brought forward in December so that the nominee would not be left hanging out as a target for too long. At the same time, he did not allow his own ideological positions to blind him to the nominees' obvious qualifications. Alito's and Roberts's critics were given ample time to air their concerns, yet both were steered swiftly and comparatively easily to confirmation.

Bush must surely be well-satisfied with his decision in 2004 to back Specter's re-election despite their obvious differences in ideology, temperament and outlook.

Specter is not resting on his laurels. His agenda is dominating Senate business. He is presiding over a Judiciary investigation of the National Security Agency's controversial terrorist surveillance program. And his asbestos reform bill, an effort to clean up a mountain of debilitating litigation, is atop the legislative calendar put together by Majority Leader Bill Frist (R-Tenn.).

People who know Specter rarely make the error of underestimating him. They are even less likely to do so following his performance in the past 12 months.

NEW MARKETS TAX CREDIT

Ms. SNOWE. Mr. President, I rise today to bring to my colleagues' attention a significant and exciting article that appeared in the Wednesday, January 25, 2006, edition of The New York Times entitled ''Luring Business Developers Into Low-Income Areas,'' as written by Ms. Lisa Chamberlain.

I believe my colleagues will be especially interested in this article because it explains how the new markets tax credit, NMTC, can create new jobs, and economic development, in the destitute rural and urban areas. I know that sincere Members of Congress, both Republicans and Democrats alike, recognize the credit's ability to transform communities and break the poverty cycle. From the beginning, the credit's power to help communities overcome poverty has garnered strong bipartisan support for the measure.

The new markets tax credit is unique among Federal antipoverty initiatives. Its innovative approach uses the Tax Code to encourage long-term capital investments in downtrodden communities identified by the census as historically plagued by high unemployment, low levels of private investment, and stifling poverty rates.

The credit provides a modest incentive—a 39-percent credit against Federal taxes over a 7-year period—to lure new private investments to struggling communities. For this credit, developers agree to invest in projects that benefit the community and undertake measures, like charging lower rents, to encourage these projects' success.

Over the next 10 years, private investors will dedicate over $15 billion in new money to poor urban and rural areas in order to revitalize, develop, and ultimately transform these impoverished, low-income communities. The program's rate of return, as measured by increased economic development and lower poverty rates, easily justifies its modest costs to the Treasury of $4.5 billion over 10 years.

The credit's greatest innovation is its ability to create partnerships between the public and private sector that encourage and cultivate investments within a diverse range of businesses and organizations. These investments propel growth by providing funding for small business startups, enable the expansion of manufacturing facilities, and the building of retail, mixed use, commercial and housing developments. The investments also provide communities with important services by creating childcare centers, employment training facilities, charter schools, and community health care centers.

I have seen the credit's ability to reenergize and save local economies in my home State of Maine. During the 1990s, Maine's Katahdin Forest region fell on hard times. One of the areas largest employers, the Great Northern Paper Company, struggled against depressed global paper prices and low financial returns associated with owning trees. Combined, these factors made it extremely difficult to raise the capital necessary to make the mill improvements needed to keep the company competitive and retain jobs.

Because of a $31.5 million NMTC investment made by Coastal Enterprises, a community development corporation based in Wiscasset, ME, two of Great Northern Paper Company's pulp and paper mills in the Katahdin Forest area were able to stay in business and modernize. This crucial investment resulted in the direct employment of 650 people.

The credit also made it possible for Coastal Enterprises to partner with The Nature Conservancy in a ground breaking arrangement to promote the twin goals of environmental protection and economic development. The credit enabled the Nature Conservancy to purchase 41,000 acres, of Great Northern Paper Company's 341,000-acre land base, that contain critical lake and stream watershed lands. As part of this deal, Great Northern Paper Company agreed to place a perpetual conservation easement on 200,000 of the remaining 300,000 acres they retained. These projects will benefit Maine's environment, and economy, for years to come.

These Maine examples represent a few of the innovative and revolutionary ways the new markets tax credit is being used nationwide to address local economic troubles. These projects ranges from smaller loans to help local business owners become more self-sufficient by purchasing their office space to larger ventures like developing a new aircraft repair facility.

Additionally, projects also work to address community deficiencies like the building of a much needed shopping center to transform a rundown, major transit stop. Such investments enable companies located in low-income communities to add jobs, provide more people with needed goods and services, and increase the strength of their local tax base and economies.

Competition among applicants for access to the new markets tax credit program is spurring the private sector to reach beyond the minimum requirements of the law in order to secure a tax credit allotment. According to the results of a May 2005 survey conducted by the New Markets Tax Credit Coalition, investors are targeting communities to develop projects with higher poverty and unemployment rates than the law requires. These private investors are also directing capital into low income areas faster rate than required by law.

The credit enables the public and private sectors to work together in a way that is truly transforming the Nation's most impoverished communities. Through these partnerships, investors are now deploying their capital in areas where before they never would have invested because the great risks kept flexible capital from being conventionally available in these depressed areas.

The credit is seen as one of the most hopeful ways to address the devastating effects of Hurricane Katrina and Rita on the Gulf States. We in Congress overwhelmingly recognized and supported the power of the credit by dedicating $1 billion dollars in additional funding to projects along the gulf coast financed by the NMTC. Many broken Gulf State communities desperately wait for the rebuilding, and renovation, projects the credit will provide.

As a bipartisan effort to continue the credit's great successes, I am pleased to join my colleague on the Senate Finance Committee, Senator ROCKEFELLER, in sponsoring S. 1800, the New Markets Tax Credit Reauthorization Act. A companion bill, H.R. 3987, has been introduced in the House of Representatives by Congressman RON LEWIS of Kentucky.

Our legislation extends the new markets tax credit through 2012. Under current law, the credit, which was enacted in December 2000 as part of the Community Renewal Tax Relief Act, will expire on December 31, 2007. I ask my colleagues to enthusiastically support this innovative and necessary legislation.

In addition to our legislation, the Senate version of the tax reconciliation measure, S. 2020, includes a 1-year extension of the new markets tax credit through 2008. I know that my respected colleagues, both Republicans and Democrats, support the extension of this important bipartisan provision because of its impressive results fighting entrenched poverty and unemployment. I urge my colleagues to strongly support keeping this provision in the final version of the tax bill.

The new markets tax credit is able to improve the physical infrastructure of low-income communities as well as the lives of its residents by harnessing the combined talents of the public and private sectors to create jobs, foster entrepreneurialism, construct facilities, conserve the environment, and even promote greater access to health care and education. I hope my colleagues will join me assuring that the new markets tax credit program remains strong for the future.

I ask unanimous consent that Ms. Chamberlain's entire article be printed in the RECORD. I ask unanimous consent that this letter, showing the support of over 240 representatives of community development corporations and financial institutions for S. 1800, be printed in the RECORD.

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

[From The New York Times, Jan. 25, 2006]

LURING BUSINESS DEVELOPERS INTO LOW-INCOME AREAS

(By Lisa Chamberlain)

When the low-income housing tax credit was created in 1986, it took years for developers, investors and advocates to understand the program and to learn how to make the most use of it. Now it is one of the most important tools for low-income residential real estate, responsible for creating approximately 1.5 million units of affordable housing to date.

Advocates of a little-known development tool called new-market tax credits, the only federal tax credit program for commercial projects in low-income areas, believe the same thing is beginning to happen with commercial real estate. Efforts are already under way to reauthorize the program, which expires next year.

Enacted in December 2000, the new-market tax credit program is helping to create jobs and revitalize streets and even entire downtowns. Projects large and small that most financial specialists agree would never come to fruition otherwise are taking shape because of tax credits worth $500,000 to $150 million and even more.

For instance, the tax credits are currently financing the rebuilding of a butter manufacturing cooperative in New Ulm, MN, that was damaged in a fire. The loss of the cooperative put 130 people out of work, caused economic hardship for 400 family farms and indirectly affected hundreds more jobs in the low-income rural area.

Just south of the central business district in Grand Rapids, MI, is a nearly completed arts-related mixed-use redevelopment project in an area largely abandoned since the 1950's. Called Martineau Division-Oakes, the 12,000-square-foot commercial space is occupied by the art department of Calvin College and a cafe. There are also 23 spaces for artists to live and work in. Once the project got off the ground, the city committed $2 million to landscaping, repaving, new lighting, signage and sidewalk improvements in the development's neighborhood.

''It's a very flexible and powerful program,'' said Robert Poznanski, president of the New Markets Support Company, one of the main recipients of credits from the Treasury Department, which administers the program.

''It's driven by market forces. The federal government doesn't say, 'Use it for this type of business.' It can be used for commercial real estate, a charter school or a community center, as long as the application is competitive and the project is in a low-income area as identified by census tract data.''

Tax credits make riskier projects more viable by reducing the debt associated with development costs. Private investors pay less in taxes and the developer passes the savings on to the community by, for example, lowering rent per square foot.

The federal program will allocate up to $15 billion in tax credits to community development groups over seven years to make businesses or commercial real estate projects in low-income areas more attractive to private investors. Applicants vie for the credits, and so far the process has been highly competitive. In the first three rounds of allocation, beginning in 2003, demand for the credits has outpaced supply by 10 times, according to figures provided by the Treasury Department. Though the tax credits can be used for business development, the majority are used for commercial real estate because of the way the program is structured.

The most recent allocation was completed last fall, bringing the total disbursement to $8 billion to date. Recipients have five years to use the tax credits to attract private investment, or they are withdrawn and can be reissued elsewhere through 2014.

Dennis Sturtevant, president of Dwelling Place, a nonprofit community development organization, spearheaded the Martineau Division-Oakes project in Grand Rapids. The project used historic tax credits and other grants, in addition to new-market tax credits, to generate $2.2 million in equity from National City Bank.

''When you're talking about tough neighborhoods and all the costs associated with renovating dilapidated, obsolete buildings with lead and everything else,'' Mr. Sturtevant said, ''you need to combine all these resources to make it work.''

Sean P. Welsh, regional president of National City Bank, said: ''It required a lot of creativity. It's complicated, but it's really driving a lot of the urban redevelopment in this and other areas around the country.''

One deal that most everyone agrees would have never happened were it not for the tax credits is Plaza Verde in South Minneapolis. Formerly an abandoned building in a low-income Hispanic neighborhood, it is now a 43,000-square-foot business incubator, with locally owned retailing on the ground floor, office space on the second level and a theater company on the top floor.

JoAnna Hicks is the director of real estate for the Neighborhood Development Center, the nonprofit organization that spearheaded Plaza Verde. Even after expenses were deducted, including legal fees, new-market tax credits created almost $1 million in equity for a project that cost $4.2 million total.

''Because it's such a complicated financial tool, it's hard for small nonprofits to use,'' Ms. Hicks said. ''But now that we understand it better, we're able to apply it to other projects as well.''

Using another allocation of the tax credits, Ms. Hicks's organization has also undertaken the development of a nearly completed public market, called Midtown Global Market, a $17 million project that will be home to more than 60 vendors selling fresh and prepared foods, as well as handmade arts and crafts.

As the program has only begun to mature, larger projects are just getting under way. Bridgeport, CT, is undertaking a major redevelopment of its downtown, with approximately 25 percent of the financing coming from new-market tax credits. The total project is estimated to cost up to $150 million.

''If structured properly, it makes a real difference between a scary development and the deal not being done at all,'' said Kevin Gremse, director of the National Development Council, which provides financial advice and services to municipalities.

Mr. Gremse used his organization's new-market tax credit allocation to attract a New York City-based private developer, Eric Anderson of Urban Green Builders, to take on the task of reviving downtown Bridgeport, which has suffered years of decline.

Advocates are cautiously optimistic that the program will be reauthorized in 2007. Congress recently passed a bill to assist Gulf Coast states with rebuilding efforts after Hurricanes Rita and Katrina, which included $1 billion more for the new-market tax credit program geared toward that region.

''The fact that Congress expanded the program is a good sign,'' said Robert Rapoza, who manages the New Market Tax Credit Coalition, an advocacy organization pushing for the program's reauthorization. ''But we have work to do. This is a new tool and government-sponsored finance is relatively uncommon. We're continuing to put together data to strengthen our case.''

Of course, it helps to have banks advocating for the tax credit as well. As one of the more active players in the tax credit industry, Zachary Boyers, a senior vice president of U.S. Bank in St. Louis, closed more than 50 deals involving new-market tax credits in 2005 alone.

''The banking community is behind this,'' Mr. Boyers said. ''We are deeply involved in spreading the word. We are working on ways to quantify its impact, which is not easy to do. But other investors, including banks and large corporations, would confirm that they would never be investing in these projects without it.''

NEW MARKETS TAX CREDIT COALITION

DEAR SENATOR/REPRESENTATIVE: We are writing to you to indicate our support for the New Markets Tax Credit Reauthorization Act of 2005 (S. 1800 and H.R. 3957). This legislation extends the New Markets Tax Credit through 2012.

The New Markets Tax Credit was established in the Community Renewal Tax Relief Act of 2000. The purpose of the Credit is to increase private sector investment in low income communities by providing a modest federal tax incentive. There is ample evidence that the Credit is working to do just that.

Thus far, the Department of the Treasury has finalized allocations of $6 billion in Credits. After only two years, close to $3 billion in investments in low income communities have been made. These investments have resulted in the financing of projects in economically distressed urban and rural communities including:

Creation of the first new supermarket and shopping center in a low-income community in 30 years in Cleveland;

In Baltimore, economic revitalization and thousands of jobs in an urban community where past efforts foundered;

Development of a new facility for daycare and other community services that shows the potential to lead the way for other development in Chicago;

Business expansion, job creation and opportunity in rural Oklahoma;

Revitalization of the timber industry in northern Maine.

The New Markets Tax Credit has attracted a wide range of private sector investors including private financial institutions and insurance companies. A list of investors in New Markets Tax Credits includes Bank of America, Wachovia, GE Commercial and Industrial Finance, NationalCity Bank of Ohio, Spirit Bank of Bristow, Oklahoma and TD Banknorth in Maine.

The Credit has had an important impact on the lending practices of these institutions. For example, since gaining access to New Markets Tax Credits, GMAC Commercial Holding has increased its direct investments in low-income communities by more than 20%.

For these reasons, we support reauthorization of the New Markets Tax Credit. We urge your support for this important program.

Sincerely,

(Signed by 225 Signatories).

ENERGY AND NATURAL RESOURCES

Mr. BURNS. Mr. President, today I join Senators DOMENICI, BINGAMAN, TALENT and DORGAN in sponsorship of legislation instructing the Secretary of the Interior to develop an oil and gas leasing program for Lease Area 181, located 100 miles off the coast of Florida in the Gulf of Mexico.

As oil and natural gas prices continuously increase, many Americans, especially Montanans, are feeling the strain of increased prices for energy use in their homes and businesses. Montana ag producers are particularly hard hit because the costs of fuel and fertilizer have skyrocketed. While I strongly support the idea of renewable energies, it will take years of research and development before there are practicable and affordable alternatives to oil and natural gas. Development of the American-owned offshore Lease Area 181 would provide nearly 5 trillion cubic feet of natural gas as a near term solution for our country's growing energy needs. That amount would be enough to heat 5 million homes for 15 years.

In order to strengthen American energy security, it is our obligation to use our own domestic resources whenever we can. Offshore drilling has proven to be a safe, reliable, and valuable technology for oil and gas production. Lease Area 181 is a phenomenal resource, and time after time in energy committee hearings when we ask expert witnesses for their opinions on how to best stabilize and lower natural gas prices, the answer is, ''Open Lease Area 181.'' It is not the entire answer to our energy challenges, but it is an important step forward. I applaud the leadership of the chairman and ranking member of the Energy and Natural Resources Committee for acting on this important issue. Next, I hope we examine the potential for additional onshore resource development. I come from an energy producing state, and I can tell you, without reservation, that Montana stands ready to serve the energy needs of this country. We have oil, natural gas, more coal than any other state, and a great potential for wind energy.

I am confident that my fellow Senators will see the value in providing a supply of affordable energy from our domestic resources, and hope the Senate acts quickly on this important legislation.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, today, I 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.

On January 11, 2006 in Stuart, FL, two men allegedly beat and robbed John Sprunger, a mentally handicapped man for $150. Earl Shanks called his friend Raymond Lee Dawson to the home of the victim, after trying to get Sprunger to give him money. When Dawson entered the home, he pistol-whipped Sprunger, and, assisted by Shanks, got his wallet before both men left the trailer.

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.

RECOGNITION OF TOBEY SCHULE

Mr. BAUCUS. Mr. President, I rise today to recognize Mr. Tobey Schule, of Kalispell, MT, for his valuable testimony today before the Senate Finance Committee.

The Senate Finance Committee played a key role in enacting Medicare drug benefits. We must be diligent in overseeing their implementation. In 2003, after years of debate, Congress added prescription drug coverage to Medicare. I was proud to help pass that law. The law was not perfect. But it has the potential to do some good.

The Medicare drug bill has the potential to make prescription drugs available to millions who could not otherwise afford them. It has the potential to make drugs available that will lessen pain. It has the potential to save lives.

Unfortunately, the administration has implemented the new law poorly. After Congress passed the law, the Centers for Medicare and Medicaid Services—CMS—had the duty to ensure that Medicare drug benefits were up and running by January 1, 2006. I appreciate CMS's efforts to implement the new law. It is a huge task. CMS worked hard. But CMS's efforts have come up short, in two major areas.

First, CMS made the new drug benefit needlessly confusing.

As part of the new law, Congress passed a temporary drug discount card, available in 2004. The card was supposed to give temporary relief from high drug costs. Seniors of modest means were eligible for a $1,200 Federal subsidy for their drug purchases.

But most Medicare beneficiaries did not sign up for the drug card. Why? They were paralyzed by the choices. CMS approved 40 Medicare drug cards in my State of Montana alone. Instead of celebrating their choices, most seniors in my State decided not to sign up.

Less than a year later, CMS was approving drug plans for the new drug benefit. I urged CMS not to repeat the mistakes that they made with the drug card. I urged CMS to approve only plans meeting the highest standards.

But CMS repeated the mistakes of the drug card. CMS approved dozens of plans for participation in the new drug program. CMS approved more than 40 drug plans in Montana. I support choice, competition, and the free market. It is great that Americans can choose from hundreds of different models when buying a new car. But when people don't know what they are buying, choice can lead to confusion. That is particularly true of health care.

Ask elderly Americans whether they prefer a four-speed automatic or a five-speed manual, and they will probably choose the automatic. Ask them whether they prefer a drug plan with a four-tiered formulary to a plan with five, and they will probably look at you with a mixture of confusion and anger.

My second concern relates to the warnings that CMS ignored. Last year, I asked the independent Government Accountability Office to report on CMS's plans for seniors eligible for both Medicaid and Medicare. I asked: What were CMS's plans for seniors whose drug coverage was moving from Medicaid to Medicare? In December 2005, GAO reported that CMS's plans were insufficient to avoid big disruptions in coverage.

CMS disagreed. CMS said: ''[We have] worked diligently on the transition from Medicaid to Medicare drug coverage . . . and . . . these individuals will get effective, comprehensive prescription drug coverage . . . on January 1, 2006.''

That did not happen. GAO was right. Data systems failed. Pharmacists and States were stuck with the bill for copays that should never have been charged. And some vulnerable seniors left the pharmacy without the medicines that they needed.

Today the Finance Committee heard from Tobey Schule, an independent pharmacist from Kalispell, MT. Mr. Schule is one of thousands of pharmacists who have been burdened with the failed transition from Medicaid to Medicare. I will ask that his testimony from today's hearing be submitted in the CONGRESSIONAL RECORD, next to my remarks.

Last month, Secretary Leavitt and Doctor McClellan briefed members of this committee on problems implementing the new drug program. They outlined seven specific problems. And they outlined plans to fix them. I appreciate CMS's attempts to fix the problems. But some problems remain unsolved. Dr. McClellan, I look forward to hearing how and when CMS plans to fix the problems.

In addition to ensuring that the implementation flaws are fixed, Congress should also address the problem of confusion. We can do that by learning the lessons of Medigap. In 1980, Congress enacted amendments that I offered to fix marketing abuses and consumer confusion with Medigap. The reforms