those cuts being in education and workforce development and vocational education, we are talking about massive cuts in Medicaid to our families and our children and our seniors in nursing homes, this does not represent the values of the majority of Americans. We need some balance. That is not reflected in this budget resolution.

I will go back to the final point, that this is about values and priorities. As an example, if we were to look at the next 75 years and the costs without new tax cuts that are being proposed, the current costs of the tax cuts for the next 75 years, it is \$11.6 trillion, and to save Social Security is \$3.7 trillion.

I would say to ask those most blessed in our country, receiving the majority of the benefits, to be willing to share in some way and to leave Social Security secure is the right thing to do.

The PRESIDING OFFICER (Mr. BURR). Who yields time?

The Senator from New Hampshire.

Mr. SUNUNU. Mr. President, I ask unanimous consent that I be yielded 3 minutes off the time controlled by the majority.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SUNUNU. I want to make sure that is all right with the minority manager.

Mr. CONRAD. Mr. President, let me be clear. The Senator is asking for a unanimous consent on—

Mr. SUNUNU. For the timing of the next amendment to be offered. I thought I might be speak for up to 3 minutes to ensure that everything has been—

The PRESIDING OFFICER. The Senator will take 3 minutes of the majority's time.

Mr. CONRAD. We have no problem with that. Could I extend that unanimous consent request and indicate that after the 3 minutes of the Senator, the Senator from Florida be recognized for 20 minutes off the resolution.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SUNUNU. Mr. President, I wanted to speak briefly to the concerns raised by the previous speaker, and in particular the three grave concerns with regard to Social Security. I take issue with those three items. The first one of the three items was that any Social Security reform proposal, modernization proposal as envisioned by the President, would result from massive amounts of debt. That is wrong in part but, even worse, it is misleading.

The reason to take up Social Security reform legislation, which I have introduced in the previous session and will introduce again, is so we avoid \$12 trillion of unfunded debt that our children and grandchildren will be stuck with if we don't act now.

To suddenly say we can't deal with Social Security because we are worried about debt is simply a smokescreen, and it is a smokescreen that refuses to recognize the reality that under the current structure we have a huge unfunded debt our children and grandchildren will be stuck with.

Second, there was a suggestion that personal accounts for younger workers, an optional system of personal accounts would result in huge administrative costs.

This is absolutely ridiculous, and every bit of evidence from any similar plan, similar account, similar fund argues against such a suggestion. The Thrift Savings Plan, which is probably the best model of the kind of personal accounts envisioned by the President in legislation that I have introduced, has 3.5 million members. Under Social Security, there would be significantly more than that. The administrative costs are less than two-tenths of 1 percent.

So to suggest that administrative costs would be exorbitantly high—I see

numbers of 1 percent or 2 percent thrown out—is wrong. There is no evidence, no model to suggest that would be even close to the truth. Third, the suggestion that any kind of a personal account proposal would require deep benefit cuts is again at best misleading, but at worst it is an effort to scare retirees and those who are near retirement. It is simply wrong.

I have introduced legislation which is scored by the Social Security actuary that makes the system solvent, is scored as bringing the system into balance permanently and has significant personal accounts and does not require benefit cuts.

There are a lot of proposals out there that involve changes to the current system, or even changes to benefits for, say, those at the higher income level, but to suggest that deep cuts are required is simply misleading the American public.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President—

Mr. GREGG. Mr. President, I ask unanimous consent that at 2:15—

Mr. CONRAD. We have a unanimous consent in place that the Senator from Florida be recognized.

Mr. GREGG. I am sorry. I apologize. I ask if the Senator from Florida will yield to me for purposes of making a unanimous consent request.

Mr. NELSON of Florida. I so yield.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I didn't realize there was a unanimous consent in place. I apologize.

Mr. President, I ask unanimous consent that at 2:15 today Senator GRAHAM or his designee be recognized to offer an amendment on Social Security, the text of which is at the desk; provided further that at 3 p.m. today the Senate proceed to a vote in relation to the Graham amendment, to be followed by a vote in relation to the Conrad amendment on Social Security, to be followed by a vote in relation to the Republican Social Security amendment, to be followed by a vote in relation to the Nelson of Florida Social Security amendment, to be followed by a vote in relation to the Stabenow amendment on first responders. I further ask unanimous consent that all points of order be waived with respect to the Social Security amendments; further, that no second degrees be in order to any of the five amendments prior to the votes.

I also ask unanimous consent that all debate time until 12:15 be equally divided between the chairmen and ranking members, or their designees, and further that debate from 2:15 until 3 p.m. be equally divided in the same form, and that any quorum calls be counted against the statutory time limit with time divided equally between the two sides. Further, that all votes after the first be limited to 10 minutes, with 2 minutes of debate equally divided after the first.

Mr. CONRAD. Reserving the right to object, let me just say I will be constrained to object until we get the actual text of the amendment. I understand now that we don't have the text of the Republican amendment or at least that we can't be certain that the text we have is the amendment that would be offered, so we need to get that before we could agree to this unanimous consent request.

The PRESIDING OFFICER. Does the Senator object to the unanimous consent request?

Mr. CONRAD. The Senator is constrained to object until we reach that understanding.

The PRESIDING OFFICER. The objection is heard.

The Senator from Florida.

AMENDMENT NO. 145

Mr. NELSON of Florida. Mr. President, I ask unanimous consent the pending amendment be laid aside for the purpose of offering an amendment.

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

Mr. NELSON of Florida. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. NELSON] proposes an amendment numbered 145.

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

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

The amendment is as follows:

(Purpose: To express the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt)

On page 65, after line 25, insert the following:

SENATE . SENSE OF THE SENATE IN SUPPORT OF SOCIAL SECURITY.

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt, and a failure to act by 2042 would result in deep benefit cuts; therefore Congress should take action to address Social Security solvency.

Mr. NELSON of Florida. Mr. President, let me read the amendment to everyone because we have just changed the amendment that had been printed that I intended to offer. I have added some additional language.

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt, and a failure to act by 2042 would result in deep benefit cuts; therefore Congress should take action to address Social Security solvency.

That is the amendment offered as a sense of the Senate. We have heard a lot of debate on Social Security. As a result of having 10 town hall meetings in my State over the last recess, the people of Florida heard what the administration's proposal was, to take up to 4 percentage points of the 12.4 percent Social Security tax against an employee's wages and instead of allow-

ing all of that 12.4 percent tax to pour into the Social Security trust fund, to allow up to one-third of it to go outside of the Social Security trust fund in the so-called privatized accounts, with the result, combined with the change in the formula as proposed by the White House that future Social Security benefits would be calculated increases each year not according to what has been the case since the beginning of Social Security, according to the index on wages, but instead targeted to a lower index, on prices.

So the combination of taking a third of the Social Security tax out of the Social Security trust fund plus a changing of the payment formula was going to cause cuts in benefits, with massive borrowing to fill the hole.

Why cuts in benefits?

Mr. GREGG. Would the Senator yield?

Mr. NELSON of Florida. I would be happy to yield to the Senator, but I have been waiting for the last hour and a half and this Senator wants to speak his mind. Then I will be happy to engage with the Senator.

Mr. GREGG. This would be for the purposes of renewing a unanimous consent request.

Mr. NELSON of Florida. If it is a unanimous consent request, I yield.

Mr. GREGG. I renew the unanimous consent request which I propounded a few minutes ago.

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

Mr. GREGG. I thank the Senator from Florida for his courtesy.

Mr. NELSON of Florida. It is a pleasure to always accommodate the leadership of the committee. I have thoroughly enjoyed working with the leadership of the committee. Perhaps we might come to a resolution over the amendment I have just offered because this amendment speaks truth.

Let's go back to where I was in the explanation. We are going to have benefit cuts certainly by virtue of the change in the formula. All of the Social Security actuaries will tell you if you change the index from increases in wages to prices, for a young worker today, by the time they retire, their Social Security benefits are going to be cut almost in half. Second, if you are taking all of that Social Security tax revenue out of the Social Security trust fund, since the trust fund is a pay-as-you-go kind of trust fund, you have to fill that hole with something. That means you are going to have to borrow additional money to pour into the Social Security trust fund to fill the hole. The Social Security actuaries have estimated that is \$4.9 trillion over 20 years.

Members of the Senate, right now the publicly held national debt of the entire country is \$4.3 trillion. We are talking about a system, a scheme, a proposal, that is going to more than double the publicly held national debt over the next two decades if adopted.

It is most appropriate that we start this discussion of the budget resolution

because the budget resolution is a lot about borrowing. It is a lot about massive deficit financing. And now the administration has a proposal that would add massive additional borrowing to the present national debt.

When I came to the Congress in 1978 and was put on the Budget Committee as a freshman in the House of Representatives, back then we used to call it fiscal conservatism when someone would want to balance the budget, when someone would want to get the revenues and the outflow or expenditures in sync. What we had 3 years ago was more revenues coming in each year than we had in expenditures, and the difference was a surplus. But 3½ years later this is where we are: Massive spending and less revenue.

The deficit in this next fiscal year—you can take your choice, since this budget has now become a political document instead of an economic document, whether you think it is going to be \$390 billion, which does not account for all of the realities of the additional spending as well as additional tax cuts, if enacted, or it is going to be more like \$434 billion of deficit spending. That is a concern.

Every time we talk about the budget—as a matter of fact, my maiden speech on the floor of this Senate—and I waited appropriately for about a month before I made a speech back in 2001—my maiden speech was about the budget and wanting to have a fiscally conservative budget. But we have gone the other way since January of 2001. So we talk a lot about the annual deficit and adding to the national debt, and now it has gone haywire. It is out of control.

Now we have a proposal with regard to Social Security, not even to speak of the merits that you already heard in the discussion here, a proposal that is going to add massively to the debt of the United States. This is not the fiscally conservative nor prudent way to approach a budget. So I have offered a sense of the Senate:

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt, and a failure to act by 2042 would result in deep benefit cuts; therefore Congress should take action to address Social Security solvency.

Now, why 2042? I could have used the year 2052 because the Congressional Budget Office has said it is the year—2052—when Social Security will have to cut its benefits down to something like 73 cents on the dollar. But the Social Security trustees say that date is 2042. That is 37 years from now. Why is that important? It is important to give us a marker at the point at which Social Security cannot pay 100 percent of the benefits.

This is quite in contrast to what we faced when I was a Member of the House of Representatives. For there, in 1983, Social Security was about to run out of funds within 6 months, not in 37 years, not in 47 years. It was about to

run out within 6 months. And do you know how we solved it then? A Republican President, Ronald Reagan, and a Democratic Speaker, Tip O'Neill, got together and they said: We are going to solve it. We are going to solve it in a bipartisan fashion. We are not going to play “gotcha” politics. We are going to create a bipartisan commission. As a result of that commission, we are going to go out and give support in a bipartisan way. We are not going to use the results of that against anyone in the next election.

That was one of the finest hours in a success story of the Government of the United States, when within 6 months of Social Security being in trouble, running out of money, in 1983, as a result of that agreement, Social Security was made solvent all the way to the middle of this century—pick your date, 2042 or 2052, depending on whether you believe CBO or the Social Security trustees.

So that is why we put in this sense of the Senate the date 2042. And then we say something that we all acknowledge, that, indeed, Social Security does have a solvency problem. We state the outside of when those deep benefit cuts would occur. According to the Social Security trustees, those benefit cuts would be 27 cents on the dollar 37 years from now. But then we say Congress should do something about it and not wait until then. We say Congress should take action to address the Social Security solvency. Now, I do not know how much more straightforward we can make it.

When I would go into those townhall meetings—and people had read a lot about this in the papers, and they had heard a lot about it on the news—and I would explain to them what I have just explained, in some cases people were aghast. I think in the morning papers we see chronicled on the front pages the new results of additional feelings of the American mood about this. People have been very much helped by Social Security, and they do not want to see benefit cuts.

In the 70-plus years that this system has been in existence, it has not been an investment program. It has been a social safety net program. Indeed, in 1950, 40 percent of our senior citizens in this country—over a half a century ago—40 percent of them were living in poverty. Today, only 10 percent of senior citizens are living in poverty. A major reason for that improvement in the condition of senior citizens is the fact that they have something to fall back on; that is, they are guaranteed Social Security benefits.

In an ideal world, if you are a retiree, what would you like to have? You would like to have one-third of your total income, as a retiree, to be on your pension plan. You would like another third of your income to be from your savings. The remaining third you would like from Social Security.

But what happens if you were an employee of WorldCom, as some of our Floridians were, or an employee of

Enron, as some of our Floridians were, or an employee of Eastern Airlines, as some of our Floridians were? They do not have a pension. And what meager savings they had are now eaten up. The sad truth is that too many senior citizens in this country today, in the year 2005 in fact, are subsisting, existing on their Social Security benefits.

Now, we have to stand up and stand right by our seniors. So that is why I offer a commonsense sense-of-the-Senate amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Florida for what I believe is a really important amendment because it sets the terms of this debate on Social Security. What is the intention of the Congress of the United States? Are we going to embrace a plan for Social Security that involves massive new borrowing, massive new debt, and steep benefit cuts? Is that the answer? Or is there another way?

I believe, and I have stated publicly, there is a kernel of a good idea to what the President has proposed. I know many do not share that, but I do think there is a kernel of a good idea.

I also believe we have a challenge in Social Security. I do not believe it is as acute as the President has presented it because I think the forecasts that it is all based on are overly pessimistic.

They are saying economic growth in America for the next 75 years is only going to be 1.8 percent a year, when in the past 75 years, economic growth has been 3.4 percent. I don't buy it. I don't believe it. I think they vastly underestimate the productivity growth of the American economy. In fact, productivity is a key component of their economic growth estimate, and productivity growth has been far in excess of what they are saying productivity growth is going to be for the next 75 years. First of all, I have very little confidence in any forecast of 10 years, much less a forecast of 75 years.

With that said, the amendment of the Senator from Florida says, yes, we should move to bring solvency to Social Security, but we should not do it by massive new borrowing, and we should not do it by steep benefit cuts. That is what the President's plan is. The President's plan is to divert money out of Social Security. That is on top of what he is doing in his budget because, remember, in his budget he is taking every penny of Social Security over the next 10 years—\$2.5 trillion—and using it to pay for other things. This is after he says there is a shortfall in Social Security.

In the next action, he sends us a budget to take \$2.5 trillion in Social Security money and use it to pay for something else. He says, I am not done; I have another idea; let's take another \$750 billion out of Social Security to start private accounts. But that is the tip of the iceberg, because the \$750 billion of additional taking from Social

Security to start private accounts is just the first 10-year cost. The 20-year cost is \$4.4 trillion. Others have estimated approaching \$5 trillion.

I have taken a somewhat more conservative estimate. The President says, Borrow every dime of it. When we already have record deficits, we already have debt that is growing out of control. He says, Don't worry; just borrow more money.

That is a reckless course. Why is it reckless? Because much of this borrowing is coming from abroad, coming from China, Japan, and South Korea. We have increased the foreign holdings of our debt just in the first 3 years of this administration by almost 100 percent. It is going up geometrically every year.

We have seen two warning shots about the danger of doing that. First, from South Korea. They said, Gee, we are beginning to worry about loaning so much money to the United States. We are going to diversify out-of-dollar denominated assets. What happened? The stock market plunged 170 points in 1 day. The dollar went down again. It already went down 33 percent against the Euro in the last 3 years.

We have a problem. The problem is that if there was a precipitous drop in the dollar, the policy options open to this country would be very severe. It would require a dramatic increase in interest rates, steep cuts in spending, dramatic tax increases. That is what is known as the perfect storm. That is the risk being run by this reckless policy of deficits and debt and deficits and debt and borrow and spend and borrow and spend, which, for some reason, our friends on the other side of the aisle have gotten into as a pattern of running the fiscal affairs of this country.

The deficit has skyrocketed during this President's term, and here is the course he has us on. Publicly held debt, \$3.3 trillion when he took office. They are now saying \$9.4 trillion by 2015. The President's answer on Social Security is to cut the benefits dramatically—26 percent by 2042, 46 percent by 2075. That is at the heart of the President's plan: to cut benefits steeply, and then to establish these private accounts by borrowing trillions of dollars.

Here is how the private accounts would work. I find people are really stunned when I explain how they work, because this is not the way the President explains it. The President says you can put aside money in your private account and earn, potentially, a higher rate of return. As far as he goes with that description, it is accurate. But he has left out something very, very important, because he assumes that money that is in your private account was loaned to you by the Social Security trust fund, and they expect to be paid back. They expect to be paid back with interest.

Has anybody ever heard the President describe the plan in that way? That is how it works. I have spent hours with his people and they have assured me that is how it works.

Here is an example. If you set aside \$1,000 a year for 40 years and you earn 6.5 percent on that money, at the end of the period, you would have \$92,000 in your private account. That sounds pretty good. The problem is that they assume that thousand dollars a year was loaned to you from the Social Security trust fund, and you owe it back with interest. If you pay it back with 5.8 percent interest, which is what the actuaries say would be required, you would owe back \$78,000. But you don't pay it back out of our private account under the President's plan; you owe it back by further reducing your already cut Social Security benefits. That is how it works.

What happens if you don't get a 6.5 percent rate of return? What happens if you only get a 5 percent rate of return? Guess what? Under that example, you would have \$64,000 in your account, but you would still owe back \$78,000. I know when I describe this to people, they cannot believe it. I thought the President said, That is your account, your name is on it, nobody can take it from you. That is true, but he has left out this little additional fact: He assumes in his plan that this money was loaned to you by the Social Security trust fund. That thousand dollars a year, which came out of your Social Security payroll tax—the theory is—would have been in the Social Security trust fund earning a rate of return there. So their assumption is that you owe the money back, but you don't pay it back out of your individual account; you pay it back by taking a further reduction in your already cut Social Security benefits. That is how it works.

I will tell you, people are going to be mighty surprised to find out that is how it works. That is not the way it has been described. That is not what people have been told. They have been told that is their account, their name is on the account, nobody can take it away from them. All of that is true, but it leaves out something. It leaves out the rest of the story. The rest of the story is, yes, but you owe it back. That money was, in effect, loaned to you by the Social Security trust fund. So goes the President's theory. Therefore, you have to pay it back to the Social Security trust fund—the money loaned to you—and you have to pay it back with interest.

Unfortunately, if you don't get a higher rate of return on your invested assets, you could wind up owing back more than is in your account. That can very easily happen because this assumes you have a 5-percent rate of return on your investment.

I wrote an op-ed piece with Senator LINDSEY GRAHAM of the other side of the aisle saying there is a bipartisan approach to Social Security; we do have a problem; we do have a challenge; we ought to get together to solve it; and the sooner the better. I believe that, and I am prepared to work with my friends on the other side of the aisle to do that. But I am not pre-

pared, and I will not be part of a plan that involves massive new debt. Count me out. I will fight that with every fiber in my being because I think it is reckless for the United States and the economic security of the country.

With that, I will be happy to yield to the Senator from Michigan. How much time would the Senator like?

Ms. STABENOW. Mr. President, I would appreciate 5 minutes to offer an amendment.

Mr. CONRAD. I am happy to yield 5 minutes. If the Senator would like more time, I am happy to yield additional time as well.

Ms. STABENOW. Let's say 5 minutes, and we will see.

Mr. CONRAD. I yield 5 minutes to the Senator.

The PRESIDING OFFICER. Is this time off the resolution or the amendment?

Mr. CONRAD. The Senator from Michigan is offering an amendment at this time?

Ms. STABENOW. That is correct.

Mr. CONRAD. I yield her time off the resolution.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 147

Ms. STABENOW. Mr. President, I again thank my colleague from North Dakota for his incredible leadership on this issue and speaking about what is responsible and what should be the priorities for our country.

I understand the senior Senator from Iowa is also waiting to speak. I appreciate him allowing me to offer this amendment first.

As we are talking about priorities, of course our first priority is to keep Social Security secure for the future. Putting Social Security first is one of the very first amendments we will be voting on today. But we also have another priority which is to keep Americans safe. And that is what my amendment will do.

My amendment will restore the \$1.6 billion in cuts to first responder services that are included in this budget resolution as proposed by the President. It also will put \$1.6 billion towards paying down the national debt. These are two worthy goals: pay down the national debt and restore the resources we need at a minimum to keep us where we are in terms of the resources for our communities to keep us safe.

I am very concerned that 4 years past 9/11/2001 when I visit my police chiefs around the State of Michigan and I speak with fire departments and first responders, almost all of them tell me they have fewer officers today than they did on 9/11/2001. I think the public would be shocked to understand that. I know I was shocked. They expect more from us than that, with all of the alerts and codes and concerns that have been raised—and legitimate concerns that have been raised—about what is happening in terms of terrorism, to know that we have fewer police officers on

the streets now than before the attack on 9/11 is simply reckless and irresponsible.

I am very concerned that we are seeing cuts in a number of very important programs.

I am told I need to send the amendment to the desk. I apologize for not having done that sooner, Mr. President. I send the amendment to the desk, and then I will continue. I ask unanimous consent to add Senators LEVIN, MIKULSKI, KERRY, CORZINE, HARKIN, BIDEN, PRYOR, CLINTON, and AKAKA as cosponsors of the amendment.

The PRESIDING OFFICER. Is there objection to laying aside the pending amendment?

Mr. CONRAD. No objection.

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Michigan [Ms. STABENOW], for herself, Mr. LEVIN, Ms. MIKULSKI, Mr. KERRY, Mr. CORZINE, Mr. HARKIN, Mr. BIDEN, Mr. PRYOR, Mrs. CLINTON, and Mr. AKAKA, proposes an amendment numbered 147.

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

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

The amendment is as follows:

(Purpose: To protect the American people from terrorist attacks by providing the necessary resources to our firefighters, police, EMS workers and other first responders by restoring \$1.626 billion in cuts to first responder programs, including, \$298 million to the State Homeland Security grant program, \$79 million to the Urban Area Security Initiative, \$226 million for firefighter assistance grants, \$486 million for the COPS program and \$537 million for the Byrne Justice Assistance grants. The amendment is fully offset by closing tax loopholes that will generate \$3.2 billion in revenue, half of which will be used to restore the \$1.6 billion in first responder program cuts, and the remaining \$1.6 billion will be put towards reducing the deficit)

On page 3 line 10, increase the amount by \$451,000,000.

On page 3 line 11, increase the amount by \$1,145,000,000.

On page 3 line 12, increase the amount by \$850,000,000.

On page 3 line 13, increase the amount by \$521,000,000.

On page 3 line 14, increase the amount by \$285,000,000.

On page 3 line 19, increase the amount by \$451,000,000.

On page 3 line 20, increase the amount by \$1,145,000,000.

On page 3 line 21, increase the amount by \$850,000,000.

On page 4 line 1, increase the amount by \$521,000,000.

On page 4 line 2, increase the amount by \$285,000,000.

On page 4 line 7, increase the amount by \$1,626,000,000.

On page 4 line 16, increase the amount by \$225,000,000.

On page 4 line 17, increase the amount by \$572,000,000.

On page 4 line 18, increase the amount by \$425,000,000.

On page 4 line 19, increase the amount by \$261,000,000.

On page 4 line 20, increase the amount by \$143,000,000.

On page 4 line 24, increase the amount by \$226,000,000.

On page 4 line 25, increase the amount by \$573,000,000.

On page 5 line 1, increase the amount by \$425,000,000.

On page 5 line 2, increase the amount by \$260,000,000.

On page 5 line 3, increase the amount by \$142,000,000.

On page 5 line 7, decrease the amount by \$226,000,000.

On page 5 line 8, decrease the amount by \$799,000,000.

On page 5 line 9, decrease the amount by \$1,224,000,000.

On page 5 line 10, decrease the amount by \$1,484,000,000.

On page 5 line 11, decrease the amount by \$1,626,000,000.

On page 5 line 15, decrease the amount by \$226,000,000.

On page 5 line 16, decrease the amount by \$799,000,000.

On page 5 line 17, decrease the amount by \$1,224,000,000.

On page 5 line 18, decrease the amount by \$1,484,000,000.

On page 5 line 19, decrease the amount by \$1,626,000,000.

On page 16 line 15, increase the amount by \$603,000,000.

On page 16 line 16, increase the amount by \$49,000,000.

On page 16 line 20, increase the amount by \$275,000,000.

On page 16 line 24, increase the amount by \$196,000,000.

On page 17 line 3, increase the amount by \$83,000,000.

On page 23 line 16, increase the amount by \$1,023,000,000.

On page 23 line 17, increase the amount by \$176,000,000.

On page 23 line 21, increase the amount by \$297,000,000.

On page 23 line 25, increase the amount by \$229,000,000.

On page 24 line 4, increase the amount by \$178,000,000.

On page 24 line 8, increase the amount by \$143,000,000.

On page 30 line 16, decrease the amount by \$451,000,000.

On page 30 line 17, decrease the amount by \$3,252,000,000.

On page 48 line 6, increase the amount by \$1,626,000,000.

On page 48 line 7, increase the amount by \$225,000,000.

Ms. STABENOW. Mr. President, I am so concerned about this. I appreciate being reminded that I needed to send the amendment to the desk. This is so serious.

This morning I had a meeting with our city council members from around the State of Michigan. I hear stories about the fact that one police department cannot talk to the city next to them or, in some cases, the police department cannot talk to the fire department. The whole question of communications and interoperability and the training that is needed to go with that is absolutely critical.

This is not the time to be cutting first responder dollars to our communities. We ought to be, in fact, increasing those dollars because when the terrorist experts talk to us, they do not say if we are attacked in the future, they say when we will be attacked in

the future. So it is absolutely irresponsible to be cutting the dollars for our local police, fire departments, and emergency responders. We need to make homeland security a priority. That is what my amendment does.

I remind my colleagues that 2 years ago, we received a report that was authored by a blue ribbon panel chaired by former Republican Senator Warren Rudman. Their findings were daunting about the inadequacies in our homeland security efforts. They indicated that we needed a total of \$98.4 billion over the next 5 years to truly be able to tell the families we represent that we have done everything possible to keep them safe. But instead of adding those dollars to make sure the radio equipment is there and the officers are there and to make sure the training is available, what is happening is we are seeing a \$1.6 billion cut. It makes absolutely no sense whatsoever.

We should not be ignoring this panel's recommendations. We should, in fact, be following them. As I said before, after 9/11, I did meetings all around Michigan. To a person, I was told that they did not have the resources they needed, and then coming back to them in the last year, I have asked, How is it going? They said we are worse off than we were before, which makes absolutely no sense.

I will add one important point, given the current situation as it relates to violence in our courthouses, that we should recognize is in this budget cut. The Byrne grants, which my amendment restores, can be used to hire, equip, and train additional law enforcement personnel in our courthouses. With the recent tragedy in Atlanta, GA, now is not the time to be cutting resources to our courthouses. All we have to do is look around, look at the headlines day after day, watch the news on television, listen on the radio and we know there has been a series of ongoing violent efforts in our country. Now is not the time to be cutting back on police or fire, whether it is to prepare for a terrorist attack or to keep our citizens safe today. When the President talks about overwhelming cuts, basically eliminating the COPS Program which has been so important in putting police officers on the streets, this makes absolutely no sense.

I have supported funding for our military men and women who are serving us so bravely in Iraq and Afghanistan because we said it is important that we come together and provide the resources that are necessary. We have done that on a bipartisan basis. We need to do the same thing for our men and women who are on the home front who are working hard every day to keep us safe. That is what my amendment will do.

I would like to provide several examples of the deficiencies the Independent Task Force on Emergency Responders detailed in the Rudman report:

On average, our fire departments have only half the number of radios

needed on a shift, and only enough breathing apparatuses for one-third of their firefighters.

Police departments across America do not have the protective gear to respond to a weapons of mass destruction attack.

Our public health laboratories lack the basic equipment to respond to a chemical and biological attack and most report that they are overwhelmed with testing requests.

Finally, our first responders do not have the equipment they need to determine what kind of hazardous material they may be facing.

Why have we ignored this panel's recommendations? The administration's support for first responders has been on a steady decline. For example, last year funding for Michigan's State Homeland Security grants program dropped from \$47 million to \$29.7 million. In this budget, the administration eliminates the Law Enforcement Terrorism Training Program, cutting another \$400 million from our first responders.

I have spoken with police and fire chiefs across my State, and to a person they all tell me that they have fewer police officers and firefighters on their forces than they did before 9/11 because of funding cuts.

During a series of 11 meetings in the summer of 2003 I met with first responders and community leaders in Michigan. They told me in no uncertain terms that they are woefully underfunded and underequipped. Over the last year and a half, they have continued to remind me of that fact. The situation in Michigan is of particular importance to me but this is not solely a Michigan problem. This is a national problem and one that has been ignored for far too long.

My amendment would restore the cuts to the first responder services in the President's Department of Homeland Security budget. The amendment is fully offset and will also help reduce the deficit. The amendment is paid for by closing tax loopholes that were originally included in the Senate version of the FSC/ETI bill, but were taken out in the final conference bill. Closing these loopholes will generate \$3.2 billion in revenue, half of which will be used to restore the \$1.6 billion in first responder program cuts, and the remaining \$1.6 billion will be put towards reducing the deficit.

The assistance to firefighters grants, the State Homeland Security grants and the Urban Area Security Initiative are critically important. Also important are the COPS Program and the Byrne justice assistance grants. While some may not think these services help keep our homeland secure against terrorism, I believe that every police officer we put on the street with the proper training is one more set of eyes that could stop a terrorist attack from ever happening or respond to one, God forbid we are attacked again.

The President's cuts to these programs not only impair our ability to

prevent and respond to terrorist attacks, but are a more fundamental assault on the safety of our communities.

These programs help in unexpected ways. For example, Byrne grants, which my amendment restores, can be used to hire, train, and equip additional law enforcement personnel in our courthouses. With the recent tragedy in Atlanta, GA, now is not the time to cut the resources that keep our citizens safe.

The COPS Program has brought results in Michigan and the rest of the Nation. COPS grants have put more officers on our streets and in our schools to make our communities safer. These officers have helped reduce crime throughout the country. According to the Department of Justice, every \$1 increase per resident of COPS grant funding contributes to a decline of 10 violent crimes and 27 property crimes per 100,000 residents.

When it comes to providing funding for our military men and women in Iraq and Afghanistan, we have provided the resources necessary. Unfortunately, we have not done the same when it comes to protecting us here at home. When it comes to protecting our communities, we should not be penny wise and pound foolish. Therefore, we must strengthen our resolve and do whatever it takes to keep us safe.

Can we tell our fellow Americans that we have provided our first responders with the equipment and training they need to respond quickly to a terrorist incident and prevent loss of life? If we cut \$1.6 billion from the men and women on the front lines of our homeland security, the answer must be no.

I remind my colleagues that when you call 9-1-1, you do not get someone at the Homeland Security Department in Washington, DC. You get your local police or fire department. Local police and firefighters are ready and waiting to try to stop a terrorist attack or help save lives if one happens.

If we do not adopt this amendment, I believe we are not doing everything we can to keep our country safe.

I urge my colleagues, before they vote on this amendment, to ask themselves are we doing enough here at home to keep us safe?

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

Ms. STABENOW. I thank the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

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

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

AMENDMENT NO. 144

Mr. GRASSLEY. Mr. President, I rise to respond to Senator CONRAD's amendment, the pay-go amendment he brings up as it relates to fixing Social Security. But before I get into my remarks, I wish to call attention to some points raised by Senator CONRAD. I do not dispute anything he said, but I would like

to give some refinement of some statistics he has given.

Recently he spoke about the decline in the value of the dollar. His figures were accurate, as far as the decline of the dollar. But also where he starts, there has been a decline of the dollar, but I think we ought to point out to the people of this country that from 1995 until the year 2002, we had a 50-percent increase in the value of the dollar. When we go back to 1995, the middle of the Clinton administration, we will find that we had a dollar lower in value than presently. Then we had the increase in the value of the dollar, and now we have had a 30-percent decline in the value of the dollar. The value of the dollar still is much higher than it was in 1995.

Another point I wish to make is on his dissertation on the estimate of the trustees of what the growth of the economy, of the growth of productivity will be over the next 75 years. He would say that over the next 75 years, the growth of the economy, as the trustees put it, at 1.6 percent is too pessimistic, and consequently maybe the situation over the next 75 years of the Social Security system is not as bleak as the trustees might be led to believe. That is because he would point out that the average productivity of the economy over the last 40 years, from 1960 to the year 2000, was 1.76. So the point being made by the opposition is that the growth of the economy has really averaged more than what the trustees say it will over the next 75 years, so somehow we might not have anything to worry about.

If you take subsets of the years from 1960 until the year 2000, you will find from 1960 to the year 1975 we had a growth of productivity of 2.4 percent. But if you look at the period of time from 1975 until the year 2000, you would see that productivity growth was 1.38, to compare with what the trustees had used for the next 75 years.

So I don't think it is right to point out what the trustees have used as a figure because, compared to the last 25 years, it is not pessimistic whatsoever. You could even make an argument that maybe it is too optimistic.

As we listen to these figures, I hope there will be an effort on the part of my colleagues to study these figures and not just to take these charts at face value, because they may not tell the entire story.

Having pointed that out, I would like to speak about the amendment of Senator CONRAD, not reinstating the pay-go rules until Congress addresses the Social Security issue. Stop to think what sort of proposition this really is. The amendment says we should not do anything else to deal with overspending by Congress until we address the Social Security issue. Unfortunately, no one I am aware of who supports this amendment has a plan before Congress to fix Social Security. So we have an amendment that says, in a sense, don't do anything until we fix

Social Security but those who support this amendment don't have a plan to fix Social Security. So, as I see this amendment, this is an amendment to just simply do nothing—not do anything about a plan to keep spending under control or, if you can't do that, then under this amendment you can't do anything about Social Security.

Due to the retirement of the baby boomers, Social Security will face rising deficits in just a little bit more than a decade. In fact, some people, including me, can legitimately say that this problem really starts in 3 years, when baby boomers start retiring, because their retirement is going to lessen the amount of surplus going from the payroll tax into the Social Security trust fund, which really becomes a problem when we have negative cash flow, just 13 years down the road.

Because Americans are living longer and having fewer children, there are going to be in the future fewer workers to support each beneficiary. That means that Social Security will face rising deficits long after baby boomers are retired and gone. There is widespread agreement that Social Security is facing a significant financial problem.

We could lay out 10 different charts here that would demonstrate the problems of Social Security. I do not think there is a single Democrat or single Republican who would have any disagreement with the problems of Social Security, now or for the next 75 years. It is mathematical and we ought to be able to find a mathematical solution to it.

But when it comes to finding a solution, there is very little agreement on what needs to be done to address this problem. President Bush has made saving Social Security one of his top priorities this year. We ought to thank the President for doing it, because now we are in a position 3 years away from where baby boomers are retiring. We can look at this issue very dispassionately, not under a crisis environment. This is the period of time to deal with these problems. If President Bush had not raised this issue in the minds of the American people, we would not be dealing with it in Congress.

I have to say, as chairman of the committee that has to deal with this, I wish there was not a Social Security problem. Maybe people could say, Senator GRASSLEY, you are chairman of this committee; why didn't you deal with this 2 or 3 years ago, or 4 or 5 years ago?

There are some things you could spend a lot of time on and not get anywhere, if you don't have any colleagues who want to deal with it. But President Bush, using the bully pulpit of the Presidency, has raised this in the minds of people now. Polls show the vast majority of the people know this is a problem Congress ought to deal with. So we ought to praise the President for helping us along a very difficult road here in the Congress, dealing with something that we would not

otherwise even be talking about. So it is one of his top priorities, and we ought to thank him for making this a top priority. He should be commended for his leadership.

There are a lot of Members in this body who are now fully committed to saving Social Security and doing it this year. So, as chairman of the Senate Finance Committee, I must be ever mindful of the concerns of my colleagues and the rules of the Senate. Social Security improvement is one of the most politically sensitive issues Congress can ever deal with. That is why the last time it was dealt with was in 1983. That is 22 years ago.

President Clinton brought this issue to the attention of the American people and to the Congress by his very well-thought-out statement: Save Social Security first—before you do anything else. He even referred to Social Security as a crisis. Somehow, according to my colleagues here, when President Bush says Social Security is in a crisis, that is wrong. But I didn't hear those same people, in 1998 or 1997, when President Clinton said it was a crisis, "save Social Security first," saying that there was anything wrong with calling it a crisis back then. Well, if it was a crisis then, it is more of a crisis now.

I don't care whether it is a crisis, a problem or a challenge, it is something we need to deal with and deal with today. That is because if we deal with it today, this year, as opposed to next year, it is \$600 billion less of a problem, because it costs \$600 billion more on a cumulative basis over the next 75 years to deal with it next year instead of dealing with it this year.

President Clinton raised this issue, and even brought up the issue of investing in the stock market as an example. But then, all of a sudden, it was dropped like a hot potato, and it was not brought up again until President Bush brought it before us.

This is a very sensitive issue, one dealt with every 20 years. We ought to deal with it now. We ought to welcome the opportunity to deal with it. We can deal with it in a calm atmosphere, not the crisis of 1983 when we were borrowing money from Medicare to keep Social Security checks going, or when we as a Congress put—I don't know whether it was \$10 billion or \$20 billion, but we put billions of dollars from general revenue into the trust fund to keep checks going. Prior to that, a lot of people were saying, I will never increase taxes, I will never cut benefits. But you know what happens when you are in a crisis; you end up doing both.

We have an opportunity to do this in the calm and correct way, such as the promise Congress made 28 years ago—not in 1935, not in the original contract where these promises were made. These promises we can't keep today were made 28 years ago. We have a chance to correct them and we ought to take advantage of that opportunity.

Of course, as we are dealing with this sensitive issue, we are all mindful that

the Senate's rules require at least 60 votes to reform Social Security; that is, assuming that you would have a filibuster and you would have to overcome the filibuster. As a result of anything which is going to get done, we have to build strong bipartisan support if we are to succeed. Consequently, even if every Republican would vote for Social Security, that would be 55 votes, and you aren't going to get all of one party going in the same direction. We have to have bipartisanship to get anything done.

To begin the process of building bipartisanship and support for Social Security, I have met with the ranking Democratic member of the committee. I do that on a regular basis, not just on Social Security but on everything before our committee. We are going to try to find some common ground. We usually do. Everything should be on the table for discussion. We should consider all of our options. Developing a plan to protect and improve Social Security will be a complex and challenging task. It will require the support of both Democrats and Republicans. If we make a commitment to build a strong bipartisan consensus, we can break down partisan roadblocks that threaten the future of Social Security, but the first step is to agree on the nature of the problem.

As I said, if I laid out 10 different charts with different aspects of the problems of Social Security, nobody would dispute them. It is quantifiable, it is mathematical, and hence the agreement.

We have had in this debate, though, some critics who would muddy the water claiming that the Social Security problem is due to tax cuts that Congress enacted in 2001 and 2003. I don't quite understand how cutting the income tax has anything to do with the trust fund being in trouble, because we have followed the pattern that was laid out by Franklin Delano Roosevelt in 1935; that he wanted a payroll tax, money designated for Social Security so that there is a relationship between what you pay into it with what you get out, so that it would be an insurance program and not be a welfare program.

Maybe today, welfare doesn't receive the public's lack of respect it did in the 1930s. In the 1930s, it was a shame to be on welfare. Maybe today it is not. That is part of our problem with our society as a whole.

Franklin Delano Roosevelt wanted to be very careful that people who received Social Security checks were not seen as being on welfare. They weren't on welfare because they paid into it. They were buying insurance when they did that.

Arguing that the cutting of the income tax has something to do with taking money out of the Social Security trust fund would be the same as saying we are going to put this income tax into the trust fund and get away from the principle of a direct relationship between what you pay in and you

get out in interest and principal, and, consequently, have it lean more toward being a welfare program.

The Social Security problem has nothing to do with the tax cuts of 2001 and 2003. The critics say that repealing the 2001 and 2003 tax cuts for the rich would cover the Social Security deficit. But according to the Congressional Budget Office, by the year 2050, the cost of extending the tax cuts, if you wanted to say it had something to do with the Social Security problem and make it a welfare program instead of an insurance program, would be 0.7 percent of gross domestic product.

As you can see by this chart, the Social Security deficit is in fact 1.4 percent of gross domestic product. In other words, repealing the tax cuts for everyone, not just the rich, would cover only half of the Social Security deficit in the year 2050.

If you want to start figuring that way, then turn the Social Security program into a welfare program where you get away from the principle set by Franklin Delano Roosevelt, that there had to be a relationship between what you pay in and what you draw out so that you weren't on welfare, so you didn't have the shame of welfare of the 1930s.

Moreover, the sustained use of general revenue to fund Social Security would destroy the historical link between individual benefits and contributions, thereby turning Social Security into another tax-and-spend welfare program. The figures being used by critics do not come from the Congressional Budget Office. They were made up by a liberal think tank often quoted here on the floor of the Senate. The critics' figures are also based upon what we call present-value calculations. Such calculations now would assume that a dollar of additional taxes collected today will pay about \$17 of Social Security benefits down the road 50 years.

How could this be? These present-value calculations assume that all the money the Government collects from repealing the tax cuts would somehow be saved and be invested in interest-bearing assets, paying 5.8 percent a year in interest. There is simply no way for our Government to make this kind of investment. History shows that the Government spends every dollar of taxes it collects.

In fact, I often have said in the Senate I might be willing to increase taxes if I thought every dollar collected would go to the bottom line to reduce it. But what I find in the Congress, you raise taxes \$1 and it gives Congress permission to spend \$1.10 or \$1.20 and sometimes even more. I have never run into anyone in Congress who wants higher taxes who has ever told me how high taxes have to be to satisfy their appetite to spend money. Until I can find out how high taxes have to be, I will be very squeamish about raising taxes and somehow reducing the deficit.

The only way to prevent the Government from spending the tax cuts they

would propose would be to put them in personal accounts. Unfortunately, those who claim the tax cuts would pay for Social Security are the very same ones who oppose personal accounts.

There are a number of ways to address the Social Security long-term deficits. One such proposal would change the benefit formula from wage indexing to price indexing. Some critics of price indexing claim it would increase poverty among seniors. This point has been made in the Senate, but it is based on a number of erroneous assumptions.

First, critics say if you go back in time, reducing today's average benefit level to the level that would have been paid in 1940, benefits would be lower and poverty would be higher. What sort of spurious comparison is that? In 1940, the average retirement benefit was 40 percent of the poverty level. In 1960, the average retirement benefit for Social Security was about 60 percent of the poverty level. Today, the average retirement benefit is about 120 percent of the poverty level. So it is just this simple: no one is going to index benefits back to 1940. But that is the argument being made by our colleagues. The proposal that has been put forward would adjust, instead, today's benefits going forward into the future, not backward.

I also point out that many of the price indexing proposals include a new minimum benefit for low wage workers. An analysis by the Social Security Administration shows that a minimum benefit would actually reduce poverty more than current law does. So no one should be fooled by these spurious comparisons going back to 1940. It is almost laughable that someone would make that argument in the Senate.

The President has made Social Security a priority issue, and Congress should take advantage of this Presidential leadership. The chance to fix Social Security problems may not come again in 10 years. They will come for sure in 10 years because if we do not do anything, we get to the point of a crisis where people who want to increase taxes will not have a problem getting their heart's desire of raising taxes. But you will also do what no one wants to do: change the benefits. So we should not miss this opportunity.

President Bush needs to keep using the spotlight to educate the public about why we need to take action on Social Security. We want a safe and secure retirement for every American. That is part of the social fabric of America. It is kind of like Grandpa GRASSLEY. I am 71. I draw Social Security benefits. I am benefiting from a very good deal from the New Deal of President Franklin Delano Roosevelt—a good deal for me, my mom and dad, my grandparents. But for Carrie Grassley, 9 years old, my granddaughter, it is going to be a raw deal because doing nothing around here is not an option. Doing nothing is a guaranteed benefit cut for Carrie Grassley.

It is kind of a moral issue, whether Grandma and Grandpa GRASSLEY today ought to be concerned about a secure retirement for our children and grandchildren. Do we want to be selfish? I don't think I have a right to be selfish. I believe I need to be concerned about the next generation. We have that opportunity now. Are we going to take advantage of it?

Social Security is a successful program. It definitely is a part of the social fabric of America. These young people who are our pages are paying in dramatically for me to receive my Social Security check. Even if we did something today and they get 100 percent of the benefits that are promised today, they are still getting maybe not a raw deal but not as good as the deal I have. For sure, if we do nothing, 70 percent of those benefits is a raw deal. We have an opportunity to do something about it.

There has been a lot of attention brought to personal accounts by the other side of the aisle. The other side of the aisle has had a free ride on the question of solvency of Social Security. What about keeping promises to Carrie Grassley and the young pages so they can have what we have. What about everything else dealing with Social Security. Do they have a responsibility? After all, we all get paid \$160,000 a year. You mean you cannot come to the table to negotiate with CHUCK GRASSLEY on a problem we all agree ought to be done with or without personal accounts? But don't figure you are negotiating in good faith if you say, before you sit down at the table, you can't have everything on the table. That is what negotiations are about.

The other side has had the luxury of the public's attention on personal accounts, and they are clouding that issue. This has given them the opportunity to avoid these tough issues of providing for Social Security for the pages or for Carrie Grassley. I don't think they can get away with it very long.

I hope by this summer my committee is able to meet and report out a Social Security bill. It is my intention to do that. Will I get the cooperation to do that? One person cannot provide the votes, but we ought to have that sort of discussion and see what we can do to bring it before the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I want to respond briefly to the chairman of the Finance Committee. Let me first say how much I welcome the tone and the content of his remarks. The chairman of the Finance Committee is exactly right. We need to work together

to face the challenge in Social Security, and, frankly, the even much bigger challenge in Medicare because, as I indicated this morning, the shortfall in Medicare is eight times the shortfall in Social Security. We also need to address these ballooning budget deficits and this massive growth of debt. All of these things need to be dealt with.

I also believe tax reform needs to be part of this mix. Why? Because the tax system we currently have is hemorrhaging revenue. The Revenue Service tells us the tax gap, the difference between what is owed and what is being paid, is over \$300 billion a year. By all accounts, that is a conservative estimate. So before anybody talks about a tax increase for anybody, we ought to be talking about closing this massive tax gap—the difference between what is owed and what is being paid.

Senator GRASSLEY made a number of references to the amendment I have offered that I think are not a correct characterization of my amendment. I understand he said the amendment I have offered would not do anything to address overspending by Congress until we fix Social Security. And his characterization of my amendment is that it says don't do anything until we fix Social Security.

That is not what my amendment says. That is not what my amendment does. My amendment says, let's put Social Security as the top priority. Let's save Social Security first. It does not say "only." It says "first." It says very simply: No new spending or no new tax cuts until Social Security is solvent, unless they are paid for.

Boy, there is a novel idea out here. You are going to pay for something. You can have all the tax cuts you want if you pay for them with spending reductions or other revenue. You can have all the new spending you want if you pay for it by reductions elsewhere in spending or new revenue.

My amendment says you cannot have new spending or new tax cuts unless you pay for them or if you are able to come out here and get a supermajority vote. Otherwise, you have to wait until we put forward a plan that restores the solvency to Social Security. I think that is a pretty good idea. That is what my amendment does.

My colleague from North Dakota is in the Chamber.

Can I ask the timekeeper where we are with respect to the time between now and 2:15 on our side?

The PRESIDING OFFICER. The Senator has 2½ minutes.

Mr. CONRAD. So 2½ minutes on this side.

What is remaining on the other side, if I could ask?

The PRESIDING OFFICER. Twenty-eight minutes.

Mr. CONRAD. Twenty-eight minutes. I understand Senator DEMINT is coming to offer an amendment. We will need a little bit of time to respond to that.

So how much time will the Senator need?

Mr. DORGAN. Mr. President, I would ask for 10 minutes.

Mr. CONRAD. Mr. President, I would be happy to yield 10 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. DORGAN. Mr. President, I intend to support the amendment offered by my colleague, Senator CONRAD, which, in effect, says: Save Social Security first. Make Social Security a priority when we evaluate what we want to do around here. There are a whole series of options that we face: increase spending, cut taxes or do both of these things. What my colleague is saying is, save Social Security. Save Social Security first.

I also intend to support the amendment offered by my colleague from Florida, Mr. NELSON. Senator NELSON's amendment is a sense-of-the-Senate amendment that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt.

Now, why is Senator NELSON offering that amendment? Well, because we have the memorandum that was leaked from the White House in January that outlined the plan that the President's chief strategist on Social Security was offering. The plan was relatively simple. The plan is, borrow a lot of money up front, anywhere from \$1 to \$5 trillion, depending on how long a time you measure it. Borrow a lot of money. Put it in the stock market. Change the indexing formula in Social Security to cut benefits. Then you have borrowed money in the stock market, with Social Security benefit cuts. Then you just sit back and wait and hope that everything is going to be all right.

At the end of that memorandum from the White House it says this, which is very revealing: It says, "This is the first time in six decades we have had an opportunity to win on Social Security." We know what that means. They go back to Alf Landon, when they debated this Social Security bill in the 1930s. They did not like it then. Some still do not like it. They would like to take it apart.

Now, the President began at his State of the Union Address, and around the State of the Union Address other members of the administration said the Social Security system is in crisis. They used the terms, "bankrupt," "flat broke," "busted." None of that is true.

It is the case, according to the Congressional Budget Office, that Social Security, as a program, will be solvent until President George W. Bush is 106 years old. Let me say that again. The Congressional Budget Office says the Social Security system will be fully solvent until President George W. Bush is 106 years old. Now, they did not say the "Bush, 106 years old" piece. They just described how many years it would be solvent. I have calculated, then, the

President would be 106 years old at that point.

Is that a crisis? No, it is not a crisis. People are living longer, healthier lives. We may have to make some adjustments to Social Security, but it does not require major surgery, and it is not a justification for President Bush's plan to begin taking Social Security apart, creating privatized accounts. It is not a justification for that.

Now, in many ways, this is about values. I respect those who believe Social Security should never have been adopted. I do not agree with them. I respect their right to take that viewpoint. I respect those who want to take the Social Security system apart right now. I do not agree with that either, but I respect their right to make that case.

But it seems to me if you go back to 1935 at a time in this country when 50 percent of America's senior citizens were living in poverty, this country decided: We cannot have that. We are not going to allow that to happen. So we created an insurance program. Yes, it is insurance not investments. The FICA, the tax that is taken out of your check every month—the "I" in FICA is insurance. That is what it means, insurance. It is the program that would always be there. You could count on it. It is guaranteed. It is not the risk piece. The antithesis of security is risk. It is the portion of retirement security that will be there. That is what it was created for. The woman who received the first Social Security check in 1940 and the tens of millions of American senior citizens who have received Social Security since have, in many cases, been lifted out of poverty by this single act. Some say, well, it is something that should never have been done. One of the leading voices on the far right says Social Security is a soft underbelly of the liberal welfare state. That describes the mindset of people who don't want the Social Security program to exist, the kind of people who voted against it in the 1930s.

As I said, this is about values, what is important to us. Some come to the floor and say the most important thing, by far, is to eliminate the death tax—a tax which doesn't exist, incidentally. There is no death tax in America. There is a tax on inherited wealth. I spoke yesterday about that. Warren Buffett, the world's second richest man, makes the point that if the majority party gets its way with respect to the "death tax" and exempting dividends from taxation and so on, the world's second richest man will be paying one-tenth the tax rate that the receptionist in his office pays. That is from him, not me. Warren Buffett says under their plan he would end up paying a 3-percent tax, and the receptionist in his office, with the payroll taxes, would end up paying a 30-percent tax.

I asked the question yesterday, why do we have the philosophy in the Chamber that seems to say let's tax

work, but let's exempt investment? Is work less worthy? Is it really less worthy? Don't we value work? Don't we honor work? Don't we connect effort and reward? There are some who come to the Chamber and say, look, there are priorities that are more important than Social Security. Cutting the tax on dividends and interest on passive income, eliminating the so-called death tax—despite the fact that there is no death tax—they spend money to do that. That is more important to them than the Social Security program.

I happen to think the Social Security program works well, and has for a long while and will continue for a long while. It will be solvent for 75 years with any kind of reasonable economic growth, with no changes. But assuming we get a pessimistic rate of growth for 75 years, 1.9 percent compared to the 3.4 percent we had in the previous 75 years, assume, as the actuaries do, that we have an anemic growth of 1.9 percent, then we would have to make adjustments.

But that is not a pretext for what President Bush wants to do. What he wants to do is simple. He said it in 1978 when he ran for Congress. In 1978, when he ran for Congress, he said that Social Security will be broke in 10 years. He meant 1988. Of course, that didn't happen. It wasn't true at the time. He said Social Security will be broke in 10 years and we ought to go to privatized accounts.

So this is not new. It is not even about economics. It is about a philosophy, about a decision and a desire to take apart the Social Security program. The question for this Congress is: Does Social Security have merit and worth for this country? Has it improved this country? Is it a part of this country's decisionmaking over the last century that has improved America?

In my judgment, the answer is yes. We have done a lot of things together. We decided in the last century about a lot of issues. Some of them were hard. We had people die in the streets of this country who demonstrated for the right for workers to organize. People literally died in the streets as a result of violence over the issue of whether American workers should be allowed to organize. Should they expect to be able to work in safe workplaces, safe plants. Should we have child labor laws. Should we have a minimum wage. Should we stop companies from dumping chemicals and sewage into the water and the air. And in the panoply of all of those decisions, one was to say it is intolerable that half of our senior citizens live in poverty. These are the people who helped build our country, the people who understood about going to a barnraising for the neighbor, about building a community, starting a church in a small town, about trying to raise a family by raising a crop, and hoping that crop produces something you can sell in the fall to keep your family over the winter. Yes, the people who worked in the factories, as well,

that began to mass-produce products. These are the workers of America who helped build this great country of ours. We decided it is intolerable that one-half of them, when they reach their declining income years and retirement, should live in poverty; it is intolerable, as good as this country is.

So we contribute each month from our paycheck—all workers do—into a fund called Social Security. There are a lot of things you don't know about growing old. You don't know about your health. You don't know which of your relatives will survive to be helpful to you when you grow old. But you do know this: If you work and if you had an investment from your paycheck in the required number of quarters, Social Security will be there for you. You do know that. That is important.

Because we know that and because we now have nearly 70 years of experience with this program, we ought to understand that this ranks right near the top of the things we need to do to make this a better country: Preserve, strengthen, and nurture the Social Security system for the long term.

I oppose the President's proposal. I think it is a proposal that will begin to take apart the Social Security program. I support the amendments that will be offered and voted on this afternoon. Those amendments make good sense and they move us in the direction of deciding the following: We are going to strengthen and preserve Social Security for the long term. It ranks as a priority, the highest priority for this Congress.

Mr. BAUCUS. Mr. President, I rise today to express my strong support for Senator STABENOW's amendment to restore funding for our first responders, including local law enforcement. I am proud to cosponsor this amendment. We cannot continue to cut justice assistance program funding, particularly Byrne grant, local law enforcement block grants, and COPS funding.

The Byrne Grant Program, which was merged last year with the LLEBG program in a move I did not support, is vital to the efforts of local law enforcement in Montana to combat methamphetamine and other illicit drugs. I have heard this again and again and again, from local law enforcement agencies to the Montana Narcotics Officers Association to the Governor's office to the attorney general's office. The Byrne program helps communities hire additional local law enforcement, operate drug task forces, and send local law enforcement to drug training.

Unfortunately, the President's budget proposes an elimination of the Byrne Grant Program. This combined with cuts proposed by the President to the high intensity drug trafficking area HIDTA, program and other justice assistance programs, would be a disaster for Montana. It would set the clock back years in our efforts to fight the rapid spread of methamphetamine in Montana.

According to the Montana Board of Crime Control, this is what will happen

to Montana if the President's fiscal year 2006 budget is enacted:

1. Montana will lose its multijurisdiction drug enforcement capacity, including seven multijurisdictional drug task forces. This means that already stretched local law enforcement agencies will have to do what they can to address drug enforcement at the local level, without broader support from the drug task forces.

2. Montana will lose 33 drug enforcement offices throughout the State.

3. Montana will experience a significant increase in drug availability, manufacturing and trafficking and drug-related crime.

4. Montana would experience an increase in clandestine labs that manufacture methamphetamine.

5. Montana would experience a reduction in the amounts of illegal drugs and guns removed from our communities.

6. Montana would experience the elimination of funds for rural law enforcement agencies' manpower, equipment, and training.

The above impacts translate to a complete loss of rural drug enforcement in Montana and are only the tip of the iceberg. The manufacturing, trafficking, drug addiction, and crime will have a ripple effect throughout the State in our public health and correction systems and the courts, negatively affecting public safety and the quality of life in Montana.

The Byrne program and similar programs support the majority of pro-active drug enforcement in the 56 counties of my State. This is because we are spread so thin across a vast area with a small population and an international border—Byrne is essential to us.

To protect our kids and our communities—our homeland—we have to continue aggressive drug enforcement across Montana. We have to continue teaching hundreds of classes to the good citizens helping to stop the spread of drugs like meth, including realtors, retailers, civil groups, and other local law enforcement agencies. Byrne funding is the difference between stopping a few street level drug sales and stopping drug manufacturing and distribution on a much larger scale.

Working hand-in-hand with Byrne Grant Program funding is the COPS Program. The COPS Program helps pay for all meth lab cleanups in Montana, protecting children and others from the harmful health impacts of the chemicals used to make meth. Additionally, the COPS Program helps provide for more law enforcement in drug enforcement units, while maintaining enough police officers patrolling our streets.

According to the president of the Montana Association of Chiefs of Police, COPS funding is necessary to maintain an adequate number of police in the field to protect our communities. He has told me that without COPS funding, the number of crimes,

especially violent crimes, will begin to rise again. And currently, there is no other alternative to the COPS Program. He tells me that the COPS Program is one of those programs that works, one of those programs that is directly responsible for protecting our communities, for getting the officers out on the street to protect us all.

In short, the Byrne and COPS Programs represent a relatively minor Federal investment in our local communities that pays huge dividends in terms of the health and safety of our citizens. We are also talking about communities that cannot foot the bill by themselves, particularly in a rural, low-population State like Montana. We just can't kid ourselves that the money will magically appear elsewhere.

I guarantee that Montana is not the only State that will suffer a dramatic loss in drug enforcement capability under the President's proposed budget. Therefore, I urge my colleagues to support the important amendment of the Senator from Michigan. We cannot shortchange our law enforcement—stopping the spread of illegal drugs is important to the security of our homeland, too.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, if I could have an update on the time situation both on the amendment and on the resolution.

The PRESIDING OFFICER. The Senator has 5 minutes remaining. The majority has 28½ minutes remaining.

Mr. CONRAD. That is on the amendment. And on the resolution?

The PRESIDING OFFICER. On the resolution, the majority has 15 hours, the minority has 14 hours.

Mr. CONRAD. I assume the time in quorum calls is being charged equally.

The PRESIDING OFFICER. It is not. The Chair corrects himself. The unanimous consent request that was agreed to does equally share quorum call time.

Mr. CONRAD. I thank the Chair. Maybe someone who is listening to these proceedings can hear me outside this Chamber. Hopefully, Senator DEMINT is either on his way to the floor or will be shortly because we have the time until 2:15 p.m. At 2:15 p.m., we will be turning the attention of the Chamber to Senator LINDSEY GRAHAM. So on Senator DEMINT's amendment, if he is to have much time, it would have to come before 2:15 or the time after 2:15 will have to be shared.

I hope somebody is listening to this and will advise Senator DEMINT that if he wants to have as much time as possible before the votes that are scheduled, he should come soon.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I have been advised that Senator DEMINT may not be here soon to discuss his amendment. So I am going to respond to his amendment before he has laid it down. We have been advised of what the amendment is. I think if I do not do that, my time will run out, and there will not be any chance to respond.

Senator DEMINT's amendment says just this:

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt, and a failure to act would result in massive debt, deep benefit cuts, and tax increases.

I agree with the first clause of the Senator's amendment. In fact, it is an amendment I support. Senator NELSON's amendment says roughly the same, that we should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt. But the additional clause of the Senator's amendment says "and a failure to act would result in massive debt," I agree with that. "Deep benefit cuts," I agree with that. "And tax increases," I cannot agree with that because it is just not accurate. It is not accurate.

The way it works, when we get out to 2052, according to the Congressional Budget Office, and Social Security can only meet 78 percent of its obligations, what happens at that point is the benefits are reduced by that shortfall amount. There is no tax increase that is triggered. The benefits are cut.

Try as I might, I want to be able to support the Senator's amendment because the first clause is exactly right. We should reject any Social Security plan that requires deep benefit cuts or massive increase in debt. That is, unfortunately, what the President's plan does. But when he goes on and says, "... and a failure to act would result in massive debt, deep benefit cuts, and tax increases," it just as a matter of fact is not true.

I understand there maybe is a sense that will happen, but, in fact, what does happen is when you get to that point, 2052, according to the Congressional Budget Office, and Social Security can only meet 78 percent of its obligations, the benefits are cut by that amount of the shortfall. There is no tax increase that is triggered.

I just cannot support something that is not factually accurate. I wish the Senator were here. I wish he would be open to changing his amendment because if we just state it in a factually accurate way, I would be happy to support it. But I cannot support something that is factually not the case.

We have an ongoing problem here. The ongoing problem is that this budget in this conversation is utterly detached from reality. It is detached from reality because we are running massive record budget deficits, and the party in the majority comes with a budget that just increases the debt each and every year, by their own calculation, by over \$600 billion.

Maybe somebody could bring me the chart from their own budget document that shows what their own calculation is of what this budget does.

Mr. President, I say to my colleagues on the majority side of the aisle, do they really want to support a budget that at a time of record deficits and burgeoning debt says more of the same?

I know the rhetoric on the other side is this budget is fiscally responsible, it cuts the deficit in half over 5 years. But the only way it reduces the deficit over 5 years is it leaves out things. It leaves out war costs, it leaves out the need to fix the alternative minimum tax, it leaves out the President's Social Security proposal.

Here is what the budget before us does, according to their own document. This is on page 5. It shows the increases in the debt that would result if this budget is adopted: a \$669 billion increase in the debt this year; next year it increases the debt \$636 billion; the next year it increases the debt \$624 billion; the next year it increases the debt \$622 billion; the next year it increases the debt \$611 billion. This is not my document. This is in the budget resolution before us, and it says this is a blueprint to increase the debt \$3 trillion. Is that what we should be doing? Is that really the blueprint to strengthen America's economic security? I do not believe so. I think that would be a profound mistake.

Mr. President, what is the time remaining on our side?

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

Mr. CONRAD. I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

(Purpose: Sense of the Senate that failing to address the financial condition of Social Security will result in massive debt, deep benefit cuts and tax increases)

AMENDMENT NO. 150

Mr. DEMINT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes an amendment numbered 150.

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

Mr. CONRAD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will report.

The legislative clerk read as follows:

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive increase in debt, and a failure to act would result in massive debt, deep benefit cuts and tax increases.

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from South Carolina.

Mr. DEMINT. Mr. President, I am encouraged by the debate today that recognizes, as we consider our budget, that Social Security and its future is an important part of budget considerations. My amendment today recognizes that if we do nothing with Social Security, which seems to be the intent of some in this Chamber, that will only result in deep benefit cuts or massive increases in debt, and a failure to act now will result in not keeping our promise to today's and tomorrow's seniors.

We need to address the challenge of Social Security. It is first a promise we must keep. Those who suggest that we need to cut benefits on today's seniors or even tomorrow's workers should consider the promise we made to seniors. Those who suggest that we do not have a problem with Social Security until the year 2042 do not recognize the facts that our own Social Security Administration is giving us year after year.

We can see clearly that the current level of payroll taxes that comes from our workers' paychecks every month will fund Social Security as it is today only through the year 2018. After 2018, the amount of money that will be required in addition to payroll taxes increases dramatically through 2079, and continues to grow beyond that day.

I think it is inconceivable that in this Chamber today people are telling us we can push this problem down to the next generation and not address it. What will happen under current law with Social Security, if we continue along the same road we are traveling today, is in 2018 we will begin to pull massive amounts of money from our general fund, taking money from our defense, from our education system, from our road system, and many of the Nation's priorities will have to move from the general fund to keep promised benefits to seniors. Beyond this point, we will continue to redeem the IOUs in the Social Security trust fund.

I want to get back to the trust fund in a minute because I am afraid those

who still believe there is money in the trust fund probably still believe there is a Santa Claus. But if we use all the IOUs in this trust fund, what will happen in this year that is talked about on this floor today is in 2042 under current Social Security law, benefits for tomorrow's retirees will be cut by over 125 percent in order to be paid for by payroll taxes.

The call by our President and many of the leadership on the Republican side now to address this issue today is to avoid this cut in benefits in the future. It is unfair to tell the young workers of today that if they continue to pay into their Social Security benefits through their payroll taxes they will get a Social Security benefit equal to those receiving it today. It is, frankly, not true.

I believe we can reform and save and strengthen our Social Security system without cutting benefits, and without raising payroll taxes. In fact, I believe it is the responsibility of this Senate, this Congress, and this President to do exactly that.

There are bills that have been proposed that will begin to say what people save, what people are putting into Social Security, not taking money out of Social Security but to save the money that is going into Social Security for tomorrow's workers.

If we only today began the process of saving the current Social Security surplus—let me address that quickly—for the next 13 years or so, which this line here represents, this year it is like \$100 billion of money that is coming in for Social Security that is being spent on other programs. If all we did until 2018 was to save the Social Security surplus within the Social Security system, we would create a stronger Social Security system that has real savings in it.

The problem with Social Security today is not that taxes are too low, or that benefits are too high, but the problem with Social Security is we have been taking money from workers for years and not saving it. We have been spending it on other things. Now the general fund owes the Social Security system well over \$1 trillion.

The proposal by the President, and by many in the House and the Senate today, is to begin to save part of what people are putting into Social Security, allow that money to earn interest, compound interest, and to grow so that over a period of years we will transform Social Security from a political promise with nothing but IOUs into a secure and a guaranteed retirement income for tomorrow's seniors.

My amendment does something very simple. It recognizes that if we do what has been proposed by many today, that we ignore Social Security, that we push it to the next generation, it will result in either significant benefit cuts or massive, large increases in payroll taxes or huge transfers from our general fund, which will affect many of the Nation's other priorities.

It is a simple request to ask my colleagues to recognize the problem.

I appreciate the President's efforts to tell the American people we have a problem that needs to be solved. I appreciate his willingness to consider saving Social Security by saving payroll taxes that are being paid already by workers.

I ask for consideration of this amendment. I believe it is important for the American people to know that doing nothing to address Social Security will hurt every American and will hurt our country as a whole.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 152

Mr. GRAHAM. Mr. President, I have an amendment I will send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. GRAHAM], for himself and Mr. SANTORUM, proposes an amendment numbered 152.

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

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

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding the urgent need for legislation to ensure the long term viability of the Social Security program)

At the end of title V, insert the following:

SEC. _____. SENSE OF THE SENATE REGARDING SOCIAL SECURITY RESTRUCTURING.

(a) FINDINGS.—The Senate finds that—
(1) Social Security is the foundation of retirement income for most Americans;

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today's working Americans, current and future retirees, and their families;

(3) Social Security faces significant fiscal and demographic pressures;

(4) the nonpartisan Office of the Chief Actuary at the Social Security Administration reports that—

(A) the number of workers paying taxes to support each Social Security beneficiary has dropped from 16.5 in 1950 to 3.3 in 2002;

(B) within a generation there will be only 2 workers to support each retiree, which will substantially increase the financial burden on American workers;

(C) without structural reform, the Social Security system, beginning in 2018, will pay out more in benefits than it will collect in taxes;

(D) without structural reform, the Social Security trust fund will be exhausted in 2042, and Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 68 percent by 2078;

(E) without structural reform, future Congresses may have to raise payroll taxes 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of as much as 16.9 percent by 2042 and 18.3 percent by 2078;

(F) without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be more than \$25,000,000,000,000 in constant 2004 dollars or \$3,700,000,000,000 measured in present value terms; and

(G) absent structural reforms, spending on Social Security will increase from 4.3 percent of gross domestic product in 2004 to 6.6 percent in 2078; and

(5) the Congressional Budget Office, the Government Accountability Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt or less spending on other federal programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the President, the Congress, and the American people including seniors, workers, women, minorities, and disabled persons should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system;

(2) Social Security reform—

(A) must protect current and near retirees from any changes to Social Security benefits;

(B) must reduce the pressure on future tax-payers and on other budgetary priorities;

(C) must provide benefit levels that adequately reflect individual contributions to the Social Security system; and

(D) must preserve and strengthen the safety net for vulnerable populations including the disabled and survivors; and

(3) the Senate should honor section 13301 of the Budget Enforcement Act of 1990.

Mr. GRAHAM. How much time do we have on this amendment?

The PRESIDING OFFICER. Twenty minutes on each side.

Mr. GRAHAM. I will try to be brief. I see the Senator from North Dakota, Mr. CONRAD, has come to the floor.

First, I thank Senator CONRAD, who has been a good ally in trying to define the problems the country faces. There are about \$40-something trillion in promises we have made to the public through different entitlement programs and there is not money to pay those promises. That is what gets us here.

It is time for the country to come to grips with the idea we promised a lot of retirement benefits, we promised a lot of medical benefits, Medicaid benefits for people who are disabled and poor people, and we do not have the revenue streams over time to support those benefits. So 2 years ago Senator CONRAD and myself worked on a resolution trying to define the problem. There are many different views of whether it is a problem or a crisis, how to fix it, where the accounts fit in, should we borrow the money, should we raise revenue.

Quickly, I believe that without restructuring benefits and restructuring taxes you cannot get there from here. I know a lot of people do not want to hear that, but in 2018 we begin to pay out more in benefits than we collect in

taxes, and it only gets worse over time because when I was born in 1955 there were 16 workers for every retiree. Today there are 3½, and 20 or 30 years from now there will be 2. So it is nobody's fault. It is not the Democrat or Republican Party's fault.

The fact is, there has been a huge demographic change in the country called the baby boom. It is a big elephant working its way through the system. We need to adjust for it, and we need to make promises in the future, starting now, that we can afford to make and that are honest promises.

My goal, and I believe this about Senator CONRAD, is to restructure Social Security and other entitlements in a fiscally responsible way so future generations do not live in fear of the check not coming, the benefit not being there, and we are willing to make some hard decisions. But this amendment is not about those hard decisions. This amendment is about, Where do we stand as a nation vis-a-vis Social Security.

If I may, I will read some of the findings:

(1) Social Security is the foundation of retirement income for most Americans;

Not only is that a true statement, it is an essential statement for us to make as a body, Republican and Democrat, because half the seniors today who receive a Social Security check would be in poverty if it were not for the Social Security check. So it is the foundation of retirement income for many Americans.

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today's working Americans, current and future retirees, and their families;

I think we can all agree on that. We did 2 years ago. The word "crisis" or "problem" is not in there. "Vital national priority" is because for millions of Americans this is what you count on when you retire.

(3) Social Security faces significant fiscal and demographic pressures;

What does that mean? It means what I said before. Senator CONRAD and I agreed 2 years ago that in 1950 there were 16½ workers for every retiree; in 2002, 3.3. And over time it comes down to two workers per retiree because families are smaller.

(C) without structural reform, the Social Security system, beginning in 2018, will pay out more in benefits than it will collect in taxes;

And that 2018 number varies: 6 months, 12 months. That is the right timeframe. What does that mean for average Americans? It means for the first time in the history of this system, the first time ever, we will pay more out in benefits than we collect in taxes. It is true that we have collected more in taxes than we have paid in benefits, and we put them in Treasury notes and borrowed the money to operate the Government. I do not like it. To Senator CONRAD's credit, he does not like

it either. That has been the practice of both parties here. But that is not the reason Social Security is going to run out of money.

If you took all the notes and redeemed them and put the money back in the system, you buy solvency for a period of time, but by no means do you fix the problem. So 2018 is an important date. It is a historic date. It is the first time in the history of this program we pay out more in benefits than we collect in taxes.

Now, what does that mean over time?

(D) without structural reform, the Social Security trust fund will be exhausted in 2042, and Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 68 percent by 2078;

Now, the definition of "bankruptcy" we can argue about, but it is usually an inability to pay the obligations when they come due. In 2042, it is not bankrupt in terms of no money to be paid. In 2042, according to the Social Security Administration, only 73 percent of the benefits will be paid. So to do nothing means that we start paying more than we collect and eventually we have to cut benefits across the board. And by 2078, 68 percent of the benefits are able to be paid.

There are millions of Americans who could not suffer that in their retirement life because when these cuts come by doing nothing, they come across the board. They do not treat somebody who makes \$30,000 differently than they treat somebody who is in the Senate who now makes \$160,000. I think we should try to avoid that in a bipartisan way.

(E) without structural reform, future Congresses may have to raise payroll taxes 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of as much as 16.9 percent by 2042 and 18.3 percent by 2078;

What that means is if you want to restore full benefits, you are going to have to go and get more money because from 2018 to 2042 you tap all the reserves. At 2042 you have a scheduled benefit cut. To avoid it, you have to bring new money to the table. And if you did it by raising payroll taxes, you would have a massive tax increase in payroll tax rates, which would make us less competitive in a global economy against China and everyone else because the payroll tax is a significant problem for business. But it is the way we fund Social Security, and we should not raise it unless we absolutely have to. To do nothing means it is going to be raised in a dramatic fashion.

(F) without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be more than \$25,000,000,000,000 in constant 2004 dollars or \$3,700,000,000,000 [in 2004 dollars] measured in present value terms;

In English that means you need \$3.7 trillion of new money today to get this thing solvent to 2075. And we are talking about trying to take 1 percent out of the Medicaid program. How do you get \$3.7 trillion of new money put in the system today to keep Social Security solvent for the next 75 years? I

don't know how to do that without some sacrifice. There is a way to do it, and we will talk about that, I guess, down the road. But that is a fact. We are \$3.7 trillion short of the money we need to keep this system afloat until 2075.

(G) absent structural reforms, spending on Social Security will increase from 4.3 percent of gross domestic product in 2004 to 6.6 percent in 2078;

When you add Medicare, Medicaid, and Social Security together, it is 25 percent of the gross domestic product.

Now, listen to this: In 2080, 25 percent of the gross domestic product will be spent on Medicare, Social Security, and Medicaid. Right now, the entire Federal budget, everything we spend, is 20 percent. These three programs will outpace what we spend on the entire Government if we do nothing. So is this a problem? To me it is. I probably will not be around in 2078, but I don't want to pass on to people who are going to be around in 2078 a huge problem they can never work themselves out of.

(5) the Congressional Budget Office, the Government Accountability Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

That is one way to avoid the benefit cuts. We talked about that.

(B) Lower Social Security benefit levels.

To not put new money in means you reduce benefits across the board.

(C) Increased Federal debt or less spending on other federal programs.

That is what you would need to do if you did not raise the taxes: borrow money, cut other programs.

The sense of the Senate—this is what we agreed to by voice vote. Everything I have read to you was agreed to by voice vote 2 years ago. It is not preferring one solution over another. It is not saying where accounts are good or bad or that indexing is good or bad. It is defining the problem in responsible terms, picking dates that other people have told us exist, being honest about the unfunded liability, being honest about the consequences of doing nothing. And from this I hope we can find a way to do something in a bipartisan fashion.

The sense of the Senate says:

(1) the President, the Congress, and the American people including seniors, workers, women, minorities, and disabled persons should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system;

(2) Social Security reform—

(A) must protect current and near retirees from any changes to Social Security benefits;

I think we all agree with that.

(B) must reduce the pressure on future taxpayers and on other budgetary priorities;

(C) must provide benefit levels that adequately reflect individual contributions to the Social Security system; and

(D) must preserve and strengthen the safety net for vulnerable populations including the disabled and survivors; and

(3) the Senate should honor section 13301 of the Budget Enforcement Act of 1990.

I hope we can still agree on this because this is as true now as it was 2 years ago. It is more important than it was 2 years ago to define the problems in honest terms without prejudicing any solution proposal.

I want to publicly thank Senator CONRAD for stepping to the plate, as he has in the past, to put on the table that Social Security has a problem. We have done a joint op-ed piece defining this problem, and for that I am grateful.

I will reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me address the amendment of the Senator. Let me say, I am generally supportive of this amendment. I think it lays out accurately our overall situation. The fact is, we have a challenge in Social Security, not a crisis in the sense that Social Security checks are not going to be written tomorrow or next month or next year.

But the longer term problem we have is the demographic problem. That is the reality. The sooner we deal with it, the better. It is also important for people to understand that this demographic challenge is not just in Social Security. In fact, we have a much bigger challenge in Medicare; the shortfall there is eight times the shortfall in Social Security.

There are two things I want to indicate about this amendment that trouble me and I thought were going to be changed. Let me just indicate, on page 3:

Without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be more than \$25 trillion in constant 2004 dollars or \$3.7 trillion measured in present value terms.

I thought the \$25 trillion was going to be taken out and \$3.7 trillion, which was in our op-ed, was going to be the number.

Mr. GRAHAM. Using 2004 dollars would be very acceptable.

Mr. CONRAD. You are willing to strike that one phrase?

Mr. GRAHAM. Yes.

Mr. CONRAD. I appreciate that.

The one other thing I wanted to mention was, on page 4, it says:

The President, the Congress, and the American people including seniors, workers, women, minorities, and disabled persons should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system.

I raise the issue about "permanently." I do so for this reason. I know we included that word before. I would like to do that as well. Here is the problem I have with the word. I don't want to send an incorrect signal about my own intentions. The fundamental problem I have is, to do it permanently, one has to have some projec-

tion of long-term economic growth, and the long-term economic growth one has to have a projection of is forever. I have very little confidence in these long-term projections.

As the Senator knows well, the underlying projection is that the economy is only going to grow 1.8 to 1.9 percent every year for the next 75 years when, in fact, the economy has grown over the last 75 years by 3.4 percent.

This shows pictorially what I am talking about. I am very troubled with this long-term forecast. The Social Security Administration assumes growth of the economy is going to slow considerably after 2015. They have a long-term assumption of economic growth, on this red line, of 1.8 percent. That is what they are saying the growth is going to be over the next 75 years. Yet here is what we have seen, going back to 1950. The green bars on the chart are what economic growth has actually been. The red line is what they are projecting going forward. You can see their projection going forward is much lower economic growth than we have actually experienced over the last 55 years.

Mr. SARBANES. Will the Senator yield for a question?

Mr. CONRAD. Yes.

Mr. SARBANES. As I understand this chart, each column is a 5-year period; is that correct?

Mr. CONRAD. That is correct.

Mr. SARBANES. There has been no 5-year period since 1950—none during that period—in which the growth of long-term GDP has been at or below the line they are projecting; is that correct?

Mr. CONRAD. That is correct.

Mr. SARBANES. So we have exceeded it in each of these 5-year periods over that 55-year span?

Mr. CONRAD. That is correct.

Mr. SARBANES. I know they make very conservative assumptions, but it seems to be clear that their projection is apart from reality. I have seen projections into the future that don't parallel this assumption of the 1.8 percent. They go low in terms of the assumption of what growth is going to be as we move out into the future.

Mr. CONRAD. The reason for their very pessimistic forecast is they are looking at productivity growth and new entrants to the workforce as the two drivers of economic growth going forward. They have a very low number for new entrants into the workforce because of the demographic change. I think we can all understand that. But they also have a very low number of productivity growth for the next 75 years—1.6 percent a year of productivity growth. The fact is, productivity growth has been about double that in the last 5 years. So I, frankly, don't believe the 75-year forecast. That doesn't mean, by the way, that we don't have a challenge. I want to be clear. It reduces the challenge, and if these projections are wrong and they are overly pessimistic, it makes a substantial difference in how big the problem is. We

are still left with a challenge of this demographic change.

Mr. SARBANES. Will the Senator yield on that point?

Mr. CONRAD. Yes.

Mr. SARBANES. Not only how big the problem is, but I guess when the problem would occur, how soon it would be upon us.

Mr. CONRAD. Absolutely.

Mr. SARBANES. The better we do on the growth compared to projections—

Mr. CONRAD. It pushes the problem forward. For example, the Congressional Budget Office had told us that the trust fund would go cash negative in 2018. Now, they have updated their forecast to say, no, we won't go cash negative until 2020, because economic growth has been stronger than the underlying forecast. A big reason for that is productivity growth has been much stronger than the underlying forecast. So I think it is very important that we be clear.

That is why the word “permanently” gives me heartburn in the sense that we are trying to forecast forevermore, and I just flatout don't believe this forecast for 75 years. I want to make clear that we still have a challenge. We still need to address this problem because we have the demographic problem. That is one reason I have tried to talk to my colleagues about not just Social Security but Medicare and the budget deficit and Medicaid, because it is all these things coming together that really presents us with a challenge. It is real.

In any event, I don't know what the Senator's disposition is on the word “permanently,” if he would be willing to change that or maybe he is wedded to that. I don't know.

Mr. GRAHAM. I want to stick with what we did 2 years ago. I will comment why, and I will wait until the Senator gets through.

Mr. CONRAD. I have tried to be clear on the problem I have with that one word. That said, because I support the thrust of this, I intend to support it. I want to make clear that I believe we should be looking toward 75-year solvency because I think the forecasts are so murky, and we would make a real advance if we were to secure 75-year solvency. With that said, I think the overall direction of the amendment is good.

I ask the Chair, where are we in time?

The PRESIDING OFFICER. The Senator has 11½ minutes remaining. The majority has 9 minutes.

Mr. CONRAD. I will yield 7 minutes to the Senator from California.

Mrs. BOXER. Mr. President, I wish to make some remarks to Senator GRAHAM for a moment, if I could get his attention. I wanted to direct some remarks to the Senator. First, I wish to thank the Senator. I think what he is doing here is quite different than what we have been getting from this White House. The Senator is being very careful to essentially say, let's get to-

gether and work together to solve the problem.

I also believe that the word “permanently” is a little naive. I don't mind it, but the point is, nothing is permanent around here except we are going to die one day. We cannot bind future Congresses. I get the Senator's point that we want to make sure this challenge is met. Believe me, I intend to meet it. I intend to meet it without putting us in debt, and the Senator is totally silent on that; I appreciate that. This country is in debt now \$7.7 trillion. This administration has turned it around. We started to balance the budget, pay back Social Security. It has been turned around.

We have the highest debt ever. A child born today has about \$40,000 worth of debt on his or her back. This is painful for our country: \$7.7 trillion of debt is \$1 million a day for 21,000 years. That is what it is. I appreciate the fact that unlike the President's plan, the Senator from South Carolina does not talk about borrowing those staggering sums of money because there are a lot of us who will not do that to the American people. They are being burdened enough with this debt now.

The Senator is also silent on privatization. My hat is off to him on that because, as we know, the Democrats are saying, if you want to privatize this system, the only way you are going to do that is to put us deeper in debt, and you are going to take an overhead of one-half of 1 percent and turn it into a 20-percent overhead. That is according to a University of Chicago study.

I so appreciate that the Senator does not mention borrowing because we are staggering in red ink, and he does not mention privatization because it is a nonstarter. When you privatize, you take a guaranteed benefit and turn it into a guaranteed gamble. I have nothing against Wall Street, I once worked on Wall Street. I was a stockbroker. Sometimes it works out great, but you cannot count on it, not at all. So why would we take a system that has worked perfectly and turn it into a gamble, except if we really wanted to get some of that money away from the trust fund and into the hands of Wall Street.

I was in the House of Representatives in 1983, and I supported two icons in politics: Ronald Reagan, a Republican icon, and Tip O'Neill, a Democratic icon. They followed the spirit of the approach of Senator GRAHAM, which is we get together because, guess what. The people are more important than the politics.

We have a President who is doing his round of townhall meetings all across this great Nation. I think it is great. He is working hard to sell his privatization plan, to tell people they better listen to him or else they are going to be sorry. But do you know what the President did not count on? That the people understand what Social Security is.

So you can do a song and dance about privatization, you can talk about it in poetry, you can talk about an ownership society, but they are not fooled because this is what the people know: They pay a portion of their check over to the Social Security trust fund, and when they retire, they get a safety net retirement. It is safe, and it is sure. It has never defaulted. It is there.

And guess what. If the head of household dies and there are kids, they get a benefit. A lot of my constituents understand this. My own husband's father died when he was 10 years old. His mother had three kids. She was a stay-at-home mom. What would she do? Social Security. One of those kids, my husband's brother, was mentally disabled. What would she do? Social Security.

I praise my friend for not talking about putting this country into deeper debt—we are not going to go there—and for not mentioning privatization because we are not going to go there. We are not going to take money out of the trust fund and give it to Wall Street. We are not going to have a Social Security system that has an overhead cost one-half of 1 percent and turn it into a 20-percent overhead and turn it into a gamble. We are not going to do it.

The people are smart. They get it. I do not care how many townhall meetings any of us has, this is one the people understand. I have my own townhall meetings. The people get it, whether they are Republicans, Democrats, or Independents. They say Social Security works and why would we turn our back on it.

Watch out for the word “reform.” If it is truly reform, we should do it. But if it is repeal, which is what privatization is, we are not going to do it.

Again, with the same reservations that my friend has, I read this amendment and I say, bravo, we can talk, if we are not going to borrow. We can talk, if we are not going to privatize. We can talk, if we are not going to set up a two-tier system that hurts people. We can talk. And we can do what we did in the eighties. I was proud to stand with my President at that time, Ronald Reagan, and my Speaker at that time, Tip O'Neill, these icons who got behind a very simple plan.

And by the way, there are many civil ways. My friend has outlined one. We can step to the plate on this challenge.

Let's stop using the word “crisis” because you are not fooling anybody. Mr. President, 22 years ago the Cato Institute put out a paper. They said: Make people think it is a crisis as soon as you can. If they think it is a crisis, they may accept the end of Social Security. Tell them it is an iceberg coming.

That is what the White House secret little memo did.

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

Mrs. BOXER. Mr. President, I ask for 30 seconds, and then I will stop.

Mr. CONRAD. I yield 30 seconds to the Senator from California.

The PRESIDING OFFICER. The Senator is recognized for an additional 30 seconds.

Mrs. BOXER. The people are smart. They know there are some people around here who have been trying to get rid of Social Security for decades. We cannot trust this matter to people who have wanted to do away with Social Security. The President himself said in 1978 that Social Security will go broke by 1988 unless it is privatized. He was wrong then; he is wrong now. He said in the year 2000 that people act as if Social Security is a Federal program or something. How do we trust someone who does not know Social Security is a Federal program where people pay their insurance, they pay for it, and they get back what they put in, plus a safety net?

I thank my colleague for yielding. I thank my friend, Senator GRAHAM, for offering us something that I think many of us will be able to vote for.

I yield the floor.

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

Mr. LOTT. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Mississippi will state his inquiry.

Mr. LOTT. How is the time divided between now and 3 p.m.?

The PRESIDING OFFICER. The Senator from North Dakota has 3 minutes, and the Senator from South Carolina has 9 minutes.

Mr. GRAHAM. Mr. President, I yield to the Senator from Mississippi 4 minutes.

Mr. LOTT. I thank the Senator from South Carolina.

Mr. President, I wish to make some remarks before we start this series of votes at 3 o'clock. I understand there will be several stacked votes, four or five at that time.

First, I remind my colleagues that this is an important process. This is a process where we pass a budget resolution. This is a blueprint that we are trying to put in place of how we will proceed the rest of this year and even, depending on the enforcement mechanisms, next year. This is not written in stone. This is not the Ten Commandments. This is an outline. This is a blueprint. These are aggregate numbers.

I must say, ashamedly, for 2 of the last 3 years we did not have a budget. I think that is one reason we had such a mess at the end of the session last year. I admit, it was an election year, but we need to have some guidelines of what are we expected to do at Commerce, how can we do a better job at the Transportation Security Administration, how much money is going to be available, what is going to be available at the Finance Committee, what are we going to do with our entitlement programs and tax policy? One way or the other, what are the appropriators going to do?

I hope my colleagues will not get too overwrought and too much into the details. I do not like a lot of this budget proposal. I do not like a lot of what the President proposed, but I will have my opportunity to make my case and I will have my opportunity to vote for or against parts of it. This is just the beginning. This is the kickoff.

By the way, it should be a bipartisan effort to get this budget resolution in place.

I think the committee has done a good job. First, it cuts the deficit in half within 5 years. We have been dealing with increased defense needs. We have been trying to figure out all the needs of homeland security. We had economic problems, and the deficit has gone up. Now it is time we begin to do something about it. We need to begin to control spending, and we need to be careful about our tax policy which can hurt the economy if we have raised taxes or if we cut taxes even in the wrong way versus cutting taxes in a way that gives incentive for growth.

This budget starts in the right direction of reducing the deficit. It fully funds the President's request for defense and homeland security. I guess we need to do that. The numbers are adequate in both areas. I would like to see some more in defense. And I do not like the mix in the President's budget for defense. But that is not what we will decide here.

This bill maintains job-creating tax policy and it strengthens budget enforcement tools. Because we did not have a budget resolution last year, and 2 years before that, we have been losing our ability to impose some budget and fiscal restraint. This resolution does provide outlines that will take us into doing more, and doing a better job at education, energy, welfare, and pension policy, all of which we need to do.

I hope we will be careful. Let's not get too hot with the rhetoric this week. When we get to Thursday night or Friday, we will pass a budget resolution and move forward.

With regard to the amendments, I was interested to see we got some amendments on Social Security. This may be good. Is this a sign that Democrats are going to join us and we are going to have a serious discussion? Senator LINDSEY GRAHAM has his neck way out there, so far out I am not about to join him where he is right now, but he is trying to get us going, get engaged in this discussion. A lot of people say we can't do this, we can't talk about any kind of restraint in growth and benefits. We can't do anything about age. Oh, no, we can't do anything with personal savings account.

If you listen to what they are saying, it is we don't want to do anything but raise Social Security taxes again. We have done that too many times.

My time is gone. I urge my colleagues: Vote against these points of order. This would be the exact wrong way to get started toward Social Secu-

rity reform and getting a budget resolution. I will have more to say about all this later.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. I want to leave this debate on a positive note. Senator CONRAD has been a pleasure to work with. We have some philosophical differences. Maybe we can bridge those gaps. Senator LOTT was talking about my political career. I hope it is secure, but I know Social Security is not. I am not worried about that now, because most people at home have appreciated the effort on my part, and others, to bring honesty to the table.

Why did I pick the word permanent? Why did we pick the word permanent? Everything Senator CONRAD said about budget forecasting is absolutely true. I think we need to understand that when we say words such as "permanent," what I am trying to do is give the American public reassurance that we, as Republicans and Democrats, are going to do the same thing with Social Security that happens when you buy life insurance or you buy car insurance or you buy fire insurance; that is, when you need it, if something happens, it is going to be there. You wouldn't buy a policy from some company that could say: You are good for 10 years; After that, I am not so sure.

What we are trying to do is make a pledge and a promise to the American people that we will permanently take care of this program. We will make the adjustments as we need to, whenever they come and however they come. Our pledge is to make honest promises, keep those promises and I want to tell you why it is important.

Senator BOXER commented about her family situation. The good news is that Social Security has affected so many lives in a positive way. When I was 21, my mother died—she was 52—of Hodgkin's disease. When I was 22, a year later, my father died. He was 69. We all thought he would go first, but you never know in life. We owned small businesses, a liquor store, restaurant, and pool hall. Everything I learned about politics I learned there, and it served me well.

But when my parents died, the businesses folded. I had a 13-year-old sister. We moved in with an aunt and uncle who worked in the textile mills; they never made over \$25,000. Survivor benefits mattered to my family. Without that money, it would have been tough for our family. So I know as well as anyone in this body that Social Security has a purpose. That is a good purpose. We ought to focus on making sure in the future, families like mine, who are worse off, have what we can afford to give them and what we promise to give them we will give them in a permanent fashion.

As to how we get there, I am open-minded. Senator LOTT mentioned, if you don't want to go into deficit and set up accounts, I will work with you.

But the accounts make sense to me, because younger workers, born after 1980, get a 1.4 percent rate of return on their Social Security investments. I know we can beat that without becoming a day trader. I know we can do a better job than that. But I am not going to prejudge anybody's plan. My promise to you is if you want to permanently solve the Social Security problem, to make sure that people in the future can count on the benefits when their family needs them, I will work with you.

Senator CONRAD has been great to work with. I hope we can build upon what we have done today and find a solution that will protect the safety net.

AMENDMENT NO. 152, AS MODIFIED

I send a modification of the amendment to the desk.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from North Dakota.

Mr. CONRAD. Give me a moment to get settled.

The PRESIDING OFFICER. Without objection, the amendment is modified.

The amendment (No. 152), as modified, is as follows:

At the end of title V, insert the following:

SEC. _____. SENSE OF THE SENATE REGARDING SOCIAL SECURITY RESTRUCTURING.

(a) **FINDINGS.**—The Senate finds that—

(1) Social Security is the foundation of retirement income for most Americans;

(2) preserving and strengthening the long term viability of Social Security is a vital national priority and is essential for the retirement security of today's working Americans, current and future retirees, and their families;

(3) Social Security faces significant fiscal and demographic pressures;

(4) the nonpartisan Office of the Chief Actuary at the Social Security Administration reports that—

(A) the number of workers paying taxes to support each Social Security beneficiary has dropped from 16.5 in 1950 to 3.3 in 2002;

(B) within a generation there will be only 2 workers to support each retiree, which will substantially increase the financial burden on American workers;

(C) without structural reform, the Social Security system, beginning in 2018, will pay out more in benefits than it will collect in taxes;

(D) without structural reform, the Social Security trust fund will be exhausted in 2042, and Social Security tax revenue in 2042 will only cover 73 percent of promised benefits, and will decrease to 68 percent by 2078;

(E) without structural reform, future Congresses may have to raise payroll taxes 50 percent over the next 75 years to pay full benefits on time, resulting in payroll tax rates of as much as 16.9 percent by 2042 and 18.3 percent by 2078;

(F) without structural reform, Social Security's total cash shortfall over the next 75 years is estimated to be \$3,700,000,000,000 measured in present value terms; and

(G) absent structural reforms, spending on Social Security will increase from 4.3 percent of gross domestic product in 2004 to 6.6 percent in 2078; and

(5) the Congressional Budget Office, the Government Accountability Office, the Congressional Research Service, the Chairman of the Federal Reserve Board, and the President's Commission to Strengthen Social Security have all warned that failure to enact

fiscally responsible Social Security reform quickly will result in 1 or more of the following:

(A) Higher tax rates.

(B) Lower Social Security benefit levels.

(C) Increased Federal debt or less spending on other federal programs.

(b) **SENSE OF THE SENATE.**—It is the sense of the Senate that—

(1) the President, the Congress, and the American people including seniors, workers, women, minorities, and disabled persons should work together at the earliest opportunity to enact legislation to achieve a solvent and permanently sustainable Social Security system;

(2) Social Security reform—

(A) must protect current and near retirees from any changes to Social Security benefits;

(B) must reduce the pressure on future taxpayers and on other budgetary priorities;

(C) must provide benefit levels that adequately reflect individual contributions to the Social Security system; and

(D) must preserve and strengthen the safety net for vulnerable populations including the disabled and survivors; and

(3) the Senate should honor section 13301 of the Budget Enforcement Act of 1990.

Mr. CONRAD. Mr. President, could you advise us on the time remaining on the two sides of the amendment?

The PRESIDING OFFICER. The Senator from North Dakota has 3 minutes. The Senator from South Carolina has 1 minute.

Mr. CONRAD. If the Chair would advise me at the end of 2 minutes, I would be appreciative.

Let me again say to Senator GRAHAM, I appreciate this effort. I appreciate the amendment he has offered. I have already indicated I intend to support this amendment because I think it lays out in some reasonable way the challenge we face.

On this question of permanency, I agree with him. We certainly do not want a Social Security solution that leaves people in doubt that they are actually going to get their Social Security benefits. At the same time, when we use the word "permanently," I don't want to have people left with the understanding that this is based on a forecast forevermore. The reason I do not is because that might lead to improper conclusions about what we are doing.

These long-term forecasts I have seen over and over are a problem. Let me say why that is the case. The underlying forecast by the Social Security trust fund is that economic growth going forward is going to be 1.8 percent a year. That is the underlying forecast. Every year for the next 75 years, they are saying the economy is only going to grow at 1.8 percent.

If we look back over the last 55 years, these green bars show how much the economy has actually grown, and in no time—at no time over the last 55 years, in 5-year increments, have we had economic growth that was as low as their forecast of how much the economy is going to grow over the next 75 years. So I have grave doubts about the accuracy of this forecast.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. GRAHAM. The Senator from North Dakota's comments are well made. "Permanent" to me is to do whatever we need to do at whatever point in time to secure the safety net, starting today. Senator CONRAD is right; we should have started yesterday dealing with all these problems. Social Security is only a small slice of it.

This budget sense of the Senate I hope will bring us together in honestly defining the problem. I am not asking anybody to prejudice an outcome, as to how they would solve the problem. But now we have on paper what the problem is for America. Working together, I think we can solve it. If we do not, we know what happens. In that regard I think this is a good step forward.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, let me close by saying I support this amendment. I think it is a good-faith effort by the Senator to describe the problem in an accurate and honest way. For that reason, I intend to support it. I urge my colleagues to do so as well.

I would like to conclude by saying thank you to the Senator across the aisle. I think he has done a great service to all of us who are trying to address this problem. When we wrote an op-ed together, we said there is a problem here. There is a challenge. We need to work together to address it. We should not take on massive new debt to do it. But we ought to consider all the options before us.

I thank my colleague and I urge my colleagues in the body to support his amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—100

Akaka	Coburn	Frist
Alexander	Cochran	Graham
Allard	Coleman	Grassley
Allen	Collins	Gregg
Baucus	Conrad	Hagel
Bayh	Cornyn	Harkin
Bennett	Corzine	Hatch
Biden	Craig	Hutchison
Bingaman	Crapo	Inhofe
Bond	Dayton	Inouye
Boxer	DeMint	Isakson
Brownback	DeWine	Jeffords
Bunning	Dodd	Johnson
Burns	Dole	Kennedy
Burr	Domenici	Kerry
Byrd	Dorgan	Kohl
Cantwell	Durbin	Kyl
Carper	Ensign	Landrieu
Chafee	Enzi	Lautenberg
Chambliss	Feingold	Leahy
	Clinton	Levin

Lieberman	Pryor	Specter
Lincoln	Reed	Stabenow
Lott	Reid	Stevens
Lugar	Roberts	Sununu
Martinez	Rockefeller	Talent
McCain	Salazar	Thomas
McConnell	Santorum	Thune
Mikulski	Sarbanes	Vitter
Murkowski	Schumer	Voinovich
Murray	Sessions	Warner
Nelson (FL)	Shelby	Wyden
Nelson (NE)	Smith	
Obama	Snowe	

The amendment (No. 152), as modified, was agreed to.

Mr. GREGG. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 144

The PRESIDING OFFICER. There are now 2 minutes evenly divided before a vote in relation to the Conrad amendment.

Who yields time?

The Senator from North Dakota.

Mr. CONRAD. Mr. President, the amendment before us is very simple. It says: Social Security first. Very simply, the amendment says: No new mandatory spending or tax cuts until Social Security is solvent, unless the new spending or the new tax cuts are paid for or they can get a supermajority in the Senate.

It is a matter of priorities. This says: Social Security first. No new spending, no new tax cuts until Social Security is solvent, unless those amendments are paid for or they get a supermajority vote here in the Chamber.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twelve seconds.

Mr. CONRAD. Mr. President, I yield 12 seconds to the Senator from Michigan.

Ms. STABENOW. Mr. President, I am very proud to be joining my colleague on this amendment. For all of us who have talked about Social Security, this is the way to put it first in the budget process. This is the way to secure it for 75 years.

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

The Senator from New Hampshire.

Mr. GREGG. Mr. President, this amendment has a lot of problems. But three of the major ones are, first, it creates a precedent of mixing the general fund with the Social Security fund, which is a big mistake. Second, it treats entitlements entirely different than it treats tax cuts, which is a big mistake. And third, it is brought forward by a party which says there is no Social Security problem and, therefore, we will never have a tax cut because they will not admit there is a problem. It is essentially a stalking-horse for doing nothing on the issue of relieving American taxpayers of the burden which they have under the present tax system at any time in the future.

As we know, we need major tax reform. So it would be a huge mistake to put this point of order in place.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 144.

The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 45, nays 55, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—45

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

NAYS—55

Alexander	DeWine	McConnell
Allard	Dole	Murkowski
Allen	Domenici	Roberts
Bennett	Ensign	Santorum
Bond	Enzi	Sessions
Brownback	Frist	Shelby
Bunning	Graham	Smith
Burns	Grassley	Snowe
Burr	Gregg	Specter
Chafee	Hagel	Stevens
Chambliss	Hatch	Sununu
Coburn	Hutchison	Talent
Cochran	Inhofe	Thomas
Coleman	Isakson	Thune
Collins	Kyl	Vitter
Cornyn	Lott	Voinovich
Craig	Lugar	Warner
Crapo	Martinez	
DeMint	McCain	

The amendment (No. 144) was rejected.

Mr. GREGG. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, I ask unanimous consent for 1 minute.

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

Mr. GREGG. Mr. President, that vote took 20 minutes. This time does not count against the underlying budget resolution. When we have a series of stacked votes such as this, if people do not vote within the 10-minute framework of the vote, we are talking about extending the timeframe of the resolution by the time we run over the vote. So if we have 20 or 30 votes and we are adding 10 minutes to every one of those votes—which we will have before we finish, believe me—we are talking 2, 3, 4, 5, 6 hours of additional time we will be in session on this resolution, which means a lot of us, or all of us, are going to be here very late on Friday night.

It is up to us whether we discipline ourselves, but hopefully folks can stay within the 10-minute timeframe we have set up. That is why Senator CONRAD and I decided to stack these votes, so we could move this process along. We would like to continue to work in that framework.

AMENDMENT NO. 150

The PRESIDING OFFICER. There are 2 minutes equally divided with a vote on the DeMint amendment No. 150. Who yields time?

Mr. GREGG. Mr. President, I yield time to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. DEMINT. Mr. President, my amendment expresses the sense of the Senate that if we do nothing as a body to address the Social Security issue, it will result in massive debt, benefit cuts for future retirees, as well as large payroll tax increases. The big question today, and the difference in my amendment and another amendment, is whether we need to address it now or push this off until 2042.

It is clear by any measure, if we look at what the Social Security actuaries are saying, that in 2018 we will begin to move billions of dollars from the general fund to support Social Security benefits.

The time to act for Social Security change and reform to save and strengthen Social Security is now, and we can do that best by beginning to save the Social Security surplus and to save part of what people are putting into the Social Security system.

I encourage my colleagues to support my amendment, which simply says if we do nothing, the American people will pay for generations. This amendment is deciding whether we are proposing something for the next election or the next generation.

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

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield time to myself.

I would support the amendment of the Senator from South Carolina if the amendment did what the Senator just described. That is not what the amendment does. It says, in pertinent part:

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or massive increase in debt . . .

I agree with that absolutely. Then it goes on to say:

. . . and a failure to act would result in massive debt, deep benefit cuts and tax increases.

That part of it is just inaccurate and here is why. When we get to 2052, according to the Congressional Budget Office, and Social Security can only meet 78 percent of its obligations, the result is deep benefit cuts. There are no tax increases that are triggered by the law at that point. What happens is deep benefit cuts.

I would just say and urge my colleagues, I think you have to oppose this amendment because, frankly, it states something that is just not accurate.

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

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

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Louisiana (Ms. LANDRIEU) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber desiring to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—56

Alexander	DeMint	McCain
Allard	DeWine	McConnell
Allen	Dole	Murkowski
Bennett	Domenici	Nelson (FL)
Bond	Ensign	Nelson (NE)
Brownback	Enzi	Roberts
Bunning	Frist	Santorum
Burns	Graham	Sessions
Burr	Grassley	Shelby
Byrd	Gregg	Smith
Chafee	Hagel	Specter
Chambliss	Hatch	Stevens
Coburn	Hutchison	Sununu
Cochran	Inhofe	Talent
Coleman	Isakson	Thomas
Collins	Kyl	Thune
Cornyn	Lott	Vitter
Craig	Lugar	Warner
Crapo	Martinez	

NAYS—43

Akaka	Feingold	Murray
Baucus	Feinstein	Obama
Bayh	Harkin	Pryor
Biden	Inouye	Reed
Bingaman	Jeffords	Reid
Boxer	Johnson	Rockefeller
Cantwell	Kennedy	Salazar
Carper	Kerry	Sarbanes
Clinton	Kohl	Schumer
Conrad	Lautenberg	Snowe
Corzine	Leahy	Stabenow
Dayton	Levin	Voinovich
Dodd	Lieberman	Wyden
Dorgan	Lincoln	
Durbin	Mikulski	

NOT VOTING—1

Landrieu

The amendment (No. 150) was agreed to.

Mr. GREGG. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 145

The PRESIDING OFFICER. There are now 2 minutes evenly divided before a vote in relation to the amendment of the senior Senator from Florida.

Mr. CONRAD. Mr. President, we had the announcement of the vote as 56 and 46; from the math I learned in North Dakota, that adds up to 102.

The PRESIDING OFFICER. Forty-three.

Mr. CONRAD. Thank you very much.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON of Florida. Mr. President, this is a sense of the Senate on the same subject and I don't see how anybody can disagree with it.

It is the sense of the Senate that Congress should reject any Social Security plan that requires deep benefit cuts or a massive in-

crease in debt, and a failure to act by 2042 would result in deep benefit cuts; therefore Congress should take action . . .

This does not say wait until 2042. It says "a failure to act by 2042 would result in deep benefit cuts" which is exactly what the Social Security Administration and CBO have told us; that if we do not act by 2042 they are going to pay only 73 cents on the dollar. CBO says that date is 10 years later, 2052. Out of an abundance of caution, I have stated the earlier date.

Mr. GREGG. Mr. President, although this amendment certainly on its face could be deemed to have some reasonable points, it appears to be missing a fairly large chunk of the issue. It says there should not be any required deep benefit cuts. I think we would all like to accomplish that. It says there shouldn't be any massive increase in debt. We certainly all would want to require that. But it doesn't mention taxes. As a practical matter, the implication is that taxes could be increased rather dramatically.

By silence on that issue, I think basically the other side is saying with this amendment we are ready to raise taxes a lot, especially on younger, working Americans, which would be a serious mistake.

Therefore, I suggest we vote against this amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant bill clerk called the roll.

The result was announced—yeas 50, nays 50, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—50

Akaka	Durbin	Mikulski
Baucus	Feingold	Murray
Bayh	Feinstein	Nelson (FL)
Biden	Graham	Nelson (NE)
Bingaman	Harkin	Obama
Boxer	Inouye	Pryor
Cantwell	Jeffords	Reed
Carper	Kennedy	Reid
Clinton	Kerry	Rockefeller
Conrad	Kohl	Salazar
Corzine	Landrieu	Sarbanes
Dayton	Lautenberg	Schumer
DeWine	Leahy	Snowe
Dodd	Levin	Specter
Dorgan	Lieberman	Stabenow
Durbin	Lincoln	Wyden

NAYS—50

Alexander	DeMint	McCain
Allard	Dole	McConnell
Allen	Domenici	Murkowski
Bennett	Ensign	Roberts
Bond	Enzi	Santorum
Brownback	Frist	Sessions
Bunning	Grassley	Shelby
Burns	Gregg	Smith
Burr	Hagel	Stevens
Chafee	Hatch	Sununu
Chambliss	Hutchison	Talent
Coburn	Inhofe	Thomas
Cochran	Isakson	Thune
Coleman	Kyl	Vitter
Cornyn	Lott	
Craig	Lugar	Voinovich
Crapo	Martinez	Warner

The amendment (No. 145) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Colorado, Mr. ALLARD, is recognized.

AMENDMENT NO. 147

Mr. ALLARD. Mr. President, I urge a "no" vote on the Stabenow amendment. It increases spending and taxes. The total amount of dollars allocated in 2002 to 2005 to the Office of State and Local Government Coordination and Preparedness was \$11.2 billion. The total amount spent is \$6.1 billion. That means we have \$5.2 billion still available. Only 55 percent first responder grant dollars have been used. Still billions of dollars remain. In the name of fiscal responsibility, I urge you to join me in voting no on the Stabenow amendment.

The PRESIDING OFFICER. The Senator from Michigan, Ms. STABENOW, is recognized.

Ms. STABENOW. Mr. President, this amendment is about keeping our families safe and our communities safe. It would restore the \$1.6 billion in cuts to first responders, our police, firefighters, and emergency workers. These cuts are included in the President's budget and in this mark.

With this amendment, we would restore those funds, as well as add \$1.6 billion to reduce the deficit. There is an offset we are proposing that we close tax loopholes that were dropped from last year's FSC bill in order to pay for this.

In my State of Michigan, and I am sure in your States as well, every police chief told me they have fewer officers on the streets today than on 9/11/2001. This is wrong. They are counting on us to provide them the resources in partnership with them to keep our citizens safe. Also, the Byrne grants we restored will provide for additional law enforcement personnel in our county courthouses, where we have seen recent violence.

I urge that we adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 46, nays 54, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—46

Akaka	Carper	Durbin
Baucus	Chafee	Feingold
Bayh	Clinton	Feinstein
Biden	Conrad	Harkin
Bingaman	Corzine	Inouye
Boxer	Dayton	Jeffords
Byrd	Dodd	Jordan
Cantwell	Dorgan	Kennedy

Kerry	Mikulski	Rockefeller
Kohl	Murray	Salazar
Landrieu	Nelson (FL)	Sarbanes
Lautenberg	Nelson (NE)	Schumer
Leahy	Obama	Stabenow
Levin	Pryor	Wyden
Lieberman	Reed	
Lincoln	Reid	

NAYS—54

Alexander	DeWine	McCain
Allard	Dole	McConnell
Allen	Domenici	Murkowski
Bennett	Ensign	Roberts
Bond	Enzi	Santorum
Brownback	Frist	Sessions
Bunning	Graham	Shelby
Burns	Grassley	Smith
Burr	Gregg	Snowe
Chambliss	Hagel	Specter
Coburn	Hatch	Stevens
Cochran	Hutchison	Sununu
Coleman	Inhofe	Talent
Collins	Isakson	Thomas
Cornyn	Kyl	Thune
Craig	Lott	Vitter
Crapo	Lugar	Voinovich
DeMint	Martinez	Warner

The amendment (No. 147) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time? If no one yields time, time is subtracted equally from both sides.

The Senator from West Virginia.

AMENDMENT NO. 158

Mr. BYRD. Mr. President, I shall offer an amendment at the conclusion of my remarks. It will be cosponsored by my colleagues as follows: Senators CLINTON, SPECTER, CORZINE, MURRAY, ROCKEFELLER, CARPER, SCHUMER, DURBIN, LAUTENBERG, KERRY, DORGAN, and OBAMA.

Adoption of my amendment will provide a measure of financial stability to our Nation's passenger railroad—Amtrak. My amendment will also provide a measure of certainty regarding the continuation of rail service in our country to Amtrak's 25 million annual passengers and its almost 20,000 employees.

Let me be clear: this is not a Democratic amendment or a Republican amendment. It is an American amendment. It is an amendment to help rural America and urban America alike.

The Omnibus Appropriations Act for the current fiscal year provided Amtrak with a subsidy of roughly \$1.2 billion. That level of funding is anticipated to allow Amtrak to continue to operate for the remainder of this fiscal year, though its cash reserves are expected to continue to deteriorate during that time.

For fiscal year 2006, President Bush's budget seeks the complete elimination of direct subsidies to Amtrak. The request for Amtrak as we know it is zero—not a penny. The only funding that the administration has requested for inter-city passenger rail service is \$360 million, which would be set aside solely for the purpose of ensuring the continuation of existing local commuter rail services that depend on the use of Amtrak property, once Amtrak, as a company, has ceased to operate.

Recently, there has been a great deal of press attention regarding the fact that the administration has proposed to push Amtrak into bankruptcy. Indeed, page 243 of the President's budget is quite explicit regarding the administration's plan.

It states that, "with no subsidies, Amtrak would quickly enter bankruptcy."

Transportation Secretary Norman Mineta has recently held a spate of press conferences and stated that President Bush is a strong supporter of passenger rail service in our country. Well, all I can say is that the President has found a very strange way to show his support. By eliminating the annual Federal subsidy to Amtrak in its entirety, President Bush has threatened to leave 25 million passengers standing at the platform. He is threatening to push those 25 million passengers onto our already congested highways and runways and he is threatening to isolate dozens of communities across the nation who do not have air service and are now being threatened with being eliminated from the national railroad map.

The budget resolution before us assumes that overall domestic discretionary funding will be at the level requested by the President. As such, it also presumes enactment of the President's budget proposals for transportation, including the complete elimination of Amtrak's funding.

This amendment would increase the funding for function 400, the transportation function by \$1.04 billion in fiscal year 2006. When combined with the \$360 million that the President has requested for the continuation of commuter services in the event of Amtrak's termination, my amendment would bring total rail passenger funding up to \$1.4 billion in 2006. My amendment would increase the cap over discretionary spending by the commensurate \$1.04 billion. The amendment would be completely offset by an increase in revenues through the closing of corporate tax loopholes.

Some of my colleagues may be wondering how I arrived at the funding figure of \$1.4 billion for Amtrak for 2006. My answer is as follows: When President Bush submitted his budget request for fiscal year 2005, has asked for only \$900 million for 2005. But in that same budget, the President recognized that funding should grow to \$1.4 billion in 2006 and beyond. So, my proposal to bring Amtrak to \$1.4 billion in 2006 is precisely the same number that President Bush had budgeted for Amtrak for 2006 just 1 year ago.

This is an important point because certain Senators might be of the misimpression that enacting President Bush's reform bill for Amtrak might result in actual budgetary savings. In fact, the administration has said that if Congress does enact its reform bill, it would be inclined to request far more funding for Amtrak than the railroad currently receives. In an interview

with National Public Radio recently, Secretary Mineta said that the administration would be inclined to request between \$1.5 and \$2 billion for Amtrak. That funding range compares to the \$1.2 billion we provided in fiscal year 2005. The budget resolution that we are currently debating, of course, includes none of that increase for a reformed Amtrak.

Senator GREGG, the distinguished chairman of the Budget Committee, has not parroted the Bush administration's budget for all spending items. To his credit, Senator GREGG has set aside \$50 billion for fiscal year 2006 for the cost of the on-going conflict in Iraq. It was the Bush administration's agenda to ignore the costs of the Iraq war and instead request this funding through a supplemental appropriations act. Senator GREGG, to his credit, said that his budget would not engage in such an indefensible policy. We know that we are going to have to pay for the ongoing conflict in Iraq in 2006 and Senator GREGG has appropriately set the money aside for that purpose.

This situation should be no different with Amtrak. The Bush administration's current budget proposes zero dollars for Amtrak's direct subsidy needs in 2006, and zero dollars for every year thereafter. Secretary Mineta, when traveling around the country, has said that the Bush administration will consider requesting adequate funding for Amtrak as part of a supplemental appropriations bill.

So, the choice before the Senate could not be clearer. If Senators really desire all Amtrak service to come to an immediate and grinding halt for lack of a Federal subsidy in 2006, vote against my amendment. But, if Senators want to pass a realistic budget that recognizes that, with or without reform legislation, continuing Amtrak service will require continued Federal subsidies in 2006, Senators should vote for my amendment.

The elimination of Amtrak's subsidy is not a recipe for a streamlined railroad. It is not a recipe for a more efficient railroad. It is a recipe for a dead railroad.

Across the Northeast corridor—the busiest urban transportation corridor in the Nation—the elimination of Amtrak's premier service would be a transportation disaster. Amtrak serves 13 million passengers each year over the Northeast corridor. The highways along this corridor—principally Interstate 95—and the runways along this corridor are already congested beyond words. Imagine for a moment the congestion that will result when an additional 13 million Americans are pushed onto those highways and runways. You are talking about both a transportation and economic disaster.

Elimination of Amtrak service would have disastrous results in both rural and urban America. There are over 120 communities all across the Nation that receive regularly scheduled Amtrak service but no air service whatsoever.

Several of these communities have seen their bus service eliminated as a result of a national shrinking of the Greyhound network. Amtrak's termination would result in dozens of these communities across the nation being isolated from the national transportation network.

Senators should not be fooled by the provision in the President's budget that calls for \$360 million for commuter rail services in the Northeast corridor. These funds cannot be used as a matter of law to maintain Amtrak services on the Northeast corridor. They can only be used to maintain local commuter rail services like New Jersey Transit or the Southeast Pennsylvania Transportation Authority that operate over the Northeast corridor. And those funds can only be used as a matter of law to maintain those services and they can only be used in the event that Amtrak ceases operation. Not one penny of the \$360 million requested for this purpose can be used to maintain Amtrak service for the 13 million passengers that depend on that service.

President Bush has proposed a series of so-called "reforms" for Amtrak that principally take the form of passing Amtrak's costs onto the States. These proposals come on top of other proposals in the President's budget, such as so-called reforms in the Medicaid Program that are designed to push additional costs of that program onto the States. As Senators are aware, the Nation's Governors traveled to Washington, DC, earlier this month. Many of those Governors visited their congressional delegations. I doubt that even one of them spoke favorably about the President's plans to push Amtrak's costs onto the States. But whether you agree with President Bush's Amtrak reform proposals or not, I would suggest that all Senators should support this amendment. There may be several disagreements over the merits of these so-called reform proposals. But one thing that is beyond question is that you cannot reform a dead railroad. And that is what the budget before us calls for—a dead, dead, dead railroad.

We should provide some stability and some peace of mind to the 25 million passengers who use Amtrak every year. We should provide some stability and peace of mind to the 20,000 Amtrak employees spread across the Nation, so that they will know that they will have employment at the end of the current year. We should provide some stability to Amtrak's finances so that the House and the Senate and the administration can have a meaningful debate over whether Amtrak should be reformed without the distraction of the near-term risk of the railroad lapsing into bankruptcy.

I encourage all Members to vote for my amendment.

Mr. President, I ask unanimous consent that the following Senators be added as original cosponsors to those

names that I have already read: Senators KOHL, KENNEDY, JEFFORDS, and LIEBERMAN.

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

AMENDMENT NO. 158

Mr. BYRD. Mr. President, I send to the desk the amendment to which I have already referred.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, and Mrs. CLINTON, Mr. CORZINE, Mr. SPECTER, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. CARPER, Mr. SCHUMER, Mr. DURBIN, Mr. DORGAN, Mr. LAUTENBERG, Mr. KERRY, Mr. KOHL, Mr. KENNEDY, Mr. JEFFORDS, Mr. LIEBERMAN, and Mr. OBAMA, proposes an amendment numbered 158.

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

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

The amendment is as follows:

(Purpose: To reject the President's proposal to eliminate Amtrak and to provide adequate funding of \$1.4 billion in fiscal year 2006 to preserve a national intercity passenger rail system and to offset these costs by closing corporate tax loopholes)

On page 3, line 10, increase the amount by \$1,040,000,000.

On page 3, line 19, increase the amount by \$1,040,000,000.

On page 4, line 7, increase the amount by \$1,040,000,000.

On page 4, line 16, increase the amount by \$1,040,000,000.

On page 15, line 15, increase the amount by \$1,040,000,000.

On page 15, line 16, increase the amount by \$1,040,000,000.

On page 48, line 6, increase the amount by \$1,040,000,000.

On page 48, line 7, increase the amount by \$1,040,000,000.

Mr. BYRD. Mr. President, the following speakers have indicated an interest in making statements concerning their support for the amendment: Senators CLINTON, CORZINE, CARPER, SCHUMER, and DORGAN.

I thank the Chair. I thank all Senators.

The PRESIDING OFFICER (Mr. ALEXANDER). Who yields time?

Mr. BYRD. I yield such time as the distinguished Senator from New York may consume.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Mr. President, thank you, once again, to my friend from West Virginia for offering this important amendment.

It is somewhat hard to believe we have to offer this amendment. There should not be a debate about the importance of Amtrak and national passenger rail service, but there is, so once again we are making the case and asking the support of our colleagues in this body on behalf of Amtrak.

As Senator BYRD pointed out, the President's budget and this budget resolution does not provide a penny for the continued operation of Amtrak. It

provides just enough money to shut the trains down, but there is very little thought given as to the consequences of shutting the trains down, of ending the services that Amtrak offers, and the impact on the regional rail services that, in addition to Amtrak, provide so much support for our national transportation system.

I know there are members of the administration and even of the Congress arguing that Amtrak should not receive another penny because it is not self-sufficient. I have to respectfully ask, are the airlines self-sufficient? We keep bailing them out. Are the highway systems self-sufficient? We continue the development and maintenance of highways, transit systems, buses. No form of transportation is self-sufficient.

We have a fundamental decision to make which apparently the administration is making by this budget request that we give up on national rail for passenger travel. That is a very shortsighted position and a critical mistake.

I ask my colleagues to think back to the days after September 11. Our airports were shut down. The bridges going in and out of Manhattan were shut down. The only way in and out of Manhattan was Amtrak. That was it. If we could not have moved through the Amtrak system in and out of Manhattan, we would not have had any contact, any continuing communication, any movement of people.

I am amazed we have such a short memory. I am also amazed we do not recognize the benefits that Amtrak offers in providing this service to so many commuters and passengers. In fiscal year 2004 Amtrak broke the 25 million passenger record. That was an extraordinary accomplishment. I give David Gunn and the leadership team he brought in, which is turning Amtrak around, tremendous credit. The record of 25 million was a million greater than 2003, which itself was a record.

So we are making progress in running a railroad that meets people's needs. The new Acela trains are a great gift, moving us back and forth between Washington and New York in a little over 3 hours. I obviously have a very personal interest in this because New Yorkers rely on rail more than perhaps any other citizens in our country. Penn Station on 34th street in Manhattan is the busiest passenger rail station in our country, servicing almost 9 million passengers who boarded Amtrak trains there in 2004. Our Albany Rensselaer Station is the 10th busiest in the country. Much of our upstate economy depends upon Amtrak. We also have the busiest commuter rail system in the country. I have to point out we are putting our commuter rail system on the path to obliteration as well as Amtrak because our commuter rails operate on Amtrak rail lines. They use Amtrak tracks. Much of the system would not be able to operate if they did not share expenses, share maintenance, with Amtrak. So we are not just writing the

death warrant for Amtrak but also writing the death warrant for commuter rail.

Why are we doing this? Some are ideologically opposed to passenger rail. We might as well be ideologically opposed to air travel, if we say if you cannot make a profit you go out of business. In many instances it is the combination of Government funding and passenger use that works around the world. Why do we think we can be different?

The effect of this policy the administration has embedded in its budget will be so far reaching that I don't think people have stopped and considered the impact on the economy, the impact on our transportation infrastructure.

I was talking to one of the people who is quite an expert in railroads who said if you take Amtrak off the tracks, Amtrak is no longer responsible, the burden of keeping the tracks will fall completely on the freight companies. The freight companies have not done that good a job of keeping up their tracks and we will have all these bottlenecks that have a ripple effect through the economy, the likes of which we did not contemplate.

This has long-term effects on our economy, on our homeland security. To remove this necessary form of transportation at a time when we face all of these dangers and risks is extremely shortsighted.

What is going to happen with our airports and our highways? Amtrak right now accounts for 50 percent of the Washington, DC-New York air and rail market and 35 percent of the Boston-New York travel market. Are we going to put all of these passengers into our airports which, as anyone who has traveled lately knows, are pretty chaotic to start with? Are we going to add them to the highways and to the congestion? What are we thinking about? I wish we would take a deep breath.

The administration says it would like to reform Amtrak. I am very impressed with the steps David Gunn has taken. If the idea of reform is transferring the costs for funding Amtrak on to the States, that is a nonstarter. We will be burdening the States with expenses they cannot meet now. We will be thinking of cutting Medicaid, cutting housing. We will cut community development block grants and then say, by the way, pick up the costs of keeping your economy and business travel going by paying for Amtrak. I don't know any State that can accommodate that kind of hit.

I hope we will take the moment to support Senator BYRD's amendment. It is the right approach to take. I am the first to say if we can do some smart reforms in the context of keeping the railroad operating, let's do it. But what are the smart reforms? David Gunn has said if he can have some money for capital investments, we would cut the amount of time for commuting between Washington, DC, New York, and Boston. We could have high-speed rail

along the east coast. We would make some of the routes that are not now a very effective means for transporting passengers much more so because we would make the investments that are necessary in the underlying infrastructure.

I join very happily with my friend and colleague, the senior Senator from West Virginia. I hope on both sides of the aisle all Members will think hard about this amendment. I cannot stress strongly enough the impact on the Northeast of killing Amtrak.

For people who say, well, I live a long way from there, what difference does it make, the financial engine that the Northeast still is, that provides the funds for so much of what we offer to other States far from New York, far from West Virginia, far from Boston, far from the east coast, will be at risk. This is a necessary part of our financial engine in the Northeast, particularly in New York.

I respectfully request every single Member to vote in your own self-interests. Vote for passenger rail. Vote for the economic benefits that it necessarily provides. But vote for the BYRD amendment and make us once again supportive of passenger rail as part of our overall transportation infrastructure.

Mr. President, I thank my friend and colleague and the Presiding Officer for this time.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished Senator from New York for her very lucid, cogent, and persuasive statement. And I thank her for her support of this amendment. I thank her very much.

Mr. President, I believe the distinguished Senator from Utah, Mr. BENNETT, is prepared to speak on the amendment.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I listened to the Senator from New York with great interest, and the Senator from West Virginia. If I thought for one moment that the administration's budget would, in fact, kill Amtrak or eliminate passenger rail service in the Northeast corridor or other corridors around the country, where it is prospering, I would be the first to stand up and oppose the administration's position.

I agree absolutely that rail passenger service in highly congested areas such as the Northeast corridor from Washington to Boston is not only important, it is essential. And I agree absolutely with the statement that says we could not absorb on our highways and our airplanes the number of passengers that would be forced there if Amtrak were to disappear.

The Senator from New York spoke about what happened after 9/11, and she said Amtrak was the only way out of Manhattan. As the bridges were closed,

you could not drive out. The airports were closed. You could not fly out. You could not walk out. The only way New York City was connected—Manhattan Island, at least—with the rest of the country was by train. And it would be an absolute tragedy, it would be absolutely insane to shut that down. But as I understand the administration's position, they have no plans to shut that down. Indeed, they are willing to subsidize, as they have subsidized in the past because of all of the reasons that have been cited on the Senate floor, that kind of rail passenger traffic.

But let me take you to another part of the Amtrak system that does not enjoy the same kind of patronage as the Acela train that goes high speed from Washington to New York City, and which I have taken with great satisfaction. Let me take you to my home State of Utah. We have Amtrak service in Utah.

On one occasion, a family friend notified my wife and me that she was coming to Salt Lake City on Amtrak and would we meet her train. And we said: "Why, of course. We will be happy to meet her train." We were a little less happy when we discovered that the train was arriving at 2:30 in the morning, and that this was its only stop, this was the only time. There was not an alternative time because the timing of the trains coming through, 2:30 in the morning was the only time this train came through Utah.

We went down to the depot or the terminal, and I was a little bit struck by how shabby it had become through misuse over the years. But we were there. She came. We met her. I counted the number of people who got off the train with her, and it was fewer than you could count on the fingers of your two hands.

There are fewer than 100 people a week that come into that station in Salt Lake. After 9/11, there would have been no disruption whatsoever of people traveling in and out of Salt Lake if Amtrak were not there. That terminal we went to that night was somewhat old and dilapidated and a bit shabby, but is now refurbished, lovely, big, and disconnected from Amtrak.

The current Amtrak terminal is a Quonset hut because the real estate on which the old terminal sat was too valuable and it is part of a shopping center and real estate development activity. And when that train comes in to disgorge its two or three passengers per night—and it is not every night; the schedule only comes through three times a week—the passengers who get off get off in a Quonset hut. There is no taxi service there. It is in a part of town that is not easy to walk to and from. It has fallen into disuse not because the administration has not been subsidizing it enough, not because Amtrak has not had a big enough capital budget, but because rail passenger service across very large numbers of miles between cities that do not naturally connect to each other simply does not make sense.

Amtrak in the Northeast corridor makes all the sense in the world, and we must do everything we can to make sure we preserve it. In the Cascades there is Amtrak service that makes sense. In California there is Amtrak service that makes sense. There are a number of places where Amtrak makes sense, and we must preserve it in those places. The administration, in this budget, as I understand it, has provided for \$360 million that would go to the Surface Transportation Board that would be available to reimburse Amtrak in those areas where it needs it to keep the kind of service that has been described here on the Senate floor.

Now, I have given this speech before in committee—this is the first time I have done it on the floor—and every time I do, I get a flurry of letters. They are all from the same people. And they all object. Their objections all come down to nostalgia for the rail service that we all knew when we were young—or at least that I knew when I was young. I am sure there are many Members of the Senate here who have no memory of it at all.

I have great memories of rail travel: full trains, dining rooms with crisp, white linen on them, and silver tea sets and china and long trips across the country. If you were taking a train trip across the country from Salt Lake to New York, you better allocate several days for that. You better take along a pretty good library of books to read. But you'll love the scenery. Then, you were willing to take the time. You were willing to relax. It was a wonderful way to travel.

Americans don't like to travel that way anymore. It makes no sense to kid ourselves that a national railway system similar to the Europeans' makes sense in the United States. Look at the difference in distances. The Northeast corridor from Washington to Boston would cover three or four national frontiers in Europe. You would visit three or four countries traveling that far in Europe. And it makes tremendous sense with the high density of population over there for them to have a national railway system. But when you are dealing with a nation the size of Belgium, you are dealing with something rather different from a nation the size of the United States.

Now, I have a particular personal history with this. I was working in the Department of Transportation in the Nixon administration as the head of congressional relations. The distinguished Presiding Officer was the voice on the other end of the phone when I called the White House, as he was working for Bryce Harlow in charge of congressional relations. I was not always able to get hold of Bryce Harlow, but I could always get hold of LAMAR ALEXANDER. The decision to shut down passenger travel as we had known it for close to 100 years in the United States was made in the Nixon administration, and it was my responsibility to sell the Congress on the concept of Amtrak.

Because railroads were required by law to maintain passenger traffic on their whole system, and the railroads were hemorrhaging red ink over this issue, our Department came up with the idea of creating a single National Railroad Passenger Corporation. That is the formal name of Amtrak. Amtrak was the name that was created by the image makers after the Congress acted.

It was my responsibility, along with my team, to come to the Congress and convince them that it made sense to shrink rail passenger service to this skeletal fashion. The outcry was enormous: You can't do that. Look at the towns that will no longer be served if you shrink it down to this skeletal system.

I remember one Governor traveled all the way to Washington to protest to us. And then we pointed out to that particular Governor that the number of people who got on the trains in his State could be picked up with chauffeur-driven limousines and driven to the nearest town where they wanted to go in the name of rail service, and it would cost a fraction of the amount that was being spent on rail service. When the Governor looked at the reality of what was really happening and got away from the nostalgia of passenger rail service, he himself, having not taken a train in many years, looked at us and said: You know, this really doesn't make any sense.

One by one, the Governors withdrew their objection to the creation of what is now Amtrak. We need to have the same kind of understanding here that brought us to the creation of Amtrak in the first place. There are parts of the country where Amtrak is essential and must be maintained. I will be the first Senator to stand here and defend it, and I will be a Senator from Utah who votes for appropriations for Amtrak for New Jersey, Delaware, Pennsylvania, Maryland, Washington State, California, and other places where it makes some sense. I agree that the Federal Government should subsidize that if it cannot make it on its own because it makes a contribution that is essential. But I cannot, under any condition, defend the expenditures of maintaining a national network in the name of saying we are connected all over the country with a set of rails and saying isn't that wonderful that you can get on the train and go all the way across the country when it is very clear that nobody wants to in any kind of quantity that makes any kind of sense.

I will be happy to contribute that portion of Amtrak's budget that goes to maintain rail service in Utah to the State of New Jersey, where they need it, and, if necessary, in Utah, we can come up with one bus per week, which has enough capacity to handle all of the Amtrak passengers who come through our State.

So for that reason, I am opposed to this amendment, because, in my view, it is attempting to maintain something

that has passed from our history, actually to the detriment of that which is needed in our future. Let's get over the nostalgia of the old national railway system, and let's focus on the need to have an intelligent passenger railway system in the corridors where it contributes enormously to cutting down on congestion, pollution, and delay.

For that reason, I oppose this amendment, and I urge our fellow Senators to do the same.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time does the distinguished Senator from North Dakota wish?

Mr. DORGAN. Mr. President, I ask for 10 minutes.

Mr. BYRD. I yield 10 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I am advantaged from having heard twice today the proposition by the Senator from Utah—once in committee and now on the floor of the Senate. I always enjoy his presentations. I confess—and perhaps others will, too—to some nostalgia. We used to name trains. In my hometown, the train that came through was called the Galloping Goose. I used to watch that train come in to pick up the cream cans. I loved the Galloping Goose. I admit to some nostalgia, but this debate is not about nostalgia.

There is a story about a guy who, in 1896, went to Waco, TX, where a railroad company was going to destroy a couple of locomotives they were done using. They decided to put on an extravaganza. They were going to run the locomotives together, and 40,000 people showed up to watch. They ran them together in a demonstrated train wreck, and metal flew, as did sparks and steam and fire.

There was a boy named Joe Connolly—this is a great story about Joe. He discovered that people would come to watch a train wreck. Joe Connolly thought, I am going to sponsor train wrecks. He was a guy from Iowa. He sponsored 71 train wrecks in his career. His last train wreck was in 1932 at the Iowa State Fair. He built 3,000 feet of track, got two old locomotives that were about to be abandoned, and ran them together at 50 miles an hour. He had people pay from miles around to see the train wreck. They called him "head-on Joe Connolly" because he sponsored 71 train wrecks. What a great story.

You don't have to go to an Iowa State Fair to see a train wreck these days. You can see it right here in the middle of this budget document. That is why Senator BYRD is on the floor with his amendment. He says that Amtrak is worthy, that rail passenger service in this country ought to be a national enterprise. I fully agree. We will always have rail passenger service connecting Boston to Florida because there are millions of people living on that eastern corridor. So that will be

self-sufficient—rail passenger service on the eastern corridor of the United States. The question is: Will we be able to maintain a national rail passenger system? Is it worthy to do so? I believe the answer is yes. Senator BYRD believes the answer is yes.

We have a train that comes through my part of the country. It goes from Chicago, up to Minneapolis, over to Fargo, up north all the way to Seattle, down to Portland. It is called the Empire Builder. It has been around for decades. When it comes through the State of North Dakota, it picks up nearly 90,000 people in a year. For them, traveling on the Empire Builder is not nostalgia, it is necessary. It is one part of a transportation system in a rural State that doesn't have very many transportation systems.

We don't have the kind of aviation service, commercial air service, they have in Chicago, for example. We don't have the bus service they have in New York. But the fact is, we have Amtrak coming through our part of the country as part of a national rail passenger service. I don't object at all to subsidizing it. Every other country in the world that has rail passenger service subsidizes the service. In fact, we subsidize every other kind of transportation service in this country, so why all of a sudden do we decide that somehow rail passenger service is unworthy of our support?

My colleague from Utah used the term “mass transit” this morning when describing Amtrak. Amtrak is not mass transit. I support mass transit, and we don't have any in North Dakota. We don't have a subway in Bismarck or in Fargo, or light rail. I support mass transit because I believe we ought to do that for the major cities of our country. This is not mass transit. Amtrak is rail passenger service that has been, in my judgment, spectacularly successful. Despite that, we have always had people who want to disband it, take it apart, get rid of it. Why? Because they know the cost of everything and the value of nothing. This service has great value for our country. The relatively small subsidy that is required to retain a national rail passenger system is dwarfed by the subsidies in many other areas of transportation.

I understand why some would apply a profitability test to everything. I said to my colleague from Utah this morning that my guess is when they built the four-lane interstate highway system, somebody might have said there is a segment that we question: from Dickinson, ND, to Beach, ND, through the western badlands of North Dakota. There are not many people living there, and there is probably not so much traffic on that four-lane interstate highway. Or perhaps from Beach, ND, to Miles City, MT, or Billings—there is not enough traffic out there, not enough people living there to justify putting in four lanes. You know something? The country understood

this was all about bridges—a bridge from here to there. So, too, is Amtrak and the Empire Builder a bridge from here to there. We understand that it stops in my State because it goes from Chicago to Seattle. It picks up nearly 90,000 people, including retired people, in the State of North Dakota.

Look, I think this is a bargain by any stretch. I support the Byrd amendment because I believe it is the right thing for this country to do.

It is all about choices. It is always, with respect to this budget when it comes to the floor of the Senate, about choices. I am absolutely surprised at some of the choices that are made and then very surprised at some of the issues other people think are unworthy for this country's enterprise.

Rail passenger service is a service that I think is important to our country. If one decides that this is all about profit and loss and not about a national transportation system that includes rail passenger service than I understand. We will have locomotives, we will have electric trains, we will have Acela trains running from Boston to Florida, and God bless them. We will wave at them as they go by, and good for all of them.

This country can, will, and should do much better and did do much better a couple of decades ago by creating a system that works. I have ridden Amtrak many times, and I like riding Amtrak. I hope that when the dust settles around here, we will have decided, once again, as a Congress that having a national rail passenger system is worthy.

I know the President believes differently. I had the president and CEO of Amtrak come into my office. I wanted to talk with him about what was happening and what was necessary. He made it plain—and I understood it before he came in—that if the President's recommendation is adopted, there will simply be no national rail passenger system. Amtrak, as we know it, will not exist.

That is a choice that perhaps the majority of Congress might want to make. I hope they will not choose to make that choice, but that is what the Byrd amendment is about. That is why it is on the floor of the Senate, and that is why it is important.

I came over to speak on this amendment because I believe an important part of this country is its transportation system, the ability of people to move around and to get around, to have access. And one part of that having a national rail passenger system that works. Yes, it requires a subsidy, and I believe that is appropriate. I am perfectly willing to do as every other industrialized country has done, and that is subsidize rail passenger service. It is not a large subsidy relative to everything else we do in the Chamber of the Senate.

My hope is, as I said, when the dust settles, we will decide to reject the recommendations of the President and this Budget Committee and continue to

fund the national rail passenger system.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I thank the distinguished Senator from North Dakota for his very timely, succinct, and persuasive statement. I thank him very much for his support of this amendment.

I believe Mr. CORZINE wishes to have some time yielded. How much time does the Senator desire?

Mr. CORZINE. Mr. President, I think it should be about 7 or 8 minutes at most.

Mr. BYRD. Mr. President, I yield 8 minutes to the very able Senator and look forward to hearing his statement.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. Mr. President, I congratulate the Senator from West Virginia for his strong leadership in doing something that makes a statement about an issue that holds our Nation together. I can promise that it holds New Jersey together. I respect the Senator from Utah recognizing this is a vital economic, environmental, national defense—almost any kind of variable one wants to describe—element in New Jersey's overall transportation system, but I think the point that needs to be made is that this is really true nationally. Senator BYRD's \$1.4 billion in funding for Amtrak puts it in a position to continue to be that asset. I wish to speak about that a little bit.

All of us know that the transportation section of the budget that is before us mirrors President Bush's proposal, a plan that, on its surface, intends to shut down Amtrak. By the way, it does not do that with a lot of finesse. It does that across the board, whether it is in places where people might argue it is absolutely essential in the Northeast corridor, as well as in those places where maybe it is nostalgia that is driving it. I would argue that it is in those areas where we are trying to unite us as a nation.

Without the funding provided in the Byrd amendment, Amtrak will enter into bankruptcy, and it will be through the bankruptcy actions that reform is taken as opposed to where it should be, which is in the committees on the Hill, in the Congress.

Federal funding for Amtrak provides roughly one-third of what is needed to operate that national transportation system each year. Not all of it—one-third. It includes addressing pressing capital needs. The rest comes from ticket revenues and other sources, such as real estate. Without Federal funding, Amtrak will not be able to operate, and we will be into bankruptcy/reform under that format. I do not think that is the way to go. I do not think, if the American people saw it in such a stark choice mode, they would support it. I hope the Senate will support the Byrd amendment because it will make a huge difference.

No other element of our transportation system stands without subsidization. None. Zero. We are now debating, what is it, a \$284 billion—a lot of us like to say it is a lot higher—subsidization of other elements of our transportation system. I am all for that. Highways, mass transit. But this is an important linkage for our economy, it is an important ingredient in protecting our environment, and it is essential to pulling together the economic strength of this country. And in times of great need, such as we saw on 9/11, it is also one of those backstops, one of those redundancies we are now building in all other kinds of places in our economy. We need to take that and drive it.

I will say there is much overlap in the Amtrak system with a whole host of other commuter agencies and activities, other mass transit systems. I give you an example. In New Jersey, there are about 4 million people who board Amtrak trains every year. Actually, we are wrong on that number. It is slightly higher. But there are over 100,000 riders of New Jersey Transit every day who use the same rail. Every day when people go to work in our financial services industry in New York or whether they go to the various elements of a very diversified economy in Philadelphia, they get on New Jersey Transit trains that actually use the same rail-way.

If Amtrak were to go bankrupt, we are going to be sitting with not mass transit but mess transit. We are going to have a huge, incredible outpouring jamming up two of our major cities in this country and all of that great corridor, the State of New Jersey.

It is just incomprehensible that we do not understand how we have to take a holistic view of how our transportation system works, and putting it at risk is just not a credible way to go about reform. That is why I am so pleased Senator BYRD has taken on this leadership role with regard to protecting the funding that will protect the 25 million passengers who ride Amtrak every year and gosh knows how many people who ride these other transportation systems that feed into it or parallel it or are on top of the Amtrak system. We really ought to think about an organized view about how we reform Amtrak as opposed to the blunderbuss approach of putting it into bankruptcy and using that as a basis of reform.

There is also another problem with this approach, in my view. The Presiding Officer might recognize this from his days of trying to lead a State. Transferring problems from Washington to our States where we already have huge budget problems does not seem to be an appropriate format for how we are going to resolve issues. New Jersey Transit, which I already talked about how important the Amtrak system is for its functioning, is going to get funding one way or the other. Otherwise, we are going to have a highway

system that is completely clogged. The quality of life of commuters will deteriorate enormously.

So what is going to happen if this funding for Amtrak does not come through? Jersey transit fares are going to go up, and the State budgets that are already deeply in debt are going to have additional burdens imposed upon them. This is just one more shifting of responsibilities from the Federal Government here in Washington, decisions that we take, and pushing them off to State and local governments—in this case, the State government.

We need to get realistic about the importance of this transportation system, the importance of making sure that we fund it properly so we can continue to expand the number of riders that are at this point 25 million—that is up a million, year over year, and a similar amount the year before—and make sure that intercity rail service has the strength and the vitality that will allow it to help grow our economy and keep it thriving and healthy as we go forward. The Byrd amendment would provide the funding necessary to keep Amtrak out of bankruptcy, keep our economy flowing, keep our Nation tied together.

By the way, I grew up in one of those small towns in the Midwest where one of those Wabash Cannonballs came and people got on those trains and rode to St. Louis and Indianapolis and another train that went north-south to Chicago. It was an important element in keeping our Nation tied together. Those of us who live in New Jersey need to understand that there is an important networking that needs to occur in this Nation.

I think this Byrd amendment makes that statement about us being one Nation. It is important for the economics of many of our communities where there are densely populated areas. It is fundamental to that transportation system, the economic system, the environmental system. Let me say I think it is important for national security.

I urge my colleagues to support the Byrd amendment and let's move forward with real reform. Let's not do it through bankruptcy.

I yield the floor.

Mr. GREGG. Mr. President, I ask unanimous consent that there be 1½ hours for debate on the Amtrack amendment this evening, with the understanding that the debate began at 5:10, with 60 minutes under the control of the minority and 30 minutes allocated to the majority; provided further that following that debate the Senate proceed to the consideration of the ANWR amendment to be offered by Senator REID, or his designee, and that there be 2 hours for debate this evening equally divided in the usual form. I ask unanimous consent that following that debate there be 1 hour of debate in relation to an amendment relating to veterans to be offered by the minority.

I further ask unanimous consent that when the Senate resumes consideration

of the budget on Wednesday that Senator FEINSTEIN be recognized to speak 20 minutes; provided further that following that debate, the Senate proceed to an additional 90 minutes of debate equally divided in the usual form in relationship to the ANWR amendment; provided further that the Senate will then have 45 minutes equally divided for debate relative to a further amendment on veterans to be offered by Senator GREGG or his designee, and the previously offered amendment on veterans.

I also ask unanimous consent that following that debate the Senate proceed to an amendment offered by Senator SPECTER relative to NIH, and there be 45 minutes for debate equally divided in the usual form.

I finally ask unanimous consent that following that debate the Senate proceed to vote in relationship to the pending Amtrak amendment, to be followed by a vote in relation to the ANWR amendment, with no amendments in order to either of those amendments prior to the votes.

I further ask that at the end of the time running this evening relative to the veterans amendment, that Senator HARKIN be recognized for up to 10 minutes.

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

Mr. CONRAD. Mr. President, if I might say to the chairman of the committee, we also are trying to slot additional votes, if we can make that clear to our colleagues, and the votes would start at about 1 o'clock tomorrow afternoon. We are hoping to have five votes lined up at that time. I think it is important to say that for planning purposes of our colleagues. That is the intention of the managers of this bill. We would slot these times, as has been indicated in the agreement. That intention would be, in addition to the two votes on Amtrak and ANWR, there would be two votes on veterans and a vote on NIH starting at 1 o'clock tomorrow.

That is the intention. It is not fully spelled out in this agreement because we do not have language on those amendments at this time. But for the information of our colleagues, that is the intention of the managers.

Mr. GREGG. The Senator from North Dakota is correct. That is our intention.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I hope the two managers would be willing to put the 1 o'clock beginning of the votes into a unanimous consent request so that we can depend on that hour.

Mr. GREGG. Mr. President, I amend the request to reflect the fact that the votes cited in the request would begin at 1 o'clock.

The PRESIDING OFFICER. Is there objection to the request as modified? Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished chairman of the committee.

Mr. President, I ask unanimous consent that the names of Senators LEVIN, BIDEN, and CHAFEE be added as cosponsors to this amendment.

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

Who yields time?

Mr. BYRD. Mr. President, I thank the distinguished Senator for his statement. I yield such time as he may wish to have—I understand he wants about 10 minutes—to the very distinguished Senator, Mr. LAUTENBERG.

Mr. LAUTENBERG. Mr. President, I thank my colleague.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank my friend and colleague, the distinguished Senator from West Virginia, who has long been an advocate and supporter for Amtrak. It is so fitting that he rises at this point in time to say let's face up to this. We need more money. To do anything that would eliminate funding and practically assure bankruptcy, which we have just dealt with in a long debate, for this important national facility—I look at what is being proposed, and it is a surprise, in view of our need for better security, for a balance in the modes of transportation, which we desperately need.

In the last couple of weeks I have met with railroad people, freight railroad people. I met with aviation people. We had the heads of these companies, the CEOs in, talking to us about what their needs were and how they needed more money to finance their expansion to keep up with their demand.

When it comes to Amtrak, there is not really the support that there ought to be. This is a national facility, call it what you will. We talk about the Northeast corridor, but that is not the whole ball game because the Northeast corridor depends on its operation being part of the whole infrastructure of a rail system.

I refer to a piece I authored not too long ago. I start saying:

Imagine hundreds of thousands more cars on our crowded highways, more hours stuck in traffic jams, more travelers in our busy airports, more oil imported from the Middle East.

One cannot be in one location in this country or another without understanding that traffic jams are more the norm, and we have to do whatever we can to relieve that congestion, to relieve ourselves from the pollution that emits from all that traffic, cars sitting one behind the other.

If that is what we want to see, then here we are, looking at the closing of Amtrak. It is a pretty grim future for millions of Americans, under the proposal made by President Bush. This irresponsible plan would stop our Nation's passenger rail system dead in its tracks. The Bush administration wants to eliminate all Federal funding for Amtrak, bankrupt our Nation's national passenger rail system, and shift more of the cost of new service toward cash-strapped States.

My colleague, the senior Senator from New Jersey, just talked about that and the impact it would have. The administration wants to eliminate all Federal funding. It would be a disaster. The shortsighted proposal would strand 850,000 commuters who depend on Amtrak and its services to get to work each and every day. It would worsen congestion, as I said, on our roads and in our skies.

Anybody who stays abreast of what is happening in our transportation system knows that we have closed the gap, the distances between airplanes, because there are too many out there under the old system. I am not suggesting it is not safe or anything of that nature, but the fact is we are putting it into overload. It is hard to get more airplanes up there. The sky, surprising to some, is a finite facility and we cannot keep putting more airplanes up there.

The impact in New Jersey and the New York metropolitan area would be devastating, where so much of our financial well-being develops, the marketplace and whatever. The heaviest population in the country is in my home State of New Jersey, and it spreads through the other States nearby, whether it is New York or Connecticut or Pennsylvania. Amtrak carries 4 million passengers a year in the New York metropolitan area, and it is the lifeline of our transportation system.

Instead of killing Amtrak, we should help provide the kind of top quality passenger rail system our country needs and deserves. We have never been willing to do that. We have never put the funds in it needed, from the point in time in the early 1970s when Amtrak became a quasi-government organization. We have never put the funding in there to bring this up to the kind of system that should be operating.

Go to Brussels, Belgium, where the NATO headquarters exists. Try to get to Paris, about 200 miles away. You cannot get an airplane to take that trip. You get into a train in the middle of town and a hour and 20 minutes later you are in Paris, 200 miles away. If we had that kind of service in some of these heavily crowded corridors, not just the Northeast corridor but from Chicago to St. Louis, for example, from Las Vegas, NV, to Los Angeles, some of these other places—if we could get high-speed rail there we could substantially reduce the number of airplanes that fill our skies. We could save money, save pollution, save congestion, and do ourselves a good service.

Since the Federal Government created Amtrak 34 years ago to relieve the private railroads of passenger service, we have invested less than \$1 billion a year in infrastructure and operations, not nearly enough for a world-class system. Germany, with its modern high-speed rail system, and where the President recently visited, invested \$9 billion in passenger rail service in 2003 alone. Even Estonia spends more than

twice per capita than United States on passenger rail.

Americans need a world-class rail system and Amtrak has been working hard to provide it. Over the last 2 years, Amtrak has cut its costs significantly, trimmed its staff by 20 percent, increased the number of trains by 20 percent, and launched a multiyear plan to repair long-neglected infrastructure needs.

Amtrak ridership, by the way, reached a record 25 million persons in 2004; the equivalent of 125,000 fully booked 757 airplane.

More Americans are taking the train not only out of necessity but because they appreciate the kind of service and comfort that Amtrak can provide.

The tragic events of 9/11—I remember the day vividly from the apartment I live in on the Hudson River. It is practically right across from the World Trade Center. When we witnessed this catastrophe taking place, we thought about what the consequences might be; what might happen the next day, the day after or the year after. Aviation, much to our surprise and regrettably, was shut down completely. And Amtrak was the facility that people had to use to get from Washington. A special train was set up to carry people from Congress up to New York to get some idea as to what took place.

We were reminded that we couldn't rely exclusively on airlines because this country's commercial aviation system was totally shut down. Amtrak trains kept running and carried many stranded airline passengers back to their families, to their great anxiety and concern. Amtrak provided a spectacular service in those days.

Today, everybody knows that when you go to the airport there are long lines because of security searches, making rail travel, or any kind of travel, an increasingly attractive option, but not automobile traffic.

On a personal note of experience, the other day I left our office in the Hart Building and headed for Washington's Reagan National Airport. It took us almost an hour to arrive at the airport. Then we got to the security line, and that was over a half-hour long.

If we totaled the time, excluding the flight time of the first one I missed and the waiting time for the second one that I had to catch, it would easily have been longer than it would have taken by rail.

If we could do for rail what we know is being done in other countries and shorten the ride between here and, let's say, Newark or New York to a 2-hour ride, we would relieve our skies, we would relieve our highways of all kinds of congestion, pollution—you name it—and cost. But we have never made the investment.

All transportation infrastructure costs money, including highways and airports, and States cannot bear the cost.

But while the Bush administration proposes \$50 billion in Federal funds for

highways and airports this year—over \$50 billion—there is not one dime reserved for inner-city passenger rail infrastructure. It is a crime not to do that.

Even though there is no money in the budget, the Bush administration promises to pay half the cost of future rail infrastructure projects. But the Federal Government currently picks up 80 percent of the cost for highways and airport infrastructure.

Since 1982, we have spent \$696 billion on highways and aviation compared to \$21.5 billion on rail. We have to level this playing field to make rail more competitive. It is a vital asset for our country. Even in the more remote communities serviced by rail, I know in conversation with colleagues they appreciate the service they get.

We need to help Amtrak improve service on its existing viable routes and expand to other markets where travelers deserve a choice. Instead, the Bush administration wants to leave the passengers stranded with its own version of what the rail passenger asset should look like.

In quick summary, we make a terrible mistake to turn our back on something as vital as intercity rail service. I hope we are not going to let it stand as it is presently projected. The Senator from West Virginia has proposed slightly over \$1 billion to be added to the \$360 million the President has proposed for traffic service that will give us a start on what we have to do to finally put Amtrak in the kind of condition that can develop the technology we see in so many other places, rapid transportation, and avoid having all of us line up at the airports and on the highways and wait anxiously to see when our turn will come to take our seat and start our travel.

I yield the floor.

The PRESIDING OFFICER (Mr. CHAMBLISS). Who yields time?

The Senator from Delaware.

Mr. CARPER. Mr. President, I start by asking unanimous consent Senator INOUYE's name be added as a cosponsor to this amendment.

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

Mr. CARPER. Mr. President, I start today by going back in time to the first time I ever rode a train. I was about 6 or 7 years old, visiting my grandparents in Beaver, WV, a bedroom community outside of Beckley, WV. The fellow who had been the delegate in the West Virginia legislature for Raleigh County, WV, which is where my grandparents lived and where I was born, was ROBERT BYRD. By that time he had left the West Virginia legislature and was serving in the Senate after having served in the House.

The first time I ever rode a train was a B&O Railroad train that stopped in front of my grandparents' house and picked me and my sister up and drove a couple hundred yards on a train of which my grandfather was a crew member.

It is ironic that some 50 years later I stand in the Senate to support the amendment offered by Senator BYRD to support continuing passenger rail service. He is literally from the same place I was born. My first personal experience in riding a train goes back to his old representative district and certainly his Senate district. I say to Senator BYRD, thank you very much for the leadership you have shown for bringing us to the Senate today to express our support for passenger rail service in the 21st century.

Fast forward a little bit to 1970. I was a naval flight officer on my first couple of tours in Southeast Asia. I remember picking up one day a Newsweek or Time and reading that somebody in the Congress had worked with the Nixon administration to create a passenger rail service for our country. At the time, the private railroads could not make money carrying people. They wanted to be relieved of that responsibility and only carry commodities, not people, from place to place in this country. An agreement was struck whereby if the for-profit private railroads would contribute their old rolling stock, their old locomotives, their old passenger cars, their old dining cars, and old track bed from Washington to Boston, overhead wires and old signaling system, old repair shops and old terminals, and kick in a little bit of money on top of that, we would somehow come up with a new passenger rail service called Amtrak.

After that couple of years and a couple of years of subsidy from the Federal Government, this new entity called Amtrak would start making money, something the private sector cannot do in carrying people. A couple years went by, and after running those old trains on the old tracks, with the old overhead rail wire and the old maintenance shop and the old signalling system and not a whole lot of Federal support to improve the capital infrastructure, Amtrak didn't make money.

If you look across the world at countries where they invest a lot of money in their passenger rail system, they don't make money either. They don't pay for the full cost of their passenger systems out of the fare box any more than we have been able to do.

Since 1970, passenger rail service, intercity passenger rail service in this country has been starved for capital. Railroads are inherently capital intensive. Passenger rail, as freight rail, needs significant capital investments and we have literally starved Amtrak for capital investments since its creation. And that continues today.

What has changed since 1970? Among the things that have changed, we import a lot more oil today. I don't recall exactly what we were importing as a percentage of consumption in 1970. It was not much. This year almost 60 percent of the oil we use in America will come from places outside the United States.

Our trade deficit in 1970 was not much at all. We were pretty much in

balance. In the month of January of this year, our trade deficit reached about \$60 billion in 1 month. Back to 1990, that is twice our trade deficit in 1990, and a quarter of our trade deficit each month and year is attributed to oil imports. One of the things that changed since 1970 is a greater trade deficit and greater dependence on foreign oil.

What else? Congestion on our roads and in our airports. Today, riding down I-95 to catch the train to come down here, bumper-to-bumper traffic. I-95 was a parking lot through Delaware. And that is not the only interstate highway that was a parking lot this morning or this afternoon. The same is true of roads across our country. The same is true of airports across our country.

What else is the difference from 1970? The quality of air is a little bit better. Not as good as it can be and not as good as it would be if we got more people to get out of their cars and take transit.

The other thing that is different, 25 million people rode intercity passenger rail in this country last year. That is not commuters; that is people who rode Amtrak. That is the highest number we have ever seen in the last 35 years.

My friends, if we try to cobble up enough money for Amtrak to live another year and run the old business model we have worked with for a number of years, that is not good enough. We shouldn't do it. I don't know if the administration is serious about trying to force Amtrak into bankruptcy, but I would suggest we go down two tracks. I suggest one track we go down, we adopt the amendment to provide a reasonable amount of money to run the trains in the Northeast corridor and across the country, but also do the necessary work that is needed under a 5-year capital investment plan to fix tracks, fix overhead wires, and fix signaling systems, and be able to run the trains to their capacity and on time.

At the same time we do that, we need to have a debate and a good robust discussion on what the future of passenger rail service should be in this country. I am not sure exactly what the future business model for Amtrak ought to be, but I suggest that it include a couple of these things: One, a focus on providing high-speed passenger rail service in distantly populated corridors, not only in the Northeast corridor from New York to Boston, but densely populated corridors in the Southeast, the west coast, hubs from Chicago. There are corridors we could exploit for passenger rail where folks travel 200 or 300 or 400 miles.

Today, another thing that is different from 1970 is that 75 percent of the people in America live within 50 miles of one of our coasts. Think about that. Seventy-five percent of the people in America today live within 50 miles of one of our coasts. There are all kinds of densely populated quarters that could be well served by intercity passenger rail.

Another aspect of the business model, aside from developing high-speed rail service in densely populated quarters, can be what I call trains that people pay a premium to ride because they like to ride them, because it is a neat thing to do, because it is convenient.

The Auto Train. People get on the Auto Train. They got on it about an hour ago, just south of Washington, DC. They pay a lot of money to ride a train down to Orlando, FL. They have great food on the train, watch movies, sleep on the train. It is a nice train, modern and convenient. They will get off tomorrow morning near Orlando, FL, and have their cars right there with them to go wherever they want to go. There are trains out on the west coast—Pacific Starlight—where people will pay extra money just for the beauty of the ride. Some trains across the great northern part of this country are the same.

Amtrak can make money actually running some of those trains. Amtrak can make money carrying people in a high-speed Acela Express in the Northeast corridor. Amtrak can make money carrying the mail. Amtrak can make money renting the Northeast corridor to freight for their uses, to rent out part of the right-of-way to the folks who want to run other kinds of information through the right-of-way.

Those are some elements of a business plan that I think might make some sense for passenger rail in the 21st century. Freight railroads need to be a part of that. We need to be investing in the freight railroads as well.

The last thing I will say is this. Senator SCHUMER is here to comment as well. I will finish and add this comment. A friend of mine, a senior official in the Bush administration, said to me a couple years ago, knowing of my interest in passenger rail service, that we should follow the airline model. With passenger rail service, we should do the same kind of model we follow with respect to the airlines. And I said, with tongue in cheek: Does that mean we ought to follow the Pan Am model? Should we follow the Eastern Airlines model? Should we follow Braniff? Should we follow U.S. Air? Should we follow United? Is that the model we should follow into bankruptcy, because they have all gone bankrupt? And now the administration is suggesting a path that will lead to bankruptcy for Amtrak. The Surface Transportation Board, if they were given \$300 million—they can't run the Northeast corridor. That is not their ability. That is not their talent.

This does not make sense. What does make sense is going forward on two tracks. I would suggest we adopt this amendment and we simultaneously have a full and robust and rich debate on this floor and in committees and elsewhere to decide what 21st century passenger rail service ought to be in this Nation.

Last word. In a country where almost 60 percent of the oil we are using in

this year comes from other places around the world, where, frankly, a lot of people don't like us, and I am convinced they take our money to hurt us, keep this in mind: To carry 1 ton of freight by rail from Washington DC, to Boston, MA, uses 1 gallon of diesel fuel. Let me say that again. To carry 1 ton of freight by rail from Washington, DC, to Boston, MA, takes 1 gallon of diesel fuel. In a country that is awash in foreign oil and that has huge trade deficits, a lot of which are attributable to our dependency on foreign oil, we are foolish to ignore that reality.

Mr. President, I yield back my time.

The PRESIDING OFFICER. Who yields time?

The Senator from New York.

Mr. SCHUMER. I appreciate my good friend from Georgia recognizing me.

I am here to rise in strong support of the Byrd amendment. First, I thank our leader and our colleague and friend, Senator ROBERT C. BYRD, for offering this amendment. I am proud to be a cosponsor of this amendment. It is one of the most vital amendments we will vote on this week in terms of the budget. Much has already been said, but I just want to add my voice to the importance of Amtrak.

If you live in the Northeast, if you live in New York State, you know how important Amtrak is, not only the train that goes from Boston to New York and then to Washington, but the line that goes from New York City to Albany and then to Montreal.

For the capital region of Albany, for over a million people, Amtrak is the No. 1 way to get to nearby cities, the route that goes from Buffalo across to Albany and then to Boston. All of them are well traveled and well used and meet any national test in terms of transportation. In New York, 10 million New Yorkers use Amtrak, and large numbers of people depend on Amtrak.

This affects all of America. I know it has been said before, but let me say it again. If we were to close Amtrak, and in our most densely populated area, the Northeast corridor, people used planes only, you would have congestion in New York City, in Boston, in Philadelphia, in Washington. If you lived, say, in Chicago or Los Angeles, or Albuquerque, you may say: What do I care? The reason is, once the traffic backs up on the east coast corridor, it then backs up to Cleveland, to Detroit, to Chicago, and down to Dallas, and all the way to California. We would choke not only our rail system, which is probably the intention of the amendment, but we would choke our entire transportation system. The roads, densely populated by trucks and cars already, would become more crowded. That means traffic jams would increase. That means pollution would increase. That means time per worker to get something done, efficiency and productivity, would go down. As I mentioned,

our air service would become a total mess. So for the relatively small sub-

sidy that Amtrak gets, it keeps our transportation system in the whole country humming.

Europe does not have the kind of delays—

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

Mr. SCHUMER. Mr. President, I ask unanimous consent for 5 additional minutes.

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

Mr. SCHUMER. Thank you, Mr. President.

Western Europe is about the only place as crowded and uses as much transportation as the United States. But the delays at the airports are so much lower. Why? Because they have a well, efficient, and subsidized system of rail. You go from London to Paris, you take the Chunnel train. You go from Paris to Lyon or Frankfurt, you take the Train a Grand Vitesse. It is just ridiculous that we are thinking of cutting it here.

Now, if you say we are against subsidies, well, agricultural subsidies are a similar subsidy. And there is sort of a balance. Believe me, my State, particularly now with the new laws we passed for dairy and apples, benefits from agriculture subsidies. They are cut 5 percent. Amtrak is eliminated. Why is that? If you are against subsidies, you are against subsidies.

I would urge the President and the people supporting this budget: OK, cut Amtrak 5 percent like you cut agriculture. Maybe together we can fight to restore even that 5 percent. But it is not a question of subsidy.

Then we get boxed in. People talk about: Well, what about the trains that are hardly used that go through large swatches of the country where they are not used? Well, the bottom line is, people from areas where Amtrak is heavily used depend on the votes of some of those folks. If we could get a guarantee from the White House and from this body that only in the areas where Amtrak is highly used we would continue to support it, and eliminate the rest, that is something to consider. But they do a “beggar thy neighbor” argument. They say: Cut the subsidies out West or in the South, and then we will not support Amtrak anywhere. And that gives us virtually no support. It is untenable and it is unfair.

One other issue. It affects my city, and that is the issue of terrorism. After 9/11 our airspace was shut down, but New York was not closed to the rest of the country because we had Amtrak. God forbid another terrorist incident occurs. Let's say, God forbid, somebody uses MANPAD shoulder-held missiles and shoots down planes in 20 places in the United States of America. Again, God forbid, if we did not have a rail system, this country would come to a screeching halt. So after 9/11, the rationale is even more important than it was before 9/11. And the whole idea we will send Amtrak into bankruptcy and then we will fix it will cause chaos—

chaos in New York, chaos in the Northeast, chaos in America.

This is no way to run a country. This is no way to run a transportation system. No business man or woman who knows how to get things done would make this kind of proposal. I think what we find with this proposal is what we find with a lot of things these days: a small band of ideologues who really do not look at practicalities. Ideologues of the right, ideologues of the left—they have all their genius given to them directly from the heavens, and they do not look at practicalities.

These ideologues say: Amtrak, subsidy, bad. And then, because Amtrak has less political support, people go along. Are we cutting the subsidy for roads? Are we cutting the subsidy for airports? The same ideologues say those are bad, too. But we are in the anomalous position where we are caught between the ideologues on the one hand and the practicality of political support on the other, and we get stuck. There is no consistency, no practicality, no understanding of the need of a modern nation.

So I hope we will vote for Senator BYRD's amendment. Will it take Amtrak to great new heights? No. Will it allow it to continue and grow? Yes. With the changes made by Mr. Gunn, who everybody understands is an excellent manager and who doesn't like to waste a nickel, we can make Amtrak better.

I hope that on this amendment, instead of the knee-jerk reaction to vote down all amendments, which we have seen a lot, people will look at the amendment and at the consequences of doing what is in the budget, and I hope we will support the Byrd amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. I thank my colleagues from New York and Delaware.

Many believe Amtrak is a critical service for the northeastern corridor. Amtrak is an important passenger rail service for the Midwest. In my State of Illinois, we have three different Amtrak lines that are vitally important to my State. Each year, about 3 million passengers ride Amtrak in the State of Illinois. They are young and old, many college students.

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

Mr. DURBIN. I ask unanimous consent for 5 additional minutes.

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

Mr. DURBIN. Again, there are 3 million passengers a year in Illinois that include the young and old who ride Amtrak for a variety of reasons. I live in the State capital. State employees go back and forth on the trains from Springfield to Chicago. A lot of baseball fans heading up to see the Cubs and Sox and the Cardinals down in St. Louis ride on Amtrak. During a school year, you cannot board an Amtrak

train without finding scores of students going to Southern Illinois University, University of Illinois, Illinois State University, or Quincy University. It is a critical service for our State. Two-thousand people in my State work on Amtrak.

If the administration has its way and closes down Amtrak, as Secretary Mineta and the President have suggested, or threatened, it is going to have a devastating impact on Illinois. What happens when the Amtrak trains go away? If they do—and I hope it never happens—if they do, the answer is obvious: more cars on the highway.

Who in the world thinks that is the answer to America's transportation future? Right now, communities across Illinois are begging me for more money to widen and build highways because already the congestion is out of control. Now comes the discussion of eliminating national passenger service, so 3 million train passengers in Illinois will be in a car—or maybe 1½ million if 2 people ride together—adding to the congestion, adding to the pollution, adding to more dependence on foreign oil.

What is this White House thinking? Instead of walking away from Amtrak, this administration and other administrations should walk toward Amtrak, realizing that it is one of the key elements of transportation in America.

We don't think twice about subsidizing highway transportation—trucks and cars. We do it all the time by building these highways and bridges that we are going to need. We don't think twice about subsidizing airlines in this country. We do it, and I voted for it because airline travel is critically important to our economy. Why in the world do we draw the line when it comes to this rail service and say this is an anachronism that would not work and should not have a penny of subsidy, that if it takes a subsidy, we should do away with it? That is shortsighted.

It is not surprising to me that a President from the State of Texas, with limited Amtrak service, doesn't appreciate what Amtrak means to many States. In Illinois, our State contributes \$12 million a year to Amtrak. That is the State subsidy to Amtrak, which I think is a demonstration of their good will to keep Amtrak running—about 90 percent of the operating costs for the three routes I mentioned earlier, and more than \$70 million over the last decade, in addition to a quarter of the cost of the Chicago-Milwaukee corridor. Illinois, despite a big deficit, is willing to pay its fair share. Should the Federal Government not be willing to do the same?

Secretary Mineta is a friend of mine; we served in the House together. He came to Chicago recently and said: I want to make it clear, we don't want to close down Amtrak. If we wanted to do that, we would do nothing. That means no subsidy. Amtrak would go away with no subsidy. We should work

to improve Amtrak. They have made great progress over the last several years. But capital investments in Amtrak today mean better, more reliable service, faster trains, more people using the trains, and fewer people on the highways. Walking away from Amtrak will not achieve that goal.

I hope we can put together a bipartisan coalition to support Senator BYRD and the amendment he is offering on behalf of Amtrak. I think the Senator from West Virginia and the bipartisan group that supports Amtrak are going to keep this service in place so we can make certain that the millions of people in Illinois and across the U.S. will continue to find Amtrak a reliable train service.

Mr. President, at this point, if I am not mistaken, unanimous consent suggests that we are moving to a discussion or debate on the Arctic National Wildlife Refuge; is that correct?

The PRESIDING OFFICER. There is time remaining on this amendment under the control of the majority.

Mr. DURBIN. Of the majority?

The PRESIDING OFFICER. Yes, 17 minutes by the majority.

Mr. DURBIN. On the Amtrak amendment. Is there time remaining on the minority side?

The PRESIDING OFFICER. There is 10 seconds.

Mr. DURBIN. I will yield back all the time I have remaining to the Chair in the hopes of speeding up this debate and bringing it to a prompt conclusion.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, let me repeat what I said earlier. As I have listened to my friends talk about this amendment, I know of no one on this side who wants to shut down Amtrak. I know of no one in the administration who wants to destroy Amtrak. I know of no one who thinks that it would make sense to stop running trains in those corridors where people depend upon them for their daily activities. I hear all of the doomsday talk. I dismiss it because I don't know of anybody who is planning to do the terrible things they are accused of.

I do want to respond to the Senator from New York, Mr. SCHUMER, on one comment he made about the necessity for keeping a national rail system. He said, if we don't keep running trains in all of these States that don't have big population centers, that depend upon Amtrak the way New York, New Jersey, Delaware, and Pennsylvania do, we will lose their political support.

Apparently, he didn't hear what I had to say, so I will repeat it. I am a Senator from Utah who supports Amtrak, who believes it is essential for the Nation to have Amtrak in the Northeast corridor and other heavily populated areas. I would be glad to donate to Amtrak the cost of running a train through Utah or running several trains through Utah. I am not going to disappoint many of my constituents because they don't ride the trains. I am

not so parochial as to say that the only reason I would support Amtrak is because there is a train in my State. When I look at the number of people who are on the train, I look at the number of people who use the train, I realize that a train in my State is a waste of money. A train in my State makes no sense. I have watched the service shrink, as I said before, with the number of people who ride it. I have watched the terminal go from a large terminal that had great nostalgia and history down to a smaller one, to a corner of that one, until today it is quite literally a Quonset hut. Because there are so few people going through it, there is so little use of it that you want to conserve as much money as you can in the capital structure that supports it.

So let us not say that the reason we have to maintain the fiction of a national railway system is for political support that can support the areas where the railway system is really needed. Let's give those of us who come from other States enough credit of being smart enough to realize that shutting down Amtrak in the Northeast corridor would be a stupid thing to do, but keeping Amtrak running across areas of the country bigger than the areas across Europe all by themselves, where nobody uses the service, is also a stupid thing to do.

This is not an all-or-nothing discussion. This is not a debate between killing Amtrak and putting 15 million people on the Northeast corridor on the highways or keeping rail service available all across the Nation. This is a question of saying after 30 years of watching the subsidies fail to produce a system that makes sense, it is time to redraw the nature of the system. And this is the administration's way of getting our attention.

If, in fact, we find out during the appropriations process that the administration wants to kill Amtrak, that the administration really wants to destroy service in the Northeast corridor, I will be the first to come to the floor and stand with my friends from New Jersey, New York, Delaware, Pennsylvania, and Maryland and say this is a stupid thing to do. And I will vote for appropriations, I will vote for subsidies for Amtrak in those areas, as I always have. But do not assume the reason I always have is because there is a train running through my State. Indeed, I have always voted in that fashion saying that you ought to get rid of the train that is running through my State so that you have more money available to solve the problems in the Northeast corridor.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Mr. President, I yield the remainder of the time we have to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I have sought recognition to speak on the

funding for Amtrak. I have joined Senator BYRD on the Byrd-Specter amendment to provide \$1.4 billion for Amtrak which is, in my judgment, absolutely essential for the welfare of the United States of America.

The hallmark of an industrial society is having urban transportation. The Amtrak issue has been before the Congress virtually every year since I was elected in 1980. I recall one of the early meetings in the office of Senator Howard Baker, who was then the majority leader, where Amtrak had been zeroed out. In those days, it was funded between \$600 million and \$700 million. We were discussing the issue with David Stockman, who was the Director of the Office of Management and Budget. His argument was Amtrak will go to bankruptcy and the line between Boston and Washington would be saved.

It seemed to me there would be enormous problems. You would not be able to land at National Airport, now Reagan Airport, and get through the Baltimore tunnel. We were able to save Amtrak. We have saved Amtrak in every year.

There is an enormous amount of work which needs to be done on Amtrak's infrastructure, fleet, and equipment. Amtrak is setting record ridership, and as the congestion of our airports and highways continues to increase, it would be a grave mistake to cut back.

On February 10 of this year, 35 Senators, including 8 Republicans, wrote to Chairman GREGG and Ranking Member CONRAD expressing our deep concern regarding the President's proposed elimination of Amtrak funding in the 2006 budget proposal and setting forth in detail the reasons Amtrak should be funded.

Mr. President, I ask unanimous consent that the letter to Chairman GREGG and Ranking Member CONRAD be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, February 10, 2005.
Hon. JUDD GREGG,
Chairman, Senate Budget Committee, U.S. Senate, Washington, DC
Hon. KENT CONRAD,
Ranking Member, Senate Budget Committee, U.S. Senate, Washington, DC

DEAR CHAIRMAN GREGG AND SENATOR CONRAD: We are writing to express our deep concern regarding the President's proposed elimination of funding Amtrak in his 2006 Budget proposal. At a time when Amtrak is setting ridership records and as congestion at our airports and on the highways continues to increase, we believe it would be a grave mistake to cut the essential federal funds that keep Amtrak operating. Without such funds or other intervening action, Amtrak would quickly enter bankruptcy and shutdown of all Amtrak services, leaving millions of riders and thousands of communities without access to the essential and convenient transportation that Amtrak provides.

Therefore, we ask that you provide sufficient funding in the Fiscal Year 2006 Budget Resolution to sustain Amtrak's national net-

work of passenger rail service. Amtrak's 5-year Strategic Plan, which was approved by Amtrak's Board of Directors on June 10, 2004, specifies that approximately \$1.8 billion will be required for fiscal year 2006 to provide safe and efficient operation of the railroad. In addition, the most recent reauthorization proposal from the Administration would require a funding level of at least \$1.5 billion for fiscal year 2006, according to the Department of Transportation Inspector General.

Where Amtrak service is available, Americans ride the train and are doing so in record numbers. Despite a sluggish domestic travel industry, Amtrak carried more than 25 million passengers nationwide. If Amtrak had the same opportunity to receive Federal infrastructure investments as highway and aviation interests, with a federal match comparable to funds available to those modes of transportation, many more communities would avail themselves of passenger rail service.

Amtrak has made real progress reforming itself over the last few years by reducing its operating costs to help fund needed capital improvements. Over the last 30 months, Amtrak CEO and President David Gunn has cut operating costs, reduced the employee headcount from slightly less than 25,000 to just under 20,000 employees, has increased the number of trains it operates by 20%, and implemented internal reforms designed to control costs and improve efficiencies. Amtrak's core operating expenses are now less than they were in 2000.

There is an enormous amount of work needed on the infrastructure, fleet and equipment Amtrak owns and operates. Amtrak cannot continue to defer this important work without jeopardizing safety and reliability of its operations or putting at risk service that is relied on by hundreds of thousands of commuter and intercity passengers each day.

Please consider our request for adequate funding for Amtrak in preparing the FY 2006 Budget Resolution.

Sincerely,
Conrad Burns,
Kay Bailey Hutchison,
Arlen Specter,
Lincoln Chafee,
Charles Schumer,
Jon S. Corzine,
Byron L. Dorgan,
Ron Wyden,
Frank R. Lautenberg,
Max Baucus,
Joe Biden,
Paul Sarbanes,
Herb Kohl,
Joe Lieberman,
Barbara H. Mikulski,
Norm Coleman,
Tom Carper,
Barbara Boxer,
Hillary Rodham Clinton,
Patrick Leahy,
Dick Durbin,
Rick Santorum,
Susan Collins,
Evan Bayh,
Mark Dayton,
John F. Kerry,
Jay Rockefeller,
Jack Reed,
Chris Dodd,
Ted Kennedy,
Olympia Snowe,
Jim Jeffords,
Barack Obama,
Carl Levin,
Debbie Stabenow.

Mr. SPECTER. Mr. President, I urge my colleagues to support adequate funding for Amtrak. I thank the Chair and yield the floor.

Mr. KENNEDY. Mr. President, I commend Senator BYRD for standing up for the future of our Nation's national passenger rail service system with this amendment.

For the past 4 years, this administration has acted in a thoroughly cynical way on Amtrak. Each year they have requested less funding than the railroad needs to operate and improve its services, and then they pillory Amtrak when it falls short of truly impossible goals.

David Gunn, the CEO of Amtrak since 2003, has stated numerous times to Congress and administration officials that to put Amtrak on solid financial footing and increase ridership, key capital improvements are desperately needed, and would cost an estimated \$1.8 billion a year.

In fact, Amtrak's 5-year strategic plan calls for \$1.8 billion this year, but the Bush administration simply refuses to request it from Congress, because they are bent on destroying the railroad.

Compared to the railroad investments made by our major economic competitors like Japan and Germany—each of which invests nearly 20 percent of its total transportation budget on rail or between \$3–4 billion each year—Mr. Gunn's request for \$1.8 billion—or 2 percent of the Federal Government's transportation budget—doesn't seem outrageous.

Amtrak operates a nationwide rail network, serving over 500 stations in 46 States. It has over 22,000 miles of track and 20,000 employees.

Amtrak's request for \$1.8 billion doesn't even come close to rivaling the amount the Federal Government spends on highways and air travel. Last year, we invested \$34 billion for highways, and provided airlines with \$14 billion to subsidize air travel.

Yet despite Amtrak's clear and compelling needs, the administration has proposed only \$900 million in each of the past 2 years, forcing Congress to scramble to provide a "barebones" budget of \$1.2 billion needed to prevent the railroad from shutting down.

As a result, instead of being able to focus on a long-range plan of restructuring and reform, Amtrak has been forced into a permanent plan of crisis management.

They have been forced into accepting short-sighted capital investment deferrals and bookmaking wizardry simply to keep the railroad afloat. They haven't had any choice, and they are barely holding on.

As anyone in the transportation industry will testify, repairs delayed only become more costly in the future. Yet that is what Amtrak has been forced to do because of chronic underinvestment.

Despite these hardships, Mr. Gunn and his Amtrak team have had some successes, and we should acknowledge them.

First, they were able to increase ridership by 4 percent during fiscal year

2004, for a total ridership of over 25 million nationwide.

In addition, measured against domestic airlines, Amtrak has moved into 8th place in total ridership and 1st place in terms of on-time performance.

After undermining Amtrak's efforts to make critical capital investments and improve services in recent years, the administration now simply proposes to eliminate funding altogether.

In fact, the administration's budget itself advises that Amtrak will be forced into bankruptcy, and some sort of restructuring will take place.

What we see again and again from this administration is the call for reform, without the resources to achieve it. It doesn't work in education, and it won't work with the Nation's passenger rail system.

If the administration's plan—bankruptcy were—to happen, all of Amtrak's assets its stations, its track, its railroad cars, its locomotives—will be sold at fire-sale prices to pay off its creditors.

Among the assets that could be permanently removed from the Nation's transportation network are:

2,141 railroad cars; 425 locomotives; 20 high-speed train sets; 97 miles of high speed track in Michigan; 62 miles of track between Hartford, Connecticut and Springfield, MA; 104 miles of high speed track in Pennsylvania; and the 363 miles of Northeast Corridor track connecting Washington, Philadelphia, New York, and Boston.

Make no mistake, if these assets are pulled from the Nation's passenger rail system, no one will be able to put it back together again. Travel will be permanently undermined, to the detriment of our economic competitiveness, the quality of our environment, and our national security.

The administration suggests that perhaps the governors will step in. But what will they step into? The States individually, and collectively, don't have the resources to acquire an operate the system.

Even if they did, they haven't been consulted about such a proposal. Not a single State has come forward to express any interest in assuming the financial or legal responsibility for operating an interstate rail service.

Can you imagine if the administration had proposed to eliminate the FAA and suggested that perhaps the Governors should take it over?

This budget is a serious danger to the stability of our nation's transportation system. The Senate should reject the Bush administration's mindless plan of forcing Amtrak into bankruptcy.

A safe, reliable, and efficient national transportation system demands that Congress act responsibly on passenger rail issues, even if the administration continues to refuse to do so.

What if we have to shut down the national air traffic control system, as we did after 9/11, or if key parts of our Interstate system are compromised by terrorist attacks, as they may well be?

Shouldn't the mere possibility of one or more of these crises force us to recognize the importance of maintaining a viable national rail network?

The Senate should reject the administration's irresponsible passenger rail bankruptcy plan, and pass the Byrd amendment to ensure that America's transportation network remains strong and flexible for the future.

Mr. KOHL. Mr. President, I rise today to join my colleagues in supporting additional funding for passenger rail. As we all know, the administration eliminated funding for Amtrak in its fiscal year 2006 budget. I believe that this is a shortsighted policy that could strand travelers throughout the country, including those who rely on passenger rail in my State.

I am supporting this amendment, which would add \$1.4 billion to the budget for Amtrak because rail service is so important to travelers in Wisconsin. I have long fought to ensure that intercity rail service exists in the Midwest. I am pleased to be joined in this effort by Wisconsin's secretary of transportation, Frank Busalacchi, who is currently serving as the chairman of the States for Passenger Rail Coalition. Rail makes up an important portion of our intermodal system in Wisconsin. In January of this year, a total of 37,445 passengers used Amtrak's Hiawatha Service between Milwaukee and Chicago. That is 37,000 fewer cars on our roads, reducing congestion and pollution. So many times, when you hear commuter rail, we think of only the Northeast corridor. I want to assure the people of Wisconsin that I know this is not the case, and that I will fight to ensure that the corridors in Wisconsin are not shut down.

I support reforms in Amtrak, and look forward to working with Amtrak, with the administration, and with my colleagues to enact meaningful reform. But we cannot move forward on reform if Amtrak has been forced to abandon its services in other areas. The Northeast is not the only region in the country that relies on a viable rail system—now is not the time to force the more than 540,000 people who used Amtrak in Wisconsin on to our overburdened roads and airports. I urge my colleagues to support Senator BYRD's amendment.

Mr. INOUYE. Mr. President, I rise in support of Senator BYRD's amendment to the fiscal year 2006 budget resolution to increase funding for Amtrak. The budget resolution before us today effectively zero's out Amtrak's funding in accordance with the President Bush's perilous strategy of bankrupting Amtrak as a means of reform. This is a disastrous plan that will shut down all Amtrak operations across the country and severely limit Congress's abilities to provide intercity passenger rail service in the future.

Senator BYRD's amendment would increase funding for Amtrak by \$1.04 billion. This would be in addition to the \$360 million included in the budget to

maintain commuter service operated by Amtrak in the case of bankruptcy. Amtrak would receive a total of \$1.4 billion to fund railroad operations and meet capital needs. While this number is less than Amtrak has said it needs, it should allow Amtrak to continue its operations and maintain much of the progress the company continues to make on repairing and replacing worn-out capital assets. The increased spending requested by this amendment is offset by closing corporate tax loopholes.

It is essential that we provide adequate funding for Amtrak so that the railroad can maintain and improve the operations of the national system and make critically needed investments to return rolling stock and infrastructure to a state of good repair while Congress addresses the larger questions surrounding Amtrak's future through the reauthorization process. As the co-chairman of the Commerce Committee, Amtrak's authorizing committee, I look forward to working with my Chairman, Senator STEVENS, and with our Subcommittee on Surface Transportation and Merchant Marine Chairman, Senator LOTT, on ways we can improve Amtrak's service, costs, and structure. But, we must act today to ensure that adequate funding is reserved in this year's budget to avert any future crisis, to ensure the preservation of passenger rail as an alternative for the American traveling public, and to let Amtrak's employees and creditors know that Congress will not leave them out in the cold.

The PRESIDING OFFICER. Who yields time?

Mr. DURBIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The majority has 8 minutes 40 seconds.

Mr. DURBIN. Mr. President, I ask the Senator from Pennsylvania if he would be in a position to either yield back the time on the Amtrak debate or reserve the time and allow us to begin the debate on the Arctic National Wildlife Refuge, which I believe is next in the unanimous consent agreement.

Mr. SPECTER. I thank the Senator from Illinois giving me the option. Since I do not have the authority to waive, I choose option 2.

Mr. DURBIN. Mr. President, I ask unanimous consent that the remaining time on this Amtrak amendment on the majority side be reserved and that we now be allowed to go forward on the allocated time for the Arctic National Wildlife Refuge debate.

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

The Senator from Illinois.

Mr. DURBIN. Mr. President, I want to make clear, since the chairman of the committee came to the floor, that there were 8 minutes remaining on the Amtrak debate on the majority side, and I protected that 8 minutes so it would not be surrendered. Under the unanimous consent agreement, we now move to the debate on the Arctic National Wildlife Refuge. I hope that

meets with his approval. If it does not, I will be happy to work with the majority on that question.

The Arctic National Wildlife Refuge was created in the administration of President Eisenhower. This Republican President decided in the 1950s that there were parts of the United States so important for future generations that they should be protected. One of those parts was the Arctic National Wildlife Refuge.

There has been a lot of debate about the future of that refuge. It is a place in our Nation that has a special significance to many people. There are Native Americans who live there and count on this refuge for their sustenance, maintaining their tradition, really protecting their lifestyle. There are others who see this Arctic National Wildlife Refuge from a much different perspective, and that is why we continue to debate the Arctic National Wildlife Refuge.

The reason we are considering it on the budget resolution is because a decision has been made, and that decision, made by those who wish to see drilling in the Arctic National Wildlife Refuge for oil and gas, is that they no longer want to follow the regular rules of the Senate because the regular rules of the Senate allow us to debate for a period of time.

Mr. STEVENS. Will the Senator yield?

Mr. DURBIN. I will yield for a question.

Mr. STEVENS. Are regular rules of the Senate to filibuster a bill? I do not understand what the Senator is saying. The only reason this is in the budget resolution is because he and others have threatened to filibuster it.

Mr. DURBIN. Does the Senator have a question?

Mr. STEVENS. That is my question. Would the Senator guarantee us an up-or-down vote if we do not keep it in this resolution?

Mr. DURBIN. I thank the Senator from Alaska. He has certainly been here a lot longer than I have. He understands the rules of the Senate far better than I do, and under the regular order of the Senate, we allow debate to protect the rights of the minority. I think the Senator is well aware of that fact. It is really what makes the Senate unique. And the fact that now the Senator from Alaska wants to raise this issue on the budget resolution is because he wants to in some way go around the regular order of the Senate and to win with 51 votes an issue which may require 60 votes if it was debated in the regular order. I think the Senator would concede the fact that what he is doing is extraordinary, that he is asking for this Arctic National Wildlife Refuge—

Mr. STEVENS. Will the Senator yield there?

Mr. DURBIN. Not at this point because I think we have divided time for debate.

Mr. STEVENS. I am happy to charge it against my time.

Mr. DURBIN. The Senator will have ample opportunity to use his own time. I will not yield at this time. I would like to not be interrupted for a few minutes, and then we can have a conversation.

Mr. STEVENS. Will the Senator state his party never tried to put an item in the budget resolution—

Mr. DURBIN. Is the Senator asking a question? If not, I do not yield the floor.

Mr. STEVENS. I am asking the Senator a question.

The PRESIDING OFFICER. The Senator from Illinois has the floor, and he may yield for a question if he so desires.

Mr. DURBIN. I will yield for a question, a brief question, but I have a certain amount of time to use here and I would like to use it.

Mr. STEVENS. Is the Senator saying his party has never used the same procedure to put in a budget resolution an item so it would avoid a filibuster?

Mr. DURBIN. In my response to the question, I am not saying in the history of the Senate this never occurred. But I will say to the Senator from Alaska, he knows as well as anyone who has been in this Chamber for a period of time that this is not the usual order of Senate. This is an extraordinary procedural move being made by the Senator from Alaska because he has had a difficulty passing this important bill that he would like to see passed. I think that is a fact of life.

What I would like to address for a moment, though, is the merit of the issue. Think about it for a minute. When we ask the Bush administration, What is your energy policy for America, they tell us the centerpiece for their energy policy for America is drilling for oil and gas in the Arctic National Wildlife Refuge.

Surely you must believe, if you think that is truly the centerpiece, there must be an extraordinary trove of oil and gas there that will sustain America for a lengthy period of time.

Let's look at the facts. The facts tell us quite the opposite. In fact, what we now find is when we look at the oil production that we can anticipate from the coastal plain that is being debated here, it would peak at 0.26 billion barrels a year in the year 2027, when the U.S. Energy Information Administration estimates that Americans will consume about 10.2 billion barrels of oil annually. The Arctic Refuge oil would provide about 2.5 percent of America's annual need in that 1 year—2.5 percent; and that is the peak year for oil production, according to the U.S. Energy Information Administration.

If we are talking about a source of oil which in its best and peak year is producing 2.5 percent of our oil needs in America, how in the world can this be the centerpiece of our energy policy for America? Frankly, it is not and should not be. It has become a separate issue.

For those from the State of Alaska, the two Senators here who are passionately committed to this, I can understand the nature of their commitment.

Oil and gas exploration in Alaska has been very profitable, not only for the companies involved but for many people in Alaska. But for those of us who are trying to look at a balanced energy picture, there are some serious questions here as to why we would decide to go forward in a wildlife refuge established almost 50 years ago and say we have reached such a desperate point in America when it comes to energy that we have no choice but to drill in the Arctic National Wildlife Refuge.

For years I have come to the floor questioning this decision by the Bush administration. I have been told from time to time by those on the other side that I don't know what I am talking about because I have never been there; I have never seen the Arctic National Wildlife Refuge.

After having been told that for a number of years, I decided to do something about it. I went there. I went there 2 years ago and camped out 2 nights in the refuge with my son and some friends, to take a look at what the refuge was. We went there in August. It was an amazing experience, one of the most beautiful pieces of real estate on this Earth. Although there are some who come and disparage it and say it doesn't offer that much, I think it is extraordinary. I think President Eisenhower was right in setting it aside as a wildlife refuge.

When you take a look at the area where oil exploration and drilling have been allowed, you can see as you fly over the dramatic difference. The landscape is scarred with roads and activities in those areas not protected as a wildlife refuge. On the side of the river where the wildlife refuge exists, it is quite different. It is as God made it and it still stands today. It is significantly different.

The administration and its supporters for drilling in the Arctic Refuge have claimed the drilling can be done in an environmentally sound manner. I recently heard one of the Secretaries say we would use ice roads which would disappear when the spring thaw came around; you would never even know they had been used. They noted that the United States has the highest environmental standards and the most advanced technology in the world.

That may be true. But toxic spills and air pollution from permanent year-round operations are currently wreaking havoc on many areas of Alaska's fragile North Slope. Once part of the largest intact wilderness area in the United States, Alaska's North Slope now hosts one of the world's largest industrial complexes, spanning a thousand square miles of once pristine arctic tundra.

Prudhoe Bay and 26 other oil fields include the following: 28 oil production plants, gas processing facilities, and seawater treatment and powerplants; 38 gravel mines; 223 production and exploratory gravel drill pads; 500 miles of road; 1,800 miles of pipeline; 4,800 explo-

ration and production wells. All of this activity is taking place in an exceptionally fragile region.

Any physical disturbance—bulldozer tracks, seismic oil exploration, spills of oil and other toxic substances—can scar the land for decades. The National Academy of Sciences concluded it is likely that the most disturbed habitat will never be restored and the damage to more than 9,000 acres by oilfield roads and gravel pads is likely to remain for centuries.

At risk in the Arctic National Wildlife Refuge is the home for nearly 200 wildlife species including polar bears, musk oxen, and caribou. While I was there camping in the ANWR we saw one of these musk oxen. It was an amazing sight. During the summer, nearly 135 bird species, including millions of tundra swans, snowy owls, eider ducks and shore birds, are among those that rely on the area for sustenance before migrating south for the winter.

No matter how careful oil companies are, oil exploration and production are not environmentally sensitive practices.

Exploration and production would not be confined to a limited area; it would range across many separate fields, affecting wildlife habitat on hundreds of thousands acres interspersed between sprawling oil facilities and pipelines.

Habitat would be further disrupted by industrial activity associated with airports, permanent production and support facilities, housing, and the gravel roads needed to connect drilling sites.

All this industrial activity would fragment the coastal plain, disrupting critical birthing, denning and breeding areas.

Each year, the oil industry spills ten of thousands of gallons of crude oil and other hazardous materials on the North Slope.

From 1996 to 2004, there were some 4,530 spills of more than 1.9 million gallons of diesel fuel, oil, acid, biocide, ethylene glycol, drilling fluid and other materials.

In the Arctic, the environmental damage from oil spills is more severe and lasts longer than in more temperate climates. Diesel fuel, for instance—the most frequently spilled substance on the North Slope—is acutely toxic to plants. Even after decades have passed, tundra vegetation has been unable to recover from diesel spills.

Then there is the issue of air pollution. Each year, oil operations on Alaska's North Slope emit more than 70,000 tons of nitrogen oxides, which contribute to smog and acid rain. North Slope oil facilities also release greenhouse gases emitting anywhere from 7 to 40 million metric tons of carbon dioxide and 24,000 to 114,000 metric tons of methane. Plumes of pollution from Prudhoe Bay have been detected in Barrow, Alaska, nearly 200 miles away.

The City of Nuiqsut Council in 2001 noted, "the impact of oil and gas development on our village has been far reaching. This has affected our day-to-day lives in several ways. Our ability to hunt and gather traditional food has been severely impacted by development."

Increased cases of asthma have also developed in villages subject to the air pollution posed by development.

Hazardous waste contaminates water and wetlands despite advances in waste disposal methods where drilling wastes are ground up and re-injected.

In 2000 British Petroleum was ordered to pay \$22 million in civil and criminal fines and establish a new environmental management program because its contractors had illegally disposed of hazardous wastes containing benzene and other toxic chemicals. These crimes only came to light because a whistle-blower reported them to the EPA.

If the United States were in a situation, a desperate situation where our economy was teetering near collapse, where we worried if businesses and jobs would continue because of energy shortages, where there was a serious question about the national security of America, I suppose the case could be made that even drilling in a wildlife refuge, even drilling in part of this world that we promised would never be touched, is warranted. That is not the case when it comes to the Arctic National Wildlife Refuge. The amount of oil and energy that could be gleaned from this area is minuscule in terms of America's security demands.

The damage that could be done to this area would be permanent. It would change it forever.

You have to ask yourself, if we have not reached such a desperate moment in our history where we have to go to a wildlife refuge and drill for oil, why are we doing it?

Some argue that many oil companies with their leases would make money. Some argue it would be good for the economy in some parts of Alaska. But I look at it from a different perspective, perhaps from a national perspective.

It is interesting to me that this energy bill which makes the Arctic National Wildlife Refuge the centerpiece of the administration's energy policy—a region which at its peak year could only produce 2.5 percent of the oil we needed—is the same Energy bill that refuses to even consider fuel efficiency and fuel economy of the cars and trucks that we drive in America. If we are worried about our dependence on foreign fuel—and we should be—aren't we doing the obvious? Why are we not saying that we are going to create incentives and standards so that we produce trucks and cars for America which will be more fuel-efficient vehicles? We have done this before.

In 1975, we faced an energy crisis. Congress ignored the big three automakers, and many who opposed them,

and said we are going to pass a standard to double the fuel efficiency of vehicles on the road in America. We went from 14 miles a gallon average fuel efficiency over 10 years to almost 28 miles a gallon. Some said it couldn't be done technologically. Some said we had no right to do it legally. We did it. More fuel-efficient vehicles were on the road, with less dependence on foreign oil.

What has happened since 1985 when those new standards were implemented? Exactly nothing. We have failed to rise to the challenge of fuel efficiency and fuel economy on cars and trucks in America. In fact, we created a gaping loophole for trucks saying they wouldn't be bound by the same fleet fuel average, and SUVs drove right into that loophole. Now there are SUVs all over the highway, with limited gas mileage burning fuel, adding to the air pollution, increasing our dependence on foreign oil. If we improved slightly the efficiency of cars and trucks, fuel efficiency over the next few years, this debate would be totally unnecessary. We wouldn't have to be talking about drilling in a wildlife refuge. We wouldn't have to be talking about drilling offshore in California or Florida or other States. We would be doing the right thing for our environment and reducing our dependence on foreign oil.

But this administration will not even entertain the possibility of asking them to drive more fuel-efficient vehicles. "Let the marketplace work its will," is what we hear over and over again. We have seen ample demonstration of the marketplace at work as we find larger, heavier vehicles on the road consuming more fuel and getting fewer miles per gallon. That is the trend for our future.

In our desperation, we import more oil to feed gas-guzzling vehicles, and we turn our back on the obvious needs to conserve energy—not just in the vehicles we drive but in our everyday lives and in our business concerns as well.

I come to this debate wondering if we have reached such a desperate point that we have to drill in a wildlife refuge set aside for my children, my grandchildren, and generations beyond. Have we reached the point when it comes to America's energy security where we have no choice but to go into these areas that are so important and so pristine and engage in drilling and production techniques that will leave scars on the landscape forever?

From my point of view, we have not. There is a lot more that we can do—simple, honest approaches to this problem which will meet our Nation's energy needs without sacrificing some of the valuable resources and treasures such as the Arctic National Wildlife Refuge.

I don't know how this vote will come out on this issue. It is likely to be very close. But having been there and seen what the Arctic National Wildlife Refuge represents, this Senator is going to oppose this effort to drill in ANWR.

I think we should show real leadership, leadership that calls for conservation, renewable fuels, and better fuel efficiency. And with that fuel efficiency there will be no need to compromise the integrity of such important areas in America as the Arctic National Wildlife Refuge.

I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Utah.

Mr. BENNETT. Madam President, I have listened with interest to my friend from Illinois. I am sure he enjoyed his camping experience in the wildlife refuge. I wish he had been with us about a week ago when we were in the wildlife refuge and up on the North Slope when the oil activity was going on. He should remember that oil activity in the area does not go on in the summertime. It goes on in the winter-time when there is enough ice that you can drive on ice roads, and we did. You can drive to a drilling pad that is made of ice, and we did; and know that when spring comes and the thaw sets in, both the roads and the drilling pads will disappear. All that will be left from the exploratory well is a single marker showing where the well was.

The one thing I learned that I had not known before I went up there and started talking to the people who were paying attention to that area was where the areas are and the labels that have been drawn.

The Alaska National Petroleum Reserve—that is an area we do not hear discussed in this debate. But it is there, and we visited that. The National Petroleum Reserve and the Arctic National Wildlife Refuge we visited as well.

These are very evocative words: the Petroleum Reserve calls up images of great wells of petroleum being held in reserve just waiting to be tapped. The wildlife refuge calls up images of something being protected, that wildlife goes there as a haven to get away from predators, or the devastation of human activity, and so on. What I learned in the trip is that the National Petroleum Reserve was drawn on a map by President Warren Harding in 1923 at the recommendation of the Navy who said: There is probably some petroleum up here. There was no scientific examination of the kind we use today.

By today's standard, the idea that there was petroleum there was very primitive. But the President of the United States, in 1923, drew a line on a map and created by decree the National Petroleum Reserve.

President Eisenhower, in 1960, drew another line on a map creating the Arctic National Wildlife Refuge. It was expanded by subsequent Presidents, first President Johnson and then President Carter.

The interesting thing to me was to discover that there is more wildlife in the petroleum reserve than there is in the wildlife refuge, and there is more petroleum in the wildlife refuge than there is in the petroleum reserve. When

the Presidents drew those lines, they didn't have the advantage of today's information.

The other thing that my friend from Illinois did not mention is that when President Eisenhower drew those lines he also drew a line around an area within the creation of the Arctic National Wildlife Range—refuge now—saying this portion of it is set aside for exploration and production of oil and gas.

For those who are saying let us not despoil this magnificent area, let me remind them that this magnificent area was created by a Presidential declaration and that same declaration said in this portion of the area we are going to have oil and gas exploration and production. It was set aside right from the beginning.

I am sure the senior Senator from Alaska will explain the promises that were made to the people of Alaska for oil and gas production in that area at the time that designation was set aside, promises that have not been fulfilled for over a quarter of a century.

The interesting thing for me to discover with respect to these evocative words and how they don't really describe what happens on the ground was the discussion of the caribou herd. We have had an awful lot of rhetoric about the caribou and how the caribou in ANWR must be protected. The caribou are unaware of the boundaries drawn by the President. The caribou go where they want to go in the area and the area includes the petroleum reserve, State land, ANWR, and Canada. The caribou go across all of those jurisdictions without paying attention to the names that are given to the land they are wandering over.

It was interesting to talk to some of the people in Barrow, which is the northern-most city in the United States. They pointed out that when Prudhoe Bay was opened for exploration and the pipeline was built there was great concern about the caribou being unable to cross the pipeline. Overpasses were built over the pipeline to allow the caribou free access to the other side because they said it will upset the caribou's migrating habits, it will upset the calving season if they cannot move freely across. Ultimately, the compromise was that we will build the overpasses for the caribou.

As this native of Barrow who has lived there all of his life said to us, the caribou didn't understand that. The caribou don't use the overpasses. The caribou, when they get to the pipeline, scrunch down and go under the pipeline and go on with their migration without paying attention whatever to the oil pipeline.

I was in the Nixon administration when the debate about building the oil pipeline went on. It was just as bitter as the debate today. We were told the caribou population would be decimated by this. Go up there 30 years later and the caribou herds are bigger now than

they were when the pipeline was built, and by a fairly substantial margin.

I talked to some of the natives who watch the caribou. They said the thing that bothers the caribou the most are the mosquitos. They are terrible in the summer. We find caribou coming on to the gravel oil pads because if they stand under the oil platform on the gravel, there are fewer mosquitos.

The caribou like to come around. The caribou are disturbed by human activity there. The mayor of Barrow said to us, look outside the town and you find plenty of caribou. The only time caribou get upset by humans and their activity is when the humans get on snowmobiles and chase into the caribou herd with rifles and start shooting them. The caribou don't like that.

But that is the pattern of some of the people who said to us, do not disrupt our subsistence living culture. There was one Gwich'in Indian almost in tears as he pled with us, do not disrupt our subsistence living culture that has gone back 1,000 years. We live on the caribou and the whale. We don't need the oil. We live on the caribou and the whale. I thought, if you really want the subsistence living culture, it goes back 1,000 years, we can give it to you by cutting down the shipment of diesel fuel that goes to your village, that provides you with heat and power during the wintertime.

I was more moved by the prayer of the preacher who came to talk at our meeting who said he thanked God for the caribou and he thanked God for the oil. He said, God gave us the caribou and God gave us the oil. And they were meeting in a heated room where they could gather for the town meeting that we held there under the direction of Senator DOMENICI, and then for the church service that was held there.

I asked a question, how is this heated? Where do they get the power for this? They said, once a year a barge comes through and deposits a year's supply of diesel fuel. They had a power shortage in that village. Everything shut down. Helicopters, rescue teams, everything was set up to try to get to them to restore the power so they weren't sitting in their homes freezing anymore. And it was diesel fuel.

My friend from Illinois talks about the diesel spills. I think there are probably more diesel spills connected with the shipping of the fuel up there to take care of the native villages than there are on the oil pads and the activities of the oil industry because I saw the lengths to which the oil industry goes to try to prevent any kind of spills. I saw trucks driving around with diapers on. That is not literally true, but it is figuratively true. They had plastic pads under them in case there was any leakage out of the truck, then it did not get on to the ice and slip into the tundra. When you are unloading diesel fuel, a whole year's supply, in the village you will have spills.

I didn't respond to this particular Indian, tell me about your subsistence

living culture, because I didn't want to embarrass him, but I knew that his subsistence living culture meant getting on a snowmobile and going after the caribou with the rifles. I thought, the caribou would much rather have oil engineers giving them some shelter from the mosquitos rather than this kind of human intervention into their lives.

A lot has been said about the puny amount of oil this would be. A lot has been said, economically, we don't need it. All the rest of it. I came back recognizing how important this is to the people of the State of Alaska, how important this is to their economy and to their future. It won't affect the caribou. It won't affect the wildlife. There are millions of acres they go over without respect to any of this activity. But if we did not proceed with this, it will significantly affect the people of Alaska. As a Senator from Utah I don't want to deprive them of that which is their natural heritage as described by that preacher when he said God gave us this oil.

It will be extracted in an environmentally friendly fashion. I think it is time we went ahead and did it.

I yield the floor.

Mr. STEVENS. Does the Senator from Colorado wish to speak? I guess we are going to go back and forth.

Mr. SALAZAR. I say to the Senator from Alaska, I would like to speak. I yield 5 minutes of my time to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I very much appreciate that of the Senator from Colorado and also I beg the indulgence of my colleagues; I am going to speak on another subject for about 5 minutes. It is not the subject at hand. I ask consent my remarks appear apart from the debate on ANWR.

Mr. STEVENS. Parliamentary inquiry: will that time be charged against the 2 hours of the Senator's time?

The PRESIDING OFFICER. The time will be charged against the 2 hours of debate time on the Democrat side.

Without objection, it is so ordered.

Mr. BAUCUS. Madam President, I rise to oppose the reconciliation instruction in this budget resolution directing the Finance Committee to cut Medicaid by \$15 billion over 5 years. These cuts will tear the fabric of our Nation's safety net at a time when Medicaid is needed more than ever. I plan to cosponsor an amendment to strike these instructions and instead establish a bipartisan Medicaid Commission.

Medicaid is just too important to be subject to arbitrary budget cuts. It is a critical public program that provides a lifeline of health coverage and long-term care services to more than 53 million of our Nation's most vulnerable individuals.

For example, Medicaid ensures access to health coverage for more than one

in four children. Just think of that: one in four. It is the Nation's largest single purchaser of long-term care services and fills the gaps in Medicare's coverage for more than 6 million low-income senior and disabled individuals.

It is an essential provider of health care services for women, the leading purchaser of family planning services, and it pays for more than 40 percent of all births in America. Medicaid pays for more than 40 percent of all births in America.

Medicaid funding is a major source of support that keeps the doors open at thousands of community health centers, public hospitals, nursing homes, and other facilities.

While Medicaid is a critical component of our health care system, it is certainly not perfect. For that reason, I am open to talking about changes in Medicaid. I am open to talking about better accountability, the need for more State flexibility. And I am willing to consider any other area where improvements or clarification to existing Medicaid law is needed.

But we should not cut Medicaid for the sake of meeting an arbitrary budget number. That is clear. And we should not be cutting Medicaid under the guise of "program integrity" without a better understanding of what the States are doing—and what that really means—without knowing whether the activities singled out in the President's budget are truly abusive—we need to know that, too—and without knowing what impact these cuts will have on the people who depend on Medicaid—we don't know that either. So to enact these arbitrary cuts without knowing and having some semblance of the answers to those questions is just plain reckless.

Yes, Medicaid costs are growing. Recent cost growth at the State and Federal level is cause for concern. But most of this cost growth is due to an increase in enrollment and the same health care cost inflation that affects every insurance plan.

From 2001 to 2003—this is pretty important—during the last recession, Medicaid added 7.5 million people to the rolls. It was during the recession, because of the recession. Most of these people were insured but lost coverage because their employer dropped coverage or they could not afford the premiums. These 7.5 million would likely be uninsured if it were not for Medicaid. This growth in enrollment shows that Medicaid is doing its job, growing to meet the need when times are tough.

That is the whole point of Medicaid. And times were tough. We were in a recession. Employers laid people off. People needed health care, so they had to go to Medicaid.

Even though Medicaid costs are increasing, just as in Medicare and the private sector, it is important to keep in mind that Medicaid growth is lower on a per person basis. A recent study showed that Medicaid cost growth is 6.1 percent per person, compared to a 12.6-

percent cost growth for private coverage. The growth in the cost of health care in Medicaid is half the growth per person under the private insurance plans which most Americans are offered today. So Medicaid is not a wasteful program.

We also pay more for Medicaid because of the critical role it plays in filling Medicare's benefit gaps for seniors and people with disabilities.

More than 40 percent of all Medicaid spending goes to pay for long-term care, for prescription drugs, other coverage and cost-sharing for low-income individuals who are eligible for both Medicaid and Medicare. That is 40 percent of Medicare's costs, even though dual eligibles make up only about 14 percent of all Medicaid enrollees.

In essence, Medicaid picks up the tab for what Medicare should be covering. The new Medicare drug benefit should provide some new assistance with costs for the dual-eligibles. However, States will still be responsible for a substantial share of total spending in the form of so-called clawback payments.

Medicaid deserves its own policy debate, just like we had with Medicare. And whatever policy we support must address the root causes of the challenges facing Medicaid: the growth in enrollment; rising health care costs; and the increasing cost of providing long term care and other services to dual eligible beneficiaries.

We need the right diagnosis before we can get the prescription right. That is why I support creating a bipartisan Medicaid commission to advise Congress on how to sustain Medicaid well into the future.

By contrast, the budget resolution we are now debating would constrain us to finding savings that meet a target number—even if that means cutting services and benefits, shifting costs to states, or dramatically restructuring the program.

The budget resolution frames these cuts as the amount that is misspent on so-called waste and abuse in the system. Without a doubt, everyone wants to make Medicaid more efficient. And everyone agrees that we need to root out fraud and abuse in Medicaid. In fact, Congress has acted to root out fraud and abuse in Medicaid every time we have discovered it. Like with upper payment limits, disproportionate share hospital payments, and provider taxes.

And we stand ready to correct any misappropriation of federal funds.

But in the case of the administration's proposals, it is not entirely clear that there is evidence of abuse—or that the policy they have proposed will address the issue. For example, in the case of the President's proposal to limit intergovernmental transfers—IGTs—the Congressional Budget Office failed to score any savings. CBO lacked sufficient detail on the policy.

In fact, Senator GRASSLEY and I have been asking the Administration for specific information—for over a year now—about which states are currently

out of compliance with the IGT rules, and how their policy on IGT enforcement may have changed. But they have not provided the information that we have requested.

I caution my colleagues in the Senate against buying the administration's pig in a poke on this issue.

So let's be clear on what the President's proposal would do. It would change the rules of the game on how states can finance their Medicaid programs, pure and simple.

And the bottom-line impact on States could be devastating. In Montana, proposed cuts in the budget resolution would result in a net loss of more than \$133 million Federal dollars from state's Medicaid program. In human terms, this funding cut could mean a loss of coverage for 2,800 seniors or more than 12,000 children.

Lost Federal funds could also mean State revenues and jobs created by Medicaid spending.

For every \$1 million Montana spends on Medicaid, more than \$4.7 million in new business activity is generated and just over 57 new jobs are created. Montana can ill afford to lose this business revenue and economic development.

Beyond the statistics and economic impact statements, there are real people who will be hurt if we cut Medicaid.

Last month I heard from Kaaren Rizor, director of the Ashland Community Health Center in Ashland, MT, who told a powerful story about how Medicaid has helped her community and what cuts might mean for her center's ability to serve those in need. She wrote:

I can't imagine what our population in Ashland, Montana would do without Medicaid. Talk about impacting underfunded Community Health Centers! [Medicaid cuts would] mean accepting more patients for sliding fee scale discounts with no means of recouping the cost of their care.

The concept of more Community Health Centers is noble and good, but we aren't magicians. We can't pull money out of a hat to survive.

Our clinic has tripled to quadrupled the number of annual patient encounters. Along with that, we see more and more families living at 100 percent of poverty. Without Medicaid, we carry a tremendous burden to see all who come to us, without the funds to provide quality care.

Let me reiterate that I am open to working on improvements to Medicaid. But we should not throw the proverbial baby out with the bath water. This program is too important to too many people. And program cuts or funding caps will have a real impact on real people.

Finally, I would note that the House budget includes reconciled cuts in these programs that are much deeper than those in the Senate. We cannot act as though all such savings can somehow be achieved by wishing away fraud, waste, and abuse. I am deeply concerned about conference deliberations on this matter.

The amendment to strike this reconciliation instruction and instead establish a bipartisan Medicaid commis-

sion enjoys widespread support from many Governors, health care providers, and more than 131 national organizations dedicated to helping the Nation's Medicaid beneficiaries, among countless others. I applaud the leadership of Senators SMITH, BINGAMAN, and COLEMAN in proposing this amendment. I urge my colleagues to join me and Senators SMITH, BINGAMAN, and COLEMAN in supporting this important amendment.

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

Mr. BAUCUS. Madam President, I very much appreciate the indulgence of my good friends from Colorado and Alaska and others who have let me make this statement which is not on the subject at hand. I thank them all and yield the floor, and I particularly thank my friend from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SALAZAR. Madam President, I yield myself 20 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SALAZAR. Madam President, I rise today, first of all, to acknowledge the work of the chairman of the Budget Committee, Chairman GREGG, as well as Ranking Member CONRAD, and the work of their staff in putting together this very complicated budget that we are debating on the Senate floor this evening and throughout the week. I know how hard they are working because last night, even at 10 and 11 o'clock, we were getting e-mails from the work they are performing. So I thank them for their hard work on this most important of matters for the U.S. Senate.

Secondly, I also want to say, with respect to the budget resolution in general, I come from a place in the West which is very far removed from Washington, DC. As I was growing up on this farm and ranch in the San Luis Valley, south of Denver by nearly 300 miles, my father and mother taught me a lot about the most important values of America. One of those most important values was the value of honesty and the value of candor.

I grew up in the West where a handshake across a fence line meant that your word was going to be true. And it meant that you would not mislead anyone in terms of the direction you were taking with respect to anything that was important to you or your family, your country, or your God.

Yet when I look at what has happened here with the President's budget, the fact of the matter is that the American public is, in fact, being misled. We are being misled because we have been presented a budget that continues the fiscal recklessness that I believe future generations of Americans simply cannot afford.

It would be my fervent hope that as this Senate moves forward dealing with this budget, and the pay-go amendments that will be offered here tomorrow, we can, in fact, put this Government back on the kind of budget of

conservatism that will truly bring us back to a place where we can, in fact, pay our debts.

I want to take a minute and speak about the Social Security issue because that is a major issue that we have been debating in Washington for some time and which the President has been taking around the country, to talk about the importance of Social Security changes.

Mr. DOMENICI. Will the Senator yield for a question?

It will just take 1 second.

Mr. SALAZAR. Yes, I say to the great Senator from New Mexico.

Mr. DOMENICI. Madam President, do we understand the distinguished Senator is speaking on the Democrats' time on ANWR?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. The Senator is speaking on the budget, but, I say to the Senator, you are using time that is allotted for ANWR. Does the Senator understand that?

Mr. SALAZAR. I do.

Mr. DOMENICI. I thank the Senator.

Mr. SALAZAR. I thank the Senator.

Let me make several quick points of what is happening, in my view, with respect to Social Security. I do so because the President of the United States will actually be, I hear, in my State next week to talk about the importance of the issue of Social Security. I think it is important that as the President talks to the people of America, he talk to the people of America, not simply to groups that are controlled with making sure that only people who have his point of view are heard on the issue of Social Security.

In that regard, it is important for the people of America to know the facts; that is, that Social Security has, in fact, worked, that we have gone from a time and place in our Nation where we had millions of people in poverty—50 percent of older Americans who were in poverty—to a point now where less than 10 percent of older Americans are in poverty. That is an important fact that I think the President needs to tell people.

Secondly, he also needs to make sure that he is candid with the American people, and that when we talk about the issue of solvency for Social Security, that we are solvent in Social Security. In fact, not my office, not a Republican office, not a Democratic office, but the Office of the Congressional Budget Office says that we are solvent until the year 2052.

So we do not have the kind of emergency crisis on our hands that has been exaggerated by this President to the American people. The American people need to have realism with respect to what is happening with respect to Social Security.

And third, my belief is that the President's proposal on Social Security will continue to add to the kind of red ink that we already have in this Government, which is absolutely unwar-

anted. We need to recognize that a very significant amount of the current Federal deficit is being masked by the huge amount of money that is currently being borrowed from the Social Security surplus.

Over \$160 billion a year is borrowed from the Social Security surplus to mask the size of the deficit. The President's proposal shows that we have a deficit of \$332 billion. But when you take out the omitted costs for the war on terror in Iraq and Afghanistan, and the homeland security efforts, and when you take out the amount that is being borrowed from the Social Security surplus, the fact is our current deficit for this fiscal year alone is \$579 billion.

When you continue on down the road, in the next fiscal year it goes up to \$584 billion, and so on, to \$594 billion. So that is a huge red sea of ink that is being created for the United States of America that I do not believe we should pass on to our children or grandchildren.

When you look at what the Social Security transition costs will be, it would even deepen the deficit further, to the point where we would have a \$621 billion deficit in the outyears. Now, I don't know about you, but at least when I look at what conservative values are, one of the things about those values is having fiscal integrity and making sure that we are paying our debt. We are not doing that today. We don't have a long-term plan with which to deal with the deficit.

I believe it is the obligation of our National Government to make sure that we deal with the American people with candor and the kind of honesty that they deserve.

Madam President, I rise to speak about my support for protecting the Arctic National Wildlife Refuge from oil exploration and development, and also to oppose any measure included in this year's budget reconciliation bill to open this land.

At the outset, let me say I have always believed in balance between the development of our natural resources and at the same time the protection of our lands. I had the honor of serving as the Executive Director of the Department of Natural Resources in my State for 4 years, and I worked closely with industry in the development of our oil and gas resources throughout the State of Colorado. I worked closely with the proponents of oil and shale development to see where that resource could be taken in the future. As we move forward in dealing with the issue of energy, which is important to our country, I strongly believe we need to achieve that same kind of balance we tried to achieve during the time I was Director of the Department of Natural Resources.

Let me say that no matter what happens with ANWR—and I am going to be opposed to the opening of the Arctic Refuge—no matter what happens with respect to this issue, which will be de-

bated tonight, tomorrow, and it will be decided on the floor, it is incumbent upon all of us to make sure what we are doing is working in a bipartisan manner to create the kind of Energy bill that will help us get rid of our overdependence on foreign oil and will help us push forward with a new ethic and era of renewable resources and conservation.

Beyond this debate, I want to work closely with leaders on both sides of the aisle, with Senator BINGAMAN and Chairman DOMENICI, to make sure that what we deliver to the President for signature is an energy bill that has the support of the American people and the support of at least most of the people in this body.

Let me spend a few minutes talking about the Arctic Refuge. First, the Arctic Refuge itself, when we think about the amount of land that would actually be affected, we have heard the figure that it would only be 2,000 acres. That is the footprint out of this 1.9 million acres, in area 1002; 2,000 acres would be involved in oil and gas exploration and drilling activities. The National Academy of Sciences, and others who have looked at this, believe the amount of land that would be affected is much greater than those 2,000 acres because you have to put in pipelines and other facilities that ultimately would end up having a greater effect than just the 2,000 acres that have been talked about.

Secondly, there are the risks with respect to the transportation of hazardous materials. The Department of Environmental Conservation for Alaska last year alone said the current activity on the North Slope creates over 500 spills a year. So we will see spills and other toxic substances if this area is opened for exploration and drilling.

Third, we need to all be very candid with respect to the oil we would get from area 1002. According to the DOE's own energy administration report dated March 2004, they predicted there would be about 300,000 barrels a day that would be produced by 2015. Their projection showed that would be about 1 percent of world oil production in that year. When you look at the fact that that is only 1 percent of the world's oil production, it means the current energy dependence that we have on oil and gas that we import from other countries would only be very marginally affected, by 1 percent. It is predicted that instead of importing 63 percent of our oil, we would be importing only 62 percent of our oil.

So for a 1-percent solution, we are saying to the people of America that we are opening up the Arctic Refuge for exploration and development. My concern is not only with the opening of the refuge, but also what it would do with respect to other areas of special importance, including the over 500 refuges that we have all around our country, including the National Wildlife Refuges that we have in our States.

Even the major oil companies, many of whom I have met, and many of

whom I have worked with—I have friends who work there—they have expressed their own concern about drilling in the Arctic Refuge. In a recent New York Times article, dated February 21, the ExxonMobil CEO was quoted as saying during a previous interview:

I don't know if there is anything in ANWR or not.

There are other leading industry leaders who say they do not believe that we ought to be opening the Arctic Refuge for exploration or drilling, in the same kinds of words my colleagues believe we should move forward. Let me say I do not believe we should take what is such a precious and unique natural resource and open it for exploration and drilling, when we know that at the end of the day we are dealing with only 1 percent of the oil and gas that is needed in this country.

Let me conclude by saying I believe we need a new energy vision that frees America of our dependence on fossil fuels. We need to provide adequate resources for research and development and alternative sources. We need affordable, cleaner, and safer energy, and a policy that protects special places in wilderness. We need the opening of areas that do have oil and gas in them, but from my point of view that does not include the Arctic Refuge.

I believe opening the Arctic would also reinforce the view that we as a nation lack a commitment to humbling ourselves to the natural wonders God has bestowed upon this Earth. We are, at the end of the day, merely stewards of those gifts.

I want to make two quick points here. The budget projections that have been used in this budget reconciliation measure are, from my point of view, fantasy. I think to base our Nation's revenue projections on the opening of the refuge is not candid and not fiscally responsible. The Department of the Interior's 2006 budget assumes that the Federal Government will realize \$2.4 billion from the first lease sale in 2007—\$2.4 billion from the first lease sale in 2007. For the Federal Government to realize \$2.4 billion, the leases would have to sell for between \$4,000 and \$6,000 an acre. That is not going to happen. This is not the fiscally responsible way that we should be moving forward as we develop the budget for the following year.

Let me conclude by reading this letter written by President Jimmy Carter concerning the Arctic wildlife area:

DEAR SENATOR SALAZAR:

This year marks the 25th anniversary of my signing the Alaska National Interest Land Conservation Act into law. I am proud to have been a part of crafting this landmark legislation, which is widely recognized as the most extensive land and wildlife conservation action in American history. Now it seems possible that some in Congress may try to subvert parts of ANILCA by inserting a provision in the fiscal year 2006 budget resolution that is designed to circumvent normal legislative procedures and allow for oil drilling and exploration in the coastal plain

1002 area of the Arctic National Wildlife Refuge. I have been fortunate enough to visit the coastal plain of the Arctic refuge as tens of thousands of caribou passed around me in their timeless migration into their vital calving and nursery grounds—the very area targeted for oil development. I have watched a herd of Musk oxen circle their young to protect them. But that defensive behavior will not save them from industrial development. The same is true of the polar bear and the millions of migratory waterfowl that nest on this coastal tundra. This is their wilderness home.

I urge Senators to vote for removing any provisions from the fiscal 2006 budget resolution that would turn over the Arctic refuge Coastal Plain to oil development. Keeping the Arctic refuge wild and free of development is part of fulfilling our moral obligations, not only for the present but for future generations of Americans who will be grateful for our foresight and stewardship in protecting their interests. Sincerely, Jimmy Carter.

How much time do I have, Madam President?

The PRESIDING OFFICER. There is 19½ minutes remaining on the Democratic side.

Mr. SALAZAR. I will take 30 seconds.

At the end of the day, I believe there is a very balanced approach to how we develop our resources. I am a person who has supported development of our oil and gas resources. I do not believe the Arctic Refuge is a place we should go to for development. I say that with all due respect to my colleagues from Alaska and my colleague from New Mexico and my other colleagues on the other side of this particular issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Madam President, I am sorry I did not have a chance to visit with the Senator from Colorado sooner, but I would like to disabuse him of two things. The 1002 area is not wilderness, and 1002 is not within the wildlife refuge. That section specifically excludes it from the wildlife refuge until the period of oil and gas exploration is over.

There is no question we have a difference of opinion, but I do hope we will stick to the facts. As a matter of fact, the Senator just read President Carter's letter. I am writing a response to President Carter because I also received that letter. I stood in the White House with him as he signed the bill in 1980. He did not want that bill to come to him before the election. He asked Congressman Mo Udall to hold it up until after the election because he believed he could not sign it if he was reelected. When he was not reelected, he did sign it, and he put into law the sections that pertain to this area and the overall refuge, but sections 1002 and 1003 specifically exclude this area from the refuge until the oil and gas exploration is over.

There has historically been support for utilizing Alaska's oil interests to serve our national security interests. Senators Mark Hatfield and Henry "Scoop" Jackson, who both represented northwestern States, agreed

that the development of the North Slope was vitally important. They stated that the Alaska National Interest Lands Conservation Act and, in particular, the provision keeping the Coastal Plain of ANWR open for development was—this is their statement, and one of them was "Scoop" Jackson:

It is crucial to the Nation's attempt to achieve energy independence. One-third of our known petroleum reserves are in Alaska, along with even greater potential. Actions such as preventing even exploration of the Arctic wildlife range is an ostrich-like approach that ill serves our Nation in this time of energy crisis.

That was the statement of two northwestern Senators, including Senator "Scoop" Jackson.

We are now at a critical juncture in terms of our energy dependence. The United States is at the mercy of the Middle East and others for our energy needs. As a matter of fact, today OPEC met in Iran to determine how much oil and at what price they would sell it to us.

Opening of ANWR would reduce U.S. dependence on foreign oil which we rely on for over half our oil needs today. This development alone would reduce U.S. dependence on foreign sources of oil by 4 percent, not 1 percent, and would be produced from only 2,000 acres. The 10.4 billion barrels of oil that is estimated to be in this area translates to 436 billion gallons, and that is enough oil to fill up every car in America 115 times. Let me repeat that.

People say there is not any oil. There is enough oil there to fill up every car in America 115 times.

At 867,000 barrels a day, it would create 36 million gallons of gasoline, jet fuel and diesel fuel, heating oil, medicines, plastics, surgical devices, and other products vital to our Nation.

There is no question there has been a lot said here that is misleading. I have in my hand something given to me before I came to the floor. It is from our colleague JOHN KERRY. It says:

The Republicans are trying to sneak legislation through the Senate approving oil drilling and they are incredibly close to winning.

It goes on to say some things here that are absolutely not true, but it does pinpoint seven of our colleagues and asks for people to call them and put pressure on them now. It asks for an emergency donation right now. What for? We are going to vote tomorrow. I do not know why they need emergency donations.

Beyond that, it says:

Of course, the Arctic Refuge supports more than wildlife. For a thousand generations, the Gwich'in people of Northwest Alaska and Northwest Canada have depended on it and lived in harmony with it. To them, the Arctic Coastal Plain is sacred ground.

They do not even live there. They live on the South Slope of the Brooks Range. The Gwich'in people have nothing to do with the Arctic. The only thing they have to do with it is they harvest some of the caribou that come up the Porcupine River and go up to

the North Slope about every year. But several years of the last 10 years they have not come up at all because they are hunted so hard by the Gwich'in people in Canada that there is not enough left of them to travel. The misinformation here is staggering, really staggering.

Above all, I think we ought to get down to talking about what Eisenhower did. I was the solicitor of the Interior Department during the Eisenhower administration. I helped write the order that created the Arctic Wildlife Range in 1960. It was approved by President Eisenhower. It created an Arctic Wildlife Range open to oil and gas exploration and development specifically. When we had the great argument in the 1980s—really the late seventies, leading into 1980—about the Alaska National Interest Conservation Lands Act, the question was should that area, the 1.4 million acres in the Arctic, be left open to oil and gas development as it had been left open by President Eisenhower's administration.

I fought and fought, and we finally got the agreement with Senator Jackson and Senator Tsongas that, yes, that would be left open under two conditions. One, we had to have an environmental impact statement and, second, we had to have the approval of the President and the Congress of that impact statement. We have tried now for 24 years—24 years—to have the Congress approve that.

I heard the Senator from Colorado. I have had family connections with Colorado in the past, and I have great respect for his service in Colorado. It may interest him to know that I was the first person to testify in favor of the wilderness before the Senate on behalf of President Eisenhower. We value wilderness in our State, but this is not wilderness. It was never wilderness. It was specifically kept out of wilderness.

Let me put up a chart. I want to point this out to the Senator. This is the Eisenhower I knew and for whom I worked. It was his World War II poster.

Talk to the oil workers of America: Your work is vital to victory . . . our ships . . . our planes . . . our tanks must have oil. Stick to your job—oil is ammunition.

That is why, in the 1970s, when we tried to get the Alaska oil pipeline built, there was never even a hint of filibuster. No one, not one Senator mentioned a filibuster.

Instead, we all knew it was a security aspect that we were dealing with. It was oil, oil that we needed. We had an embargo from, I think, November to March. We had no imports of oil.

That could happen again. Again, I point out where they are meeting. They are meeting today in Iran.

The letter President Carter wrote said:

It seems possible some in Congress may be trying to subvert parts of ANILCA by inserting provisions in this budget resolution designed to circumvent normal legislative procedures.

The only reason we have been doing it is because it has been filibustered for

24 years—24 years. This is the first chance we have had, really, to keep it in this resolution. We did try it once before and when we did it before in the last Congress, no one accused us of sneaking. That is a sneaky thing to do.

I ask unanimous consent Senator KERRY's flier be printed in the RECORD after my remarks, so people can see the depth to which people are going to accuse us of somehow doing something wrong.

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

(See exhibit 1.)

Mr. STEVENS. We are trying to carry out the provisions of the 1980 act that allowed us to explore and develop this 1.5 million acres.

It is a difficult thing for some of us to be accused of trying to subvert, to circumvent normal legislative procedures.

President Carter indicates that this is a wilderness. It is not a wilderness. I stood in the White House with him and he acknowledged it then, the Jackson-Tsongas amendment was in the bill he signed in 1980, after the election—after the election.

I don't know where you are, President Carter, but I wish you would tell the truth. Tell the truth to the American public. This is an area that was left open to exploration.

I have here a chart. I don't know how many people can see it. I hope the Senator can see it. It shows the wilderness area of the old range, all of it except that portion that was named wilderness. If you look at this chart, the new addition made by President Carter was not made wilderness. There are 18 million acres there; 1.5 million acres were left for oil and gas exploration and the balance of the 8.6 million acres is wilderness. We do not oppose that wilderness. That was wilderness that we accepted as a designation because of the fact the area that was in the oil and gas province was left open to exploration.

It is not wilderness. The problem is, the people who live on the North Slope—there was one young lady with me in the press conference who lives in Kaktovik. It is in the 1002 area, but it is not wilderness; it is coastal plain and specifically open to oil and gas exploration.

Madam President, how much time have I used?

The PRESIDING OFFICER. The Senator has used approximately 10 minutes.

Mr. STEVENS. Let me know when I use 3 more minutes, please.

I want to tell the Senator, one of the friends I had here in the Senate in days gone by was Senator Jim Buckley. Senator Jim Buckley left the Senate and became a judge. He is a judge in New York. He sent me this letter. You read a letter. Let me read you a letter from Judge Buckley, former Senator Buckley. He wrote this to me on January 24.

Dear Ted, twenty-six years ago, after leaving the Senate—

And here it is for everybody to read.

Twenty-six years ago, after leaving the Senate, I was a lead signatory in full-page ads opposing oil exploration in the Arctic National Wildlife Reserve that appeared in the New York Times and the Washington Post. I opposed it because, based on the information then available, I believed that it would threaten the survival of the Porcupine caribou herd and leave huge, long-lasting scars on fragile Arctic lands. Since then, caribou populations in the areas of Prudhoe Bay and the Alaskan pipeline have increased, which demonstrates that the Porcupine herd would not be threatened, and new regulations limiting activities to the winter months and mandating the use of ice roads and directional drilling have vastly reduced the impact of oil operations on the Arctic landscape.

In light of the above, I have revised my views and now urge approval of oil development in the 1002 Study Area for the following reasons:

1. With proper management, I don't see that any significant damage to arctic wildlife would result, and none that wouldn't rapidly be repaired once operation ceased.

2. While I don't buy the oil companies' claim that only 2,000 acres would be affected, even if all of the 1.5 million-acre Study Area were to lose its pristine quality (it wouldn't), that would still leave 18.1 million acres of the ANWR untouched plus another five million acres in two adjoining Canadian wildlife refuges, or an area about equal to that of the States of Connecticut, Massachusetts, Vermont, and New Hampshire combined. In other words, it is simply preposterous to claim that oil development in the Study Area would "destroy" the critical values that ANWR is intended to serve.

3. In light of the above, it is economic and (to a much lesser degree) strategic masochism to deny ourselves access to what could prove our largest source of a vital resource.

Having visited the Arctic on nine occasions over the past 13 years (including a recent camping trip on Alaska's North Slope), I don't think I can be accused of being insensitive to the charms of the Arctic qua Arctic. I just don't see the threat to values I cherish.

There is the man who signed the ads. He started the drive. He literally was the one who started the drive that everyone else now has joined, and that is the drive to prevent us from carrying out the intent of the 1980 Alaska Lands Act.

I will have a lot more to say about this tomorrow. But above all, I wish people would start telling the truth.

No. 1, it has never been wilderness. No. 2, it has been open to oil and gas development since the Eisenhower days and remains open. It only takes the approval of Congress to proceed with that. No. 3, the Gwich'ins don't live on the North Slope. The Gwich'ins are not residents of this area. And, No. 4, it has not been harming and would not harm the caribou. The caribou around the oil pipeline have increased from 3,000 to over 300,000 in the central Alaska herd.

We are not bad stewards of our lands. We have protected more wilderness than all the rest of the Nation put together. We have been good stewards of our land. We have managed our wildlife better than any other State. It is ridiculous to be put on trial because of a group of professional, extreme environmentalists who make money.

Look, Senator KERRY is sending out requests for them: Send money in now. You need money. You need money to fight this because this is going to be voted on tomorrow.

It is preposterous. Again, I am sorry I did not get a chance to visit with my friend from Colorado. I admire Colorado and I know what they have down there. You should come see our wilderness areas. We have wilderness areas, a great deal more than you have seen in your life, more wilderness areas in one State than there is in the whole Nation. To have people mischaracterize this as wilderness is absolutely preposterous.

I yield the floor.

EXHIBIT 1

JOHN KERRY

DEAR FRIEND. We have only 24 to 48 hours to try and save the Arctic National Wildlife Refuge.

The Republicans are trying to sneak legislation through the Senate approving oil drilling and they are incredibly close to winning. We have to stop them.

I am joining with Senator Maria Cantwell (D-Washington) in offering a critical amendment to stop this sneak attack on our environment. We will fight on the floor of the Senate, but we need you by our side.

There are seven key Republican Senators whose votes will decide the future of the Arctic National Wildlife Refuge. Before they vote, we need to make sure they know that their constituents are watching, and that they will not be able to support drilling without anybody noticing.

Here are two critical steps we can take together to support our amendment to protect this National Wildlife Refuge:

1. Join the Citizens' Roll Call. First of all, take part in a massive fast-moving display of citizen support for the Arctic Refuge. Sign our Cantwell-Kerry Citizens' Roll Call now. <http://www.johnkerry.com/RollCall>.

To make our Citizens' Roll Call impossible to ignore, we have alerted the media, environmental advocates and my fellow Senators to a scrolling display of the names and home towns of the roll call signers. It is posted on our johnkerry.com website, where we hope to soon add your name and a running tally of the number of citizens on our Citizens' Roll Call.

2. Bring the fight to the home states of the seven senators. We need to launch emergency online advertising campaigns in the home states of those seven critical senators: Senator Coleman (MN), Senator Smith (OR), Senator Specter (PA), Senator Martinez (FL), Senator Lugar (IN), and Senators Gregg and Sununu (NH).

We need your help to bring our Save the Arctic Refuge message home in these six states. Help us fund an emergency ad campaign to make sure they know how strongly the people they represent feel about protecting the Arctic. Please make an emergency donation right now. <http://contribute.johnkerry.com>.

When Senator Cantwell, myself and other Senators stand up in support of the Cantwell-Kerry amendment, we will have powerful arguments on our side. (I have recapped some of those arguments at the end of this email message.)

But, to win, we need to be able to report directly to our Senate colleagues that massive numbers of citizens around the country—and in their own states—are rising up to demand that the Senate protect the Arctic National Wildlife Refuge.

That's why your immediate signature is so critical. <http://www.johnkerry.com/RollCall>.

The Bush Administration and its oil industry allies want to send a message that they can drill for oil wherever and whenever they want to—even if it means targeting a place as striking, pristine and irreplaceable as the Arctic National Wildlife Refuge.

They don't care about putting America on a genuine path to energy independence. If they did, they'd support efforts to increase energy conservation and to create clean, renewable sources of energy that no terrorist can sabotage and no foreign government can seize.

Let me be very direct with you. It is going to take an immediate and impossible-to-ignore display of grassroots support to stop them. That's why your decision to sign our Cantwell-Kerry Amendment Citizens' Roll Call is so crucial.

Thank you for acting quickly on this vital request.

JOHN KERRY.

P.S. Senator Cantwell, who comes from a state in the heart of the Pacific Northwest, has—at considerable political risk—courageously stepped forward to join me in leading this fight. We need you to help us win it.

Here are your save the arctic refuge talking points:

The Arctic National Wildlife Refuge's 19 million acres comprise one of the last places on earth where an intact expanse of arctic and subarctic lands remains protected.

Drilling in the Arctic Refuge can't make even a small dent in meeting America's energy needs. U.S. Geological Survey scientists estimate that there is very likely only enough oil to supply America's needs for six months. And oil companies admit that, even that won't be available for at least 10 years.

An irreplaceable natural treasure, the Arctic Refuge is home to caribou, polar bears, grizzly bears, wolves, golden eagles, snow geese and more. Millions of other birds use the Arctic Refuge to nest and as a critical staging area on their migratory journeys.

Of course, the Arctic Refuge supports more than wildlife. For a thousand generations, the Gwich'in people of Northeast Alaska and Northwest Canada have depended on it and lived in harmony with it. To them, the Arctic Coastal Plain is sacred ground.

The PRESIDING OFFICER (Mr. DOMENICI). The Senator from Colorado.

Mr. SALAZAR. Mr. President, I yield myself 2 minutes of our time.

I very much respect my colleague from Alaska, not only for his heroism for our country but also for his leadership on a whole host of issues. I very much look forward to working with my colleague from Alaska. I just want to respond to one point my colleague raised. He went through a very eloquent statement about Alaskan interests and the legislation and history with respect to this area.

When you read the law specifically from 1980 it says:

Until otherwise provided in law, from 1980, all public lands within the coastal plains area are withdrawn from all forms of entry or appropriation under the mining laws and from operation of the mineral leasing laws of the United States.

That was in 1980. It happened that they ended up with that consensus language in that legislation because there was not consensus about what ought to happen with respect to the ANWR area. Today we are in exactly the same place.

I suggest to my esteemed colleague from Alaska that we are having this

debate on this floor today as part of the budget reconciliation measure because we have not yet as a country been able to come to a consensus on how exactly to treat the area 1002. If we had moved forward in a manner that would have arrived at a consensus which they anticipated might have been arrived at when they wrote the legislation in 1980, we might be in a different place today. But we are not there. There is still an absolute lack of consensus on the part of the United States about how we ought to move forward with respect to area 1002.

I yield the floor.

Mr. STEVENS. Mr. President, had the Senator been there, he would understand, as I have said, that Senator Jackson and Senator Tsongas said we will go ahead when the Congress and the President approve the environmental impact statement. Section 1003 spells that out. The land is not available for gas leasing until we act. That is true. But it is not wilderness, either. It is not refuge, either. That is the difference.

The PRESIDING OFFICER (Mr. TALENT). Who seeks time?

The Senator from Alaska is recognized.

Ms. MURKOWSKI. Mr. President, I would like to continue with the discussion about the wilderness and designation within the refuge. Senator STEVENS certainly defined it during his comments, but I think it is worth a few minutes so people understand what ANWR is, what the Arctic National Wildlife Refuge is.

It is this colored section up on the northeastern part of the State. It is an area in total of 19.6 million acres. It is an area the size of the State of South Carolina.

Within the refuge itself, there are three different designations. You have down here in the orange the refuge itself, which is about 10 million acres. You have the wilderness designation area here, which is 8 million acres. Then up here, you have the reserve area, as Senator STEVENS has indicated, that portion, the 1.5 million acres that was set aside for the purpose of study for exploration of potential oil and gas.

When we talk about ANWR, there is, I think, a confusion. The Gwich'in people, who are referred to as living within ANWR, are separated by a massive mountain range, the Brooks Range, which is here. They are down here in this section of the refuge, nowhere near the Coastal Plain. The 1002 area has been specifically set aside.

It is important that we talk about the specifics within the refuge designation, and recognize that as far as wilderness goes, those areas that are set aside for wilderness will not be subject to any kind of exploration activity. The area within the refuge will not be subject to any exploration, or any production activity. It is only this area up here. It is within this area here that we

are talking about exploring on 2,000 acres. Out of the total area the size of the State of South Carolina, we are looking at a coastal plain about the size of the State of Delaware. And within that size of the State of Delaware, we are talking about 2,000 acres, or literally the size of a medium-sized farm in South Dakota.

It helps to put it into perspective when we are talking about oil exploration on the northern plain.

I want to focus my comments tonight on three areas: energy security, economic security, and environmental security.

Senator STEVENS touched on the energy security component, recognizing we are currently 58 percent dependent on foreign oil; that we here in this country are waiting to see what the OPEC nations are going to do and how that will affect us and our economy.

This dependence is expected to pass the two-thirds mark within 20 years. This is a threat to our national security. We are in a position to do something positive. We need to recognize that by moving forward on the domestic level to produce our own resources—our own oil—we can make a difference.

There have been those who have suggested that the amount of oil potential up in the Coastal Plain is minuscule; that somehow or other it is not worth it to explore and to drill in this region.

Let us talk a little bit about what is there for us in terms of the resources, the jobs that can be created, and the economic benefit with the potential we have in ANWR right now.

To suggest this amount of oil is not going to help us in this country is akin to suggesting that all of the oil we receive from east Texas isn't worth it because it is not able to sustain this country, it is not able to give us the energy independence we need. That is a ridiculous argument.

Putting into context where we are getting our oil right now, if we are 50 percent accurate with our projections of the potential in ANWR, we are looking at a million barrels a day going into our pipeline. That is about 25 years worth of oil that we currently receive from Saudi Arabia. Twenty-five years worth of oil that we are receiving from Saudi Arabia is equivalent to what we could expect out of ANWR, if we are half right on our projections.

To suggest somehow this is not something we should do because there is not enough there is not an argument that makes sense. Giving up ANWR's likely oil is like saying we as a nation should never have bothered opening up the Prudhoe Bay oilfield in Alaska because Prudhoe would only supply us with 3 years' supply of oil. In fact, Prudhoe has provided America up to a quarter of our domestic oil supply for the past 28 years.

With our recovery methods, when we thought initially Prudhoe was going to be recovering 35 percent of our oil, we are now up to a recovery rate of about

65 percent. To suggest that the amount is minimal is not being realistic.

Let us talk about the economics in terms of our ability to stabilize our energy crisis: generating more than \$30 billion in Federal revenue, probably several billion dollars within 4 years of opening of ANWR.

Talking about our deficit, as we are dealing with the budget, it would reduce our payments of deficit—the remainder of our payments of deficit—because we are not going to be buying as much oil overseas. Last year alone, we paid nearly \$166 billion for oil overseas. That is a quarter of our trade deficit.

When we talk about \$30 billion-plus a year, it is important to America. The jobs will come. We keep talking about hundreds of thousands of jobs, but the fact is when we produce domestically, everybody benefits. The jobs across this Nation will increase.

The other economic benefits, the reason that organized labor is supporting us, the reason the farmers are supporting us on opening ANWR, is it stabilizes everything, from the cost of planting in the springtime to the thousands of products that are made from oil, whether it is antihistamines, cosmetics, or compact disks, or heart replacement valves. The list goes on and on, to recognize the economic benefit to us as a nation of opening ANWR. American farmers last year lost \$6.2 billion of income because of higher fuel and fertilization costs.

We recognize we have an opportunity here to make a difference. To downplay it and say, Well, it is only so many months' worth of oil, or it is not enough to make a difference—again, if you would suggest the oil we have received from Texas for these many years is not significant, if you would suggest the oil we have received, 20 percent of our domestic supply from the North Slope from Prudhoe Bay, is not significant, we have to put all of this into perspective.

You have energy security. By producing more of our energy needs here in the country, you have economic security that ANWR brings.

We also have the environmental side. My colleagues on both sides of the aisle have talked about the caribou and the effect on the environment. I live there. My family lives there. I am the last person in the world who wants to see my State spoiled. I want to make sure that what we do when it comes to development is going to be done in balance with our environment. We figured out how to do it up there. We have been perfecting the Arctic engineering up north for 30 years.

We have seen a tenfold increase in the central Arctic caribou herd since Prudhoe Bay was opened 30 years ago. Our wildlife studies show that several herd species have grown. Polar bears were mentioned. With the science and the technology we have, we use infrared sensing, and we pinpoint where the bears are denning so we do not go near them.

There is a sensitivity to the environment that we pay attention to. We are using 3D and now 4D seismic technology so we know where to explore. We are using underground directional drilling that allows us to put the plug in and explore out 3 or 4 miles in every direction so we are not disturbing the surface. We have decreased the size of the pads 70, 80 percent over the past 30 years.

What this picture shows is an exploration rig that is connected not by road but connected by ice roads. It was described earlier by Senator BENNETT. This road will disappear in the spring. This pad that this exploration rig is sitting on disappears in the spring. What is left is a plug, a cap, in the ground.

I need to make a quick comment about the spills that have been mentioned by a couple of my colleagues. What they do not mention is that the companies up North have to report all spills, all spills of any nonnatural occurring substance, whether this is a spill of saltwater or anything that is more than a gallon of oil or chemical such as lubricating oils or hydraulics. The vast majority of oil spills at Prudhoe Bay have been saltwater used in water floating to enhance oil recovery, not oil spills.

In 1993, one of the worst years for spills at Prudhoe Bay, there were 160 reported spills, nearly 60,000 gallons of material, but only 2 spills involved oil, and all but 10 gallons were in secondary containment structures and were easily cleaned up.

We know we have to do it right up there. It is a fragile environment. It is an environment that we know we must care for. But look at what we do in Alaska with the toughest environmental safeguards anywhere in the world. I challenge anyone, anywhere, to come up with more stringent standards when it comes to development. Alaska will beat them every time.

I suggest that we need to be global environmentalists. If we are not taking the oil from ANWR, we will still need it elsewhere. If we do not take it in an area where we know we are going to monitor it and do it correctly, it will come to us from across the water, from Russia, from Venezuela, from Africa, where they did not care for their environment. To use the phrase of some on the other side, think globally but act locally. This is a perfect example of where we need to do just that.

I look forward to the rest of the comments from my colleagues and further debate tomorrow.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from New Mexico is recognized.

Mr. DOMENICI. How much time does the other side have, and how much time do we have?

The PRESIDING OFFICER. The other side has 16 minutes 37 seconds, and you have 16 minutes 48 seconds.

Mr. DOMENICI. And now the time goes to the Democratic side.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico yields the floor.

The Senator from Washington is recognized.

AMENDMENT NO. 168

Ms. CANTWELL. Mr. President, I send an amendment to the desk. I have sent an amendment to the desk that I am offering to strike the language from the budget resolution the reconciliation instructions to the Energy Committee that assume Arctic drilling. Specifically, under the instructions, the Energy Committee must report legislation by June 6 at the latest that produces \$2.7 billion in revenue from 2006 until 2007.

The PRESIDING OFFICER. If the Senator will suspend.

Mr. DOMENICI. We object to the amendment. It is not in order. There is a consent decree.

The PRESIDING OFFICER. The Chair has been advised we cannot accept your amendment right now without unanimous consent.

Ms. CANTWELL. We had a unanimous consent order earlier to agree to debate the amendment, and I thought it would be wise to put the amendment on the desk.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, I objected, but I understand this is a motion to strike the ANWR provisions, and we have no objection. That is business.

Is that correct, Senator?

The PRESIDING OFFICER. The Senator from Washington is recognized again. The amendment has been sent to the desk and the clerk will report.

Ms. CANTWELL. I hope you have no objection, but tomorrow at 1 o'clock you might object to the amendment, but thank you for allowing us to lay it down.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Ms. CANTWELL], for herself, Mr. KERRY, Mr. LIEBERMAN, Mr. FEINGOLD, Mr. JEFFORDS, Mr. LAUTENBERG, Mrs. BOXER, Mrs. FEINSTEIN, Mrs. MURRAY, and Mr. CORZINE, proposes an amendment numbered 168.

The amendment is as follows:

Purpose: To ensure that legislation that would open the Arctic National Wildlife Refuge, other federal lands, and the Outer Continental Shelf to oil drilling receives full consideration and debate in the Senate under regular order, rather than being fast-tracked under reconciliation procedures; to ensure that receipts from such drilling destined for the federal treasury are fairly shared with local jurisdictions; and does not occur unless prohibitions against the export of Alaskan oil are enacted)

Strike Section 201(a)(4).

Ms. CANTWELL. Mr. President, I thought for the benefit of my colleagues we would lay that down tonight so people could understand the amendment and we could continue debating it in our time this evening and continue debating it tomorrow. I hope that clarifies issues for my colleagues.

I start by saying a word to the Senators from Alaska because I think both Senators from Alaska have been diligent in their concerns for this issue, in their advocacy for making sure the issues they would like to represent are heard in this debate, and that the accuracy of information provided is correct. I certainly applaud them for that. But, I certainly don't diminish the difference of opinion we might express tonight as it relates to where this country should go on an energy policy.

I believe our energy policy must be very aggressive in creating a future for new energy technology and renewables, in making a downpayment on getting off of our overdependence on foreign oil, and, specifically in continuing to diversify off of our country's dependence on oil in general.

I may have a different opinion about what I think our energy strategy should be. If the last generation of Americans were smart enough to put a man on the Moon, this generation of Americans ought to be smart enough to get off our overdependence on foreign oil. But that assumes we would pass an energy bill that would outline these policies and that we would have a debate about them. We have been trying to have this debate, and we certainly have had disagreements about what the policy should be.

For the last couple of years, I have expressed concern over our country's overfocus on fossil fuels, the fact that 60 percent of the incentives in the Energy bill have focused on fossil fuels. And I think we should start incentivizing other types of energy supply and move ahead.

That is why I find this particular process to be an end run on energy policy and energy discussions. In fact, I think it is somewhat absurd that we can simply mandate the opening of ANWR by putting language in the budget, by simply saying: Let's put the revenue in the budget, and by doing that, we will then start the process for legislating that ANWR could be opened.

The reason why that is so bothersome to this particular Senator—think, for example, if in the next budg-

et we put revenue in there expediting timber sales in our National Forests or basically expediting the leasing off the coast of Florida for oil production. Or, God forbid, why don't we put revenue in the resolution recognizing oil leasing in Yellowstone National Park, even though it is a National Park? Why don't we do this process by continuing to put revenues in the budget resolution?

Well, I think the energy debate deserves far more attention than simply sticking language in the budget resolution demanding the Energy Committee report a bill capture this revenue. I think that is what other people have started to see about this proposal. In fact, the New York Times recently ran a story about this, the refuge drilling, and basically pointed out:

Others who advised Mr. Bush on his energy plan said including the refuge was seen as a political maneuver to open the door for more geological promising prospects off the coasts of California and Florida.

So my first question is, If we don't stop this now, where does this stop in the future? I ask my colleagues, both Democrats and Republicans, if today you are going to allow the opening of ANWR by simply putting language in the budget requiring that we produce revenue, where will you go next? And clearly, I do not think the discussion of opening up leasing off the coast of Florida or the coast of California or even in ANWR belongs in the budget resolution. I do not think we should legislate in the budget resolution. To me, the process of having this debate now is very bothersome. But I understand there are some who will continue to push this until they find a way to make this proposal a reality.

I do not think anybody can say our side of the aisle cannot be concerned about this type of tactic. I simply say, we should vote for my amendment tomorrow and turn this proposal down and start a real discussion on the energy bill.

The senior Senator from Alaska, I know, is very concerned that this not be referred to as a wilderness area. He is right. It is a wildlife refuge. He is right. It is a wildlife refuge. It is not a wilderness area. One of my colleagues would like to make it a wilderness area, the Senator from Connecticut, Mr. LIEBERMAN, and he has proposed legislation to do that. We have had that debate, too. We have had that debate about as long as we have had this debate about whether we should open up ANWR to oil drilling.

The fact of the matter is, in 1980, section 1003 of the Alaska National Interest Lands Conservation Act specifically prohibited oil and gas development in the entire refuge or the leasing or development leading to the production of oil and gas from the range unless authorized by Congress. So that is what we are here debating: unless authorized by Congress.

I have given you my reasons why I do not think we should authorize on the

budget resolution this significant of an action without discussing energy policy and the impacts of opening up ANWR on the refuge.

I personally think there are many things we should be doing to attain our energy future. I think there are many policies that would be far more interesting to us as a country because a lot of people are trying to argue that we should do this now because it is an energy supply and it is national security.

Well, I can tell you, this Senator, along with my fellow west coast Senators, is outraged over the price of gasoline in America. We are from a State such as Washington, where we have four refineries, we are the closest to the supply that you could get, and yet we have some of the highest gasoline prices in America.

So what this Senator would like to see—just as I have forced and pushed, and will continue to speak out on market manipulation of electricity prices—I believe we should do our homework and make sure we are holding those responsible accountable as to: Why do we have this diversity of gasoline prices when there is so much available supply right in our backyard?

I know the Senator from Oregon, Mr. WYDEN, has asked for investigations into these high gasoline prices, and threatened to hold up various nominations over the issue. I have certainly put questions to various members of the Department of Energy, the Department of Justice, and to our own State's Governor, and will continue to do so, because I think the price of gasoline is outrageous.

This particular Senator is not a supporter for opening up the SPRO. I agree, we should have energy for energy security, an energy supply. I think people have made that point and made it well. But I want to see us continue to diversify into other areas. So this Senator will join the Alaska Senators any day of the week to talk about the development, the delivery, the execution, and expedited access to Alaska natural gas. We need to have natural gas. If there is any proposal that deserves an expedited review by this body, it would be to get that production to the United States at a faster rate.

Let me remind my colleagues, when security was a national debate in the 1970s, when we were all at the gasoline line filling up our cars, waiting, with the most absurd price for gasoline, America took notice. America took notice of those gas prices and said: What are we going to do about it? And we had an aggressive plan to get off of our dependence on home heating oil. We realized the price of oil was so expensive that it was not smart for America to continue a policy of investing in that as a delivery source of energy. Now, decades later, we have reduced our dependence on home heating oil 35 percent. We got the natural gas. We got the necessary supply. We got it to where people needed it. And we made a

major shift in America. We took the prices that were facing us and we acted with the certainty about the future we wanted to see in America, with a cleaner source of energy supply.

So first on my list would be making sure we have the North Slope natural gas pipeline project moving. We certainly heard today from a variety of people about renewable fuels.

I should say, by the way, people talk about the drilling in the Arctic, and we don't know for sure, but economically recoverable oil might be somewhere between 3.2 and 5 billion barrels. That is generally what people think. Well, there is at least 35 trillion cubic feet of natural gas available. So that is the energy equivalent of 6 billion barrels of oil.

We could continue to look at renewable or nonpetroleum fuel, such as ethanol made from crops, something the other side of the aisle has also supported, and look at requirements for renewable content of gasoline. That would be about 5.1 billion barrels by 2013—again, a source of cleaner energy that would be important for us in an energy plan.

We can invest in new technology to convert agriculture waste to oil, something some States are doing on a much smaller scale. But we could produce as much as 4 billion barrels of a cleaner product on an annual basis.

I certainly am a fan of making sure that CAFE standards are passed by Congress. If you think about the CAFE standards and fuel efficiency, that would help us. We could save 60 billion barrels of oil over the next 50 years.

Why are we not focusing on that in our proposal for an energy plan? Just making sure the tires of our transportation system are properly inflated and educating America on the oil savings of that simple action could save 200,000 barrels of oil per day. Yet we are out here discussing a proposal that has been discussed for years, with much controversy and much concern because of what it focuses on—first, a refuge wildlife area that was set aside and preserved, and a focus on oil that some of us, including myself, are saying we need to diversify off of.

I could go through other examples of renewable technologies, of energy efficiency technology that could continue to save the equivalent of another 4.9 billion barrels of oil—something that I know would make great progress with the building and development sectors of our country as they add efficiency improvement, and install renewable technologies and distributed generation. But that is the kind of leadership I think we should be talking about. We should not be talking about whether we want to go and open up this wildlife refuge.

If I may, I know my colleagues have put up a few pictures. I would like to put up a few pictures of the area as well because I think when the area was first established as a wildlife refuge, people recognized the uniqueness of the

coastal region. The government looked at it as an area to support wildlife and sustain their migration patterns. We have heard a lot about that for the last several years, the caribou and their migration habits. I never thought the Senate would become such experts on the migration habits of the caribou, but I think both sides of the aisle have expressed quite a bit of knowledge. I am simply offering a few pictures of the wildlife that resides on the coastal plain of the refuge. The reason I am showing these photographs is to remind my colleagues and individuals that we have choices, and we have options like this refuge drilling proposal that we have debated before, and it is fine to debate them. What I object to is the process of trying to essentially stick authorizing language on a budget bill. That is a bad precedent and it is trying to limit discussion on an issue that was never intended to be considered in this way without the Energy Committee and the Energy Committee debate.

Now, I know some people have talked about the supply of oil we might get from the refuge. I think that New York Times article was very interesting in the sense that it said:

Even the plan's most optimistic backers agree that any oil from the refuge would only meet a tiny fraction of America's needs.

The PRESIDING OFFICER. The time on the Democratic side has expired.

Ms. CANTWELL. I ask unanimous consent for 30 more seconds so I may finish up.

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

Ms. CANTWELL. Mr. President, I ask my colleagues as we continue this debate to think about this proposal and the fact that we ought to be taking ourselves in a different direction, and this proposal will not provide us the leadership for an energy future that we need.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. How much time do we have?

The PRESIDING OFFICER. Sixteen minutes forty-two seconds.

Mr. DOMENICI. Mr. President, I had two Senators who wanted to speak. I have not spoken yet. Would the Senator from Tennessee like to speak for, say, 4 minutes?

Mr. ALEXANDER. Why doesn't the chairman take the time?

Mr. DOMENICI. I will try to leave some time for the two of you. Tomorrow morning, we have a total of 45 minutes before the vote, starting somewhere around 9:45. If you don't get your time tonight, maybe you can call and see how much time you can have then.

Mr. President, let me suggest that the distinguished Senator who just spoke said she was outraged because the price of gasoline was so high in her State. I might say to the distinguished Senator, if she is outraged today, I don't know what she is going to be 3

years from now because if we don't start doing something, as President Reagan once said, "you ain't seen nothing yet." That is what I am going to tell the Senate and people of this country about gasoline prices.

Let me also suggest that for those who think we are going to solve this problem with an investigation to see whether there is price fixing or something like that, let me suggest that is not going to happen. That has been looked at before. The truth is, this great United States of America has made a gigantic blunder, and we don't know how to get out of it. Certainly, one way to get into it deeper is to take a piece of America, like this 1.5 million acres which is supposed to be explored for oil and gas—and keep that kind of property closed and not produce crude oil.

Let me assure everybody here that there is no one who knows how to get off of crude oil very quickly. In fact, I don't think anybody knows how America will ever be off of oil as a means of transportation and for many other things. I hope we get an energy bill that provides conservation. I hope Americans start driving small cars. I hope we have hybrids. But for now, I say to my good friend from Colorado, every single suggestion that anyone has about how we can reduce our dependency ought to be adopted.

If you think we ought to conserve, conserve. If you think we ought to produce more crude oil, produce it. None of these potential solutions are going to be enough because we are now struggling over the fact that we are importing so much crude oil. I heard a Senator say today that we might consider ANWR if we were collapsing.

Well, we won't know when we are collapsing, but we are pretty close. Right now, we are importing about 58 percent of the crude oil from a world that is in trouble, where some countries are fragile, and war might occur in others, and here we go along our merry way importing more and more oil. Petroleum imports are expected to reach 69 percent in the year 2025. Then we get a chance to produce 1 million barrels a day, and we are immediately confronted with those who say that is not very much. Why do we want to produce a million barrels of oil? Well, you know, this great United States is consuming 20.5 million barrels of oil a day and is currently only 11th on the scale of the most reserves on down the line. We are 11th from the top in the amount of oil reserves we have in our country. That is almost insignificant compared to Saudi Arabia. Saudi Arabia ranks first in proven world oil reserves with 260 billion barrels. However, our reserves are only about 21.9 billion barrels.

I say to my good friend from Tennessee, the 1002 area we are discussing is estimated to have about 10 billion barrels of oil—that is very probable. Just do the arithmetic. Our country's entire oil reserves amount to 21.9 bil-

lion barrels. This area in ANWR will produce 10 billion barrels. Insignificant they say? Add the two together and we could have 31 billion barrels in reserves. Again, this property will comprise 10 billion barrels of it. That is one-third of the reserves of America that will be up there in Alaska, and we are being told it is insignificant. That is like saying all the oil we have in America is insignificant. Why don't we close Texas down? That must be insignificant. It must be insignificant because we buy it from the world. As long as the world can supply it, I guess we are going to have to keep on arguing about ANWR. If there are not any more ANWRs around, I don't know what we are going to look to.

I can tell you this. ANWR, with the potential for 1 million barrels of oil a day, will be the most significant onshore production capacity of any potential new onshore area in the United States—a brand new one. ANWR is by far the most promising site for onshore oil in the United States. You might say, since I learned that ANWR is so little, maybe America doesn't have much oil, and we should just not worry about having any.

I do not think so. I think we better do everything we can and must produce as much as we can.

There are so many facts indicating that we are pursuing a path of economic arrogance—we are absolutely refusing to face reality. Every time we discuss this issue someone will come and talk about another way to use less oil, but not to produce more here in America.

I repeat, if you implemented every potential solution that everybody is suggesting, our tremendous Nation would be in terrible jeopardy for the next 25 to 50 years. We already are. America, as a powerhouse in the world for good and for freedom, is totally in jeopardy because we have not decided that we are going to move in a direction of diverse energy sources and where we can produce our own.

It is so critical, in my opinion—and I say to the new Senator from Colorado—I predict that in your first term as Senator, we will be in the shale oil of Colorado again. We will be there with terrific research and experimentation saying can we convert that shale to oil because there sits oil in abundance. But you have to convert it. We tried it 30 years ago, but oil was not expensive enough. We are in such a bind, we will even look at that.

Canada will produce oil from tar sands in abundance because we have to find some way to lessen our dependence while we make a transition to something else.

I have been on the Budget Committee since a year after the Budget Act was written. I regret to tell my colleagues that everything that is used in the budgeting of America—I am going to use a terrible word—was invented by me. It was invented by me and my staff. The first reconciliation ever

used, we used it. It was a total argument about whether it was right or wrong. We won on the floor and said it was right. Every year we would use reconciliation, there would be an argument about whether it was right.

Reconciliation does not mean the bill that is adopted pursuant to it or voted pursuant to it is automatic. It still has to get 51 votes, and it still has to be signed by the President. So for those who think this is an easy way to get through the process without any of the legislative and executive input, they are mistaken. But conversely, if a Budget Committee says we need additional revenue and we would like the Energy Committee to furnish us with new revenue and then gives the Energy Committee an instruction that says produce new revenue, for example produce revenue that flows about like this: 400 million, 600 million, 2 billion in each of these years, that is what the Senate voted on when we pass a budget.

The instruction comes to the Energy Committee and it says ANWR receipts will produce a certain amount of money, therefore write a bill in response to that order. The reconciliation process then, produces that amount of revenue. That is absolutely legitimate. That is what the Budget Act has been used for in the last 27 years.

I regret to say there are some who do not think that is how reconciliation ought to be used, but they lost that argument a long time ago. That is long past. The Senate wrote an act and we are living with it. I have already told them over 50 times in the past 20 years: You said this was a way to avoid filibuster. You said this was a way to avoid prolonged debate. Now we are using it. That is what we are doing here. There is absolutely nothing that says it cannot be done.

Whatever questions you have about what else might be done, we will take them up in their proper time, and if they come up, they come up.

This one we already did. We sent it all the way to the President as a reconciled bill, and then President Clinton vetoed it after it was done. If the President had signed the bill, oil from ANWR would currently be flowing and our dependence on foreign oil would be much less.

So it seems that these letters being circulated by Senator KERRY and President Jimmy Carter, those very activist environmentalists, will have nothing to talk about tomorrow when we win this, and 4 weeks from now when we produce the bill. They have to understand, we have been trying for 24 years. A filibuster means we have to have 60 votes, unless there is a procedure which permits us to do otherwise.

I say to my friend, the Senator from Colorado, this is not simple, nor is it profound. It is very cumbersome. There is a lot to it, but it is absolutely proper. It means that if this million barrels of oil a day is important enough, we

will do it with a simple majority, but we still have to have a majority. We will put it in a bill, it will go to the President, and if the President wants to sign it, he will sign it. If he does not, it will not become law.

I do not think we ought to be accusing anybody about doing this in a tricky manner or in some untoward way because such is not the case. It just is not the case.

Tomorrow I will talk, for those who want to listen, about why we will do so little harm, if any, to the environment, and why there is no project, including Prudhoe Bay, that we can go see that shows what this is going to look like with new technology. There are none. It is absolutely so different from what we have ever done before that it is going to be amazing.

I close by saying those of us who went to Alaska saw a production facility called Alpine. The Senator from Tennessee, Mr. ALEXANDER, did not go with us. I wish he had. The 96 acres of land at Alpine had upon it the entire oil production facilities—the oil wells, not one but several so close together that it looked almost like a row of outhouses at a public park. Each outhouse has a well in it—that is how little it was—an oil well. Each oil well had six or eight wells underground.

I will show one of those tomorrow. That little 96 acres had no roads. Instead, ice roads were built in the winter that simply melt away in the summer. In the summertime, there are no roads to it because they have melted. The facility produces 120,000 barrels of oil a day because under that little piece of property are wells that go down 7,000 feet, find the oil, and go up 4½ miles and drain the field. There is another one that goes down, and there are five new wells sprout out from under it, and coming out of the well-head is 3,000 to 4,000, 5,000 barrels a day from one well. They have been getting that for a long time.

It seems to me that it is rather ironic that we are all here talking about a crisis. We are suggesting it is not a big enough crisis to worry about a million barrels a day. We are also suggesting that we ought to do other things. This Senator has been here a while. First, this is the proper way to do it. Second, if anybody has another proposal for a million barrels of American oil, let's have it. It would be tremendous if we had a few more. If anybody knows how to conserve and pass through Congress a measure that would cause us to conserve 2 million or 3 million or 4 million barrels a day, put it on the table. It is not that if we did that we do not need this. We need them both.

Mr. BINGAMAN. Mr. President, I wish to add my voice today in support of the amendment offered by Senator CANTWELL. This amendment would strike the instruction to the Energy and Natural Resources Committee contained in the budget resolution premised on opening the Arctic National Wildlife Refuge to oil and gas develop-

ment and enacting the Pick-Sloan Missouri Basin Program cost recovery proposal set forth in the President's Budget for fiscal year 2006. I would like to address both of these issues.

First, I have concerns regarding the Pick Sloan cost recovery proposal. Although I have not had an opportunity to thoroughly review the proposal, I am advised that it could result in significant rate increases for power users in rural areas of the Upper Midwest and the Great Plains. The instruction assumes that the provision would increase revenues by \$33 million in fiscal year 2006 and \$157 million over the next 5 years. If the committee should choose not to enact the Pick Sloan cost recovery proposal, we would be obligated to find these revenues elsewhere. Given the jurisdiction of the Energy Committee, our options are few. We have only limited mandatory spending within our jurisdiction. We have jurisdiction over imposition of fees for the use of public lands. Administration of oil and gas leasing on the Outer Continental Shelf and the revenues raised from opening areas currently covered by moratoria is within the jurisdiction of the Energy Committee. Similarly, the President's budget contains a proposal to divert revenues from southern Nevada land sales, which falls within our committee's jurisdiction. All of these are likely to be controversial. The best way to ensure that the Pick Sloan cost recovery proposal is not enacted as part of budget reconciliation legislation and the only way to avoid finding an offset is to support the Cantwell amendment to strike the instruction, and I think that is clearly the preferred course of action at this juncture.

Turning now to the Arctic Refuge, there are many reasons—related to both energy security and environmental concerns—that lead me to conclude that I cannot support oil and gas leasing and development in the Arctic Refuge.

The most compelling reason for not opening the Arctic Refuge is that it will do very little, if anything, to further our national energy security. If opened, not one drop of oil will come from the Arctic Refuge for 7 to 12 years. The most recent Energy Information Administration, EIA, study, "Analysis of Oil and Gas Production in the Arctic National Wildlife Refuge," March 2004, assumes that production will not occur for 10 years. According to EIA, peak production will not occur for another 10 to 11 years after initial production. Thus, we will have to wait for 20 years before having the benefit of maximum production from the Arctic Refuge. Drilling in the Arctic Refuge does nothing to address near-term shortages or issues of energy security.

More importantly, drilling in the Arctic Refuge does not address our reliance on imported oil. The United States relies on imports for 58 percent of its current oil supplies. The Energy Information Administration in March

2004 has estimated that production from the Arctic Refuge would, at its peak, reduce our reliance on imports by only 4 percent by the year 2025, based on the mean estimate of technically recoverable resources.

Unlike other future-looking initiatives that we could undertake now, drilling in the Refuge would over the long term have no effect on reducing imports, once the oil resources in the refuge have been depleted. Unfortunately, the controversy over the Arctic Refuge diverts attention from the real opportunities to enhance domestic energy production. Last Congress, we enacted energy tax legislation that I believe is a good start in addressing our Nation's energy future. Unlike opening the Arctic Refuge, this legislation is intended to provide a near-term increase in domestic energy production. Not only does the legislation include tax provisions that would promote highly efficient hybrid vehicles and alternative transportation fuels such as ethanol, make renewable energy more competitive, and enhance energy efficiency, it would also provide specific incentives to increase oil and gas production at home. In particular, I am pleased that we were able to pass the marginal well production tax credit. It is my hope that this year we will be able to expand upon the energy tax package that was enacted last Congress and do even more to provide for our Nation's energy security.

Environmentally sound development of the National Petroleum Reserve—Alaska provides another opportunity to enhance our domestic energy security. This is 23.5 million acres of Federal land set aside by President Harding to secure the Nation's petroleum reserves for the national security. The area is highly prospective for oil and gas. BLM conducted lease sales in 1999, 2002, and 2004 that had an extremely high level of industry interest. Several wells have been drilled that have encountered oil and gas. The NPRA is estimated to hold a mean value of 3.1 billion barrels of economically recoverable oil at \$24 per barrel and a mean estimate of 9.3 billion barrels of technically recoverable oil. While I believe that BLM should take all measures to conduct leasing in an environmentally sensitive way, and also am of the view that there are areas of NPRA that should not be developed, the vast majority of this resource can and should be tapped to enhance our energy security.

Renewables, energy efficiency and R&D must play an increased role in meeting our Nation's energy needs. Clean energy from renewable sources such as the sun, the wind, the ocean, geothermal heat and biomass helps to diversify our energy portfolio and enhance our energy security with minimal environmental impact.

In addition, a rational energy strategy should focus on cost-effective ways to reduce energy demand, not solely on increasing supply. Energy efficiency

provides an array of benefits—economic growth, national security, reliability and environmental protection. Our growth in demand, each year, for automotive fuels far exceeds any potential new domestic oil production. That includes any production from the Arctic National Wildlife Refuge, even if we were to open it and even if the Arctic Refuge has more oil than anyone thinks is likely. Because of that reality, Congress needs to take a serious approach to increasing the fuel efficiency of our new cars, trucks, and SUVs. We cannot talk seriously about loosening our dependence on foreign oil without advancing meaningful improvements in automotive fuel efficiency.

In conclusion, Mr. President, there are many reasons why the coastal plain of the Arctic National Wildlife Refuge need not and should not be drilled for oil and gas. The environmental sensitivity of this area is well-known. Opening the Arctic Refuge is not good environmental policy, but equally important to our Nation, it is far from necessary to our energy policy.

I urge my colleagues to join me in opposition to oil and gas leasing and development in the Arctic National Wildlife Refuge. I urge my colleagues to support the amendment.

Our dependency on foreign oil is now over 11 million barrels a day—it is rapidly moving towards 20 million barrels a day. This is important. Let's assume our dependence will be 19 or 20 million barrels a day by 2025. The oil produced at ANWR would represent about 5 percent of what we need to import from foreign sources. That is a lot.

I close by saying 1 million barrels of oil a day equals \$18.4 billion a year in balance of trade dollars. We talked about the merchandise trade balance. Currently, 25.5 percent of this country's merchandise trade deficit is from net imports of crude oil and petroleum products. Everybody is worried about it.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. DOMENICI. I ask for an additional 30 seconds, Mr. President.

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

Mr. DOMENICI. We worry about China bringing in all this, but almost 26 percent of the balance of trade is pure oil. We can stop the imbalance with China and continue to buy oil, and we will have a trade imbalance that is still going up, and we will be wondering whether we need a million barrels of oil a day from an area that is supposed to be explored that some do not even want to allow us to look at. I believe the time has come. I hope it is tomorrow.

I yield the floor.

The ACTING PRESIDENT pro tempore. All time has expired.

There will now be 1 hour of debate evenly divided in the usual form on an

amendment relating to veterans, to be offered by the minority. Who seeks recognition?

Mr. AKAKA. Mr. President, I ask the pending amendment be laid aside.

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

AMENDMENT NO. 149

Mr. AKAKA. Mr. President, I call up amendment No. 149, which is at the desk, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Hawaii [Mr. AKAKA], for himself, Mrs. MURRAY, Mr. OBAMA, Mr. JEFFORDS, Ms. STABENOW, Mr. CORZINE, Mr. SARBANES, Ms. LANDRIEU, Mr. SALAZAR, Mr. ROCKEFELLER, Mr. DORGAN, Mr. LEVIN, Mr. SCHUMER, Mr. KERRY, Mr. FEINGOLD, and Mr. JOHNSON, proposes an amendment numbered 149.

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

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

The amendment is as follows:

(Purpose: To increase veterans medical care by \$2.8 billion in 2006 and to provide for deficit reduction by closing corporate tax loopholes)

On page 3, line 10, increase the amount by \$5,112,000,000.

On page 3, line 11, increase the amount by \$1,377,000,000.

On page 3, line 12, increase the amount by \$109,000,000.

On page 3, line 13, increase the amount by \$10,000,000.

On page 3, line 19, increase the amount by \$5,112,000,000.

On page 3, line 20, increase the amount by \$1,377,000,000.

On page 3, line 21, increase the amount by \$109,000,000.

On page 4, line 1, increase the amount by \$10,000,000.

On page 4, line 7, increase the amount by \$2,840,000,000.

On page 4, line 16, increase the amount by \$2,556,000,000.

On page 4, line 17, increase the amount by \$689,000,000.

On page 4, line 18, increase the amount by \$55,000,000.

On page 4, line 19, increase the amount by \$5,000,000.

On page 4, line 24, increase the amount by \$2,556,000,000.

On page 4, line 25, increase the amount by \$688,000,000.

On page 5, line 1, increase the amount by \$54,000,000.

On page 5, line 2, increase the amount by \$5,000,000.

On page 5, line 7, decrease the amount by \$2,556,000,000.

On page 5, line 8, decrease the amount by \$3,244,000,000.

On page 5, line 9, decrease the amount by \$3,298,000,000.

On page 5, line 10, decrease the amount by \$3,303,000,000.

On page 5, line 11, decrease the amount by \$3,303,000,000.

On page 5, line 15, decrease the amount by \$2,556,000,000.

On page 5, line 16, decrease the amount by \$3,244,000,000.

On page 5, line 17, decrease the amount by \$3,298,000,000.

On page 5, line 18, decrease the amount by \$3,303,000,000.

On page 5, line 19, decrease the amount by \$3,303,000,000.

On page 22, line 16, increase the amount by \$2,840,000,000.

On page 22, line 17, increase the amount by \$2,556,000,000.

On page 22, line 21, increase the amount by \$689,000,000.

On page 22, line 25, increase the amount by \$55,000,000.

On page 23, line 4, increase the amount by \$5,000,000.

On page 30, line 16, decrease the amount by \$5,112,000,000.

On page 30, line 17, decrease the amount by \$6,608,000,000.

On page 48, line 6, increase the amount by \$2,840,000,000.

On page 48, line 7, increase the amount by \$2,556,000,000.

Mr. AKAKA. Mr. President, the budget resolution fails veterans. It is just that simple. I am pleased to stand with my colleagues who joined me in offering this veterans' health care amendment, which adds \$2.85 billion for VA health care.

While I largely agree with the President on the overall amount needed for VA health care, I take issue with how he chooses to fund the system. The administration's approach is to ask veterans to pay more for their care via increased copayments for medications and a new user fee for middle-income veterans. Our approach, instead, asks for appropriated dollars. Real money for real veterans' health care needs.

I remain unclear about whether sufficient funding was included to compensate for these proposals.

Our amendment would add \$2.85 billion to the resolution. How was this amount derived? I stress that nearly all of these amounts come directly from the President's own budget. According to the administration's own numbers, VA needs \$1.4 billion just to cover medical care inflation and automatic salary adjustments for health care workers. The level in the budget resolution before us does not even come close to covering that amount.

Additionally, VA requires funding to absorb new patient workload, from new veterans returning home from both Operations Iraqi and Enduring Freedom and from older veterans who are just now turning to VA.

The amendment also provides funds to allow for modest increases in mental health and prosthetics. Again, these numbers follow those sent forward by the President. While it is broadly acknowledged that VA could do much more in these areas and others, we recognize that the budget climate is tight. Mental health and prosthetics must receive at least modest increases if we are to truly fulfill the promises we made to these men and women when they were sent to war.

The only new cost that was not included in the President's budget—and therefore the budget resolution—is funding to allow middle-income veterans to enroll with VA for care. In January of 2003, the President cut-off

enrollment to middle-income veterans. To date, 200,000 veterans have been turned away. This amendment provides the money to make the system accessible to all who have served. It is simply wrong to exclude any men and women who have served our country from VA services, especially at a time of war.

While some of my colleagues will argue that the President's budget is a good one for VA, I would like to share some of the comments of the veterans service organizations. The Veterans of Foreign Wars, with its 2.4 million members, say that:

it is clear that the proper funding of veterans health care is not an Administration priority.

The Disabled American Veterans has characterized this budget—and therefore the budget resolution—as: one of the most tight-fisted, miserly budgets for veterans programs in recent memory.

Similarly, my colleagues will argue that the President has done more for VA health care than any President in recent memory. I would clarify, however, that Congress, through this amendment process, which has increased veterans health care spending year after year.

Mr. President, I implore you and my colleagues on both sides of the aisle to recognize the great need that exists for veterans' health care.

I will take time later to discuss more of this.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time is left on our side?

The ACTING PRESIDENT pro tempore. There is 23 and a half minutes.

Mrs. MURRAY. Mr. President, at this very hour, veterans in my home State of Washington and throughout the country are waiting for the health care they were promised. They are facing understaffed and overcrowded VA hospitals and clinics. They are dealing with paperwork. They are dealing with redtape. They are not getting the service they were promised.

At this hour, veterans from World War II, Korea, Vietnam, and other conflicts are waiting for appointments to see a doctor, waiting for prescription drugs, and waiting for help with post-traumatic stress disorder. While they are waiting, new veterans are coming home from Iraq, from Afghanistan, and they need health care, too.

Every day the system is getting more and more crowded. The waiting lists are growing longer. We have to do something about it. These brave men and women were there for us. We have now got to be there for them. They answered our country's call, and now we have to do our part. That is why I am on the floor tonight with Senator AKAKA, offering an amendment to increase funding for veterans health care by \$2.85 billion.

I am here today with a simple message, which is displayed right here on this chart: Congress needs to keep its

promise to America's veterans. We need to honor their service and their sacrifice, and we need to fund health care now. I received many letters from veterans throughout my State with this simple plea: Keep our promise to America's veterans. Fund health care now.

Let me say, we have a lot of work to do. If we follow the budget President Bush proposed last month, we will force veterans out of the VA system, we will force veterans out of nursing homes, we will force veterans to pay more in fees and copayments, and we will force veterans to wait even longer for the care they have earned.

As the daughter of a disabled World War II veteran, as the first woman in history to serve on the Senate Veterans Affairs Committee, and as the voice of more than 700,000 brave veterans in the State of Washington, I cannot let that happen.

I have been fighting for veterans for many years. In fact, just last week in the Budget Committee I offered an amendment to boost funding for VA health care. Do you know what some Senators told me? They said: We have already increased funding for veterans plenty, so we don't need another dime for veterans health care.

They are wrong. That is not what the veterans in my home State are telling me.

I want every Senator to know that how you vote on this amendment is a test of how committed you are to helping America's veterans. With this vote, we are going to find out who is serious about helping our veterans and who is just talking.

With this vote, every Senator will have to announce publicly whether they are making life better for our veterans or whether they are making excuses. I am here to say let's do the right thing. Let us support this amendment and keep the promise to those who have served.

For those veterans who are following this debate tonight, let me recap where it stands.

This month, Congress is deciding how much money to spend on priorities such as veterans health care. So far, we have only had two choices, and one is to follow President Bush's approach. He offered a budget that will impose higher fees and copayments on many veterans. It will lock the doors of VA to thousands of veterans. It is no wonder that veterans organizations from coast to coast have denounced that budget proposal.

Last week, the Senate Budget Committee organized its own budget proposal. I serve on that committee. I was part of that debate.

The Republican proposal got rid of some of the onerous fees in President Bush's budget, but they refused to increase funding for veterans to meet their needs.

I tried to improve that bill in committee with the Murray veterans health care amendment, but the Re-

publicans blocked my funding and passed an inaccurate budget on a party-line vote. Now that flawed budget is here on the Senate floor, and we have one more chance to make it right.

That is why I am here tonight offering this amendment with Senator AKAKA. Our amendment says let's fund veterans health care based on real needs.

We know what the needs are because over the past few weeks, the Nation's largest veterans service organizations came before the Senate Veterans Affairs Committee, the committee on which I serve. Leaders from AMVETS, the Disabled Veterans of America, the Paralyzed Veterans of America, and Veterans of Foreign Wars, all told us what they need. They are not asking for special treatment—just what they were promised in exchange for serving our country. They told us that veterans are not getting the help they need. They told us what would happen if we adopted the President's budget.

For me, veterans health care is a very personal issue. My father served in World War II, and he returned as a disabled veteran. During the Vietnam war, I interned in the Seattle VA hospital. I know firsthand the scars and the wounds that burden our veterans when they come home.

During the gulf war, when our soldiers were coming home with gulf war syndrome, I brought the VA Secretary out to Washington State so he could hear from veterans what I was hearing.

Over the past 2 years when President Bush tried to close the doors at three VA hospitals in Washington State, I worked with veterans and community leaders from across our State to keep those facilities open. I continue to press the VA to open new community clinics in north-central Washington and in Whatcom County to help our veterans who today have little access to VA services.

When it comes to VA's health care budget, it has been a battle every year to get the funding we need. Every year, the President has proposed a small number for veterans health care, and every year we in Congress have stepped in to protect our veterans.

I have been convinced for a long time that we need to move VA health care out of the annual budget process. That is why I have sponsored legislation to make VA health care funding mandatory, so it is always there no matter what type of budget games are going on.

Unfortunately, the Republican majority has blocked that commonsense proposal every year.

So the fight goes on. That is why we are here tonight. This year's debate started on February 2 when the President unveiled his budget proposal.

Veterans of Foreign Wars looked at his proposal, and they said:

If the President's budget were approved, waiting time for basic health care appointments would again skyrocket, returning us to the era of the six-month waiting period.

That is what the commander in chief of the Veterans of Foreign Wars said about the President's budget.

The President's budget would force more than 2 million veterans to pay a \$250 annual fee just to get VA health care. In my book, if you served our country, if you have already paid your dues, it is insulting to nickel and dime America's veterans.

The President's plan would also double the copayment for prescription drugs for thousands of our veterans. It would slash prosthetics research by \$9 million.

The President's budget would eliminate thousands of State-run nursing home beds. In my home State alone, 300 veterans who honorably served this country would lose their place in a State nursing home. That is 300 Washington State families being asked to shoulder a new burden, and that is just wrong.

The President's budget would cut the VA workforce by more than 3,000 people while there is a backlog of more than 700,000 claims. That just does not make any sense.

We have a huge backlog of claims, with new claims coming in every day, and now there will be fewer staff to process. That is wrong.

The President's budget would also continue to ban some veterans from coming to the VA for care. So far, under this flawed policy, nearly 200,000 veterans have been turned away, including more than 3,100 veterans in Washington State.

That is what the President proposed. I have been working with others to fix that.

I have to tell you that it has been very frustrating. No one in this administration is willing to say how we are going to take care of our newest veterans, when they have waiting lists for existing veterans.

I asked the President's budget director on February 9: Where is the money in your budget to take care of our newest veterans and our existing veterans? I didn't get an answer. So on February 15, I asked the Veterans Secretary. I didn't get an answer from him. So the next day, I asked the Defense Secretary, but I didn't get an answer from him either.

So I offered an amendment in the Senate Budget Committee last week. My veterans amendment was defeated on a party-line vote of 10 to 12.

So tonight I am here on the Senate floor with Senator AKAKA with a similar amendment. And now every Senator is going to have to go on the record either for or against our veterans.

During this debate, you are going to hear Senators say that we have raised funding for veterans plenty. Other Senators are going to suggest that we are meeting the needs today. I am going to refute those claims line by line. But let me say this first: When veterans tell me they are being left behind and politicians tell me everything is fine, I will believe the veterans every time.

With that said, I want to look at some of the claims the other side will make.

One of the arguments you are going to hear from the opponents is that appropriations for veterans medical care grew by 63 percent from fiscal year 1995 to fiscal year 2004. That claim is inaccurate because it leaves out three critical facts.

First of all, the number of veterans who have served has gone up dramatically over that same period of time, as this chart shows. During the same year, the number of unique veterans getting care from the VA has increased by 88 percent.

It is nice that the funding has gone up, but it is nowhere close to meeting the number of veterans who are getting care at the VA.

Second, the Republican claim is inaccurate because it ignores the impact of medical inflation.

As this chart shows, over the same timeframe they are talking, medical inflation has shot up 92 percent, so the increases we have had so far have not even kept up with medical inflation. It is great that veterans funding has increased over the years, but it has not even kept up with inflation.

There is another problem with this excuse that we do not need this amendment, because every day, as each of us knows, new veterans are coming back home and seeking care at the VA. If the number of veterans was going to be stable in the coming years, it would be one thing, but we all know the number of veterans will keep growing as soldiers come home from Operation Iraqi Freedom and Operation Enduring Freedom.

Washington State alone has sent thousands of brave men and women to Iraq and Afghanistan over the past several years. Now a large group is returning home, including 4,000 members of the National Guard. This is the next generation of veterans.

Congress needs to provide more funding if we are going to keep up with the growing needs. So we are going to hear some of the opponents claim that veterans funding has gone up 63 percent so veterans do not need any more. But when we hear that claim, we need to remember the number of veterans in the VA system has gone up 88 percent. Medical inflation has gone up 92 percent. And we are creating new veterans every single day who need a strong, stable VA to take care of them.

Here is another excuse we will hear from the opponents. They will say the VA is sitting on nearly \$500 million. VA officials in Washington, DC, may well be holding back money to see what next year may bring, but that does not mean the funds are not needed at VA hospitals and clinics. Veterans health networks are already experiencing shortfalls. As a result, the committee has heard that outpatient clinics have stopped seeing even the poorest of patients, sending them hundreds of miles away to other facilities.

I am hearing from veteran leaders in my region that the VA is not moving

forward with new clinics in Whatcom County and north central Washington because all those dollars are needed for medical care for existing veterans.

If the VA is sitting on funds we have appropriated, I want those dollars moved out to help veterans as we intended. It is not an excuse to block this amendment.

We may also hear opponents claim this budget increases veterans funding by about \$900 million. But when you look at the numbers, the increase in medical care is less than \$80 million.

I have a chart that was produced not by us but by majority staff on the Committee on Veterans Affairs. I ask unanimous consent to have it printed in the RECORD after my remarks.

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

Mrs. MURRAY. Mr. President, we have heard some opponents say we should not provide another dime in the budget for veterans health care because we do not know how the Appropriations Committee will spend that money. I serve on the Committee on Veterans' Affairs and I serve on the Veterans Appropriations Subcommittee. If the Senate passes our amendment, then the Appropriations subcommittee will have explicit instructions that this money is to be spent on veterans health care. Because I serve on all the committees involved—Appropriations, Veterans' Affairs—I will be there at every turn to remind my colleagues of the promise we made.

This amendment is also about making sure our military is strong today. How we treat our veterans affects our ability to recruit the men and women we need to serve in our Armed Forces. That is nothing new. It has actually been true since the founding of our country. On the chart behind me I have a quote from George Washington in 1789. Washington said:

The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their country.

That was President George Washington in 1789.

We have an opportunity tonight with this amendment to do right by our veterans and to keep our country strong. This amendment will help meet the growing needs and will ensure that we keep the promise to those who have answered this country's call. They were there for us when we needed them, and we need to be there for them.

With this amendment offered by Senator AKAKA and myself and many others, every Senator will have to decide if they are voting for veterans or against them. I urge every Senator to do the right thing and vote for our amendment.

PROPOSED VA BUDGET FOR FISCAL YEAR 2006

	FY 2006	FY 2005 Appropriation ¹	FY 2006 Request	Requested dollar increase	Requested percent increase
Medical Services		\$19,916,688,000 ²	\$19,995,141,000	\$78,453,000	.39
Medical Administrative		4,437,770,000	4,517,874,000	80,104,000	1.8
Medical Facilities		3,330,453,000	3,297,669,000	(32,784,000)	(.99)
Medical Research		402,348,256	393,000,000	(9,348,000)	(2.3)
Total Veterans Health Care		28,087,259,256	28,203,684,000	116,425,000	.41
Construction		700,606,600	816,037,000	115,430,400	16.5
Comp., Pension, Readjustment, Insurance Programs		35,182,223,680	36,668,466,000	1,486,242,320	4.2
Home Loan Program		2,053,334,000 ³	218,161,000	(1,835,073,000)	(89)
Administrative and Grants		1,792,702,608	1,677,448,000	(115,254,608)	(6.4)
Total Appropriations		67,816,026,144	67,588,635,000	(227,391,144)	(.34)
Collections		1,953,020,000	2,588,000,000	634,980,000	32.5
Approps. plus Collections		69,769,045,144	70,176,635,000	407,589,856	.58
Approps. plus Collections w/o Home Loan Line		67,715,811,144	69,958,474,000	2,242,662,856	3.3

¹ Includes 0.8% across-the-board rescission to discretionary accounts as directed by section 122 of Public Law 108-447; includes \$124 million supplemental (hurricane) in Public Law 108-324.

² Reflects (1) realignment of funds across medical services, administration and facilities accounts as authorized by section 120 of Public Law 108-447, and (2) transfer of \$125 million from medical services to Administrative and Grants account as authorized by Public Law 108-324.

³ Reflects annual reestimate, as required by Credit Reform Act, of updated housing subsidy costs for existing loans guaranteed by VA. Estimate presented with FY 2005 proposed budget was \$197,859,000.

The ACTING PRESIDENT pro tempore. The Senator from Hawaii.

Mr. AKAKA. How much time do I have?

The ACTING PRESIDENT pro tempore. There is 6 minutes.

Mr. AKAKA. Mr. President, we have heard a lot about the fact that VA has so much money that they expect to carry-over nearly \$500 million to next year, as Senator MURRAY said.

I urge all my colleagues to touch base with the veterans at home and find out if the VA is really swimming in money.

VA's health networks are already experiencing shortfalls. Let me share some more specifics.

The Boise facility is facing a \$1.8 million deficit. This facility, like so many others, has a hiring freeze. The facility has seen a workload increase over 7% for FY 05, but there will be staff reductions. And at present there is no money for staff education.

Veterans in need of treatment for PTSD or addiction treatment will have one less place to go due to the VA budget. The Psychiatric Rehabilitation Program at the Chillicothe VA hospital is being shut down.

Thirty nursing home beds at the VA hospital in Manchester, NH, will not be opening. VA officials expect to save \$1.3 million by not opening these beds.

As my good friend, Senator COLLINS, has pointed out, the hospital in Togus has a projected \$14 million deficit. This Maine facility has a hiring freeze and cannot replace equipment.

At the Louisville, KY, hospital veterans undergoing a cystoscopy must lie on a broken table during the procedure. It's been almost a year that this medical table has been broken—but the VA can't replace it because they have no money. The facility's only endoscope is broken, and the facility cannot afford a back-up.

Also at the Louisville, VA, elective surgeries have been cancelled because of lack of staff due to funding.

So, again, the administration—the same administration putting forward the budget—is holding back \$450 million.

Perhaps they are holding onto this money because they know that the

coming year may be horribly tight if the President's budget is made a reality.

But the VA facilities which are serving veterans need more funding.

During the Clinton years, the Clinton administration, a Democratic administration, proposed actual cuts in a veterans budget. In 1998 and 1999, they proposed those cuts. What did Congress do? Did it accept the budget? Of course it did not. It said: No, Mr. President, you may propose, but we will dispose. And we did. And we plussed up those budgets dramatically.

Not once in the past 4 years has the Bush administration proposed cuts in veterans budgets. They proposed substantial increases. Once again, Congress came along and said: Mr. President, we don't think those are quite adequate. And we plussed them up. In the course of the last 4 years, we have seen relatively dramatic increases in veterans budgets. Are they necessary? You bet they are necessary.

Here is a perfect example of the medical care budget. From 2001 to 2005, we went from \$21 billion to nearly \$30 billion. What did we get in return? More veterans being served. And we now have what is being called the finest health care delivery system in the United States.

This Congress ought to be darn proud of it. And we are. That is what we are going to sustain in the budget this Congress will adopt this week.

What did we do in other benefit areas? We did in the general mandatory areas exactly the same kind of thing. We looked at the budget in 2001. It was \$25.7 billion. By 2005, it was \$37.1 billion. Necessary? You bet it was necessary. As a result of that, we were able to expand the capacity of the Veterans' Administration to serve veterans. And that is what we are about. So that has resulted in the greatest increase in veterans spending in the history of this country, to serve a truly needy and necessary population. We have had a 43-percent increase over 4 years, better than a 10-percent increase.

My colleague from Washington said: Yes, but numbers increased. You bet they did. They went in the area of enrollment from 4.9 million to over 7.7 million, and all during that time the quality of health care went up. We served those in need. We served those in the right categories. And, most importantly, we increased the timeliness of the service to the veterans. As a result of that, we also produced quality care.

Well, I have to tell you that when the President proposed his budget, there were areas of it I was not satisfied with. Some of my colleagues were not satisfied with it. The ranking member was not satisfied with it. And we proposed to make some changes. We are going to see an amendment offered in a few moments that makes those changes, an amendment offered by Senator ENSIGN, myself, Senator VITTER, and Senator HUTCHISON that will add another \$410 million of budget resolution to the health care services.

When that is done—the committee has already added more than that—for the 2005 budget we will have moved that well beyond its area. We will have seen an increase of 3.7 percent. An additional \$1.2 billion will be provided, and it will be a tremendous amount for incentives in funding. There will be no reconciliation order. That is new money. That is real money in the Veterans' Administration.

We do not raise taxes. We do not raise taxes on working veterans such as our Democrat colleagues do to serve veterans. We believe the budget pie is big enough to reach in and pull out another \$1.2 billion to meet the necessary services we are about to do.

My colleagues are going to go into greater detail in a few moments to do so. But what is important about it? We said no to enrollment fees. We said no to copayments as they relate to prescription drugs. We did not think those were necessary at this time. Most importantly, the Veterans Committee, after hearing from all of those service organizations, as my colleagues have mentioned, recognized not only the need of current day veterans, but coming out of Iraq there is a whole new class of veterans. And they, too, have to be served. They are injured and impaired in unique ways, and they will have to have health care and service, in

some instances, for the rest of their lives from this Government and this country which recognizes the kind of services they did and have continued to perform.

So not only no copays for prescription drugs, and no enrollment fees, we have done something else. There is another layer of service out there to veterans that oftentimes we do not talk about. It is because it is not as visible. But home in our States it is visible; that is, the State veterans homes where the State government and the Federal Government share. This year it was proposed that we reduce the per diem payment at the Federal level. In my State of Idaho and across the Nation we would have found truly needy veterans without the kind of care that we think is necessary, and we said: No, Mr. President, we don't think at this time we ought to be doing that. Yes, budgets are tight. Yes, you proposed reasonable increases in a variety of areas. But what is most important is that we serve the veterans we are serving today, we add to the enrollment when we can, and we make darn sure we are doing the right things for those veterans coming home.

Our veterans homes across the Nation provide over 20,000 beds. In my State it is 268. It is important in my State and across the Nation that we plus those up where we can and recognize the true need.

There are a good many other areas I could cover that are included in the President's budget. The President recognized the unique need for prosthetic care and as a result added \$100 million to it, focusing on the truly injured veterans coming out of Iraq and Afghanistan. We recognize that and recognize that portion of the budget and add to it to strengthen it.

So a lot of work has been done. My colleagues on the other side, I am sad to say, would suggest there is never enough. This is a tight budget year. We all recognize that, but we ought not try to cut the budget on the backs of the veterans. And we are not doing that. A plus-up of \$1.2 billion without reconciliation orders in this budget is a significant increase, one we can all be proud of, one that services our veterans, as it should, and services those who are in true need today.

Mr. President, can I ask how much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 21 minutes 50 seconds left.

Mr. CRAIG. Mr. President, let me stop at this point and yield to my colleague from Nevada for the purpose of the offering of an amendment, further discussion on this important issue of veterans funding, and then I believe we will be joined by my colleague from Texas, Senator HUTCHISON, to further discuss this before we close out for the evening. But I believe we can turn to the Senate tomorrow and ask them to vote on a very responsible veterans budget as proposed by the Senate.

With that, I yield to Senator ENSIGN. The ACTING PRESIDENT pro tempore. The Senator from Nevada.

AMENDMENT NO. 171

Mr. ENSIGN. Mr. President, I send an amendment to the desk on behalf of myself, Senator CRAIG, Senator VITTER, and Senator HUTCHISON.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. ENSIGN], for himself, Mr. CRAIG, Mr. VITTER, and Mrs. HUTCHISON, proposes an amendment numbered 171.

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

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

The amendment is as follows:

(Purpose to increase Veterans medical care by \$410,000,000 in fiscal year 2006.)

On page 22, line 16, increase the amount by \$410,000.

On page 22, line 17, increase the amount by \$369,000.

On page 22, line 21, increase the amount by \$37,000,000.

On page 22, line 25, increase the amount by \$2,000,000.

On page 9, line 15, decrease the amount by \$410,000.

On page 9, line 16, decrease the amount by \$369,000.

On page 9, line 20, decrease the amount by \$37,000,000.

On page 9, line 24, decrease the amount by \$2,000,000.

Mr. ENSIGN. Mr. President, we are proposing an amendment today that will increase the spending on our veterans in this budget by \$410 million this year. Some may ask: Why not the amount that the Democrats have proposed? Well, first, we are in tight budget times. And we are considering this amendment without raising taxes. We are taking the money out of the State Department and foreign aid budgets instead of taking the money out of the pockets of hard working Americans who are trying to make a living, trying to provide for their families.

We can never spend as much money as the Democrats. There is no question about that. Every single time we offer an increase in this budget, the Democrats will try to outbid us. We understand that. We accept that. We are trying to be fiscally responsible, at the same time taking care of our veterans and not increasing taxes on working Americans.

In the Democratic amendment, there is a \$6.6 billion tax increase over the next 3 years—\$6.6 billion in new taxes. That is one of the many amendments they are going to offer on this budget that will increase taxes. Of that, \$2.8 billion goes for veterans care next year. But \$6.6 billion in new taxes.

Senator MURRAY from the State of Washington talked about some of her veterans and the problems with some of her veterans. Nevada has experi-

enced some of the same problems. Nevada is the fastest growing State in the country.

The problem, Mr. President, is not the amount of money we are spending, but rather the manner in which we are spending it. By that I mean that veterans are moving away from the Rustbelt to faster growing States like Nevada. A large number are moving to the west coast. A lot to the Sunbelt States. They have chosen to move, but a lot of the VA facilities are still located in the Rustbelt.

Because of the way Congress works, Senators and Representatives work hard to keep a lot of money in their States, even though the veterans have moved away. So while States such as Washington and Nevada may have VA facilities that are packed to the gills, there are some VA facilities that have 20 to 30 percent occupancy in their beds. Frankly, some of them should be closed. This President has, with the CARES Commission, proposed reallocating some of the funds so that the veterans with the greatest needs will get the care they deserve. Our amendment recognizes that you cannot do this overnight. So we recognize we have to increase spending on veterans care. We have to keep our promise—the promise we made to the men and women who don the uniform of the U.S. military and say: I will lay my life on the line to protect your freedom. All our veterans ask in return is that we take care of those who come home with medical needs. This amendment is about keeping that promise to our veterans.

I thank Senator CRAIG, chairman of the Veterans' Affairs Committee. He has done great work on behalf of veterans across America. We really owe him a debt of gratitude for the work he has done. This is just the opening chapter, I believe, in ensuring that every veteran gets the kind of quality medical care they deserve. We have to look at the whole VA system as we are transforming it, to make sure we best spend the dollars so that veterans will get the quality care they need. As a result of veterans coming home from the war, we are going to have to examine their needs. As we determine those needs, we may have to spend more. If we have to spend more, I know this body will step up to the plate and do what is necessary to take care of those heroes who fought for our freedom.

The \$410 million in our amendment will restore funding to maintain the prescription copays at \$7 for veterans. It also restores funding required to prevent the imposition of a \$250 enrollment fee on veterans. This amendment restores funding required to stop the scale back of State nursing home per diem payments made by the VA.

It adopts the President's request to spend an additional \$100 million for mental health services.

Many of our homeless veterans are homeless because of mental health issues. The President has proposed another \$100 million, and this budget will

now meet that. We also adopt the President's request to spend an additional \$100 million for prosthetics. With all the veterans who have been wounded in the war, we are going to need at least that much. Next year, we may have to spend even more than that.

We also adopt the President's request for other nonmedical discretionary accounts, allowing for a \$116 million increased funding for construction, an increase in disability claims, case-workers, and the continued expansion of the National Cemetery System, the largest such expansion since the Civil War.

Mr. President, I believe strongly that we must keep our word to our veterans, and we must take care of those men and women who have sacrificed so much while wearing the uniform of the U.S. military. This amendment helps keep the promise we have made to our veterans.

I yield the floor.

Mr. CRAIG. Mr. President, I thank my colleague from Nevada for his amendment. I believe it is responsible and appropriate, as we plus up this budget, to assure that the veterans are adequately served and that we adjust appropriately for the new veterans coming in from Iraq and Afghanistan.

Now I yield to the Senator from Texas, Senator HUTCHISON.

Mrs. HUTCHISON. Mr. President, I would like to be notified at 7 minutes so that I can yield back the remainder of the time to Senator CRAIG.

The ACTING PRESIDENT pro tempore. The Senator from Texas is notified that there is a little over 6 minutes left.

Mrs. HUTCHISON. Mr. President, please notify me when I have used 4 minutes. I thank Senator CRAIG, the chairman of the Veterans Affairs Committee, and Senator ENSIGN, a member of that committee. I chair the Veterans' Affairs Appropriations Subcommittee. It happens that today we had our hearing on the Veterans Affairs Department, and Secretary Nicholson came before our committee and talked about what is in the budget. He said, of course, we have full coverage for the priority 1 through 6 veterans. We have full coverage in the budget for the injured coming home from Iraq and Afghanistan. And we all know that the growth in the veterans medical care area has been in the other priority veterans, Nos. 7 and 8. These are people who do not have combat-related injuries and people who are in upper incomes. When they became covered a few years ago, really, it was thought by Congress that there would not be a big surge to get the Veterans Affairs coverage because they, we thought, had private insurance. But, in fact, that has been the big surge in medical care coverage for veterans, in those 2 categories, 7 and 8; and 15 percent of those do not have private coverage.

So what we are doing with this amendment is we are saying we are not

going to change anything right now. We are not going to have copays, and we are not going to have enrollment fees. But I did talk to the Secretary about making sure that if there is private insurance, that that insurance would be the first payer in a veterans health care need; that the private insurance payer would pay first, and Veterans Affairs would come second so that we could recoup some of the money that could be going into serving other more needy veterans and try to also keep a balance in the budget. That is what we are trying to do. We are trying to increase what is in the budget, and we will do that in this amendment.

We are, most certainly, going to try to do it in a way that will not harm any veteran at all. We are not going to have copay increases. We are not going to have enrollment fees, and we are not going to have a reduction in the per diem payments for nonservice-connected veterans in State veterans homes. So we are trying to do the right thing, while also whittling down the deficits we are facing in our country.

I think Senators CRAIG and ENSIGN have a very good amendment. We are going to do the right thing for veterans always. We will be able to assure coverage this year with this added \$400 million, and we will be able to come back in next year, if we need more.

Mr. President, I want to mention one other area before I turn the podium back over to Senator CRAIG. It is something we will more fully discuss tomorrow. I wanted to lay down the marker that we will have an amendment to increase the number of border patrol in this budget. I am very concerned about the reports from our FBI Director Mueller, who told Congress that people from countries with ties to al-Qaida are crossing into the United States through our Mexican border.

Deputy Secretary of Homeland Secretary James Loy, recently said that intelligence reports say that Al-Qaida is looking at the Mexican border as a way to put people into the United States for the purpose of terrorist attacks. So I think we must increase the budget coverage above the 210 border patrol agents who have been added in the budget before us. We need to increase that to at least 1,000. Our intelligence reform bill said that we would have the capability to increase border patrol by 2,000 per year for the next 5 years. I am going to try, through an amendment, to increase that to at least 1,000, and we will do it without busting the top line of the budget.

We think it is very important that we stop people from coming over our borders illegally. We know we are vulnerable in this Nation right now. We know we need more places for detention, more Border Patrol agents, and better technology to secure our borders to the south and the north. These Border Patrol agents will go throughout the United States to the Border Patrol centers.

My amendment will be sponsored by Senator CORNYN, Senator BINGAMAN,

Senator MCCAIN, and Senator FEINSTEIN. These are Senators from border States who know the problems of illegal immigration firsthand.

It is a very important amendment that we will discuss more fully tomorrow, but I hope our colleagues will start thinking of ways that we can assess the priorities and determine that we need at least a thousand Border Patrol agents in this year's budget and another thousand next year. But we will do 1,000 at a time, I hope, because that is what can be absorbed, that is the number that can be trained in any 1 year.

I hope we will address the Border Patrol issue tomorrow, and I certainly hope that when we have the competing veterans amendments that we will take the Craig-Ensign-Vitter-Hutchison amendment that does keep in mind the priorities of our budget, but also increases the amount that will be for medical care for our veterans and will not require any higher copays or registration fees for any of our veterans at this time.

I yield back my time to Senator CRAIG.

Mr. CRAIG. Mr. President, what is the time remaining on our side?

The ACTING PRESIDENT pro tempore. The Senator from Idaho is notified that the Parliamentarian informed the Senator of the wrong time. The Senator now has 7½ minutes.

Mr. CRAIG. Mr. President, I will close. I think the Senator from Washington has time left that she would like to use.

I think every Senator who comes to the floor of the Senate to speak about our veterans is committed without question to assuring to the veterans community of this country that we will honor their needs. It is our responsibility.

I happen to disagree with the Senator from Washington. I do not think we need to raise taxes to meet the necessary needs at this time. Veterans are hard working, too, and they pay taxes. But there are additional moneys necessary from what were moneys proposed by the President, and that is exactly what this amendment does, along with the additional plus up that the committee itself has accomplished.

When the Ensign-Craig-Vitter-Hutchison amendment is adopted, the net increase will be over \$1.2 billion of new money for the Veterans Administration to spend. What do we do with that money? I mentioned we add \$100 million for VA prosthetic care. We look seriously at those who are tremendously injured in body, but we also recognize that there may be veterans injured not of body but of mind, and mental health programs are increased.

The Ensign-Craig amendment to the budget resolution will mean an additional \$100 million can be devoted this year to expanding treatment and services in mental illness for America's veterans who suffer PTSD as a result of their service in Iraq and Afghanistan.

Also, the budget proposes \$43 million to ensure that veterans who seek emergency care in non-VA facilities are treated exactly the same as if they had sought care at a VA facility. Clearly, across my large expansive State of Idaho—it is true of the State of Washington—we cannot have a veterans hospital or a care center in every community, and yet veterans live there and emergency care is sometimes necessary. We assure that they can enter that emergency room door and be treated prior to moving on to a veterans care facility.

Finally, this budget with the \$410 million added by the Ensign-Craig-Vitter-Hutchison amendment will provide \$19 million for the treatment of homeless veterans. That may sound like a small amount of money, but it will bring this program up to the \$100 million level and help us build on gains we have already made in reaching out to this incredibly vulnerable population of veterans.

I can stand on the floor of the Senate tonight with the offering of this amendment, as chairman of the Veterans Affairs' Committee in the Senate, working with all of my colleagues and assure them that all of those gains we talked about earlier that we all share, we recognize, and we are proud of, whether it be in mandatory spending or whether it be in health care, are gains that will be sustained by this budget in 2006, that we can build on the strength of those gains and assure that veterans who are in the categories of 1 through 6 will be truly served.

Those who have service-connected disabilities or problems in other areas will be served. We recognize that the 20,000 veterans' home beds across the States will remain open and available to veterans by not bringing down the per diem. This is a sincerely responsible budget to deal with America's veterans' needs as we have always done as a Congress and as we will continue to do in the 2006 budget and into the future.

A tight budget year? You bet it is. Need we be fiscally responsible? You bet we should be. Should we raise taxes on the working men and women of America to accomplish that? No, we should not. What we should do is exactly what we are doing tonight: reestablishing priorities within the overall budget and saying here is an area of true need and care, a responsibility that we have to address, and we are open, caring, and responsible in addressing it.

I am proud to serve as chairman of the committee. I am proud to work with my colleague from Texas who is the chairman of the appropriating committee. With the combination of all of us in a very real and bipartisan way, we are going to meet the needs of veterans as we always have, and we are going to meet them with a budget that represents a 3.7-percent increase over last year.

In as tight a fiscal year as we are in, that is a large and responsible and sensitive increase of which I am proud.

I will yield the floor, and we will be back tomorrow to debate this important issue as we ask our colleagues to support us in this effort. I do believe when we look at all the facts and figures, when we look at the 43-percent increase in veterans spending over the last 4 years, when we see the increase of veterans going out and the quality of health care going up and the efficiencies that we have asked the system to produce—and it has produced it—then this is in itself a truly responsible and caring budget, and I am proud to be a sponsor of it along with my colleagues.

We will ask the Senate to support us in this effort. I yield the floor and yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes 9 seconds remaining.

Mrs. MURRAY. Mr. President, the Senator from Idaho, who has assumed this year the task of chairing the Veterans' Committee, does have a true compassion for veterans. I appreciate his work and his diligence on this and all the work he is attempting to do to take care of our veterans because he shares with all of us a concern of making sure we take care of those who have served us.

We just have a difference of opinion on the amendment that we have offered on this side. There are \$70 billion worth of tax cuts that are assumed in this budget. All we are saying with our amendment is let's assume over \$67 billion instead of \$70 billion and use that amount for our veterans.

I am one who believes that when we ask our men and women to serve, we have to keep a commitment to them that we will be there to take care of them when they come home. It is part of the cost of war. I agree with the Senator from Idaho, the chairman of the Veterans' Committee, that we have increased veterans care. We had to. We have more veterans. We have increased it 43 percent over the past 4 years. But I remind my colleagues that the number of veterans needing veterans health care has increased 88 percent. Medical inflation has increased 92 percent. Even with the amendment that Republicans have offered, we will not be meeting the needs of the veterans, the men and women who have served this country.

I believe we have a responsibility to do that. I believe we cannot tell the next generation we are asking to serve that we are only going to take care of 43 percent or 60 percent. We have an obligation to take care of their health care when they come home.

The amendment offered on this side by Senator AKAKA and myself will assure us we can go home and our tell veterans they have been there for us

and they will not be turned away. They have served us and we should serve them.

I am one who believes the cost of taking care of veterans is a cost war. It is not a cost we should pass on to the next generation. It is not a cost we should ignore. It is a cost that we have a responsibility to take care of.

I commend the Senator from Idaho for his amendment. I appreciate his attempt to raise it. But I say we have to make sure that all veterans are cared for. I believe that is a cost of war and it is a cost we should assume. I urge my colleagues to vote for the amendment that was offered on this side so we can make sure when we go home and face our veterans, the men and women who are coming home today from Iraq and Afghanistan will have the services they need. It is the least we can do.

Mr. DEWINE. Mr. President, amendment No. 153 is a sense of the Senate expressing the importance of providing treatment to children infected with HIV/AIDS. I encourage all of my colleagues to read the amendment and ask that they join as cosponsors to show support for pediatric treatment of HIV/AIDS. This Congress must not overlook children who are infected with HIV/AIDS.

Fortunately, Congress has realized that the transmission of HIV/AIDS is preventable and avoidable. We have supported funding for mother-to-child transmission, which, when effectively implemented in the United States, has resulted in the near elimination, less than 2 percent transmission, of mother-to-child HIV/AIDS transmission. By contrast, in resource-poor settings, less than 10 percent of pregnant women living with HIV have access to services to prevent mother-to-child transmission of HIV. It is inexcusable for us to not do something to continue to reduce the rate of transmission between mother and child. With the President's Emergency AIDS Initiative, we have certainly made some progress, but there is always more to do.

But, we cannot stop at preventing the transmission. We have to ensure that there is treatment available for children when necessary.

Approximately 2.2 million children under the age of 15 are infected with the HIV virus, and 1,900 children worldwide are infected with HIV each day. To date, more than 4 million children worldwide are estimated to have died from AIDS. We must ensure that HIV-positive children and children with AIDS are no longer overlooked and that they begin receiving the treatment and care that they deserve.

Few programs specifically target the treatment of children with HIV/AIDS in resource-poor countries due to significant challenges in diagnosing and treating infants and young children with HIV. Such challenges include: difficulty in diagnosing HIV in infants less than 18 months of age; lack of appropriate and affordable pediatric HIV/

AIDS medicines; and lack of trained health care providers. When I went to Guyana two years ago, only one child—one child in the whole country—was receiving antiretroviral treatment medicine. I know that more are receiving treatment now, but not many. We have to do more to change that. We need to ensure that physicians and clinicians are trained in pediatric care and that safe and effective medicines are available to infected children who need them to survive.

Ultimately, pediatric treatment cannot be anecdotal. It must be routine. And we should demand that it be routine. This sense-of-the-Senate amendment is a step in that direction. It forces us to look at the facts, and it compels us to do something about it.

Mr. President, today I also join my friend and colleague, Senator LEAHY, in amendment No. 161 that would increase the funding level for the Child Survival and Maternal Health Program to \$660 million. That would be a \$334 million increase over the budgeted level of \$326 million.

This is an appropriate and necessary step. And, it is, simply, the right thing to do.

With regard to today's child survival crises, we know the facts: 130 million children entered the 21st Century unable to read or write; 2,000 children younger than 15 each day are infected with AIDS; 650 million children live in extreme poverty; and over 10 million children die each year, most from preventable causes and almost all in poor countries.

According to UNICEF, out of every 100 children born, 30 will most likely suffer from malnutrition in their first 5 years of life; 26 will not be immunized against the most basic of childhood diseases; 19 will lack access to clean, safe drinking water; and 17 will never—ever—go to school.

How have we responded to this world of ours? How have we responded to the developing world? We have seemingly come to expect, and indeed, accept poverty, instability, and epidemic disease as a way of life in the developing world. The real tragedy is that all of it is avoidable.

We can do something about it. We can do simple things to save millions of children's lives. Our amendment would help save lives.

I would like to take a few minutes to share some more statistics about child and maternal mortality. I am often hesitant to recite statistics here on the floor of the U.S. Senate because when we hear them repeatedly, it is all too easy to become numb to them—to forget the human realities that they do, in fact, represent. It is important, though, for my colleagues and for the American people to listen to some of these statistics because they are so unbelievable and so tragic and represent so many lives that could be saved—lives that could be saved if we would make the appropriate amount of resources available to the developing countries in such dire need.

Of those 10 million children who die each year worldwide, 3.9 million occur in the first 28 days of life. These babies don't even have a shot at living their lives. Yet, two-thirds of these deaths could be prevented if available and affordable interventions had reached the children and mothers who needed them.

Malnutrition contributes to 54 percent of all childhood deaths. And, as many as 3 million children die annually as a result of Vitamin A deficiency and an estimated 400,000 cases of childhood blindness are reported each year.

According to World Health Organization estimates, at least 30 million infants still do not have access to basic immunization services, and over 4.4 million children died from vaccine preventable diseases in 2001—diseases such as hepatitis, polio, and tetanus. Of all the vaccine-preventable diseases, measles remains the leading childhood killer, claiming the lives of 745,000 children—more than half of them in Africa. Yet, vaccine-preventable deaths could actually be cut in half by 2005 if these children were receiving proper vaccinations.

Recently, the Lancet, which ran a series of articles last year about child survival, has launched a series of articles about neonatal death. Here is what the first few articles reveal: Of the 130 million babies born every year, about 4 million die in the first 4 weeks of life—the neonatal period. In poor communities, many babies who die are unnamed and unrecorded, indicating the perceived inevitability of their death. [Also], 450 newborn children die every hour, mainly from preventable causes.

This is unconscionable, and it is an emergency situation. There really isn't any other way to describe it. Over 10 million children dying each year from preventable and treatable illnesses is an emergency.

But this emergency cannot be resolved through short-term, temporary, piecemeal assistance. If we are to make any real headway in improving the health of women and children in the long-term, we need to take some bold and radical steps and be committed to supporting maternal and child health programs not just now, but next year and the year after and the year after that. Our funding simply cannot be administered in a single-dose.

Our amendment would allocate additional money to help avert maternal and neonatal death and improve maternal health, including the prevention of obstetric fistulas and other types of injuries and disabilities resulting from childbirth in unsafe circumstances. The fact is that all pregnant women are at risk for injuries and childbirth complications, which is why it is so important to have skilled attendants—midwives, doctors, or nurses—present at birth. Yet, only about half of the world's women give birth with a skilled attendant available.

Child survival and maternal health funding provides resources so that

USAID can provide training and technical assistance in infection prevention and quality of care, as well as needed equipment and supplies to bring health facilities up to a level where they can provide safe and effective emergency pre- and post-natal care. Child survival interventions work, and they are the most cost-effective tools we have in the struggle for better global health. We can and should invest in these programs as they increase developing countries' access to basic health services—services like vaccinations, immunizations, micronutrient programs, and vitamin supplements.

If we make this investment and work toward equal access to health care, we help ensure that mothers receive proper prenatal care, that children and families receive nutrition counseling and vitamin supplements, and that children receive the necessary immunizations and vaccinations to live healthy lives. But tragically, if we fail to make a sufficient and sustained investment in the development of public health systems that provide primary care, mothers will continue to die prematurely during childbirth, children will continue to die from preventable disease and causes, and life expectancies in these developing nations will stagnate or perhaps even decrease. That is not an acceptable future for any of us.

I ask my colleagues to join us in supporting this amendment.

Mr. OBAMA. Mr. President, I have come to the floor as a cosponsor on the Sarbanes amendment to the budget to protect funding for the community development block grant CDBG administered at the Department of Housing and Urban Development.

This program is crucial to the development of low income communities across America.

As you know, the administration has proposed a plan in the 2006 budget to consolidate 18 existing economic and community development programs into a single program administered by the Department of Commerce. The HUD community development block grant program—also called the CDBG program—is the largest of those 18 programs.

The grants previously awarded under these 18 programs would be awarded in the name of a single, newly formed strengthening America's communities, SAC, grant program.

But when examined, it becomes clear that the President's proposal will mean less assistance for low-income communities and a dismantling of relationships within a community development infrastructure of public servants and community-based organizations that we have built over the last 30 years.

Under the proposal, the total budget for these 18 programs would drop 30 percent from \$5.31 billion in 2005 to a proposed \$3.71 billion in 2006. That means less money for home ownership, less money for economic development, less money for communities struggling in changing economy.

To give you a sense of what that means for State and local governments, consider that in 2005 the community development block grant, CDBG, program alone was funded at \$4.15 billion, \$450 million more than the \$3.7 billion requested for the total 18 programs being consolidated under the new strengthening America's communities grant program in 2006.

That is not a consolidation of programs. It is a direct attempt to dismantle those programs. That is why the U.S. Conference of Mayors, the National Association of Counties, and the National League of Cities all oppose this.

As those groups have pointed out, the Commerce Department lacks the capacity to administer the newly proposed program. HUD has 1,100 urban, suburban, and rural CDBG grantees, constituting a strong infrastructure for program administration. And, HUD's \$4.7 billion CDBG program dwarfs the Commerce Department's \$257 million economic development program. HUD has skills and experience Commerce lacks.

On March 4, 2005, I wrote a letter to Chairman GREGG and Ranking Member CONRAD supporting full funding for the CDBG and objecting to its transfer to the Department of Commerce from HUD.

Those who are closest to the needs of low-income communities our Nation's Governors, community based organizations in Illinois, and local government officials from Illinois have all come out in support of the Sarbanes amendment. They know the CDBG program works and have shared success stories of communities strengthened with CDBG funds. They respect the public servants that administer the program, and they have developed a working partnership with them.

In Illinois, communities large and small are making the most of this assistance.

The city of Chicago, for example, which has already seen its formula share of CDBG funds reduced by \$14 million over the last 3 years, has focused its CDBG priorities on five specific program areas: affordable housing, youth programming, health clinics, job training, and support services to groups with specific needs, such as domestic violence, emergency food aid, and meals on wheels.

Let me give you a specific example of CDBG funds in action. *Mujeres Latinas en Acción* is an organization in Chicago's Pilsen community that serves Latinas and their families. The total they receive in CDBG funds both through the city of Chicago and the city of Cicero is close to \$170,000.

Mujeres Latinas en Acción depends on CDBG funds to support services such as rental assistance for program participants to prevent homelessness. They also provide comprehensive services for victims of domestic violence including crisis intervention, court advocacy, individual counseling, group

counseling, 24-hour crisis hotline, and referrals to shelters. And, the group also uses CDBG funds to provide services to young people promoting the development of peaceful relationships, open communication with peers and family, and school success. The goal of the program is to provide youth a variety of age appropriate structured activities during nonschool hours to help prevent teen involvement in gangs, alcohol and drug use, sexual activity, pregnancy, and other problems facing adolescents in low-income communities.

In Champaign, IL, CDBG funds have been used to help low-income families become homeowners, make homes accessible for the disabled, provide credit counseling, construct emergency and transitional shelters for the homeless, and provide a broad range of services to people in need. A number of towns in St. Clair County, IL, are using CDBG funds for housing rehabilitation grants and loans for their low to moderate income residents.

As you can see, these proposed cuts in the CDBG program affect big cities and smaller towns. Chicago Mayor Richard J. Daley wrote me that, "significant reductions in CDBG funds . . . would have a serious effect on the network of community-based organizations throughout the city which rely on CDBG for their existence. A number of them would likely close their doors." And, in the words of Eric Kellogg, the mayor of Harvey, IL, population 30,000, "Many have characterized CDBG as the best federal domestic program ever enacted because of its flexibility and adaptability in meeting the needs of a diverse America."

The CDBG program works. Let's not destroy it.

I urge my colleagues to support the Sarbanes amendment.

MORNING BUSINESS

UNIVERSITY OF MONTANA GRIZZLIES IN THE NCAA

Mr. BAUCUS. Mr. President, I rise today to congratulate the University of Montana, which for the first time since 1997 will watch both its men's and its women's basketball teams advance to the NCAA tournament, and we do so with Big Sky tournament championships fresh in hand.

The University of Montana men's basketball team will head to the tournament for the sixth time in school history. The Grizzlies now face a daunting task, facing the No. 1 seed University of Washington, and we are going to beat them.

Under Coach Larry Krystkowiak, we have a coach and a team that is going to win. Larry was a legendary basketball player for the Grizzlies in the 1980s, rising all the way up to the NBA, and now in his first year as head coach of the Grizzlies, he is a champion.

We won the tournament. We are going to beat those characters over in

the State of Washington. We are going to win the next round.

The Lady Griz basketball team is leading to the tournament for the 16th time in school history. They will face Vanderbilt, and I am quite confident head coach Robin Selvig—just a terrific coach—will have his team ready to play.

Both teams represent that which is great about college athletics: fellowship, sportsmanship, and fair play. They are great kids. The student athletes conduct themselves with dignity and class, and I am very proud how well they have represented my home State, and we are very proud to see them compete on a national stage for the national championship.

All I have to say is, watch out, Vanderbilt; watch out, University of Washington. Montana is coming.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

Last September, a gay tourist was attacked outside a popular gay club in Hawaii. The woman was walking to the club with two of her friends when she was approached by two men. One of the men asked if the women were gay. When the men found out that the women were lesbians, they began to shout antigay epithets at them, and the tourist was struck in the face. She received several fractures below her eye, a broken jaw, and a concussion from the attack.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

RUSSIAN SUPPORT FOR THE SYRIAN REGIME

Mr. BROWNBACK. Mr. President, the Helsinki Commission, which I chair, held a hearing last week that examined the close relationship between Russian Federation and Syria. The Commission heard testimony detailing their intricate financial and military dealings that began in the earliest days of the Cold War and continue to this day. This relationship allows Syria to continue to support numerous terrorist groups, groups that have terrorized Lebanon for the past three decades and fuel the insurgency in Iraq. In addition,