

of cancelled mortgage debt income is a necessary step to ensure that homeowner retention efforts are not thwarted by tax policy.

This amendment provides a targeted exclusion from taxation for canceled mortgage debt for those individuals most in need of assistance. It covers discharges of indebtedness between January 1, 2007, and January 1, 2010. In addition, the amendment would only apply if the home facing foreclosure is the taxpayer's principal residence and the exclusion is only available on mortgage indebtedness of up to \$1 million.

On a related note, I have introduced S. 2133, the Home Owners "Mortgage and Equity Savings Act," to help distressed homeowners who file for bankruptcy. The amount of a debt forgiven or discharged in bankruptcy is not deemed income. This amendment is important companion legislation in that it would help those who are able to renegotiate their mortgages, or who face foreclosure, but do not go into bankruptcy.

I urge my colleagues to support the Gregg amendment.

Mr. CRAPO. Mr. President, over the past years Congress has wrestled with the question of what was the appropriate level of regulation of futures exchanges and derivative markets. I have been very concerned about the potential efforts to change the manner in which we regulate derivatives or to impact the manner in which derivatives operate in the economy. It is critical that we strike the appropriate balance between protecting consumers and markets from trading abuse while ensuring continued growth and innovation in the U.S. markets.

The President's Working Group on Financial Markets, PWG, has played an important role in this debate by explaining why proposals that we have faced in the last few years for additional regulation of energy derivatives were not warranted, and has urged Congress to be aware of the potential for unintended consequences that would harm America's financial markets.

I have been repeatedly warned by our federal financial regulators that the importance of derivative markets in the U.S. economy should not be taken lightly, as businesses, financial institutions, and investors throughout the economy rely on these risk management tools. Derivatives markets have contributed significantly to our economy's ability to withstand and respond to various market stresses and imbalances.

In September of 2007, the Commodity Futures Trading Commission, CFTC, held a hearing to examine the oversight of trading on regulated futures exchanges or exempt commercial markets. Based on this hearing, the CFTC reported that the current risk-based, tiered regulatory structure has successfully encouraged financial innovation, competition, and modernization. However, the CFTC also found that ad-

ditional oversight was warranted for certain contracts traded on an ECM that serve a significant price discovery function in order to detect and prevent manipulation. The CFTC proposed four legislative recommendations that were endorsed by the PWG.

In September of 2007, the Commodity Futures Trading Commission held a hearing to examine the oversight of trading on regulated futures exchanges and exempt commercial markets. Based on this hearing, the CFTC reported that the current risk-based, tiered regulatory structure has successfully encouraged financial innovation, competition, and modernization. However, the CFTC also found that additional oversight was warranted for certain contracts traded on an ECM that serves a significant price discovery function in order to detect and prevent manipulation. The CFTC proposed four legislative recommendations that were endorsed by the PWG.

It is for this reason that I decided to work with a bipartisan group of Senators who also wanted to address the appropriate level of regulation of futures exchanges and over-the-counter derivative transactions. I want to thank Senate Agriculture Committee Chairman HARKIN, Senate Agriculture Committee Ranking Member CHAMBLISS, Senator FEINSTEIN, Senator SNOWE, Senator LEVIN, and Senator COLEMAN for all their work.

I appreciate their willingness to work off the framework that was endorsed by the PWG and believe this allowed all of us to reach a deal. This was a significant concession to some Senators who have supported an alternative approach, and I would like to thank them for doing so.

In addition, this amendment extends the reauthorization of the CFTC, clarifies the CFTC authority over off-exchange retail foreign currency transactions, clarifies the antifraud authority over principal-to-principal transactions, increases civil and criminal penalties, and makes technical and conforming amendments. These provisions were also largely based off the framework that was endorsed by the PWG letter of November of 2007.

Earlier this week the House Agriculture Committee approved by voice vote a similar measure to reauthorize the Commodity Futures Trading Commission. It is my hope that in a conference the House and Senate will reconcile their differences over the reauthorization period and Zelenner related issues.

I strongly believe that Congress needs to reauthorize the CFTC and frankly, so that we can give this agency all the tools it needs to protect investors and promote the futures industry and preserve the integrity of our markets. Moreover, the Senate must act to confirm Walt Lukken as Chairman of the CFTC. He has demonstrated throughout this reauthorization process the strong leadership that is essential to managing an agency. I want to

commend him, his fellow commissioners, and staff for all their tremendous work.

MORNING BUSINESS

Mr. HARKIN. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak therein for up to 10 minutes each.

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

CIA DESTRUCTION OF INTERROGATION RECORDINGS

Mr. DURBIN. Mr. President, it seems that every week there is a new revelation about how this administration has engaged in activity that is not consistent with American laws or values when it comes to the issue of torture. Last week, CIA Director Michael Hayden acknowledged that Central Intelligence Agency officials destroyed videotapes of detainees being subjected to so-called "enhanced interrogation techniques." These techniques reportedly include forms of torture like waterboarding. The New York Times reported, "The tapes were destroyed in part because officers were concerned that video showing harsh interrogation methods could expose agency officials to legal risks."

The CIA apparently withheld information about the existence of interrogation videotapes from official proceedings, including the 9/11 Commission and the Federal court hearing the case of Zacarias Moussaoui. General Hayden asserts that the videotapes were destroyed "in line with the law," but it is the Justice Department's role to determine whether the law was broken.

Last week I asked Attorney General Mukasey to investigate whether CIA officials who covered up the existence of these videotapes violated the law. To his credit, the Attorney General has begun a preliminary inquiry.

This week there is a new revelation. The CIA has already acknowledged videotaping interrogations of detainees in CIA custody. Now it appears that there may be videotapes of detainees who the CIA transferred or rendered to other countries to be interrogated.

According to the Chicago Tribune, in February 2003, the CIA detained a man named Abu Omar in Italy. The CIA then took Abu Omar to Egypt and turned him over to the Egyptian government. Abu Omar claims he was tortured and that his Egyptian interrogators recorded, "the sounds of my torture and my cries."

In response to this story, CIA spokesman Paul Gimigliano said he could not "speak to the taping practices of other intelligence services." Notice what he did not say. He did not say whether the CIA is aware of foreign countries recording interrogations of detainees who were transferred to them by the CIA. In fact, if the CIA sends a detainee

to a foreign country for the purpose of interrogation, it seems reasonable to expect that we would monitor the interrogation by video or audio recording or by some other means.

Why are we sending detainees to other countries to be interrogated in the first place? Under the Bush administration, the CIA has reportedly transferred detainees to countries that routinely engage in torture so that these detainees can be interrogated using torture techniques that would not be permissible under U.S. law. The administration calls this practice rendition. Others call it by a different name outsourcing torture.

The Torture Convention, which the United States has ratified, makes it illegal to transfer individuals to countries where they are likely to be tortured. The administration has said that it stands by this legal prohibition.

However, the administration has said that it will transfer a detainee to a country that routinely engages in torture if the State Department receives so-called "diplomatic assurances" that the detainee will not be tortured. Based on diplomatic assurances, the administration has reportedly sent detainees to countries that systematically engage in torture, including Egypt, Saudi Arabia, and Syria. Some of these detainees, like Abu Omar, say that they were then tortured in these countries. Now there may be video or audio taped evidence of that.

Even with diplomatic assurances, should we be sending people to countries like Egypt to be interrogated? Every year, our State Department issues Country Reports on the human rights practices of countries around the world. Here is what the most recent Country Report on Egypt says:

Principal methods of torture . . . included stripping and blindfolding victims; suspending victims from a ceiling or doorframe with feet just touching the floor; beating victims with fists, whips, metal rods, or other objects; using electrical shocks; and dousing victims with cold water.

The State Department claims that it monitors compliance with diplomatic assurances. Experts point out that it is very difficult to monitor whether a country has kept its promise not to torture someone. Now it appears that there may be recordings to help the State Department make this determination.

This week's news raises many questions:

Have recordings been made of interrogations of detainees who were rendered by the CIA to foreign countries?

Were these recordings made at the request of the CIA?

Are these recordings in the possession of the CIA?

Have these recordings been destroyed by or at the request of the CIA?

Do these recordings contain evidence that detainees were tortured?

Has the State Department reviewed these recordings to determine whether foreign countries have complied with their "diplomatic assurances" not to torture detainees who we transfer to them?

Yesterday, I sent a letter to CIA Director Michael Hayden to ask him about the CIA's involvement in these recordings. I also sent a letter to Secretary of State Condoleezza Rice asking her whether the State Department has reviewed these recordings to determine whether detainees we have transferred to foreign countries were tortured. And, finally, I sent a letter to Attorney General Mukasey asking him to expand the Justice Department's inquiry into the CIA torture tapes to cover recordings of detainees who the CIA sent to foreign countries for the purposes of interrogation.

I am glad that Attorney General has opened a preliminary inquiry into this issue. Now comes the difficult part getting to ground truth. Unfortunately, there certainly will be more revelations to come. It will be a long time before we get to the bottom of this torture scandal. I fear it will be even longer before we undo the damage done to America's image and our values.

FURTHER CHANGES TO S. CON.

RES. 21

Mr. CONRAD. Mr. President, section 307 of S. Con. Res. 21, the 2008 budget resolution, permits the chairman of the Senate Budget Committee to revise the allocations, aggregates, and other appropriate levels for legislation, including one or more bills and amendments, that reauthorizes the 2002 farm bill or similar or related programs, provides for revenue changes, or any combination thereof. Section 307 authorizes the revisions provided that certain conditions are met, including that amounts provided in the legislation for the above purposes not exceed \$20 billion over the period of fiscal years 2007 through 2012 and that the legislation not worsen the deficit over the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

I find that Senate amendment No. 3819 offered by Senator BROWN to Senate amendment No. 3500, an amendment in the nature of a substitute to H.R. 2419, satisfies the conditions of the deficit-neutral reserve fund for the farm bill. Therefore, pursuant to section 307, I am adjusting the aggregates in the 2008 budget resolution, as well as the allocation provided to the Senate Agriculture, Nutrition, and Forestry Committee.

I ask unanimous consent that the following revisions to S. Con. Res. 21 be printed in the RECORD.

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

Concurrent Resolution on the Budget for Fiscal Year 2008—S. Con. Res. 21; Further Revisions to the Conference Agreement Pursuant to Section 307 Deficit-Neutral Reserve Fund for the Farm Bill

[In billions of dollars]

Section 101 (1)(A) Federal Revenues:	
FY 2007	1,900.340

Concurrent Resolution on the Budget for Fiscal Year 2008—S. Con. Res. 21; Further Revisions to the Conference Agreement Pursuant to Section 307 Deficit-Neutral Reserve Fund for the Farm Bill—Continued

FY 2008	2,024.835
FY 2009	2,121.607
FY 2010	2,176.229
FY 2011	2,357.094
FY 2012	2,498.971

(1)(B) Change in Federal Revenues:

FY 2007	-4.366
FY 2008	-25.961
FY 2009	14.681
FY 2010	12.508
FY 2011	-37.456
FY 2012	-98.125

(2) New Budget Authority:

FY 2007	2,371.470
FY 2008	2,508.879
FY 2009	2,526.003
FY 2010	2,581.239
FY 2011	2,696.657
FY 2012	2,737.412

(3) Budget Outlays:

FY 2007	2,294.862
FY 2008	2,471.563
FY 2009	2,573.042
FY 2010	2,609.763
FY 2011	2,702.677
FY 2012	2,716.475

Concurrent Resolution on the Budget for Fiscal Year 2008—S. Con. Res. 21; Further Revisions to the Conference Agreement Pursuant to Section 307 Deficit-Neutral Reserve Fund for the Farm Bill

[In billions of dollars]

Current Allocation to Senate Agriculture, Nutrition, and Forestry Committee:

FY 2007 Budget Authority	14,284
FY 2007 Outlays	14,056
FY 2008 Budget Authority	17,088
FY 2008 Outlays	14,629
FY 2008-2012 Budget Authority	76,881
FY 2008-2012 Outlays	71,049

Adjustments:

FY 2007 Budget Authority	0
FY 2007 Outlays	0
FY 2008 Budget Authority	46
FY 2008 Outlays	15
FY 2008-2012 Budget Authority	-510
FY 2008-2012 Outlays	-136

Revised Allocation to Senate Agriculture, Nutrition, and Forestry Committee:

FY 2007 Budget Authority	14,284
FY 2007 Outlays	14,056
FY 2008 Budget Authority	17,134
FY 2008 Outlays	14,644
FY 2008-2012 Budget Authority	76,371
FY 2008-2012 Outlays	70,913

FURTHER CHANGES TO S. CON.

RES. 21

Mr. CONRAD. Mr. President, earlier today, pursuant to section 307 of S. Con. Res. 21, I filed revisions to S. Con. Res. 21, the 2008 budget resolution. Those revisions were made for Senate amendment No. 3819, an amendment offered to Senate amendment No. 3500, an amendment in the nature of a substitute to H.R. 2419.

The Senate did not adopt Senate amendment No. 3819. As a consequence, I am further revising the 2008 budget resolution and reversing the adjustments made pursuant to section 307 to the aggregates and the allocation provided to the Senate Agriculture, Nutrition, and Forestry Committee for Senate amendment No. 3819.