

The PRESIDING OFFICER. Under the previous order, the President will be notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:35 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

AMERICA COMPETES ACT— Continued

AMENDMENT NO. 929

The PRESIDING OFFICER. Under the previous order, there will be 2 minutes of debate equally divided on amendment No. 929 offered by the Senator from South Carolina, Mr. DEMINT. Who yields time?

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I know Senator BAUCUS intended to be here. I don't see him right now. I know the Senator from South Carolina wishes to use his 1 minute. I am informed that Senator BAUCUS will support the amendment and is urging other Senators to do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. DEMINT. Mr. President, I appreciate the support of the majority. This is clearly a bipartisan idea. The underlying bill has in it a study to look at obstacles to innovation. This simply adds to that with a study of our Tax Code to see how it might be obstructing innovation and investment in our country.

It sounds as if we have good support. I encourage all my colleagues, Republicans and Democrats, to vote for the amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 929. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. LOTT. The following Senators are necessarily absent: the Senator from Arizona (Mr. MCCAIN) and the Senator from Ohio (Mr. VOINOVICH).

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

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 137 Leg.]

YEAS—96

| | | |
|-----------|------------|-------------|
| Akaka | Dole | McCaskill |
| Alexander | Domenici | McConnell |
| Allard | Dorgan | Menendez |
| Baucus | Durbin | Mikulski |
| Bayh | Ensign | Murkowski |
| Bennett | Enzi | Murray |
| Biden | Feingold | Nelson (FL) |
| Bingaman | Feinstein | Nelson (NE) |
| Bond | Graham | Pryor |
| Boxer | Grassley | Reed |
| Brown | Gregg | Reid |
| Brownback | Hagel | Roberts |
| Bunning | Harkin | Rockefeller |
| Burr | Hatch | Salazar |
| Byrd | Hutchison | Sanders |
| Cantwell | Inhofe | Schumer |
| Cardin | Inouye | Sessions |
| Carper | Isakson | Shelby |
| Casey | Kennedy | Smith |
| Chambliss | Kerry | Snowe |
| Clinton | Klobuchar | Specter |
| Coburn | Kohl | Stabenow |
| Cochran | Kyl | Stevens |
| Coleman | Landrieu | Sununu |
| Collins | Lautenberg | Tester |
| Conrad | Leahy | Thomas |
| Corker | Levin | Thune |
| Cornyn | Lieberman | Vitter |
| Craig | Lincoln | Warner |
| Crapo | Lott | Webb |
| DeMint | Lugar | Whitehouse |
| Dodd | Martinez | Wyden |

NOT VOTING—4

| | |
|---------|-----------|
| Johnson | Obama |
| McCain | Voinovich |

The amendment (No. 929) was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand it, we are operating under a time agreement that has been proposed by the Senate leaders.

The PRESIDING OFFICER. The Senator is recognized for such time as he wishes to consume.

Mr. KENNEDY. I thank the Chair.

Mr. President, first of all, I commend my friend and colleague, Senator BINGAMAN, as well as Senator ALEXANDER and the group that came together in support of this idea of competitiveness legislation. I think it is one of the most important issues we will consider on the floor of the Senate, and it is something that commands the kind of broad support that it is getting.

What underlines this legislation is a recognition that the United States is competing in a global economy. If we are going to compete in a global economy, we have to make a decision as a nation to the prepare each and every individual American to stand with the winds in a global economy. This legislation says that we are going to equip every man, woman, and child in the United States to be able to deal with the challenges of a global economy, and I think that is a very important national purpose.

Throughout history, this country, when it saw that it was challenged, turned to education to stay competitive. After the Second World War, we needed to build a new, peacetime economy. We passed the G.I. Bill to enable those who served in battle to rebuild their lives at home. For every dollar we invested, the Greatest Generation returned \$7 to our economic growth.

In 1957, we were challenged again. The launch of Sputnik sparked the

Space Age, and we rose to the challenge by passing the National Defense Education Act and inspiring the nation to ensure that the first footprint on the moon was left by an American. We doubled the Federal investment in education. When individuals have their skills uplifted and when they have their skills enhanced, they find out their participation in the economy works a great deal better. They are more productive, they are more useful, they are more creative and more imaginative and able to compete more effectively. This bill is enormously important for all Americans and very important for our country in terms of the whole challenge of globalization.

Secondly, it is enormously important in terms of our national security. This legislation ensures that we are going to encourage those forces that enhance our capability in the areas of math, science and research—all of which are enormously important to make sure we are going to have the best technology for those who are going to serve in the Armed Forces. In the Armed Forces we want the best trained and best led men and women, but we also want the best in technology. This is a competitiveness bill and a national security bill.

I believe it is going to be enormously helpful and valuable in terms of our democratic institutions, in making sure we are going to have men and women in this country who have the ability and commitment to ensure that our democratic institutions are going to function, and function very well, and that we will be able to maintain our leadership in the world.

I, for one, agree with those who believe in each generation, and in each decade, the United States has to fight for its leadership in the world. It is not just going to come automatically. We should no longer think we are going to coast in terms of national and world leadership. We have to win it, and we have to win it every single day. The way to win it is with the kinds of investments that are included in this legislation. So I commend all those who have been a part of this process, and particularly our friends and colleagues, Senator BINGAMAN and Senator ALEXANDER.

To go through very quickly now, after those general comments about why this legislation is so important, if we look at where the United States is: America's 15-year-olds scored below the average in math compared to the youth of other developed nations on a recent international assessment. On the Programme for International Student Assessment, you will see that the U.S. ranks 24th.

This chart indicates that since 1975, the U.S. has dropped from 3rd to 15th place in the production of scientists and engineers.

We are also losing ground in overall high school and college graduation rates. The U.S. has dropped below that average graduation rate for OECD countries. Out of 24 nations, the U.S. ranks 14th, just ahead of Portugal.

We are going to go to the underlying educational needs when we reauthorize the No Child Left Behind Act and higher education legislation. We are going to deal with middle schools and high schools. We are going to try to tie it in and have a seamless web, from the Head Start education programs through the K-12 and then universities into the academic world or into the business world. We need to be able to bring those elements together.

Having said all of that, this legislation is enormously important in terms of making sure we reach that goal.

This is a chart of research and development investment as a share of the U.S. economy. It demonstrates we are stagnant. This has to change. We know we need to invest in research and development.

If you look at some of the countries with which we are going to compete, India and China in particular, and look at the number of graduates they have in math and science, you will find that China awards more than 300,000 bachelor's degrees in engineering and computer science. We award a little over 100,000.

This is about research and development, but the investments in our people, investments in our research and development are two sides of the same coin. They are both essential. What this demonstrates is we have to do better if we expect to compete.

Fast-growing economies such as China, Ireland, and South Korea are realizing the potential for economic growth that comes with investing in innovation. China's investment in research and development rose by an average of 18 percent from 2000 through 2003. Over the same period, the increase in U.S. investment averaged only 2 to 3 percent annually. In the last decade, China has nearly doubled the share of their economy they spend on research and development, and they have replicated our National Science Foundation.

This bill puts us on a path to double the basic research funding at NSF in 5 years, double the basic research funding at the Department of Energy over the next 10 years, and double the funding at NIST, the National Institute for Standards and Technology. The bill also creates a President's Council on Innovation and Competitiveness, to bring together the heads of Federal agencies with leaders in business and universities to develop a comprehensive agenda to promote innovation.

If you look at where we are, to give some further illustrations, math and science classes in high-poverty schools are much more likely to be taught by teachers who do not have a degree in their field. Fifty-six percent of science classes in high-poverty schools are taught by teachers without a relevant degree, compared to just 22 percent of classes in low-poverty schools. More than a third of math classes in high-poverty schools are taught by an out-of-field teacher, compared to just 18

percent of classes in schools with a low-poverty rate.

I was interested the other day in the testimony of Mr. Gates, who commented on a lot of subjects. He was talking about school dropouts. There are some who think that school dropouts are children who are unable to comprehend the curriculum. He said, Oh, no, I am worried about the dropouts, the minds we are losing—able, gifted minds that are unchallenged because they had an inferior teacher, no books, or challenging conditions at home, such as missing meals because they are poor. We cannot afford to lose any of those.

What we are looking for is high quality teachers. The bill recognizes and responds to the shortage of high quality math, science, technology and engineering teachers, particularly in high poverty schools. The bill expands scholarships and stipends, and creates a new NSDF teaching fellow program to bring high quality math, science, technology, and engineering teachers into high-need schools. It also expands the Teacher Institutes for the 21st Century Program of the NSF to provide cutting-edge professional development programs for teachers who teach in high-need schools. These programs are peer reviewed and have demonstrated to be successful.

The bill creates a summer institute at the Department of Energy to help math and science teachers, to enable them to go to a number of areas that deal with energy because that is an agency so focused in terms of these issues in math and science.

There is a high cost to failing to address our education concerns. The nation loses over \$3.7 billion a year in the cost of remedial education and lost earning potential, because students are not adequately prepared to enter college when they leave high school.

The bill provides grants to states to align elementary and secondary school standards, curricula, and assessments with the demands of college, the 21st century workforce and the Armed Forces. The grants support state P-16 councils to bring together leaders in the early education, K-12, and higher education communities, in the business sector, and in the military.

It is also increasingly important for students to be exposed to and immersed in foreign languages and cultures. Only one-third of students in grades 7-12 and a mere 5 percent of elementary school students study a foreign language.

If we are going to talk about our ability to be involved in a world economy, we are fortunate because we have so many who have come from such different cultures and traditions. I was reminded a few days ago in our Education Committee, of the number of languages they speak in St. Paul, Minnesota. Thirty-seven languages are spoken in Everett, MA. If we are going to compete in the world economy, we are going to have to do a lot better than

we are doing in terms of communication and language.

This is a balanced program. It has been reviewed by the Academy of Science, at the Institute of Engineers. It has been recommended by a wonderful American patriot, Norm Augustine, one of the great American leaders, corporate leaders, but also someone enormously knowledgeable on American defense interests and also international competition. This legislation has been tailored to try to take the very best ideas out there.

We are going to have to fill in the underlying work that needs to be done. This is primarily focused on what we are going to need to be able to compete internationally. We have to be sure the schools at every level are providing students with a high quality education. We want to be sure those graduating from our universities will have the skills and talents and education to move them into the American economy and the larger economy they will face in the future.

This bill represents the beginning of a strong commitment that we must sustain and build on if America is to remain competitive in the years ahead. The legislation has strong support for a renewed commitment to help the current generation meet and master the global challenges we now face.

I welcome the opportunity to join with my colleagues and friends, the principal cosponsors, to commend this legislation, and hopefully we will be able to complete it.

I know there are other amendments. I have had an opportunity to review them briefly. A good many of them deal with other issues we ought to be dealing with at another time. I hope the membership will recognize this is special legislation. There is a special need. This is a result of an extraordinary effort on the part of the principal sponsors of this bill. It deserves to pass and get through. I am very hopeful it will be done expeditiously.

AMENDMENT NO. 940

Mr. President, I send a HELP Committee amendment to the bill which I think further strengthens the math and science programs. We have gone over this in considerable detail with our colleagues, since they are members of the committee. I thank them for their attention. I am grateful for their support of these particular provisions. Again, I commend them for the legislation. Hopefully this amendment will be accepted.

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

Mr. ALEXANDER. Reserving the right to object—I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 940.

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

Mr. ALEXANDER. I ask unanimous consent to speak for 2 minutes before the Senator from Oklahoma.

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

Mr. ALEXANDER. Mr. President, I thank Senator KENNEDY, the chairman of the Health, Education, Labor and Pensions Committee, and Senator ENZI, who was chairman last year, when all this began. I hope our colleagues can see that these senior Members of the Senate—in the case of Senator KENNEDY and Senator ENZI, they have a large amount of jurisdiction over this subject; Senator STEVENS and Senator INOUE, who spoke yesterday, have a large amount of jurisdiction over this subject; Senators DOMENICI and BINGAMAN, who introduced legislation last year that attracted 70 cosponsors—a number of their ideas are within this legislation, but they have also demonstrated something you don't see every day with Senators, which is a forbearance.

In other words, they recognize this is a big, 208-page bill with the President's ideas and those of the Council on Competitiveness and the Augustine Commission. It is well and carefully crafted, but not every single section is exactly the way every single Senator would like it. Also, it has permitted us to have a procedure that brings this bill to the floor so it has a good chance of being enacted this week. I thank Senator KENNEDY and Senator ENZI, who really have the largest amount of jurisdiction, for forbearing, being active, leading, and showing a sense of urgency about this subject by permitting it to come to the floor in the way it has, and then, in addition to the other contributions they have made, we have the Kennedy-Enzi HELP Committee managers' package which is now before the Senate for its consideration.

The PRESIDING OFFICER (Ms. MCCASKILL). The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I know my friend from Oklahoma is prepared to speak. I ask unanimous consent to continue for 3 or 4 minutes.

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

IRAQ

Mr. KENNEDY. Madam President, just a few minutes ago, Vice President CHENEY attacked the Senate majority leader on Iraq. He accused him of making "uninformed and misleading" statements, of defeatism, and of playing politics with the war.

Senator REID's interest is in protecting our troops and our national security and bringing the war to an end. He is rightly responding to the American people by demanding a change in our failed policy in Iraq. He is right to insist that the Iraqis take responsibility for their own security and their own future and that our troops need begin to withdraw from Iraq.

It is Vice President CHENEY who has been wrong—and deadly wrong—about Iraq.

Even more, Vice President CHENEY is the last person in the administration who should accuse anyone of making uninformed and misleading statements.

The Vice President misled the American people in August 2002, when he insisted that we "know that Saddam has resumed his efforts to acquire nuclear weapons" and that "many . . . are convinced that Saddam will acquire nuclear weapons fairly soon."

The Vice President misled the American people in March 2003, when he said that Saddam Hussein "has a long-standing relationship with various terrorist groups, including the al-Qaeda organization."

The Vice President misled the American people when he insisted that our troops would "be greeted as liberators."

The Vice President misled the American people when he insisted that the insurgency is "in the last throes."

He and the entire administration continue to mislead the American people when they insist that progress is being made in Iraq.

The facts speak for themselves. Iraq is sliding deeper and deeper into the abyss of civil war.

Violence and casualties are increasing. Already 3,335 American soldiers have been killed, and more than 320 of them have been killed since the surge began.

Civilians continue to flee the violence in Baghdad as the violence there continues unabated.

Senator REID is right to insist that we change the mission for our troops in Iraq and set a target date to bring them home. The American people agree.

America never should have gone to war when we did, the way we did, and for the false reasons we were given. It is the Vice President who has been playing politics with the war in Iraq for more than 4 years. The American people understand this and will rightly reject the Vice President's fingerpointing.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 hour.

Mr. COBURN. Madam President, the bill we have before us today is a well-intentioned, thoughtful exercise to try to change the future for our country. The Commission this bill is based on, the work and experience of those who have helped coauthor the bill, is rightly so in their concern for the future of our competitiveness. There is one problem, however. The biggest dolt on our competitiveness today has to be the largesse of the Federal Government. Let me give a few examples.

Last year, the American people spent \$224 billion paying interest on the national debt. Last year, the American people, through our actions, spent \$350

billion more than we had, which further increased that debt. In the last 6 years, the individual debt owned by American citizens—what they are required to pay—has risen from \$21,000 to almost \$30,000. At the same time, the average wage in those same 6 years increased by less than \$5,000. So when we think about competitiveness, we ought to pay close attention to the drags on what will be our competitive situation.

The No. 1 drag today is the Federal Government. That is not to demean this bill. I would have loved to have seen a different bill, a bill that says: Here is what we are doing right. Here is what we are doing wrong. Here are some new ideas on how to fix what we are doing wrong and, by the way, here are some things we need to do to keep us competitive. We didn't do that.

The Department of Education right now has 10 percent of its programs that are totally ineffective. The Department of Energy, with its \$5 billion budget, has 10 percent of its programs that are highly ineffective. In other words, they are not accomplishing anything. None of that was looked at, deauthorized, or eliminated in this bill. Consequently, according to OMB, we have approximately \$80 billion that is going to be authorized to be spent—some of that is reauthorization, I understand—over the next 4 years that is going to be added to the debt.

People will say: This is an authorization. That doesn't mean we are going to spend the money.

Why are we passing the bill if we don't intend to spend the money? We are going to spend the money. The problem with the way we spend money is we don't make the same choices the average American makes. We just chalk it up to our kids and grandkids. So I don't know where the money is going to come from.

This bill is obviously going to pass. It is going to be conferenced, and it is probably going to be signed. But we will have missed a great opportunity to fix many major programs that are not working well today. This bill creates 20 new Federal programs. It doesn't eliminate one Federal program that isn't working well today. It doesn't modify, to a significant extent, those programs which are deemed ineffective and not working.

What we have is great intention and great legislation, save for the fact that we are not looking at the whole story. We are not looking at the whole picture. Should Congress have to do what every family in this country does every month—make a choice? Where do we prioritize our spending for this month? Where do we spend more? What are the things on which we can't afford to spend because we don't have the money? We don't do that. We authorize programs. Then we appropriate funds.

By the way, the discretionary portion of the Federal Government has grown about \$600 billion in the last 7 years. Senator CARPER and myself held 48 hearings in the last Congress in the

Subcommittee on Federal Financial Management of the Homeland Security and Governmental Affairs Committee. What we found was an astounding \$200 billion of waste, fraud, abuse, and duplication. There was great opportunity to take that information and do something about it. We have not done it.

The Department of Education is not compliant in terms of improper payments. They don't know where they are paying things wrong or paying things right. The Department of Energy is noncompliant in terms of improper payments. They don't know where they are paying things right and paying things wrong. We have at least 20 percent of the Department of Energy's budget that is earmarks. They don't get to decide where they spend the money; the Members of Congress tell them where they have to spend the money. There is not a sense of prioritizing what our energy needs are, what our education needs are within the Department of Energy. There is no commonsense approach to what we are doing. Consequently, the biggest problem we have in terms of competitiveness, which this bill won't solve, is more government. It creates more government rather than less government or the same amount of government that is more efficient and more effective.

I don't intend to impugn the desires or the sincerity of the Members of this body who helped put this bill together. There is no question we need to address the issues that are encompassed in the legislation. That is not my criticism. My criticism is that when we have an opportunity to fix things with a bill such as this which cuts across multiple agencies, we don't do it. What we do is set up a system where more programs will be created without eliminating the ones that are not working.

As a matter of fact, in this bill, in the National Science Foundation, we have a setaside. Where before the National Science Foundation did everything on peer review—everything on peer review, there was no politics saying what you have to do—we are taking \$1 billion and setting it aside and we are going to tell them what to do. We know better than the scientists where we ought to be spending our money? I seriously doubt that.

We claim that what we want to do is reestablish the competitiveness of the United States. I have no doubt that certain segments of this bill will go a long way in doing that. I am not critical of the intent of the bill. But I believe—and I raised this on the last bill we considered—we continue to authorize new spending. We continue to put at risk, in the name of competitiveness, the future.

The No. 1 risk for competitiveness is our debt. The fact is, we are sucking capital out of the capital markets like crazy, making it very difficult for small businesses that compete in the capital markets on ideas, innovation, and sole-proprietorships and people who want to take a risk on their own.

The other thing we didn't do is fix IDEA. One of our problems with education is, we passed a law that said school districts will do this for individuals with disabilities. What we promised when we passed that law—much as we will hear in 2 or 3 years as to what we promise with this law—was that we would fund 40 percent of the costs in education for IDEA. That would be the Federal load. This last year, we funded 18 percent. So we wonder why the schools can't compete, why they can't put the money into math and science, the money into competitiveness, when \$16 billion a year is being absorbed by the school districts to do something we mandated them to do, which means \$16 billion isn't available for them to teach and mentor math and science, for them to create greater opportunities to raise interest in the sciences.

So I think if our past actions speak at all about what the future will bring, you will see we will not keep our word with this bill either. We will say things, we will do things, we will put at risk the next two generations, and we will have felt good because we did something, but we did less than what we could do.

That is what we are doing with this bill. We are doing less than what we could do. We could, in fact, fix what is wrong in many of those programs in the Department of Education and in the Department of Energy today with this bill. It could have been done. It could have been done, but it was not. So, consequently, we are going to fund ineffective programs as we authorize and create and fund new programs, many of which are designed to do the exact same things, but we are not going to eliminate the programs that are not working.

And lest you think I am an alarmist and known as "Dr. No," think about what the obligations are of every child who is born in this country today—just today. What is it? April 24, 2007. When that baby is delivered and placed in its mother's arms, you are going to see smiles of joy and tears—none of them with a realization the child who just came into this world is faced with \$453,000 in unfunded liabilities the moment they take their first breath.

The contrast should be, we are talking about competitiveness. How do we create a future? What kind of future is it when we create a bill but do not address the underlying problems that are limiting our competitiveness in the first place? No. 2, even if we are trained in math and science, we are going to be so debt ridden we won't have the money to put into it.

According to the Government Accounting Office, that 8 percent in interest, that \$224 billion we spend now, in the year 2025—a mere 18 years from now—will be 25 percent of the budget and close to \$1 trillion. Now, think about that. Should we do the hard work of eliminating the wasteful and duplicative programs before we create another?

It is easy to pass legislation that does something good. It is very hard to get rid of programs that are ineffective and highly inefficient. The reason is because everybody has an interest group that supports that program, and we find ourselves adverse to challenging that group.

But the real choice is between our grandchildren and today's present inefficiencies. The real choice is whether we are truly going to be competitive and create an opportunity for the next two generations to experience the same kind of blessings we have been fortunate enough to experience as a nation.

The real question is, will we leave a heritage that is similar to the heritage that was left with us? I tell you, my feelings and my thoughts are I do not see movement in this body or in the Congress as a whole to start addressing the underlying problems that are facing us. It is not a question of partisanship, Democrats or Republicans. It is a question of expediency. It is hard to tell people no when something is not working well. It is easy to ignore it.

AMENDMENT NO. 917

Madam President, I ask unanimous consent that the pending amendment be set aside and call up amendment No. 917.

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

Mr. ALEXANDER. Madam President, reserving the right to object.

No objection, Madam President.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. COBURN] proposes an amendment numbered 917.

Mr. COBURN. Madam 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 express the sense of the Senate that Congress has a moral obligation to offset the cost of new Government programs and initiatives)

At the appropriate place, insert the following:

SEC. ____ . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) The national debt of the United States of America now exceeds \$8,500,000,000,000.

(2) Each United States citizen's share of this debt exceeds \$29,000.

(3) Every cent that the United States Government borrows and adds to this debt is money stolen from future generations of Americans and from important programs, including Social Security and Medicare on which our senior citizens depend for their retirement security.

(4) The power of the purse belongs to Congress.

(5) Congress authorizes and appropriates all Federal discretionary spending and creates new mandatory spending programs.

(6) For too long, Congress has simply borrowed more and more money to pay for new spending, while Americans want Congress to live within its means, using the same set of

common sense rules and restraints Americans face everyday; because in the real world, families cannot follow Congress's example and must make difficult decisions and set priorities on how to spend their limited financial resources.

(7) Last year, the interest costs of the Federal debt the government must pay to those who buy U.S. Treasury bonds were about 8 percent of the total Federal budget. In total, the Federal government spent \$226 billion on interest costs alone last year.

(8) According to the Government Accountability Office, interest costs will consume 25 percent of the entire Federal budget by 2035. By way of comparison, the Department of Education's share of Federal spending in 2005 was approximately 3 percent of all Federal spending. The Department of Health and Human Services was responsible for approximately 23 percent of all Federal spending. Spending by the Social Security Administration was responsible for about 20 percent of all Federal spending. Spending on Medicare was about 12 percent of all Federal spending. Spending in 2005 by the Department of Defense—in the midst of two wars in Iraq and Afghanistan and a global war against terrorism—comprised about 19 percent of all Federal spending. Thus, if we do not change our current spending habits, GAO estimates that as a percentage of Federal spending, interest costs in 2035 will be larger than defense costs today, Social Security costs today, Medicare costs today, and education costs today.

(9) The Federal debt undermines United States competitiveness by consuming capital that would otherwise be available for private enterprise and innovation.

(10) It is irresponsible for Congress to create or expand government programs that will result in borrowing from Social Security, Medicare, foreign nations, or future generations of Americans without reductions in spending elsewhere within the Federal budget.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress has a moral obligation to offset the cost of new Government programs and initiatives.

Mr. COBURN. Madam President, it is a simple amendment. We are going to find out what your Senator believes with this amendment. We offered this amendment on the last bill. We had some inside baseball excuses why they would not vote for it. This is a sense-of-the-Senate amendment. It does not carry any force of law or anything. All it says is the Senate agrees that before we spend new money, we ought to get rid of the wasteful programs, we ought to get rid of the ones that are not working well, or we ought to make them better before we spend another \$60 billion to \$80 billion on another set of programs.

That last amendment got 59 votes against it. Only 38 people in the Senate thought we ought to do that. I will tell you, I think the vast majority—greater than 95 percent—of the American public thinks we ought to do that.

So this is a simple amendment. The catch with the amendment is, if you vote for the amendment and then do not change this bill to do what needs to be done to eliminate the other programs, you are going to have a tough time explaining that you agreed to this and then did something else when you voted for the passage of this bill.

There is a day coming when we will not have the luxury to wait around. The financial markets will tell us what we will do. We will not have the freedom within the Senate to make those choices. We will do it under the duress of extreme financial conditions that will affect our country.

So this is a simple amendment, very similar to the last one. I took the authorizing language out of it that some of the appropriators objected to, so it is very simple.

The final statement in the amendment is:

Sense Of The Senate.—

It is the sense of the Senate that Congress has a moral obligation to offset the cost of new Government programs and initiatives.

Now, with a budget deficit last year that was claimed to be \$160 billion, under Enron accounting—which was truly \$350 billion, if you looked at what happened to the addition to our debt, what our kids are going to pay—it is going to be pretty hard to say we should not add more to the debt. We have a lot of people who will say the debt does not matter; whatever the debt is, is a percentage of GDP. That is fine if the underlying assumption is we have great economics, and we are not going to have contractions of the economy, we are always going to be able to compete, we are always going to be able to finance our debt. The fact is, as the Government Accounting Office says, we cannot, and the interest costs associated with that will be massive.

Why would I come out here and fight friends and foes alike all the time to do this? Because I think the one shortfall of our body is that overall we are not looking at the big picture and the long run. This looks at the long run, but it does not look at the big picture.

Unless we do that, we are going to find ourselves very apologetic to the next two generations because what, in essence, we will have said is we cared more about us, we cared more about our comfort, we cared more about our next election than we did any of the next two generations.

So I put it to my colleagues: Vote against this and vote for the bill and be honest. But if you think if we create new programs we ought to eliminate other programs so we do not continue to expand the Federal Government running a deficit, then you ought to vote for this amendment and not vote for this bill, until it is made right, until it has captured the opportunities that are inherent within it to fix what is wrong in the Department of Energy, to fix what is wrong in the Department of Education, to fix what is wrong with all these grant programs that need to be fixed today.

Let's hold us accountable. That is what the American people are expecting from us. I want to leave the Senate not being known for anything other than knowing what I did was to try to create and make sure we maintain the heritage this country has given to us.

With that, Madam President, I reserve the remainder of my time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ALEXANDER. Madam President, as I understand what we are doing: We have a few amendments pending. We are working to clear those amendments so we can come to a vote on Senator COBURN's amendment. In the meantime, Senator SUNUNU has more than one amendment. He has one he wants to talk about today. He wants to bring it up as soon as he can and schedule it for a vote. It is a meritorious amendment. I hope we can do that as soon as possible.

Senator COBURN has reserved the rest of his time. But as I understand the procedure, Senator SUNUNU could go ahead and speak until the next scheduled speaker, who is scheduled to speak at 4 o'clock; is that correct?

The PRESIDING OFFICER. There is no order.

Mr. ALEXANDER. Thank you, Madam President.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Madam President, I ask unanimous consent, with deference to the Senator from Tennessee, that prior to the vote on my amendment I be given 2 or 3 minutes to speak on it.

Mr. ALEXANDER. No objection. Could we have 4 minutes equally divided?

Mr. COBURN. Absolutely.

Mr. ALEXANDER. Any objection? Prior to the vote, if and when the vote is set?

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

Mr. ALEXANDER. Thank you.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SUNUNU. Madam President, I rise to speak on the legislation in general terms. As the Senator from Tennessee indicated, I filed three different amendments. I certainly wish to call at least one of those amendments up at the appropriate time. They address a number of concerns I have with the underlying legislation.

But let me begin by saying I do appreciate the complexity of the challenge the Senator from Tennessee has undertaken in trying to assemble from different committees of jurisdiction the components of this bill. I think, unfortunately, dealing with this legislation has laid to bare some of the weaknesses and problems with the way we are organized in Congress because it has been, unfortunately, an inefficient process in many ways.

There are five or six different committees that have jurisdiction in different areas of this legislation. They all want to try to leave their mark on

the legislation. As a result, the Senator from Tennessee and others have had to deal with duplication and overlap in many cases with initiatives begun by different committees that have effectively the same goal and the same end. Over the past 12 or 18 months, I think they have eliminated a number of these problems from the legislation but many remain. I am one of the only, if not the only, engineer in the Senate. At least I was an engineer; I worked as an engineer during my previous work experience. I would like to think that I am still employable as an engineer perhaps someday in the future. I do value very much this experience and this background in science and technology when we are dealing with problems on the Commerce Committee having to do with telecommunications or spectrum allocation or policies on environmental issues with particular matter or pollution standards. I like to think it helps to have at least some grounding in a lot of the technical matters that underlie the basic legislation.

I think it is essential, when we are looking at policy to encourage and inspire students to pursue science and mathematics and to try to improve our competitiveness in fields of science and engineering, that we focus on a few core principles. I begin with the basic objective of maximizing research in the most basic areas of math and science. In this effort we are talking about the funds that go to the National Science Foundation and the funds that go to the National Institutes of Health. These are investments in basic sciences: in the case of the National Science Foundation, in physics, chemistry, physical science, and computational mathematics. They are peer-reviewed, which is intended to insulate them from political forces, legislative forces, and allow those with expertise in these areas to decide what sorts of research projects and programs receive funding in any given year.

It is essential we maintain that independent peer review process at the National Science Foundation, just as it is important at the National Institutes of Health because if we allow politics to enter this process, we are going to do these areas a great injustice.

Commensurate with that focus on physical sciences and computational mathematics as we pursue research in science and engineering, it is also important that we avoid policies that try to pick winners or losers within our economy. Here I point to various programs that over the years have subsidized product development for profitable companies, product development for products being introduced into the existing marketplace today that effectively picks one firm and one firm's products at the expense of others. Some people would say, well, that is research. But it certainly isn't the kind of peer-reviewed research that does and should take place at the National Science Foundation. It is product de-

velopment work. Any time we start subsidizing product development for companies that are competing in the marketplace selling goods and services to consumers, we distort the marketplace, we provide unnecessary subsidies, and in programs like the advanced technology program we have done just that time and time again.

The companies that have received these subsidies are good firms with good employees, but I think putting funds in this area at the expense of physics and chemistry and mathematics at the National Science Foundation is a grave mistake. We need to maximize that research, make sure it is peer-reviewed, don't pick winners and losers in private industry, and focus on educational programs where it can make the biggest difference in inspiring young students in these careers in math and science.

I look back on my own experience and ask the very basic question: What led me to pursue a degree in mechanical engineering when I was an undergraduate in college? I didn't make that decision when I was a freshman in college. I didn't even make that decision to pursue interests in math and science when I was in high school. I would argue for most students it happens in sixth and seventh and eighth grade. They realize they have an interest in math and science. More often than not it is because they have had a strong, credible, inspirational teacher in math and science, and my experience is no different. Jane Batts and Blake Richards, my math and science teachers in fourth and fifth grade, I think set me on that path that ultimately brought me to a mechanical engineering degree. So if we are going to look at educational programs that are meant to inspire students in math and science, they had better be focused on those key years: sixth, seventh, and eighth grade.

Finally—this is a point that Senator COBURN was speaking to—we need to look at the programs that are already in place and ask honest questions about how effective they are. How many do we have that deal with these areas of math and science education? How many do we have that deal with the areas of research? And, in particular, I think we should look to the work done by the American Competitiveness Council.

What they found is that in the areas of science, technology, education—science, technology, engineering and mathematics—stem programs—there are 106 different programs within 8 or 10 different agencies, including the Department of Transportation, the Department of Commerce, the Department of Energy, the Department of Homeland Security, 35 at the National Science Foundation, 12 at the Department of Agriculture.

In this legislation before us we do ourselves a disservice if we don't look at these programs and ask the questions: How effective are these pro-

grams? How can they be improved? How can they become more focused or better focused on inspiring those young students? As the American Competitiveness Council looked at these programs, they came up with a series of recommendations and findings. They made that very argument: that there was overlap in these science, technology, engineering, and math educational programs; that communication and coordination among agencies could be improved; and that current programs tended to be focused on short-term support rather than longer term impact. Those are the very findings we should be trying to implement and execute as part of this legislation, but I don't see it in the underlying bill.

So the amendments I have focused on, first, the overlap and duplication and lack of focus within those educational programs, to try to strengthen them, measure their effect, and ensure that they have a greater impact on those students; and, second, to make sure we are appropriately focused on basic, fundamental research within the National Science Foundation and that we are maintaining its independence and that we ensure the peer review process is what determines how and where funds are allocated.

I know we are working on an agreement on the Senate floor, so I am not able to offer my amendment at the moment, but let me speak to what it attempts to do. I have an amendment that strikes section 4002 of this legislation. Section 4002 does two things within the National Science Foundation that I think set the wrong precedent.

First, it establishes a set-aside, a minimum allocation for educational and human resources within the National Science Foundation of \$1.05 billion. I recognize the educational initiatives within the National Science Foundation are important, but I certainly can't say, and I don't think any Member of the Senate can say, whether \$1.05 billion is exactly the right number. But more important, we shouldn't be mandating in law that the National Science Foundation direct a specific amount of money to any area. We should, to the greatest of our ability, allow those decisions to be set on a yearly basis by the experts and the leadership of the National Science Foundation. If we think they are not doing a good job, they should probably be replaced. But they are hired specifically because they have the best and most advanced understanding of what our needs are, what the most valuable areas of research are, and what the best kinds of partnerships might be for education related to physics, chemistry, mathematics, and material science. So I would strike that set-aside, not because we don't think any money should be going to this area—of course, money should be going to this area—but because it is a dangerous precedent for legislators to start carving up pieces of the National Science Foundation for specific initiatives.

Second, this particular section of the legislation mandates—it requires—that there be a specific percentage increase in this one particular area each year between now and 2011. While I don't know whether that percentage increase will turn out to be the right amount or the wrong amount over the next several years, I think it is a bad precedent to require as part of the legislation that a designated portion of money go to any of the specific areas supported by the National Science Foundation. Once we move away from the peer review process, once we move away from independence within the National Science Foundation to allocate funds as the leadership there sees fit, then I think we run the risk of undermining the great strength that the National Science Foundation has represented over the past several years.

I began speaking about doubling resources for the National Science Foundation 4 or 5 years ago because it has been so successful in providing resources for basic research in key areas of physical sciences, and I am extremely concerned that if we adopt the provisions of section 4002 and start carving out pieces we think are politically popular at a particular point in time, we will dramatically undermine its effectiveness and have the unintended consequence of weakening the organization's ability to inspire the next generation of engineers and scientists.

I look forward to offering these amendments at the appropriate time, and I thank you, Madam President, for the time this afternoon.

I yield the floor.

ENTITLEMENT PROGRAMS

Mr. GREGG. Madam President, let me step over to the chair from which the junior Senator has been speaking.

I wanted to speak about a couple of issues. The first issue I want to talk about is the recent report which came out yesterday from the Medicare trustees which said that the Medicare trust fund is in dire straits. The Medicare trustees are required under law to report to the Senate and to the Congress and to the American people what the economic status is of the trust fund as it looks out into the future.

A lot of us have been talking for a long time about the problems with the entitlement programs we have—specifically Medicare, Medicaid, and Social Security—and the fact that these three funds are headed toward a meltdown, which is going to take with them the economy of this country. The practical effect of these three funds in their present spend-out situation is that they have approximately \$70 trillion of unfunded liability—\$70 trillion over their actuarial life.

Now, \$1 trillion is a number that a lot of us have a problem comprehending. To try to put that number into perspective, if you took all the taxes paid in the United States since we became a country, I think we have paid about \$46 trillion in taxes. If you

take the entire net worth of America—all our assets, including all our cars, all our homes, all our stocks—that, again, is in the \$45 trillion to \$50 trillion net worth.

So what we have on the books as a result of the projected costs of the Medicare, Medicaid, and Social Security system is a cost that exceeds all the taxes paid in the history of this country and exceeds the net worth of this country.

Why is that? Why are we confronting this problem? Well, it is basically a function of demographics. The postwar baby boomer generation, of which I am a member, the largest generation in American history, is beginning to retire.

By the year 2020, 2025, the number of retired citizens in this country will double from the present number who are retired today. It will go from about 35 million retired citizens up to about 70 million retired citizens. The number of people working to support those retired citizens will drop commensurately. So both Social Security and Medicare, and to some extent Medicaid, were programs designed with the concept that there would be a lot of people working for every person retired. They were essentially pyramids.

In fact, in 1950, there were about 12.5 people working for every person retired. So 12 people were paying into Social Security for every 1 person taking out. Today, there are about 3.5 people paying into Social Security and Medicare for every one person taking out. Social Security is running into surplus. But as this baby boom generation retires, that number changes radically. We go from those large numbers paying in and a small number taking out to a large number taking out and a small number paying in. There will be about two paying in for every one person taking out by about 2025. We go from a pyramid to a rectangle and the system cannot support itself.

This chart reflects the severity of the problem. These three programs—Social Security, Medicare, and Medicaid—as a percentage of spending of the GDP, by the year 2025, or 2028, will absorb almost 20 percent of GDP. Why is that a problem? Today, and historically, the Federal Government has only spent 20 percent of gross national product. So the practical implications are that by 2025, or 2028, the total spending of these three programs alone will absorb all of the money that has historically been spent by the Federal Government, which means that nothing else could be spent—no other money—on things such as national defense, the environment, and education. It would all be going to these three programs, assuming you maintain the Federal share of the GDP at its present level.

Things get worse, unfortunately, as the baby boom generation accelerates into the 2030 period, when paying for those programs alone reaches 27, 28 percent of GDP by about 2040. Obviously, it is not a sustainable situation.

Obviously, it is a situation where if we continue on this path, we would essentially be saying to our children that we are going to subject you to a cost that far exceeds anything you could afford and basically hit you with a tax burden that would essentially mean that you—our children and grandchildren—in order to support this retired generation, would be unable to send your children to college, buy your home, purchase your cars, live your lifestyle in the manner our generation has been able to live. The money is going to have to be spent by taking taxes out of your pocket.

A lot of us have been talking about and some people have even tried to address this issue—specifically, the administration. The biggest part of this problem is not Social Security, ironically; it is Medicare. Now, the Medicare trustees yesterday made the point once again that if we don't do something and start to do it fairly soon in addressing the Medicare problem, we will bankrupt our children and our children's children's future with the cost of this program. This was their obligation as trustees. They are supposed to look at it objectively, and they have. They said this program is headed toward about \$35 trillion of unfunded liability, that that is a huge number and we need to correct that. Ironically, and fortunately, a couple of years ago we put into place a law that requires that when the Medicare Program starts to go in the direction of insolvency at a rate that means it is going to take a significant amount of money from the general taxpayers' pockets versus money from the wage earner, as they pay their hospital insurance, that at that point the Federal Government is supposed to act.

The way it works is this: If more than 45 percent of the Medicare trust fund is being supported by general fund dollars, what does that mean? Well, the Medicare trust fund theoretically was supposed to be the Parts A and B, the hospital and doctor part; that was supposed to be supported primarily by insurance premiums being paid on your hospital insurance tax taken out of your salary every week. But, of course, under the Part B program, we have never done that. We have ended up subsidizing that program with general funds instead of having it come out of the payroll tax. What this law says is when those general fund subsidies exceed 45 percent of the total cost of the Medicare system, it is an excessively dangerous situation and it has to be addressed. If this happens 2 years in a row, where the cost of Medicare is exceeding 45 percent of the general funds coming from the Federal Treasury, that means people's income taxes, the taxes people pay every day—then at that point the administration is supposed to send up—whatever administration is in power—a proposal to correct the problem.

That is what the Medicare trustees concluded. Last year, they concluded

the trust funds were in severe strain and we are going to hit the 45-percent level. This year, they have concluded the trust funds are under severe strain, and it is going to hit the 45-percent level. The practical effect of that is now the administration is required, prior to the next budget, to send up a proposal to correct the problem. Unfortunately, under the law, even though the administration is required to send up such a proposal, the Congress is not required to act on it.

Ironically, the administration, in an act of true fiscal responsibility to our children and our children's children, this year sent up a proposal to try to correct this problem, or at least begin to correct the problem, although not fully. They suggested this year that there should be two adjustments in the Medicare trust fund, neither of which would have a significant impact on beneficiaries. In fact, for the most part, it would have absolutely no impact on the beneficiaries, and unless you were a beneficiary in a very high-income situation, with more than \$85,000 of personal income, or if you are married and have more than \$160,000 of joint income, it would not affect you at all. There are two proposals that insulate beneficiaries. The first proposal was that we do an accurate reimbursement to providers. Under the present law, the health care professionals have estimated that provider groups are getting about a 1.2 percent extra payment over what they should be getting as a result of the fact that there have been new efficiencies introduced into the provider repayment systems, through technology primarily, that have reduced costs, but that reduction in cost has not been reflected in the reimbursement. So we are actually paying more than we should be paying in these accounts.

The administration didn't suggest that they capture all that money. They suggested let's take half of that—leave the provider groups with half of that money—I don't want to use the word windfall, but as a bonus to them. Let's take the other half and use it to try to bring the Medicare trust fund into some sort of solvency. That was the first proposal of the administration. It was a reasoned proposal in light of the fact that all of the professional groups have concluded that this overpayment is occurring.

The second proposal they made was that people getting Part D, the drug benefit—if they are very high-income individuals—should pay part of the premium for that drug benefit. Under the Part D premium, there was no contribution required, unlike Part B, which has a means test—very limited, but it has one. Part D did not. The administration said, listen, if you are a retired Senator, you should not be subsidized by somebody who is working in a restaurant, or in a gas station, or on a manufacturing line, which is what

happens today. The way the law works today, a person who is out there working for a living, maybe trying to raise their children, is actually having to pay to subsidize retired Senators who are getting Medicare or, for that matter—I don't want to pick on Bill Gates' father as an example, but Bill Gates' father, or Warren Buffet—millionaires and billionaires—are being subsidized by people who are making an everyday wage and trying to make ends meet for their families. So the administration suggested if you have more than \$80,000 of personal income as an individual, or \$160,000 of joint income as a family, then you should be required to pay a portion—just a portion—of your Part D premium. That is a very reasonable approach.

Those two proposals together would have reduced the outyear insolvency of the Medicare trust fund by almost a third. It would have taken tremendous pressure off of the trust funds, especially the Medicare trust fund. They were both rejected out of hand by the other side of the aisle. They were demagogued. People came to the floor and said this would savage Medicare, would destroy Medicare, that it was going to undermine the rights of senior citizens to get Medicare. Outrageous statements were made on the other side of the aisle, and they continue to be made relative to these proposals that were reasonably benign, that didn't affect beneficiaries, and would have actually put Medicare on a solvency footing instead of insolvency, which is where it is headed now.

Now the trustees have done their job and said, the administration is absolutely right. If we don't correct this problem, we are going to have a Medicare system that cannot be afforded by our children and grandchildren. As a result, we will have a major contraction in the system. Yet even though the Medicare trustees have said that—and they are a pretty objective group and they are required under the law to be so—we have the leading Senator on the other side, Senator SCHUMER, taking the position that that is just politics, that Medicare is fine, and instead of peddling an ill-conceived Social Security privatization plan that has already been overwhelmingly rejected by the American people, the administration should turn its attention to strengthening Medicare.

Where was Senator SCHUMER when this amendment was offered on the floor? He voted against it. When the administration suggested something that was responsible, such as making high-income individuals pay a part of their premium on Part D, Senator SCHUMER rejected it. When this administration came forward and suggested we should reimburse providers honestly and directly and fairly but not overly reimburse them—not too much overly reimburse them—and take the savings and use it to make the Medicare sys-

tem more solvent, where were Senator SCHUMER and his colleagues? They rejected that.

Now they have the audacity to come forward and attack the Medicare trustees, whose job it is to present the facts as they are, and the facts are the Medicare system is going into bankruptcy, and him saying that is politics and trying to hyperbolize it into privatization, which has nothing to do with Medicare—how outrageous and irresponsible for one generation not to face up to the problems it is giving the other generation. Senator SCHUMER is a baby boomer, as I am. It is our problem we are passing on to our kids. We are the problem. We exist and we are going to retire in massive numbers, and then we are going to turn the bill over to our children. We have a responsibility as a generation but, more importantly, we have a responsibility as policymakers in the Senate to act, especially when the Medicare trustees have told us the problem is there, it is legitimate, and it is pretty obvious to anybody because we are all alive.

We have a bill, a law on the books, that says specifically this problem must be addressed when the Medicare trustees, 2 years in a row, have determined there is a problem, that 45 percent of the General Treasury or more is being used to support Medicare, and we need to adjust the system to effectively address that issue and to make the system solvent and affordable for our children. And especially we should act when reasonable proposals are brought to the floor, proposals that have no maliciousness to them, have no political agenda to them, have no purpose other than putting in place policies which are going to make the system more solvent and more affordable. Yet they are rejected—rejected with partisan rhetoric of the worst order because it has nothing to do with the Medicare plan; privatization is thrown at the suggestion that we correct the Medicare system by making rich people pay more of their costs by getting the reimbursement formula correct. That is subject to pejorative privatization by the Senator from New York, with no proposals at all—none—from the other side of the aisle to correct this problem which is looming. Other than fighting terrorism and the threat of an Islamic fundamentalist detonating a weapon of mass destruction in one of our cities or somewhere in America, there is probably no problem which is more significant to the future of this Nation than the pending fiscal meltdown which we are going to confront as a result of the cost of these programs which we put on the books and which, in their present process, cannot be afforded.

If we just wait until we arrive at the cliff—and we will be going pretty fast when we reach that cliff; we are not going to be able to stop—and only try to deal with it then, what will be our

options? They will be so few and they will be so painful that they will have a dramatic and dislocating effect not only on the generation that has to pay the costs but on the generation that receives these benefits.

We can, today, put in place changes which are gradual, which are reasoned, and which will accomplish the type of adjustments that are necessary to make this program work—work well for the beneficiaries so we have a strong, solvent Medicare system and work well for those who pay the taxes to support them. But if every time the issue is raised that there has to be legitimate action in this area, especially when it is being raised by the Medicare trustees, who do not have a political agenda but are simply reporting a factual assessment of an actuarially existing fact pattern—which is there are so many people alive today who are baby boomers that when they retire, they are just going to basically overwhelm the system—if every time those red flags are raised, they are going to be responded to by the leadership on the other side with pejoratives and partisanship and the use of phrases such as “privatization,” then we are not going to accomplish anything around here. All we are going to see is that we can deal with the next election but we can’t deal with the next generation. You might win the next election, which I guess is the purpose of Senator SCHUMER, but it is going to leave our kids one heck of a mess, and seniors who retire in the 2020 period are going to also be in a pretty horrific way. Total irresponsibility in the remarks of the Senator from New York in response to the very responsible warnings brought forth by the Medicare trustees.

On a second issue to which I wish to speak briefly—actually, not so briefly—which is the issue before us, the competitiveness bill, this competitiveness bill is well-intentioned. We all know that we as a nation are confronting some very severe issues relative to our capacity as a culture to compete in this world and be successful. We also know that the essence of our capacity to compete is tied directly to our capacity to produce an intelligent, thoughtful, knowledge-based society. We are, without question, a country where success in the global competition is not going to be built off of excessive manpower or a dramatic amount of resources. It is going to be built off of having brighter and smarter people who add value to products and produce items that people around the world need and want, and they are inventive and creative. The great genius of America is our creativeness and our inventiveness. So the goal of this proposal is appropriate, genuine, and well-intentioned, but the question becomes whether the execution of that goal, on balance, accomplishes its purpose.

The Congress has this tendency—and I have seen it innumerable times—when it sees a problem, to create a plethora of different little programs,

most of them not too big, all across the spectrum, which are basically the ideas of a bunch of different people who came to the table, but because there wasn’t one cohesive idea that was dominant, everybody’s idea got into play. I guess that is the problem when you have the committee designing the horse. That famous story—if a committee designs a horse, you end up with something that doesn’t look like a horse. That is what happens when you have a proposal which puts a large chunk of money on the table and then says: Here, let’s spend it. That, unfortunately, is where this proposal ends up to a large degree.

Ironically, this proposal has a lot of specific initiatives in it which we already tried before or which are duplicative programs we have tried before, the irony being pretty apparent in items such as the Manufacturing Extension Program, which, during the first few years of this administration, it sent up proposals to basically zero it out. That is a program the purpose of which was to create these manufacturing extension centers around the country, which we did—they are called the Hollings centers—but we also understood they would be self-sustaining centers once the Federal Government got them up and running. We now find they are not, so this bill essentially continues them. Also, it basically restarts something called the ATP program. It gives it a new name and title. It creates a brandnew series of education initiatives in the Department of Energy which are pretty much duplicative of initiatives in the Department of Education, and some education initiatives in the National Science Foundation. It creates new directives to the NOAA which are almost identical to what NOAA already does but in addition are completely duplicative of what the Oceans Commission concluded should be done and which was put into action about 2 or 3 years ago as a result of the Oceans Commission.

As well-intentioned as this bill may be, in the end what it does is it increases spending by \$16 billion. That is the proposal: \$16 billion over 4 years. What it buys is a whole lot of little initiatives all over the country which are the interests of this Senator or that Senator but which in their totality have very little cohesion to them, direction to them, or purpose to them and, as a practical matter, are not paid for.

Here is the situation we confront. It is not as acute as the issue I was talking about before in the Social Security entitlement accounts, but the situation is this: We are spending a lot of money we don’t have. In the non-defense discretionary accounts, we have been fairly disciplined over the last few years, but we are still spending a lot of money we don’t have.

What this proposal says is, even though we are spending a lot of money we don’t have, we are going to spend more money we don’t have because these are feel-good initiatives, and if

we just sprinkle a little crumbs all over the place, we can put out good press releases and feel content that we have addressed the competitiveness question in this country.

The competitiveness question in this country is not going to be dramatically improved by spending \$16 billion we don’t have and then sending the bill to our kids. If we want to improve competitiveness in this country, we should be doing fairly substantive things that will impact a lot of different areas and won’t necessarily cost us too much money.

We might start, for example, with tort reform, where we see a massive amount of money spent inefficiently in this culture because we have to fear lawsuits that are, quite honestly, in many instances frivolous and that end up causing people to do defensive activities. Correct the tort system, and that would create a fair amount of efficiency and productivity in this economy.

Correct the regulatory morass we have. The fact is that to can get an efficient powerplant on line—which we need a lot of in this country if we are going to have an efficient economy—it literally takes years and years of regulatory hoops to jump through, many of which are duplicative, before you can get a decent powerplant up and running. When was the last time a nuclear powerplant was brought on line in this country? Well, I think it was 1988. Nuclear power is by far the most efficient way and the most environmentally sound way to bring large amounts of power online. Yet we can’t license nuclear powerplants. Senator DOMENICI, in a recent bill he produced in this Senate, which didn’t pass the Congress, has tried to streamline the effort. Hopefully, it will result in more powerplants coming on line.

The simple fact is that we regulate ourselves into noncompetitiveness. So if we want to correct the issue of competitiveness, let’s address some of these regulatory issues. They don’t have to be broad. It doesn’t have to be a broad exercise. It can be reasonably narrow.

In the area of immigration policy, we know there are very bright, capable people around this world who want to come to America and be productive. As Bill Gates described them in testimony before the HELP Committee, he looks at them as job-setters. When he brings one of these really bright people from someplace else in the world and puts them to work at Microsoft, the way he sees that is that person is generating jobs. It is the opposite of outsourcing; it is insourcing. If you bring somebody in with special talents and abilities, especially in the science and mathematics areas, that person becomes a job center around which other jobs are created because of their creativity and their abilities.

And what do we do to those folks? We tell them they can’t come to the United States even though they want

to, even though they have jobs here. We say: I am sorry, we can only have 65,000 people with that talent in this country. That is it—even though there may be 150,000 or 200,000 who would like to come to this country and all of whom could come into this country from the standpoint of being safe, sound, good contributing citizens and all of whom, if they were here, would probably be giving us economic added ability which would create jobs. It doesn't cost us any money to bring these people in. In fact, it gives us more economic activity, which gives us more jobs, probably more tax dollars from these people, generating more taxes to the Federal Treasury. That is something we can address if you want to improve the productivity of this Nation.

The idea that the Federal Government is going to sprinkle \$16 billion around to various programs—and it is sprinkled all over, a lot of programs here, many of which either existed before or are being recreated—and it is going to result in significantly more competitiveness—well, it might work, but the only way you could justify it is if you paid for it by reducing \$16 billion somewhere else in inefficiencies before you move down this road. The irony of this is we have done it so many times before, and it hasn't worked because the Federal Government can't command and control the economy. That is why it doesn't work.

I was Governor when President Bush 1, who was very concerned about education and wanted to be known as the education President, called a conference of Governors together—the first time it happened since Lincoln—I believe in Charlottesville, VA. The purpose of the conference was to figure out how we as a nation were going to capture and reform the education agenda. This was in 1989. I was Governor at the time. Do you know what the first conclusion of that Governors conference was? I think we came up with 10 directives. The first conclusion was that we would lead the world in math-science education in the elementary and secondary school systems by the year 2000 because at that time we were 14 out of 16 countries of the industrialized world.

I heard Senator KENNEDY a while ago doing his presentation on this issue on the Senate floor, and he put up a chart. I think he said we were 24th out of 24 industrialized countries. We actually lost ground if that is true. I don't know what the number is, but we are certainly not at the top. Yet throughout this period we have created program after program after program.

There is an initiative in here for the National Science Foundation to reenergize its directorate on education. I was here the last time we did that. I was in the House. It is a good idea, especially if you have the funds to pay for it. But the fact is, it is a sprinkling effort. The marketplace, in creating an atmosphere where there is competition, is the way you make yourself

more competitive. Spreading money over a whole plethora of new programs might produce some results, but unless you pay for it, in the end it is going to end up costing us significantly. It is going to end up costing the next generation significantly. So as well-intentioned as this proposal may be, I have serious reservations about its effectiveness.

I would probably be willing to support it if it were paid for, but it isn't paid for, and it is just going to add \$16 billion to the debt. Now, we will hear from others that this is just an authorized number, but I can assure everyone that all we will hear about once this authorized number is passed is that we need to appropriate the money to meet those needs. So that is a straw dog argument. If you put on the table that you are going to spend \$16 billion more, that you don't have, the odds are the Congress is going to spend \$16 billion once it gets authorized to do so.

At this time I understand we are not taking amendments, but if we were in the process of taking amendments, I would offer an amendment to do something substantive in the area of competition and making our country more viable, and that would be to lift the cap on the H1B visa program from 65,000 to 150,000. A very simple action. It would bring in a large group of people who would be constructive citizens with science and technology backgrounds that we need.

We would not be replacing people who are in jobs, but we would actually be creating more jobs—probably a lot more jobs in the arenas in which they work—and that would actually have an immediate impact on competitiveness in this country. We wouldn't have to wait another 10 years to have another conference by another Presidency or another Congress that says we are not caught up in the competitiveness area and therefore we have to address math and science education. We would actually have the people here next year who would have the math and science skills and who would be able to contribute constructively.

So that would be the amendment I would offer, and I certainly hope to have the opportunity to offer that amendment before this bill leaves the floor.

Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I understand my junior colleague has a request before I proceed.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Senator DOMENICI be recognized for up to 15 minutes, that Senator SANDERS would follow him for up to 20 minutes, and that Senator ENSIGN would follow him for up to 15 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Senator DOMENICI.

Mr. DOMENICI. I thank Senator BINGAMAN.

Mr. President, I am not sure I will take the whole 15, although I have been

speaking on this issue for a long enough time that one would think I might have spoken out, but I haven't. I am very excited about the bill, and so I am afraid I will use every 1 of the 15 minutes because there is a lot I want to say.

First of all, let me say that I have the greatest respect for those who oppose this bill, such as the distinguished Senator from New Hampshire, chairman of the Budget Committee in the past, who has spoken eloquently about the problems of Social Security and spoken his piece today about this bill.

On the other hand, for myself, I want to say that the time has come for a new bill to get passed, and I want it to be bipartisan and I want Republicans to join Democrats on the bill that I believe we will look back on and say it was the biggest, most significant, most important piece of legislation that we have ever passed, that added to the brain power of the American people, and particularly added to the brain power of the young people coming along who are going to try to keep us the most productive Nation on Earth by getting educated properly.

We are trying to pass this bill after having been told by the best of Americans who took a look at our country, who looked at our laws, and then recommended that we do 20 things. They were all recommendations aimed at the proposal that we were going backward; that we were in reverse gear as far as giving our young people the education they deserve in the areas of math, science, physics, engineering, and the like.

We were advised by the very best Americans. They did this as a gratuity. They weren't paid. They used their time to tell us what was going wrong and what could be fixed in terms of brain power development among our people. They said, essentially, our biggest problem is, after grade 4 and through grade 12 our young people are not getting educated in math, science, physics, and the like by teachers who are educators in those subjects; that huge percentages of the teachers don't even know the subject matter. Yet they are required to teach because they do not have anybody else. So they teach math even if they haven't studied math. They told us we should fix that. This bill will fix that, we hope.

They told us a number of other things. They said put them into law and try to get these things passed, and over the next 5 to 10 years you will see a big difference. The National Science Foundation should receive much more money for the hard science research projects; that the budget of the Department of Energy, which has a science fund, should get more money for the science that it does in the great laboratories of the United States; and to help bring up the education for those youngsters we are talking about by giving them exciting opportunities in the summer months and elsewhere, and give the teachers those times to get educated so they can pass on much more

brain power and excitement about these subjects to our young people.

Now, there is no doubt what is in this bill could be done better if one person, or two, who were knowledgeable and fair were doing it and following the recommendations of those who told us to do so. But we can't do that here. We have to go to committees eventually and ask Senators who have vested interests. So we don't have a perfectly drawn bill in comparison to the 20 ideas propounded by the National Academy and the special bill that was produced by the ex-president of Lockheed Martin, Norm Augustine. Now, that part is so. It is true it is a good bill in that regard. So we have to argue about some other points that come in, such as we should not pass any new legislation so long as we have a deficit.

One Senator, a Senator from Oklahoma, has an amendment. I have great respect for him. He says it is the sense of the Senate that the Congress has a moral obligation to offset the cost of new government programs and initiatives. First of all, let me suggest to the distinguished Senator that this bill does not spend money. If it spent money, it would be subject to a point of order under the budget and would fall because it is new spending. Nobody has raised that. Even the great, distinguished, former chairman of the Budget Committee has not done that. He did not stand up and say this bill falls under the Budget Act because it spends money. Why didn't he? Because it doesn't spend money.

There still has to be another act before this spends money. It has to be appropriated. And any authorization bill is the same way. It does not spend money. It does not need approval of the Budget Committee because it doesn't spend money. However, when we try to spend the money, then we better have it in the budget or it will fall under a point of order. That is the truth, and there is nothing moral or immoral about it.

The truth is, when the Senator says we have to offset the cost of government programs and initiatives, and that we have an obligation to our citizens to do so, certainly he ought to recognize we shouldn't have to do it when there is no money being spent because if that is the case, then we are just talking about words. They have no effect. We are talking about words. These words are talking about programs that don't spend money, and the Senator is trying to suggest that since they might spend the money, we ought to do something about it in advance. We would never pass anything around here if we added another requirement to legislation that before it is ever a spending bill it once again clear some new hurdle.

If the distinguished Senator from Oklahoma would like to do that, he ought to go after the Budget Act of the United States and provide that there is a way to raise a point of order against authorizing legislation. We already

have enough, but if he wants to do more, more budget points of order, he could put that in there and have a nice debate and see what the Senate thinks of adding that provision to the Budget Act on an authorization.

My good friend, the Senator from New Hampshire, talked about a lot of things that we could be doing that would help our country become a more competitive country, which is what this is all about: putting more brain power in our young people, helping them get more excited about the good things that prepare them innovatively in order to create great things. He spoke of a number of things he would do and could do outside this bill. I agree with him. In fact, I could rewrite a bill we just finished on energy. And if everybody were with me, I could add five or six things to it—even though it is only a year and a half old—that would help with our energy independence. But we have to do things we are asked to do around here, and we have to do them the best we can.

This bill will cost \$60 billion, if we decide to spend it, over the next 4 years—if we decide to spend it. Of that, \$16 billion represents new programs that are not currently in existence. Now, if anybody can truly, with a really straight face, tell the American people that is what is going to break America—this \$16 billion that isn't even spent, that we might spend—it is really going to harm America's economic future, then I don't know what to tell them about what is happening to our budget naturally, about how much is spent for Social Security and other things that just come as a natural matter because of the way the laws are written and that they spend freely on their own.

I want to close by saying to those who oppose the bill, I believe the time has come to pass this bill. It is new, to some extent, and the newness is what is good about it. I believe the time has come to take a chance on some new ways to educate our young people and see if we can't get more brain power developing in the young people of our country.

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

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

AMENDMENT NO. 936

Mr. SANDERS. Mr. President, I wish to discuss an amendment, amendment No. 936, which I have filed to this bill.

Mr. President, I ask unanimous consent to add the following Senators as cosponsors of this amendment: Senator BAUCUS, Senator LEAHY, and Senator LINCOLN.

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

Mr. SANDERS. Mr. President, let me begin by commending the distinguished majority leader, Senator REID, for introducing S. 761, the America COMPETES Act, and bringing it to the floor, along with the minority leader,

Senator MCCONNELL, Senator BINGAMAN, Senator DOMENICI, and a number of other Senators in a true spirit of bipartisanship.

There is no question the Congress has to do a better job in making sure the United States is able to compete in the global economy. The America COMPETES Act will begin to accomplish this important undertaking by doubling the investment in basic research at the National Science Foundation, the National Institute of Standards and Technology, and the Department of Energy's Office of Science in the next 5 to 10 years.

I am also pleased this bill will improve teacher training in math and science and help low-income students succeed in college preparatory courses. I applaud these provisions and thank my colleagues for working on this important piece of legislation.

But in my opinion, if we truly want to provide the tools necessary for American workers to compete in the global economy, much more needs to be done. That is why I will be offering this amendment, which I hope will attract bipartisan support.

This amendment is simple and it is straightforward. At a time when the United States has lost over 3 million manufacturing jobs, at a time when we are on the cusp of losing millions more of high-paying information technology jobs, this amendment would begin to reverse that trend by providing employees with the resources they need to own their own businesses through employee stock ownership plans and eligible worker-owned cooperatives.

Specifically, this amendment would authorize \$100 million to create a U.S. employee ownership competitiveness fund within the Department of Commerce to provide loans, loan guarantees, technical assistance, and grants to expand employee ownership throughout this country.

Why is it so important for the Senate to provide incentives to expand employee ownership in this country? The answer is pretty simple: Employee ownership is one of the keys to creating a sustainable economy with jobs that pay a living wage. This amendment has the strong support of the ESOP Association, a nonprofit organization serving approximately 2,500 employee stock ownership plans throughout the country. Let me quote from a letter they recently sent to my office:

Your amendment is a modest first step in awakening our government to the fact that in the 21st Century the inclusion of employees as owners of the companies where they work in a meaningful manner should be a key component of any national competitiveness program. If the Senate adopts your amendment and it eventually becomes law, we assure you that the ESOP community will work constructively to ensure that the loan and grant program you propose works effectively to benefit the employee owners, the employee-owned companies, and our American economy.

The concept of an ESOP or a worker-owned company is not a radical idea.

Not only are there some 11,000 ESOPs in our country, but there are some major corporations that everybody is very familiar with, including Procter & Gamble and Anheuser-Busch, that are also ESOPs.

Interestingly, the Tribune Company, one of the major publishers in America, is in the process of becoming a 60-percent employee-owned company.

Every day we read in the papers about plants that are being moved to China, Mexico, and a number of other low-wage countries. Since a number of these factories were making profits, they were doing well in the United States. Shutting them down was unnecessary and could have been avoided if these plants were sold to their employees through ESOPs, or worker-owned cooperatives. In other words, in my State, the State of Vermont, and throughout this country, there are companies, large and small, that are making a profit where owners—who may be retiring, who started a company and now they are retiring—want to be able to leave their companies to their employees if these workers had the resources, if they had the technical assistance and legal advice to know how to put together that transaction—which in many cases is pretty complicated.

Further, study after study has shown when employees own their own companies, when they work for themselves, when they are involved in the decision-making that impacts their jobs, workers become more motivated, absenteeism goes down, worker productivity goes up, and people stay on the job for a longer period of time because they are proud of and involved with what they are doing.

Most important to the communities throughout this country is when workers own the place in which they work, shock of all shocks, they are not going to shut it down and move the plant to China.

Since 2000, the U.S. manufacturing sector has lost 3.2 million good-paying manufacturing jobs. Put another way, since President Bush was elected President, this country has seen one out of every six factory jobs disappear—one out of every six.

In addition, the Associated Press recently reported a study by Moody's which found: "16 percent of the nation's 379 metropolitan areas are in recession, reflecting primarily the troubles in manufacturing."

I suspect this problem is even worse in rural areas in my own small State of Vermont. We have lost about 20 percent of our manufacturing jobs in the last 5 years. Let me give an example of some of the jobs we have been losing as a country and why, in fact, we need to be competitive and why, in fact, we need to encourage ESOPs and worker-owned industry. From 2001 to 2006, the United States of America has experienced a loss of 42 percent of our communication equipment jobs, 37 percent of our jobs have been lost in the manu-

facture of semiconductors and electronic components, 43 percent of our textile jobs have disappeared, and about half of our apparel jobs have vanished.

Not only are we losing good-paying manufacturing jobs, we are also losing high-paying information technology jobs.

While the loss of manufacturing jobs has been well documented, it may come as a surprise to some that from January of 2001 to January of 2006, the information sector of the American economy lost over 640,000 jobs, or more than 17 percent of its workforce.

The trends there are pretty ominous. Alan Blinder, the former Vice Chairman of the Federal Reserve, has recently concluded that between 30 million to 40 million jobs in the United States are vulnerable to overseas outsourcing over the next 10 to 20 years. While, of course, we have to invest in math and science, of course, we have to educate our students as best we can, we cannot ignore the significant impact globalization is having on our blue-collar factory jobs and on our white-collar information technology jobs.

Today there are some 11,000 employee stock ownership plans, hundreds of worker-owned cooperatives, and thousands of other companies with some form of employee ownership. Many of them are thriving. In fact, employee ownership has been proven to increase employment, increase productivity, increase sales, and increase wages in the United States. Yet despite the important role that worker ownership can play in revitalizing our economy, the Federal Government has failed to commit the resources needed to allow employee ownership to realize its true potential, and that is why this amendment is so important.

While this issue may be new to this bill, I have actually been working on it for several years. In the House, when I was the ranking member of the Financial Institutions and Consumer Credit Subcommittee, I was able to hold a hearing on this issue nearly 4 years ago and we had some wonderful testimony.

I fear in the next 10 to 20 years, if we do not change course, there will not be a major automobile industry in this country. We must not allow that to happen. We must protect good-paying jobs in this country. I believe employee ownership may be one of the ways we can keep good-paying jobs in America.

Let me conclude by saying in my opinion it would be much more important to provide this assistance to employees who could be creating and retaining jobs right here in the United States by the expansion of employee ownership. This is a very important issue. There is a lot of excitement all over the country about it. Let us protect American jobs. Let us give working people in this country the opportunity to own the places in which they are working. Let us make this country more economically competitive. I very

much hope my colleagues will be supporting this amendment when it is offered.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

AMENDMENT NO. 928

Mr. BINGAMAN. Mr. President, I ask for regular order with respect to the DeMint amendment No. 928.

The ACTING PRESIDENT pro tempore. The amendment is now pending.

AMENDMENT NO. 947 TO AMENDMENT NO. 928

Mr. BINGAMAN. Mr. President, I ask to call up the Dodd-Shelby amendment No. 947. It is a second-degree amendment.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for Mr. DODD, for himself and Mr. SHELBY, proposes an amendment numbered 947 to amendment No. 928.

Mr. BINGAMAN. 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 with respect to small business growth and capital markets)

In lieu of the matter proposed to be inserted, insert the following:

SEC. ____ . SENSE OF THE SENATE REGARDING SMALL BUSINESS GROWTH AND CAPITAL MARKETS.

(a) FINDINGS.—The Congress finds that—

(1) the United States has the most fair, most transparent, and most efficient capital markets in the world, in part due to its strong securities statutory and regulatory scheme;

(2) it is of paramount importance for the continued growth of our Nation's economy, that our capital markets retain their leading position in the world;

(3) small businesses are vital participants in United States capital markets, and play a critical role in future economic growth and high-wage job creation;

(4) section 404 of the Sarbanes-Oxley Act of 2002, has greatly enhanced the quality of corporate governance and financial reporting for public companies and increased investor confidence;

(5) the Securities and Exchange Commission (in this section referred to as the "Commission") and the Public Company Accounting Oversight Board (in this section referred to as the "PCAOB") have both determined that the current auditing standard implementing section 404 of the Sarbanes-Oxley Act of 2002 has imposed unnecessary and unintended cost burdens on small and mid-sized public companies;

(6) the Commission and PCAOB are now near completion of a 2-year process intended to revise the standard in order to provide more efficient and effective regulation; and

(7) the chairman of the Commission recently has said, with respect to section 404 of the Sarbanes-Oxley Act of 2002, that, "We don't need to change the law, we need to change the way the law is implemented. It is the implementation of the law that has caused the excessive burden, not the law itself. That's an important distinction. I don't believe these important investor protections, which are even now only a few years old, should be opened up for amendment, or that they need to be."

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Commission and the PCAOB should complete promulgation of the final rules implementing section 404 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7262).

Mr. BINGAMAN. Mr. President, I have a unanimous consent request here which I will propound at this point, that sets out a procedure for us to follow this evening.

I ask unanimous consent that at 5:10 p.m. the Senate resume debate with respect to the Dodd-Shelby amendment, No. 947, and the DeMint amendment No. 928, with the time divided 5 minutes each for Senators DODD and SHELBY, and 10 minutes under the control of Senator DEMINT, to be debated concurrently; that no amendments be in order to either amendment and that the Dodd amendment be modified to be a first-degree amendment; that upon the use or yielding back of time, the Senate proceed to vote in relation to the Dodd-Shelby amendment, as modified; that there be 2 minutes between the votes equally divided and controlled between Senators DODD and DEMINT or their designees, to be followed by a vote in relation to the DeMint amendment; that upon the use of that time, the Senate, without further intervening action or debate, vote in relation to the DeMint amendment; that upon disposition of the DeMint amendment, the Senate resume the Coburn amendment No. 917, and that the previous order with respect to the debate time prior to the vote be in order, with the time equally divided and controlled between Senators BINGAMAN and COBURN or their designees; and without further debate the Senate proceed to vote in relation to the Coburn amendment No. 917; that no amendment be in order to the Coburn amendment; that upon disposition of these amendments it be in order to call up the Sununu amendment No. 938 and the Sanders amendment No. 936, and the Senate then return to the regular order of amendments.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ALEXANDER. No objection.

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

Mr. BINGAMAN. Mr. President, I yield the floor.

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

Mrs. HUTCHISON. Mr. President, I rise to speak in favor of the America COMPETES Act.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I did not realize that the time was reserved between now and 5:10. Is it reserved? My impression was that the floor was open for Senators to speak or offer amendments.

The ACTING PRESIDENT pro tempore. Senator ENSIGN was supposed to speak after Senator SANDERS.

Mr. ALEXANDER. Senator ENSIGN will not be here. Senator HUTCHISON and then Senator CORNYN would like to take that time. I ask unanimous consent that Senator HUTCHISON and Senator CORNYN be allowed to take the time between now and 5:10 when the vote begins.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BINGAMAN. Mr. President, could we clarify what the request is? I am sorry. I was not able to pay full attention.

Mr. ALEXANDER. I asked that Senator HUTCHISON have 10 minutes, followed by Senator CORNYN for 10 minutes.

Mr. BINGAMAN. Could we modify that request to provide that Senator CORNYN's intention is to offer and then withdraw an amendment?

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. CORNYN. Mr. President, that is my intention.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ALEXANDER. Could we ask the intention of the senior Senator from Texas?

Mrs. HUTCHISON. I intend to speak on the bill.

Mr. BINGAMAN. Mr. President, I have no objection to the Senator from Texas being allotted 10 minutes and then the other Senator from Texas, Mr. CORNYN, going ahead with his comments and the offering and withdrawal of an amendment.

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

The Senator from Texas is recognized.

Mrs. HUTCHISON. I thank the Chair.

Mr. President, I rise to speak in favor of the America COMPETES Act. I thank the Senator from Tennessee, Mr. ALEXANDER, Senator DOMENICI, Senator BINGAMAN, and Senator CORNYN. I have worked with all of them to try to focus first on what the problems are with regard to higher education and then to look at K-12 education. Certainly, the Senator from Tennessee, having been the Secretary of Education and the Governor of Tennessee, has dealt with education issues and has taken a major lead on trying to reform our education system so that it does meet the needs of the future generation.

Having the National Academy do a study, resulting in the report called "Rising Above the Gathering Storm," was exactly the right thing to do. I would never have thought we could have such a clear message from the National Academy about what we do right, what we do wrong, what is missing, and what we have to improve.

Norm Augustine, former chairman of the board of Lockheed Corporation, was chairman of the committee. It was a distinguished group, including the former president of Texas A&M who is now Secretary of Defense. There were others. I was so pleased to see that they saw the problem.

The problem is that fewer than 30 percent of U.S. fourth- and eighth-grade students performed at a proficient level or higher in mathematics. The United States placed near the bottom 20 percent of nations in advanced mathematics and physics in testing. The United States is 20th among nations in the proportion of its 24-year-olds with degrees in science or engineering. The United States graduates about 70,000 engineers every year. India is matriculating about 250,000, and in China the number is even greater. Within a few years, approximately 90 percent of all scientists and engineers in the world will live in Asia. If we have fewer innovators, we are going to have fewer innovations.

America has staked its economy on being the creators for the world. We have had the innovators. We have had the engineers, the scientists, the researchers. Yet we are now falling back in K-12, and our institutions of higher education are not getting students with the proper prerequisites to go into those course studies. We have to start from the beginning. The bill before us takes those steps. I am proud to be a cosponsor.

There are three areas: research, education, and innovation.

First, research. The bill increases the research investment by doubling the authorized funding levels for the National Science Foundation. It also substantially increases funding in the Department of Energy's Office of Science, and it brings NASA into the equation, one of our premier research institutions. We are going to increase the emphasis on science in NASA because we already have the infrastructure. We have paid for the infrastructure, but we are shortchanging the science. So that is a part of this bill as well.

The second focus is education, specifically in the fields of science, technology, engineering, math, and critical foreign languages. We offer competitive grants to States to promote better coordination of elementary and secondary education. We want to strengthen the skill of teachers by giving them incentives to major in their course curriculum and then get education certifications in the same college degree but as a secondary part of their degree rather than the primary focus of their degree, because if we have math majors teaching math instead of education majors teaching math, we know the student is going to have a better opportunity to excel. We want to give the people who have already chosen teaching the opportunity to get a higher degree in their course curriculum, go back and get a master's degree and help them with grants to do that, because if they will commit to continuing to teach, then we will have better qualified teachers.

Innovation is the third focus of our bill. Since the beginning of the industrial revolution, America has been the innovator in the world. Economic studies have shown that as much as 85 percent of the measured growth in per

capita income has been due to technological change. But these technologies did not appear out of thin air; they were designed and developed by scientists and engineers at innovative companies such as EDS, Dell, Apple, Microsoft, and through Government investment in NASA and the National Science Foundation.

With that in mind, our bill ensures that both NASA and the National Science Foundation are able to expand their strong traditional roles in fostering technological and scientific excellence. We have increased NASA funding to support basic research and foster new innovation, but the NASA budget is being starved with infrastructure requirements. They are not able to do the science that would make the investment in the infrastructure pay off. We have to bring NASA back to its original scientific purpose. We have the Innovative Partnerships Program. We have the NASA Education Program. We are beginning to focus on exactly what we need to do.

This is a bipartisan effort sorely needed in Congress today, something on which we can all agree. America is falling behind. We are falling behind in education. We are falling behind in innovation. We are importing technological jobs that we ought to be creating ourselves with our own American students, but we don't have enough qualified students graduating from our colleges to fill these technical jobs. We need to upgrade our education system. That is exactly what this bill today is trying to do. We are attempting—both sides of the aisle—to make America better, to reclaim our prowess in education, K-12 as well as higher education, and to make sure we continue to be the innovators of the future as we have been in the past.

I urge my colleagues to support this legislation. Let's work on amendments. Let's get them through, but let's come to a conclusion. I know the President would like to sign a bill that moves our country forward in something as important as education.

I thank the Chair and yield the floor.

The ACTING PRESIDENT pro tempore. The junior Senator from Texas.

AMENDMENT NO. 902

(Purpose: To amend the Immigration and Nationality Act to increase competitiveness in the United States)

Mr. CORNYN. Mr. President, I have an amendment at the desk. I ask unanimous consent to set aside the pending amendment, call up amendment 902, and ask for its immediate consideration.

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

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. CORNYN] proposes an amendment numbered 902.

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

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

(The text of the amendment is printed in today's RECORD under "Text of Amendments.")

Mr. CORNYN. Mr. President, as I told the distinguished Senator from New Mexico and the distinguished Senator from Tennessee, it is my intention to withdraw this amendment following my remarks. But I believe it is important, when we are talking about America's competitiveness, to talk about people with some of the very most desirable skills and education and how it is that we might attract them to live and work and create jobs here in America.

First, I express my gratitude to both Senator BINGAMAN and Senator ALEXANDER for their leadership on this issue. It is not often enough that we have an opportunity to work on a bipartisan basis on something that is so right and so good and so meritorious as this. It feels good. I think we ought to do it more often.

I do wish to talk about this amendment which is called the Securing Knowledge, Innovation, and Leadership Act amendment, otherwise known as the SKIL bill. This was a component of the comprehensive immigration reform bill that passed the Senate last year. Of course, that did not go anywhere. We are back again. I assure my colleagues that we will be coming back time and time again until we get this matter voted on.

In the past 2 years, there has been much focus by Congress and the administration on restoring America's competitive edge. While some have viewed the SKIL bill, as it is called, as an immigration issue, I believe it should be considered as a competitiveness issue, not just an immigration one. In fact, the National Academy of Sciences included similar recommendations in its study "Rising Above the Gathering Storm." This very report was the original, the genesis of America COMPETES and several other bills introduced in the 109th Congress. That report recommended to Congress that it should "continue to improve visa processing for international students and scholars to provide less complex procedures and continue to make improvements on such issues as visa categories and duration, travel for scientific meetings, the technology-alert list, reciprocity agreements, and changes in status." The report also recommended that Congress should "institute a new skills-based, preferential immigration option. Doctoral-level education in science and engineering skills would substantially raise an applicant's chances and priority in obtaining U.S. citizenship" under this particular legislation.

The United States has always been blessed by recruiting the best and the brightest from all around the world, whether they be scholars, scientists, or researchers. As we all know, the United

States is now engaged, though, in a global competition for these very same scientists, scholars, and researchers.

In this global economy, there are only three ways for us to retain the most brilliant workforce in the world: No. 1, we can grow our own talent, which is the intent of the bill we are debating right now; No. 2, we can continue to recruit the top students from around the world from other nations; or, No. 3, we can watch our companies move their workforce and jobs to other countries in order to find that talented workforce and to remain competitive. I don't know if there are any other choices than those—grow our own talent, import the best talent, or see our jobs go overseas. Those are the choices we have. The countries that can attract and retain the best and the brightest will obviously have an advantage over other countries in this global competition.

As we have heard, the United States does not produce enough engineers. Over half of master's and Ph.D. degrees in the United States go to foreign students each year, foreign students who study in the United States. China graduates four times as many engineers as we do, and within a few years approximately 90 percent of all scientists and engineers in the world will be in Asia.

Foreign students help us fill the gap right now—a gap we are going to try to make up through growing more of our own talent right here through the great provisions of this legislation—but then our immigration policy, as currently constituted, forces these best and brightest students, these foreign students, to return home because there are no high-tech visas.

Our immigration policy has not adapted to the changing international environment or this global competition. Only 65,000 visas are issued each year to this category of the best and the brightest. For the past few years, the cap has been reached before the fiscal year even begins. But this year, on April 1, 2007, there was a loud outcry for immediate relief in our highly skilled immigration policies because that was the day the U.S. Citizenship and Immigration Service announced the 2008 cap for H-1B visas was met. That is right, because the United States has already met the cap for H-1B visas, foreign students graduating from our universities this spring are virtually shut out of the U.S. job market. We hit that cap on the very day the opportunity for filing for those types of visas was presented.

This situation is unprecedented. What it means is employers cannot hire highly educated workers for up to 1 year, until the next allotment of visas becomes available. With global competition, of course, these workers have a lot of other options as to where to go. They can go to England. They can go to France. They can go to India. They can go to China. In short, they can go to our global competitors and work there and take the jobs that

could be created here in America with them.

This SKIL bill has important protections for American workers, and I hope my colleagues will listen to this because there is, frankly, a lot of misconception about foreign students and foreign workers coming here and taking American jobs at a lower wage. In fact, high-tech visas generate fees to pay for U.S. worker training programs. Every time an employer sponsors a foreign worker, that employer must contribute to a fund to train U.S. workers. Of course, under our law, they cannot be hired to come in and work at a lower wage than would have to be paid to a comparable U.S. worker. Immigrant professionals actually create jobs here in the United States. The founder of Intel is a prime example. He was an immigrant from Hungary and has created hundreds of thousands of jobs at his company here in America.

So sound policy will start by retaining foreign students who are educated here in the United States, particularly in the most sought after areas of math, science, and engineering.

We should exempt from the annual visa limit any foreign student who graduates from a U.S. university with a master's degree or a Ph.D. degree in these essential fields. It is simply a matter of economic survival and competition for the United States. Also, insourcing talented workers, as I pointed out, is preferable to outsourcing those jobs and the associated economic activity that goes with it to other countries. We should make it easier for those who do comply with our immigration laws to travel in and out of our country as well. We must also attract the best and brightest who are working in other countries to come here and do their work in the United States so those jobs can stay here.

In the long run, we have to improve our schools and encourage more U.S. students to study engineering and mathematics, and the America COMPETES Act, as it is currently written, does just that. But in the short term, we have to adapt our immigration policy so when those U.S. students are educated in engineering fields, there will be jobs right here in the United States for them to perform. Then we can reap the benefits of the most outstanding college and university education in the world, which students travel from all around the world in order to be able to obtain, and then that they not have to go home after they graduate from college if they are in the essential fields of math, science, and engineering.

If we do not act, America's technology industry, its health care industry, higher education, research institutions, financial services industries will be harmed and our economy will suffer. The intersection of our immigration policy and our country's ability to compete for global talent is critical, and we cannot wait years to address this issue. It is imperative we address it as soon as possible.

AMENDMENT NO. 902, WITHDRAWN

My only regret is we are unable to do so on this bill because it belongs on this bill. But I understand the practical ramifications of continuing to insist upon a vote on this particular amendment at this time. So it is with some regret that I ask unanimous consent to withdraw my amendment but urge my colleagues to continue to work to support H-1B visa reform and see that the SKIL bill, as currently presented as an amendment to this bill, is ultimately enacted into law because, frankly, it is in the best interest of the United States and American jobs right here at home.

The PRESIDING OFFICER (Mr. SALAZAR). Without objection, the amendment from the Senator from Texas is withdrawn.

Mr. CORNYN. I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, within 3 or 4 minutes, we will be moving to amendments as described by the Senator from New Mexico. But before he speaks, let me thank the Senator from Texas both for his leadership on the amendment and for his spirit of cooperation and willingness to withdraw the amendment.

It is my hope that this is not the end of that discussion. I strongly agree with him. Our immigration laws are archaic in this regard. We have 650,000 legal new citizens every year, and we should, in our own interests, allow highly skilled men and women—the brightest people in the world who come here to study, earn these degrees in science, technology, math—to stay here and create jobs instead of going home and creating jobs. We should do that. So he has highlighted that. The Senate adopted that last year. I hope we will have a chance to adopt it again before Memorial Day. I salute the Senator for that, and I hope this is just the beginning of his insistence on this and other types of legislation that would reform our immigration policy.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me also commend the Senator from Texas and thank him for his support for the underlying legislation. I do think the substance of what he is trying to get accomplished with regard to the immigration laws of the country—I very much support trying to facilitate allowing people who get an education here to stay here and use those talents and skills and knowledge they have acquired to benefit our country. So we need to work on that. I think the appropriate place to do that is as part of the debate we will do on immigration, which is coming up. The majority leader has indicated he plans to get to that issue in May, so I think, clearly, that is coming up very soon. But I commend the Senator from Texas for his willingness to withdraw his amendment at this time.

The PRESIDING OFFICER. The senior Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am not going to take any time. In fact, I just want to do something I very rarely do, but it seems appropriate based on the arguments I have made this day. So I am going to ask for a parliamentary inquiry of the Chair. My parliamentary inquiry is, would this bill, with any of the amendments that have been adopted so far, be subject to a point of order under the Budget Act of the United States?

The PRESIDING OFFICER. The Chair is not aware of any such points of order against this bill.

Mr. DOMENICI. I thank the Chair.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BINGAMAN. 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. 908, AS MODIFIED

Mr. BINGAMAN. Mr. President, I send a modification to amendment No. 908 to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

On page 55, lines 21 and 22, strike “engineering”) and insert “engineering and technology”).

On page 56, line 8, after “engineering” insert “and technology”.

On page 56, line 24, strike “mathematics and science” and insert “mathematics, science, engineering, and technology”.

On page 59, line 6, strike “mathematics and science” and insert “mathematics, science, and, to the extent applicable, technology and engineering”.

On page 59, line 15, strike “mathematics and science” and insert “mathematics, science, technology, and engineering”.

On page 60, line 6, strike “mathematics and science” and insert “mathematics, science, technology, and engineering”.

On page 60, line 10, before “that” insert “in mathematics, science, and to the extent applicable, technology and engineering”.

On page 60, line 24, strike “mathematics and science” and insert “mathematics, science, and to the extent applicable, technology and engineering”.

On page 61, lines 8 and 9, strike “mathematics and science” and insert “mathematics, science, and, to the extent applicable, technology and engineering”.

On page 62, line 14, strike “mathematics or science” and insert “mathematics, science, technology, or engineering”.

On page 65, lines 16 and 17, strike “MATHEMATICS AND SCIENCE” and insert “MATHEMATICS, SCIENCE, TECHNOLOGY, AND ENGINEERING”.

On page 65, line 19, strike “MATHEMATICS AND SCIENCE” and insert “MATHEMATICS, SCIENCE, TECHNOLOGY, AND ENGINEERING”.

On page 66, lines 8 and 9, strike “Mathematics and Science” and insert “Mathematics, Science, Technology, and Engineering”.

On page 67, line 9, strike “Mathematics and Science” and insert “Mathematics, Science, Technology, and Engineering”.

On page 67, lines 16 and 17, strike "math and science" and insert "mathematics, science, and technology".

On page 68, lines 21 and 22, strike "mathematics or science (including engineering)" and insert "mathematics, science, or engineering".

On page 69, lines 4 and 5, strike "mathematics or science" and insert "mathematics, science, or technology".

Beginning on page 69, line 25 through page 70, line 1, strike "mathematics and science" and insert "mathematics, science, technology, and engineering".

On page 70, lines 10 and 11, strike "mathematics and science" and insert "mathematics, science, technology, and engineering".

On page 71, line 7, strike "mathematics and science" and insert "mathematics, science, technology, and engineering".

On page 71, line 10, strike "mathematics and science" and insert "mathematics, science, technology, and engineering".

On page 71, line 18, strike "mathematics and science" and insert "mathematics, science, and, to the extent applicable, technology and engineering".

On page 72, line 23, strike "mathematics and science" and insert "mathematics, science, technology, and engineering".

On page 73, line 14, strike "mathematics and science" and insert "mathematics, science, and to the extent applicable, technology and engineering".

On page 73, lines 18 and 19, strike "mathematics and science" and insert "mathematics, science, and to the extent applicable, technology and engineering".

On page 73, lines 23 and 24, strike "mathematics and science" and insert "mathematics, science, technology, and engineering".

Mr. BINGAMAN. Mr. President, I ask that we proceed to act on this modified amendment at this point. This is the managers' package from the Energy Committee, and it clarifies several points that are of a technical nature. I ask unanimous consent that the amendment, as modified, be agreed to.

The PRESIDING OFFICER. Without objection, the managers' amendment, as modified, is agreed to.

The amendment (No. 908), as modified, was agreed to.

AMENDMENT NO. 940

Mr. BINGAMAN. Mr. President, I also call up amendment No. 940.

The PRESIDING OFFICER. The amendment is pending.

Mr. BINGAMAN. Mr. President, again, this is a managers' package from the HELP Committee. Senator KENNEDY and Senator ENZI are cosponsoring this. I would urge that the Senate agree to this amendment at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 940) was agreed to.

Mr. BINGAMAN. Mr. President, I yield the floor. I know Senator DODD and Senator SHELBY are here ready to speak, and Senator DEMINT as well, with regard to their respective amendments.

AMENDMENTS NOS. 947 AND 928

The PRESIDING OFFICER. Under the previous order, amendment No. 947

is modified to be a first-degree amendment.

Who yields time?

Mr. BINGAMAN. Mr. President, I believe Senator DODD has 5 minutes, Senator SHELBY has 5 minutes, and Senator DEMINT has 10 minutes under the order.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, let me briefly first thank my colleague from Alabama, Senator SHELBY, the former chairman of the Banking Committee, who will also be offering this amendment for the consideration of our colleagues.

Our markets, I think all of us know, are the most fair and efficient in the world due to many reasons, but in large part to our strong statutory and regulatory schemes in the country. The amendment we are offering recognizes the very significant role of the Sarbanes-Oxley Act of improving and maintaining the integrity of the capital markets of this country, as well as the important role of small businesses in economic growth and job creation. We all remember and understand very well the debate that went on a number of years ago as a result of some of the disasters that occurred in Enron and WorldCom to make sure our public companies would be more accountable and more responsive to the concerns of the shareholders.

The SEC and the PCAOB have determined that the existing implementation of section 404 of the Sarbanes-Oxley legislation has not fully achieved the intent of the statute. Last December, they proposed management guidance and revised auditing standards to more appropriately implement the statute, without having an unintended or inappropriate impact on small businesses.

The amendment I offer with my colleague from Alabama expresses the sense of the Senate that the Securities and Exchange Commission and the Public Company Accounting Oversight Board continue their rulemaking and finalize their ongoing rulemaking process. These two agencies are currently considering about 200 comments and letters from the public commenting on their proposed regulations dealing with section 404. The letters come from a wide variety of interested parties, offering views on the strengths of the proposals and suggestions for those improvements. The capital markets and all businesses, including small businesses, will be better served by a deliberative process of rulemaking conducted by these agencies.

I commend Chris Cox for the fine job he is doing at the SEC. They have responded very well to the concerns about the section 404 requirements, particularly the smaller public companies.

SEC Chairman Cox has recently said: We don't need to change the law.

I am quoting him now, Mr. President.

We need to change the way the law is implemented. It is the implementation of the law that has caused the excessive burden, not the law itself. That is an important distinction.

He goes on to say.

I don't believe these important investor protections, which are even now only a few years old, should be opened up to an amendment, or that they need to be.

I agree with Chris Cox, President Bush's appointee to head up the SEC. They are doing a very fine job. I think it would be irresponsible for us at this juncture to jump in and basically reduce by 80 percent the number of companies that would have to comply with section 404. Let the SEC do their job. That is what we have asked them to do. They are responsible. They are a responsible agency in charge of looking at this. If and when they come back, and there are those of us here who feel they haven't gone far enough, that those burdens still exist, then I would welcome an opportunity to address that. But it is very premature to jump in at this juncture while the SEC is doing the job we asked them to do, acting responsibly, and performing their public functions under good leadership. It seems to me this is not a moment for us to jump into the middle of this and by a vote of small margins decide we are going to tell these agencies what to do with the professional staffs they have and the commentary process where the public has an opportunity to address and comment on the suggested rule changes that Christopher Cox and his staff at the SEC and the other commissioners are considering at this moment.

So for all of those reasons, we are offering this amendment which offers us an opportunity to express our concerns about where this is headed. Let's send a message that we are watching very carefully, we care about this, but avoid the situation of this body engaging in a regulatory process, which is properly left to the agencies charged with that responsibility. For those reasons I urge the adoption of the Dodd-Shelby amendment.

Mr. President, I ask unanimous consent to add Senator REED of Rhode Island, the chairman of the subcommittee, as a cosponsor of the amendment.

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

Mr. DODD. Mr. President, I yield the floor.

Mr. SHELBY. Mr. President, the Sarbanes-Oxley Act of 2002 that we are familiar with has provided real benefits to the capital markets. On the other hand, there is no question that its implementation has been too costly, particularly for small public companies. We know this. This is a given.

That is why I am encouraged that the securities regulators charged with implementing this legislation at the Securities and Exchange Commission and the PCAOB are near the end of a 2-year

process to make significant changes that are likely to reduce the unacceptable costs and burdens of section 404 compliance which Senator DODD alluded to.

This body, I believe, ought to give the regulators, the Securities and Exchange Commission, and the Public Company Accounting Oversight Board a chance to fix this problem, because they have been involved in this for over a year now. It is very complex. Both the SEC and the PCAOB acted last December, just a few months ago, to propose initiatives aimed at reducing the costs associated with section 404 of Sarbanes-Oxley. These actions are the most significant to date and should lower costs on investments while at the same time preserving the benefits of effective internal controls.

In testimony before the Senate Small Business and Entrepreneurship Committee last week, Chairman Cox of the Securities and Exchange Commission stated:

Focusing on the implementation of 404, rather than changing the law, is consistent with the SEC's view that the problems we have seen with 404 to date can be remedied without amending the Sarbanes-Oxley Act.

I am willing to give the SEC a limited opportunity to deliver. Chairman Cox said the Commission's 404 proposal would permit companies to:

Scale and tailor their evaluation procedures to fit their facts and circumstances, and investors will benefit from the use-compliance costs.

The SEC is expected to adopt the measure in the next few weeks.

The PCAOB, the Public Company Accounting Oversight Board's, proposals to repeal auditing standard No. 2 and replace it with a new standard on auditing internal control over financial reporting would provide, according to PCAOB Chairman Mark Olson:

Additional flexibility to promote scalability, avoid unintended consequences, and address other valid concerns.

The PCAOB is currently reviewing the comments submitted in response to its proposal and is expected, along with the SEC, to submit the standard for SEC review and approval next month. Chairman Cox of the SEC, whom we have worked with on the Banking Committee a lot, said the two regulators have worked together to ensure that the new rules are:

Mutually reinforceable and should significantly improve the implementation of section 404, making it more efficient and effective for small and medium-sized businesses.

That is what we all want. We all agree that unnecessary costs imposed by regulations are a real problem for both large and small companies. The regulators have acknowledged this fact and are attempting to address it. On the Banking Committee that Chairman DODD now chairs and which I chaired, we have oversight of that, and we have worked with them and have had hearings to give some relief to small businesses here, and they are in the process of doing it. I am willing to give the

SEC and the PCAOB some additional time, but I am not willing to give them unlimited time. We shouldn't do that. Chairman DODD and I intend to monitor closely their progress and hold them accountable should there be any unnecessary delays.

I urge my colleagues this afternoon to support the Dodd-Shelby amendment with the understanding that we intend to follow closely in oversight, working with the regulators, their progress and will take whatever action is necessary to ensure the vitality of our small business community, which is vital and important to America. I urge support of the Dodd-Shelby amendment.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, in a few moments the Senate will vote on two amendments related to Sarbanes-Oxley. The first is the Dodd-Shelby amendment, which is a nonbinding resolution that suggests the SEC and the Public Company Accounting Oversight Board move ahead with changing the Sarbanes-Oxley regulations. My amendment, which will come after that, actually changes the law in one small section of Sarbanes-Oxley, which would facilitate that happening.

Despite what has been reported today, my conversation with some of the regulators and some of the observers of the SEC is there is not real clarity as to how far the SEC can go in changing this one section that is problematic in Sarbanes-Oxley. We know from our work with Federal agencies that as long as there is doubt, there is no action. While there has been good intent from the SEC for many years, this bill has been destroying our capital formation in this country for nearly 5 years. Admittedly, Sarbanes-Oxley has done some good things, but I think it is beyond question particularly for small companies, small public companies, that section 404 of Sarbanes-Oxley is doing untold harm in this country today. So the difference here is a non-binding resolution which encourages the SEC to act and an amendment that actually makes that happen.

I am going to support the Dodd-Shelby amendment. While I have some problems with the specific findings, the intent is right. The regulators have a responsibility to continue to look at their regulations to make sure they encourage competition and good enterprise in our country. So I am going to support the amendment. But Congress also has a responsibility to make sure that the laws we pass work, and if they are not interpreted properly by our regulatory agencies, that we go back and make those changes to make it work.

So the "sense of the Senate" maintains the status quo for regulatory agencies to determine how we deal with Sarbanes-Oxley. While I know the chairman and ranking member remain hopeful that something will happen, the same thing was said to me well

over a year ago when I talked to Chairman Cox and others that the changes were eminent, but since then in this country we have lost our status as the No. 1 market exchange. Instead of 9 out of every 10 IPOs being formed in this country with foreign capital, it is completely reversed, where 9 out of 10 are out of this country. Our trade competitors have Sarbanes-Oxley free zones that encourage capital to come that way instead of toward us. We cannot leave the responsibility for this law on the regulatory agencies.

I encourage all of my colleagues to vote for both amendments.

I thank Senator MARTINEZ, Senator CORNYN, and Senator ENSIGN for supporting and cosponsoring my amendment. I also thank Democratic Congressman GREGORY MEEKS from New York for having the courage to introduce this measure in the House.

I also want to inform my colleagues that my amendment today is supported by the Independent Community Bankers of America. It is also being key voted by the Americans for Tax Reform, the Club for Growth, the Americans for Prosperity, and many other people who look at our economy across the country and realize it is time for Congress to act. We have waited for the SEC for 5 years and have seen capital chased from this country. It is time for Congress to take the responsibility for what we did in the first place, and I urge my colleagues to support both amendments.

I yield to my colleague, the Senator from Florida, to speak on behalf of my amendment.

Mr. MARTINEZ. Mr. President, I add a word of encouragement to our colleagues to support both of these good amendments. I agree wholeheartedly with my colleague from South Carolina that it is time we take action. It is time we act.

I have heard untold stories for years now as a candidate for the Senate and as a Senator of the problems that small companies of America are facing over the burdens imposed upon them by section 404, unfair burdens that disproportionately fall on small businesses than they do on large. A recent GAO study requested by our colleague Senator SNOWE found the cost of compliance for small public companies to comply with Sarbanes-Oxley has been disproportionately higher for small businesses than it was for larger companies.

Small businesses are vital to the growth of business in America. They are where most of our jobs are created in this day and time. The fact is for us to idly sit by and hope the regulators will do the right thing, hope they go far enough, isn't good enough for me. I want to act now. I want to make sure we support the amendment by Senators DODD and SHELBY, but I also want to encourage support for our amendment, because ours will take action and will do it now.

What it does is it exempts smaller companies with market capitalization

of less than \$700 million, with revenues of less than \$125 million, and with fewer than 1,500 shareholders from the onerous burdens of section 404.

There are a number of ways to maintain investor protections while lowering the cost of Sarbanes-Oxley compliance, but we should start by exempting small companies from having to comply with section 404 of Sarbanes-Oxley, the section that requires the double audit.

Oftentimes small business cannot even find an accounting firm willing to perform the audit, let alone afford to take a significant percentage of revenue to conduct a duplicate audit. The fact is this is strangling America's business. It is, as Senator DEMINT pointed out, not allowing us to play the role we have traditionally played in the capital market.

Mayor Bloomberg conducted a study in New York about why we were losing our competitive edge vis-a-vis other foreign markets. One of the reasons that was found for that, among several others—but it is a significant reason—was Sarbanes-Oxley compliance.

It is time we act. We passed the law and it was a good thing to do; it has done a lot of good. But aspects of it are now hurting American business and we need to pull those back. That is what the DeMint amendment does. I encourage my colleagues to do that as well.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator has 3 minutes 6 seconds.

Mr. DEMINT. Mr. President, parliamentary inquiry: These bills are side-by-sides, correct? This is not a second-degree amendment.

The PRESIDING OFFICER. Both amendments are first-degree amendments.

Mr. DEMINT. My colleagues can vote for both of these amendments. I encourage Members of the Senate, both Republicans and Democrats, to vote for both of them because both are needed. We need the SEC to take its responsibility. But since there is some concern as to how far the SEC can go to correct this problem, my amendment simply changes one aspect of Sarbanes-Oxley that allows small companies—companies with \$125 million in revenue or less, or less than 1,500 shareholders—to voluntarily opt out of the external audit, with notification to their shareholders.

These are certainly not huge corporations. This certainly doesn't gut Sarbanes-Oxley. It does what so many economic experts have encouraged us to do for years, and that is to fix the one small part of Sarbanes-Oxley that costs small businesses in a disproportionate way.

I thank the managers and those who offered the side-by-side, and I encourage my colleagues to vote for both of them.

I yield the floor and reserve the remainder of my time.

Mr. DODD. Mr. President, is all time yielded back?

The PRESIDING OFFICER. The Senator from Connecticut has 38 seconds.

Mr. DODD. Again, Chris Cox, Chairman of the SEC, pointed out he doesn't want the law changed. He wants to be able to work with the Commission and the staff to deal with these issues. The Chairman of the SEC has wide latitude within which to operate here. The statute gives broad discretion. Senator SHELBY and I believe this matter ought to be left at this juncture. The Commission is relegated to do their job. Let them complete their work and make their recommendations. If we are dissatisfied, we can respond.

Mr. SHELBY. Mr. President, do I have any time left?

The PRESIDING OFFICER. The Senator has 34 seconds.

Mr. SHELBY. Mr. President, I have been informed by my staff that the staff of the Securities and Exchange Commission, headed by Christopher Cox, a former Congressman, has reiterated a few minutes ago to our Banking Committee staff that they will be done with this work in a few weeks. This is premature, the amendment offered by the Senator from South Carolina. As I said earlier, I believe we need to let the SEC and PCAOB do their work. I agree with Chairman DODD.

Mr. DODD. Mr. President, I ask for the yeas and nays on the Dodd-Shelby-Reed amendment.

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 legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

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

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

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

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 138 Leg.]

YEAS—97

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| Akaka | Cantwell | DeMint |
| Alexander | Cardin | Dodd |
| Allard | Carper | Dole |
| Baucus | Casey | Domenici |
| Bayh | Chambliss | Dorgan |
| Bennett | Clinton | Durbin |
| Biden | Coburn | Ensign |
| Bingaman | Cochran | Enzi |
| Bond | Coleman | Feingold |
| Boxer | Collins | Feinstein |
| Brown | Conrad | Graham |
| Brownback | Corker | Grassley |
| Bunning | Cornyn | Gregg |
| Burr | Craig | Hagel |
| Byrd | Crapo | Harkin |

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| Hatch | McCaskill | Shelby |
| Hutchison | McConnell | Smith |
| Inhofe | Menendez | Snowe |
| Inouye | Mikulski | Specter |
| Isakson | Murkowski | Stabenow |
| Kennedy | Murray | Stevens |
| Klobuchar | Nelson (FL) | Sununu |
| Kohl | Nelson (NE) | Tester |
| Kyl | Obama | Thomas |
| Landrieu | Pryor | Thune |
| Lautenberg | Reed | Vitter |
| Leahy | Reid | Voinovich |
| Levin | Roberts | Warner |
| Lieberman | Rockefeller | Webb |
| Lincoln | Salazar | Whitehouse |
| Lott | Sanders | Wyden |
| Lugar | Schumer | |
| Martinez | Sessions | |

NOT VOTING—3

| | | |
|---------|-------|--------|
| Johnson | Kerry | McCain |
|---------|-------|--------|

The amendment (No. 947), as modified, was agreed to.

AMENDMENT NO. 928

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate equally divided on amendment No. 928 offered by the Senator from South Carolina, Mr. DEMINT.

Who yields time? The Senator from Connecticut.

Mr. DODD. Mr. President, at an appropriate moment, along with my colleague from Alabama, I will offer a motion to table the DeMint amendment. I do so respectfully of my colleague. We are just about 2 or 3 weeks away from the SEC issuing regulations regarding Sarbanes-Oxley on this 404 issue. It would be inappropriate for us to jump in and draw a conclusion as to what the SEC ought to be doing.

Chris Cox is doing a very good job at the SEC. Staff and Commissioners are doing the job we asked them to do.

To conclude the point here, this is a matter that is being well addressed by the SEC under Chris Cox. They have asked to have the appropriate time, the remaining 2 or 3 weeks, to finish their recommendations. They may very well come to the recommendation that has been offered by our colleague from South Carolina, but we ought to allow them to do their job. That is what they have been asked to do.

We are not a regulatory body. We don't have to agree with them, but we should allow them to complete their work. That is why we are offering this amendment. It is premature for us to jump in before they have completed their task.

Mr. President, I yield to my colleague from Alabama.

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

Mr. DODD. Mr. President, I ask unanimous consent to have 30 seconds for my colleague from Alabama.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SHELBY. Mr. President, I agree with Senator DODD. We work on the Banking Committee with this. The SEC has asked us to hold off. We all want to give relief under Sarbanes-Oxley for small businesses. The SEC, PCAOB are in the process of doing this, and this is probably going to happen in the next couple of weeks.

I don't disagree with what Senator DeMINT is trying to do, but I think it is premature. The timing is not good. But the timing is always good if we work with the SEC on something they know a heck of a lot about. This is a very complex issue.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mr. KERRY. Mr. President, the United States has the fairest, most transparent and most efficient financial markets in the world. Our Nation achieved this status by developing a regulatory approach that insures investors around the world have confidence in our markets. We cannot go back to the days of Enron accounting for small businesses.

As chairman of the Senate Committee on Small Business and Entrepreneurship, I oppose the amendment by Senator DeMINT to provide an exemption from Sarbanes-Oxley regulations for small public companies because I believe it is premature, would endanger small business investors and limit access to capital for small public companies in the United States.

Last week, I held a hearing in the committee on the upcoming changes to the Sarbanes-Oxley law and how they will affect small business. In that hearing, no Senator or witness expressed any support for providing a permanent exemption from Sarbanes-Oxley regulations for small public companies. The Securities and Exchange Commission Chairman Christopher Cox has said that he strongly opposes any type of permanent exemption for small public companies from Sarbanes-Oxley regulations.

Here is why. It wasn't too long ago, between the years 1998–2000, that public companies were issuing financial restatements at a rate that was higher than the previous 10 years combined. Too often, public companies were overstating their income to attract investors. As a result, the trust and confidence of the American people in their financial markets was dangerously eroded by the actions of WorldCom, Inc., Enron, Arthur Andersen and others. The shocking malfeasance by these businesses and accounting firms put a strain on the growth of our economy, cost investors billions in assets and hurt the integrity of our financial markets around the world.

By all accounts, the Sarbanes-Oxley Act has brought back accountability to corporate governance, auditing, and financial reporting for public companies. The audit of internal controls over financial reporting has produced significant benefits and public company financial reporting has improved. As a result, investor confidence in our capital markets has been restored and our Nation's economic growth continues. Recent published reports show that accounting restatements on large companies' financial reports declined by 20 percent last year. This is important evidence that Sarbanes-Oxley is working.

These improvements, however, have not come without some drawbacks. Too many small public companies who played by the rules are now expected to deal with the time and financial burden required to comply with the Sarbanes-Oxley law. Last year, small businesses with less than \$75 million in assets saw the number of financial restatements increase by 46 percent. This shows that small businesses getting ready to comply with Sarbanes-Oxley are having trouble. But I believe we will all benefit when small businesses eventually comply with Sarbanes-Oxley. According to a recent United States Government Accounting Office—GAO—study requested by Senator SNOWE, the cost of compliance and the time needed for small public companies to comply with Sarbanes-Oxley regulations has been disproportionately higher than for large public companies. Firms with assets of \$1 billion or more spend just thirteen cents per \$100 in revenue for audit fees, while small businesses are forced to spend more than a dollar per \$100 in revenue to comply with the same rules.

The response to these problems is not to give a permanent blanket exemption from these regulations to small public companies, instead we need to assist them in making the transition to comply with the Law. That is why the SEC and the Public Company Accounting Oversight Board—PCAOB—are currently considering final rules and guidance on the implementation of Sarbanes-Oxley that will make it easier for small businesses to comply with the law.

In his testimony to the Small Business Committee, Chairman Cox said three quarters of the comment letters regarding the proposed Sarbanes-Oxley rule changes from small business interests supported the efforts to make it easier for small businesses to comply with the law. Specifically, these small businesses believed that the proposed rules would allow managements to tailor their audits and evaluations to the facts and circumstances of their particular companies and focus on their areas that are most important to reliable financial reporting.

Chairman Olson testified at the same hearing that while the PCAOB is committed to making the process cost-effective for small businesses, the oversight program it has in place is reducing the risk of financial reporting failures and renewing confidence in U.S. security markets. We also heard from Joseph Piche, whose private company Eikos, Inc. operates out of Franklin, MA. Mr. Piche's testimony reflected the sentiments of so many small business owners—that while the burdens of cost make it difficult under the current regulatory structure, entrepreneurs rely on capital markets, and capital markets rely on trust. The Sarbanes-Oxley law has helped to restore this trust.

So the upcoming changes to Sarbanes-Oxley will save small public

companies time and money. Unfortunately, before these changes are even finalized, the DeMint amendment would provide a permanent exemption to more than 6,000 small public companies from ever having to comply with Sarbanes-Oxley.

As Mr. Piche and other industry witnesses told the Small Business Committee, small businesses aren't resistant to fair and open financial reporting, because they know that it leads the way to access to capital. Today, small public companies are vital participants in U.S. capital markets and play a critical role in future economic growth and high-wage job creation. Once provided with the necessary regulatory flexibility, I have no doubt that our small public companies will be able to comply with the Sarbanes-Oxley law, just as big businesses are doing today. All small public companies know it is in their best interest to have regulations in place that provide transparency and accountability. These are the qualities that encourage investor confidence in U.S. markets. It gives them access to more investors and increases the pool of available capital while keeping their competitors from manipulating the marketplace through faulty accounting.

As we move forward, there are additional steps that can be taken to assist small business. First, I recently wrote to the SEC and PCAOB with Senator SNOWE, urging the regulators to give small businesses up to an additional year to comply with the pending changes to the Sarbanes-Oxley regulations. I believe this added time will help small businesses adapt to the changing regulatory structure and make it easier for those who lack the expertise or financial resources to comply with the law. The SEC has previously supported providing small public companies with additional time to comply with Sarbanes-Oxley and I hope they will do so again.

The DeMint amendment is an overreaching, premature policy reversal that preempts years of thoughtful regulatory consideration on the part of the SEC and the PCAOB. It represents a blanket exemption that has the potential to take U.S. capital markets a large step backwards to the days of Enron. I urge my colleagues to oppose this amendment and allow the regulators to finish their jobs.

As chair of the Committee on Small Business and Entrepreneurship, I will continue to closely follow the impact of Sarbanes-Oxley on small firms and look forward to working with Senator SNOWE and my colleagues on the committee to determine what necessary steps Congress can take to help small public companies abide by the law while simultaneously allowing them to focus on what they do best—creating jobs and growing our economy by participating in our capital markets. This will help small businesses achieve the American dream of becoming innovative public companies.

We can help our small public companies and encourage additional small businesses to become public companies—while ensuring transparency and honest accounting. This will help ensure that the United States continues to have the fairest, most transparent and most efficient financial markets in the world.●

Mr. DEMINT. Mr. President, I am obviously disappointed the chairman will move to table. We have had a good debate on it. The debate on Sarbanes-Oxley has been going on for almost 5 years, since it was passed. Every time someone expresses a problem, they go right to section 404, and just to small businesses that are being hurt most by this.

I talked with the SEC well over a year ago. I heard exactly the same thing I am hearing today: We are on it. It is going to happen very soon.

Let me suggest this to my colleagues. Let us pass this bill today and send it to conference. That will be a few weeks of work. If the SEC responds, then take it out in conference. The Democrats are in control of the conference. There is no harm done. But let us not continue to allow investment capital to be shipped out of this country without doing anything about it.

The only reason the SEC is even talking about it now is that we introduced this bill with Democrats and Republicans in the House. It is time to act now. Please vote for this bill. Let us move it to conference and shake up the SEC.

Mr. DODD. Mr. President, I move to table the DeMint amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

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

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

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

The result was announced—yeas 62, nays 35, as follows:

[Rollcall Vote No. 139 Leg.]

YEAS—62

| | | |
|----------|----------|-----------|
| Akaka | Byrd | Crapo |
| Baucus | Cantwell | Dodd |
| Bayh | Cardin | Dorgan |
| Bennett | Carper | Durbin |
| Biden | Casey | Enzi |
| Bingaman | Clinton | Feingold |
| Bond | Cochran | Feinstein |
| Boxer | Collins | Graham |
| Brown | Conrad | Harkin |

Hatch
Inouye
Kennedy
Klobuchar
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lincoln
McCaskill
Menendez

Mikulski
Murkowski
Murray
Nelson (FL)
Nelson (NE)
Obama
Pryor
Reed
Reid
Rockefeller
Salazar
Sanders

Schumer
Sessions
Shelby
Snowe
Stabenow
Stevens
Tester
Thomas
Webb
Whitehouse
Wyden

NAYS—35

Alexander
Allard
Brownback
Bunning
Burr
Chambliss
Coburn
Coleman
Corker
Cornyn
Craig
DeMint

Dole
Domenici
Ensign
Grassley
Gregg
Hagel
Hutchison
Inhofe
Isakson
Kyl
Landrieu
Lott

Lugar
Martinez
McConnell
Roberts
Smith
Specter
Sununu
Thune
Vitter
Voinovich
Warner

NOT VOTING—3

Johnson

Kerry

McCain

The motion was agreed to.

Mr. DODD. Mr. President, 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. 917

The PRESIDING OFFICER. Under the previous order, there will now be 4 minutes of debate on amendment No. 917, offered by the Senator from Oklahoma, Mr. COBURN.

Who yields time? The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, regarding the amendment we are about to vote on, we voted on essentially the same amendment last Wednesday as an amendment to the Court Security Improvement Act. The amendment provides that any new program or initiative that is contained in legislation be offset. The point that defeated the amendment last week is still valid; that is, we should not be required to offset authorizing legislation. This is authorizing legislation. There is no spending in this bill. This does not appropriate funds.

Mr. President, on behalf of myself and my colleague, Senator DOMENICI, I will be moving to table the amendment after he completes his statement.

I yield the remainder of my time to Senator DOMENICI.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first, might I say to the Senator from Oklahoma, I have watched you in your concern for spending, and I appreciate what you are trying to do to cut spending in the Senate.

But let me say to the Senate, this afternoon I asked the Chair for a point of order. I asked whether this bill would violate the Budget Act. After looking at the bill and coming back, I was advised it does not violate the Budget Act. The reason it does not is because there is no spending in it. If it were spending money, it would be violating the budget because it is not in the budget, and we passed a budget.

Having said that, if we are not spending money, then why should we chas-

tise ourselves about spending money and suggesting that we have to offset something when, as a matter of fact, there is nothing to offset because there is no spending? If we get into this game that authorizing is spending, then we will have a fourth tier of Government. Instead of a budget appropriations and direct spending, we will have people bringing up a new way to attack it on every kind of authorizing bill. I don't think we need that. We need to get on with business every now and then. This is one time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. COBURN. Mr. President, the reason you ought to vote for this sense of the Senate—it doesn't say anything about authorizing. What it says is, and the American people expect, if we are going to create new programs, we ought to get rid of the programs that are not working. We spend \$84,000 a second. We spent \$350 billion we didn't have last year, and we charged it to the next generation. We have 10 percent of the Department of Energy that is ineffective, we have 10 percent of the Department of Education that is ineffective, and you offset none of the programs as you reauthorize this bill. We doubled up. This says, sense of the Senate, if we are going to spend more money and create new programs, we ought to go after the ones that do not work.

Vote against it at your own peril.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, this is the last vote this evening. I am glad to see the managers are moving this bill along. We are probably going to have a vote in the morning, around 11 o'clock. That will be the first vote.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I move to table the Coburn amendment and 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 motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHNSON) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

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

Mr. LOTT. The following Senator is necessarily absent: the Senator from Arizona (Mr. MCCAIN).

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

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 140 Leg.]

YEAS—54

| | | |
|-----------|-------------|-------------|
| Akaka | Domenici | Nelson (NE) |
| Alexander | Feinstein | Obama |
| Baucus | Harkin | Pryor |
| Bennett | Inouye | Reed |
| Biden | Kennedy | Reid |
| Bingaman | Klobuchar | Rockefeller |
| Bond | Landrieu | Salazar |
| Boxer | Lautenberg | Sanders |
| Brown | Leahy | Schumer |
| Byrd | Levin | Snowe |
| Cantwell | Lincoln | Specter |
| Cardin | Lugar | Stabenow |
| Carper | McCaskill | Stevens |
| Casey | Menendez | Tester |
| Clinton | Mikulski | Warner |
| Cochran | Murkowski | Webb |
| Conrad | Murray | Whitehouse |
| Dodd | Nelson (FL) | Wyden |

NAYS—43

| | | |
|-----------|-----------|-----------|
| Allard | Dorgan | Lieberman |
| Bayh | Durbin | Lott |
| Brownback | Ensign | Martinez |
| Bunning | Enzi | McConnell |
| Burr | Feingold | Roberts |
| Chambliss | Graham | Sessions |
| Coburn | Grassley | Shelby |
| Coleman | Gregg | Smith |
| Collins | Hagel | Sununu |
| Corker | Hatch | Thomas |
| Cornyn | Hutchison | Thune |
| Craig | Inhofe | Vitter |
| Crapo | Isakson | Voinovich |
| DeMint | Kohl | |
| Dole | Kyl | |

NOT VOTING—3

| | | |
|---------|-------|--------|
| Johnson | Kerry | McCain |
|---------|-------|--------|

The motion was agreed to.

Mr. MENENDEZ. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I thank my friend from New Mexico, who is doing such a wonderful job on the legislation that is in front of us. I wish to compliment everyone who is involved with this legislation for working so hard, including Senator ALEXANDER and Senator BINGAMAN. This is a wonderful bill. So we congratulate them for that.

IRAQ SUPPLEMENTAL

I wish to speak this evening about the supplemental appropriations bill the Senate will vote on later this week. I also wish to rise with great concern and, frankly—I am not sure what the word is; “disappointment” is not strong enough for how I feel about what the Vice President has said today about our leader, our great leader in the Senate, who has spoken so passionately and cares so deeply about the troops who are serving us overseas, their families who are here at home, who wants to make sure the strategy is right for them.

We all know—and our military experts have told us time and again—that a military victory is not going to happen, that it has to be a political victory, a political strategy of the Iraqis stepping up and taking control and making the tough decisions they need to make to take control of their own security. We have heard that from many experts within the military and without. Yet today the Vice President was here, not far from this Chamber, unleashing his wrath, as only he seems to be able to, about our leader, calling him names and mischaracterizing his positions. That is extremely unfortu-

nate because while the men and women are serving us right now in Iraq, over there doing their best to focus on the mission, they expect us to be at home focusing on the strategy, the resources, and the equipment they need.

I had an opportunity to talk to a young man not long ago who had come home from Iraq. I asked him how he felt about the debate going on about the strategy, the debate we were having in the Senate and the House. He said, frankly, he would expect us to be doing that because that is our job. That is our job. They are doing their job. As my husband, who was in the Air Force and Air National Guard, reminds me continually, their job is to implement the mission. They are doing it. Our job is to get it right, to have the right strategy, and to back them up and give them the resources they need.

The name calling coming from the Vice President is not going to get the job done. What is going to get the job done is our ability to work together and look at the facts, not some stubborn sense of unwillingness to change or to do more of the same which, unfortunately, is what is happening now with this surge. It is more of the same. Instead of doing that, we need to be joining together to say: Let's look at the reality of what is going on on the ground. More and more Americans and Iraqis are being killed every day. Let's look at the reality of what we need to do to be successful, to bring our troops home safely, to address the success we all would like to see happen in terms of a democracy that works, the Iraqi Government being able to step up and to govern their country, which is an incredibly difficult and complicated thing to do, obviously.

I find it very disappointing. I work with our leader, as we all do every day. There is no one who has spent more time thinking and focusing and discussing and listening on these issues around the war than he has—no one who is more thoughtful or more caring, no one who is more concerned about our veterans coming home.

We welcome, certainly, the Vice President coming and meeting with us and joining in the discussion. But I certainly hope we are not going to see more of what we saw today. It was an effort to attack a great leader and, essentially, instead of moving the ball forward, make it more difficult for us to do what we need to do to come together.

On this particular bill, the supplemental appropriations bill, I certainly hope the President will sign this legislation, will reconsider the position that has been taken and sign this legislation. We are going to be sending a bill to the President that will fund the troops—in fact, it adds dollars to do that—as well as veterans, as well as addressing a number of other critical issues. The question before the President will be, Will he sign this bill? We are not trying to play games. We are sending him an emergency supple-

mental for the war and for other critical American needs—our communities, our families' needs, just as we do every year in an appropriations bill, in a supplemental. The question is whether the President will step up and do his duty and sign this bill so that those dollars can get to the troops.

This legislation represents the best opportunity for us to change the course in Iraq as well as protect our troops and our veterans and to give them what they need now. Unfortunately, the President has put our troops in the middle of an endless Iraqi civil war. We know this to be true. People in my great State know this is true.

Unfortunately, we find ourselves in a situation where our troops are in an endless civil war. The American people are paying a huge price for this war, most importantly, in lives, not only family members lost but people coming home with permanent disabilities, with head injuries, with mental health problems. There is a huge price being paid by Americans for what is occurring and has been occurring.

We are also paying a huge price in dollars, \$10 billion a month, and then we look at the fact that we could fund a program to cover every child with health care in America for \$10 billion a year. We know while lives are the most important issue, resources for Americans to address our needs at home is also a critical issue.

We also know we are paying a huge price as it relates to our own security interests. The majority of Americans, a bipartisan majority in Congress, military experts, and the Iraq Study Group believe this war cannot be won militarily and that the current path is not sustainable. The supplemental appropriations bill recognizes it is long past time to change course. The American people know that. That is really what last November was about. People want a change. They know this isn't working. It is not sustainable. They expect us to step up together and make that change.

This bill fully funds our troops. We are passing a bill agreed to by the House and Senate that fully funds our troops and provides a plan to responsibly end the war and bring them home safely. I don't know what more we could ask of the proposal. We are providing the resources and also putting in place a responsible way to provide benchmarks and measurements and bring a responsible end to the war.

Our bill holds the Iraqis accountable for securing their own Nation and forging political reconciliation. We know more of the same—more surges, more efforts that have been tried and tried time after time—is not working. I don't believe they can work. But what can work is holding the Iraqis accountable for securing their own nation and making the tough decisions that one has to make when they want to have a democracy. It is not easy. We know that. They are in a very difficult situation. But it is their country, and they

need to step up and make those decisions and bring all parties together and find some way to live together.

Our bill ensures our troops are combat ready before being deployed to Iraq. I can't imagine that there is one individual in the armed services or one mom or dad or brother or sister or son or daughter of a combat troop that would not want us, and doesn't expect us already, to be making sure that our troops are combat ready before being deployed.

It provides them with all the resources needed on the battlefield and when they return. We are very committed and, in fact, I am very proud of the fact that in our budget resolution passed a few weeks ago, for the first time we meet the dollars needed for veterans health care and other critical veterans services identified by the veterans organizations themselves. For the first time ever, we put forth the dollars that are needed when our troops are coming home. A Presidential veto will deny our troops the resources and the strategy they need and send exactly the wrong message to the Iraqi political leaders. We hope the President will join us in giving our troops the resources and strategy they need and deserve. That is what this bill is about.

After more than 4 years of a failed policy, it is time for this Nation to change course and Iraq to take responsibility for its own future.

This is a good bill we will have before us. Overall, it provides more than \$100 billion for the Department of Defense, primarily for continued military operations in Iraq and Afghanistan. It includes a \$1 billion increase for the National Guard and Reserves for equipment desperately needed and \$1.1 billion for military housing. It provides \$3 billion for the purchase of mine-resistant, ambush-protected vehicles, vehicles designed to withstand roadside bombs. Every day we pick up the paper and see where more lives have been lost, injuries have been sustained as a result of roadside bombs. It contains more than \$5 billion to ensure that returning troops and veterans receive the health care they have earned with their service so that we don't ever have to have another Walter Reed incident.

It has \$6.9 billion for the victims of Hurricanes Katrina and Rita as well. We know when we are doing an emergency supplemental, just as in every other year when our colleagues were in the majority, as well as when we are in the majority, there are a number of emergency needs for the country.

One thing in the supplemental has been funding the troops. We have added funding for our veterans and also understand there are some critical needs at home, critical needs that Americans have. Certainly, we all know the resources and the focus on those families who were hit by the hurricanes have been shamefully slow in going to that region to rebuild American communities, American homes, to support American families. Our bill does that.

It provides emergency funding also for the Children's Health Insurance Program because we have a number of places in the country where the resources are running out, and we want to make sure children can continue to get health care. That is an emergency at home.

Ask any family who is worried about whether their children are going to get sick tonight, say a little prayer: Please God, don't let the kids get sick because what are we going to do. Our bill addresses children's health care emergency funding.

It also includes homeland security investments totaling \$2.25 billion for port security and mass transit security, for explosives detection equipment at airports, and for several initiatives in the 9/11 bill that recently passed the Senate. I am very proud of the fact that our new majority placed a priority on passing the 9/11 Commission recommendations. It was long overdue, but it was a priority for us in the first few weeks of our new majority, and we did it. Now we have the resources that go with that. It is not enough to pass the recommendations. We have to make sure the resources are there to keep us safe at home.

So, yes, this is a supplemental bill to support our troops abroad, to support their efforts while they are in theater in combat, but we also know we have folks on the front lines at home, our police officers and firefighters and others, and security needs here. We address that.

We also know there have been a group of folks waiting for way too long for some disaster assistance related to agriculture, including my home State of Michigan where apple and cherry growers have been waiting. In this legislation, \$3.5 billion is provided to help relieve the enormous pressure on farmers and ranchers as a result of severe drought and agricultural disasters. Again, this is about helping people at home, putting Americans first when we know there is a disaster. Whether it is Hurricane Katrina or whether it is cherry growers in northern Michigan, our job is to also focus on our people here and their emergency needs.

The conference agreement also includes emergency funding for forest firefighting, low-income home energy assistance, and pandemic flu preparations, which we should all be concerned about—again, critical needs for Americans, American families.

Finally, there are other items in this bill that are good for workers and small business. The bill has an increase in the minimum wage to \$7.25 an hour, giving hard-working Americans a much deserved raise after 10 years—10 years. It provides almost \$5 billion in tax cuts for small businesses as well. We know the majority of jobs come from small business. This supports their efforts as well.

So I would say to President Bush: Sign this bill. Sign this bill. This is a bill which funds our troops, which

keeps our commitments to our veterans, and which addresses other American priorities for our communities and our families.

Mr. President, if you do, we will change course in Iraq, give our troops the equipment they need, the health care they deserve, and provide much needed investments here at home in America.

President Bush, if you veto this bill, you are denying funds to the troops in the field and going against the wishes of the majority of the American people.

It is time for the administration to stop saying no to troops and no to the American people. We need the President to say yes to working with us, to support our troops and what they need, which this legislation does, to support the American people, American families, and critical emergency needs here at home, and to put in place a strategy for success—a real strategy for success—by focusing on efforts that empower and send a message to the Iraqi Government to step up. While we are willing to support them, we will not continue to send our brave men and women into the middle of a civil war day after day after day and continually say it is OK, everything is going great. It is not going great.

It is time for a new strategy. We have put forward a strategy in a very responsible way in this legislation, along with meeting our obligations and responsibilities to our troops, our veterans, their families, and to America as a whole.

I hope when President Bush reads this bill—and I hope he will—I hope he will look at what is in here with an open mind, and agree with us that this is a bill which makes sense for America at home and abroad.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENTS NOS. 938 AND 936 EN BLOC

Mr. BINGAMAN. Mr. President, under the previous order, I call up amendments Nos. 938 and 936.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes en bloc amendments numbered 938 and 936.

The amendments are as follows:

(Purpose: To strike the provisions regarding strengthening the education and human resources directorate of the National Science Foundation)

Strike section 4002.

(Purpose: To increase the competitiveness of American workers through the expansion of employee ownership, and for other purposes)

At the appropriate place, insert the following:

SEC. ____ EMPLOYEE OWNERSHIP EXPANSION.

(a) FINDINGS.—Congress makes the following findings:

(1) Between 2000 and 2006, the United States lost more than 3,000,000 manufacturing jobs.

(2) In 2006, the international trade deficit of the United States was more than

\$763,000,000,000, \$232,000,000,000 of which was due to the Nation's trade imbalance with China.

(3) Preserving and increasing jobs in the United States that pay a living wage should be a top priority of Congress.

(4) Providing loan guarantees, direct loans, grants, and technical assistance to employees to buy their own companies will increase the competitiveness of the United States.

(b) UNITED STATES EMPLOYEE OWNERSHIP COMPETITIVENESS FUND.—

(1) ESTABLISHMENT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Commerce (referred to in this section as the "Secretary") shall establish the United States Employee Ownership Competitiveness Fund (referred to in this section as the "Fund") to foster increased employee ownership of companies and greater employee participation in company decision-making throughout the United States.

(2) ORGANIZATION.—

(A) MANAGEMENT.—The Fund shall be managed by a Director, who shall be appointed by, and serve at the pleasure of, the Secretary.

(B) STAFF.—The Director may select, appoint, employ, and fix the compensation of such employees as shall be necessary to carry out the functions of the Fund.

(3) FUNCTIONS.—Amounts in the Fund established under paragraph (1) may be used to provide—

(A) loans subordinated to the interests of all other creditors, loan guarantees, and technical assistance, on such terms and subject to such conditions as the Secretary determines to be appropriate, to employees to purchase a business through an employee stock ownership plan or eligible worker-owned cooperative that are at least 51 percent employee owned; and

(B) grants to States and nonprofit and cooperative organizations with experience in developing employee-owned businesses and worker-owned cooperatives to—

(i) provide education and outreach to inform people about the possibilities and benefits of employee ownership of companies, gain sharing, and participation in company decision-making, including some financial education;

(ii) provide technical assistance to assist employee efforts to become business owners;

(iii) provide participation training to teach employees and employers methods of employee participation in company decision-making; and

(iv) conduct objective third party prefeasibility and feasibility studies to determine if employees desiring to start employee stock ownership plans or worker cooperatives could make a profit.

(4) PRECONDITIONS.—Before the Director makes any subordinated loan or loan guarantee from the Fund under paragraph (3)(A), the recipient employees shall submit to the Fund—

(A) a business plan showing that—

(i) at least 51 percent of all interests in the employee stock ownership plan or eligible worker-owned cooperative is owned or controlled by employees;

(ii) the Board of Directors of the employee stock ownership plan or eligible worker-owned cooperative is elected by all of the employees; and

(iii) all employees receive basic information about company progress and have the opportunity to participate in day-to-day operations; and

(B) a feasibility study from an objective third party with a positive determination that the employee stock ownership plan or eligible worker-owned cooperative will be profitable enough to pay any loan, subordi-

nated loan, or loan guarantee that was made possible through the Fund.

(5) INSURANCE OF SUBORDINATED LOANS AND LOAN GUARANTEES.—

(A) IN GENERAL.—The Director shall use amounts in the Fund to insure any subordinated loan or loan guarantee provided under this section against the nonrepayment of the outstanding balance of the loan.

(B) ANNUAL PREMIUMS.—The annual premium for the insurance of each subordinated loan or loan guarantee under this subsection shall be paid by the borrower in such manner and in such amount as the Secretary determines to be appropriate.

(C) PREMIUMS AND GUARANTEE FEES AVAILABLE TO COVER LOSSES.—The premiums paid to the Fund from insurance issued under this paragraph and the fees paid to the Fund for loan guarantees issued under paragraph (2)(A) shall be deposited in an account managed by the Secretary of Commerce and may be used to reimburse the Fund for any losses incurred by the Fund in connection with any such loan or loan guarantee.

(6) TECHNICAL ASSISTANCE IN THE DISCRETION OF THE SECRETARY.—If a grant is made under paragraph (3)(B)(ii), the Secretary may require the Director to—

(A) provide for the targeting of key groups such as retiring business owners, unions, managers, trade associations, and community organizations;

(B) encourage cooperation in organizing workshops and conferences; and

(C) provide for the preparation and distribution of materials concerning employee ownership and participation.

(7) PARTICIPATION TRAINING IN THE DISCRETION OF THE SECRETARY.—If a grant is made under paragraph (3)(B)(iii), the Secretary may require the Director to provide for—

(A) courses on employee participation; and

(B) the development and fostering of networks of employee-owned companies to spread the use of successful participation techniques.

(c) RULEMAKING.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Commerce shall promulgate regulations that ensure—

(1) the safety and soundness of the Fund; and

(2) that the Fund does not compete with commercial financial institutions.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) \$100,000,000 for fiscal year 2008; and

(2) such sums as may be necessary for subsequent fiscal years.

Mr. BINGAMAN. Mr. President, I also wish to propound a unanimous consent request. I ask unanimous consent that when the Senate resumes consideration of S. 761 on Wednesday, there be 30 minutes of debate with respect to the Sununu amendment No. 938, with the time equally divided and controlled between Senators Sununu and Kennedy or their designees; that upon the use or yielding back of time, the Senate proceed to vote in relation to the amendment, with no amendment in order to the amendment prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, it is my understanding that the Senator from

Tennessee wants to make a comment. If the Senator from Ohio would permit me, I have a very short statement to make concerning an amendment. It will not take more than 5 minutes.

Mr. BROWN. Sure.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I thank the Senator from Oklahoma and the Senator from Ohio for their courtesy.

I simply want to acknowledge the comments of Senator BINGAMAN from New Mexico and say I think our day has been productive and to say our colleagues have been very helpful in bringing their amendments to the floor.

I ask the Senator what he envisions for tomorrow beyond what he already announced.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank my colleague for his question and his great work on this legislation.

The plan for tomorrow, as I understand it, is we will go ahead with this Sununu amendment at around 10:45 and hopefully vote shortly after 11 o'clock on that amendment. We have talked to Senator COBURN from Oklahoma about considering three amendments he still has that he is committed to offering at some time in the 2 o'clock period.

We urge other Senators who have amendments they wish to have votes on to bring those to the floor for consideration after disposing of Senator SUNUNU's amendment shortly after 11 o'clock. Now, obviously, the Senator's amendment is still pending, as we have indicated, and we still have to get agreement as to how to proceed on that. We are working on that at the present time.

But I agree, we have made good progress today. I hope we can complete the remaining amendments tomorrow and proceed to final action on the bill.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I thank the Senator from New Mexico. The majority leader and the Republican leader would both like us to finish tomorrow, if we can. I think we have a good chance of doing that. Senator INHOFE is staying tonight to talk about an amendment he hopes to bring up tomorrow. I talked with Senator GRASSLEY. The number of amendments that seem to need to be offered seems to be narrowing down. I would say to my colleagues, with the briefing that is scheduled for tomorrow afternoon at 4 o'clock, we are going to do our best to get as many of those as possible in before 4 o'clock so we can finish the bill tomorrow, if possible.

I am going to defer any other remarks I have until after the Senator from Oklahoma and the Senator from Ohio and the Senator from New York have had a chance to speak.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, what the Senator from New Mexico is suggesting is exactly what I have in mind. I have an amendment I will be calling up at an appropriate time that is mutually agreeable. It does affect the taxation end. I have talked to Senator BAUCUS and Senator GRASSLEY. I believe they are going to be favorable toward it.

There are not many one-sentence amendments. That is what this one is. Let me read it to you and tell you why I am offering it. Then I will wait until tomorrow and hopefully get in the mix.

Notwithstanding any other provision of the law; no federal funds shall be provided to any organization or entity that advocates against tax competition or United States tax competitiveness.

Let me just give you an example. After World War II, there was an effort to implement the Marshall Plan. When that was done, in 1961, an organization was formed that was called the Organization for Economic Cooperation and Development. This is an international organization which advocates tax increases for the United States specifically to make us less competitive. They have stated explicitly that low-tax policies "unfairly erode the tax bases of other countries and distort the location of capital and services."

What we have here is a Paris-based bunch of bureaucrats seeking to protect high-tax welfare states from the free market. That is why the OECD goes on to say that free market tax competition "may hamper the application of progressive tax rates and the achievement of redistributive goals." Clearly, free market tax competition makes it harder to implement socialistic welfare states. The free market, evidently, has not been fair to socialistic welfare states. Well, it is a good thing they have the OECD and nearly \$100 million in U.S. taxpayer money to aid them.

Noted economist Walter Williams clearly sees the direction in which this is headed when he says that "the bottom line agenda for the OECD is to establish a tax cartel where nations get together and collude on taxes."

Treasury Secretary Paul O'Neill seconded that when he said that he was "troubled by the underlying premise that low tax rates are somehow suspect and by the notion that any country . . . should interfere in any other country's" tax policy.

So the Organization for Economic Cooperation and Development has issued a report entitled "Harmful Tax Competition: An Emerging Global Issue," which establishes a new international body, the Forum on Harmful Tax Practices, to implement the measures outlined in the report. The OECD has endorsed and encouraged higher taxes, new taxes, and global taxes no fewer than 24 times. They have advocated a value-added tax, a 40-cent increase in the gas tax, a carbon tax, a fertilizer tax, ending the deductibility of State and local taxes from Federal taxes, and new taxes at the State level.

So I believe this is something we will have a chance to debate, and I would think it actually would be accepted. Again, all it is going to be is just one sentence. It reads:

Notwithstanding any other provision of the law; no federal funds shall be provided to any organization or entity that advocates against tax competition or United States tax competitiveness.

I cannot think of any more appropriate bill to have this on than this bill we have before us currently.

With that, Mr. President, I yield the floor. I thank the Senator from Ohio, who has stepped aside for me.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I also thank the Senator from Ohio for letting me make some brief remarks, and then I will yield the floor to him.

First, I wish to praise my colleagues from New Mexico and Tennessee, who have done an excellent job on this legislation. I applaud the bipartisan group that put together this extraordinary bill we are considering, the America COMPETES Act, because this legislation will provide invaluable resources to help slingshot our economy forward and ensure that our great country does not lose step with our global competitors.

I am particularly proud of one provision I authored and has been included in the managers' amendment that was adopted earlier today. That is what I want to speak about.

The program is called the National Science Foundation Teaching Fellowship, and it will go a long way toward ensuring that our high school students are taught math and science by the best and the brightest.

I wish to express my deep gratitude to Senators KENNEDY, BINGAMAN, ENZI, and ALEXANDER for including this important provision in the bill. I would also like to thank my friend and colleague, Senator CLINTON, for her valuable support as a committee member in this process.

The NSF Teaching Fellowship is modeled after a highly successful program in New York City called Math for America. The program recruits top math and science graduates to become teachers and retains them as teachers by offering financial incentives. The program will ensure that leaders in math and science train future generations of innovators—instead of leaving the classroom for research or other opportunities.

It is working in New York City, and it is crucial to expand this model to the rest of the country. Let me share with you some statistics that will explain why.

Our students are not currently prepared to compete in a technological economy. In the 2003 PISA math assessment that compared 15-year-old students across the world, American students ranked 24th out of the 29 participating countries—here in America, in math, 24th out of 29. How are we

going to stay the greatest country in the world when that has happened?

Students currently studying math and science will be the fuel that powers our economy for the next century, and there is no question we are not giving them the tools they need to compete.

One reason why our students are not doing well is because only one-third of math teachers and less than two-thirds of science teachers majored or minored in the subject they teach. It is not hard to understand why. Starting salaries for math and science majors can be as much as \$20,000 higher in the private sector than they are for public school teachers. But by allowing this disincentive to teach to continue, we are ignoring our responsibility to have our students taught by teachers who know math and science backward and forward. The bottom line is the American economic engine may stall if we don't have a highly skilled workforce to keep it going. Unfortunately, this is where we are faltering.

So today the Senate has adopted the NSF Teaching Fellowship program, along with other excellent provisions in the America COMPETES Act, to fill in the gap. Here is how the program will work. NSF teaching fellows will have to take a test to prove their strengths in math or science. Then they enroll in a 1-year master's degree program in teaching that will give them teaching certification, and it is all paid for. They will agree to teach for at least 4 years, and for those 4 years, they will receive bonuses on top of their salaries. These individuals will infuse our schools with a deep passion for and an understanding of math and science and will share their knowledge with other teachers in their school.

To retain our current teachers who are outstanding at what they do and can provide expertise in the classroom that our teaching fellows won't yet have, there is another category called NSF Master Teaching Fellows. Master fellows are existing teachers who already have a master's degree in math or science education. They will also take a test demonstrating they have a high level understanding of their subject area. For the next 5 years they will serve as leaders in their school, providing mentorship for other teachers in their department as well as assisting with curriculum development and professional development. For these 5 years they also will receive bonuses on top of their salaries.

Last year I introduced the Math and Science Teaching Corps Act with my friend Congressman JIM SEXTON in the House. Today that bill has evolved into a program that has been included in the America COMPETES Act.

The question is: Will this generation have the skill sets necessary to take full advantage of this new economy? Right now our children are lagging behind and we must act quickly before businesses need to look elsewhere. Math and science skills are the key to

maintaining this country's competitiveness in the global economy, and this legislation will help ensure that.

I believe the NSF Teaching Fellowship, as well as the rest of the America COMPETES Act, will put us back on track. I am proud to have been included in the process and I look forward to working with my colleagues to complete work on this important bill.

MEDICARE

Mr. President, I want also to take 1 more minute to address the comments this afternoon of my friend and colleague Senator GREGG. He and I often agree, and I believe we do on this particular issue as well, about the need to shore up Medicare. I think he misunderstood my comments from yesterday and I want to take a moment to discuss them.

Yesterday the Social Security and Medicare trustees released their annual report showing that Social Security does not face an impending funding crisis, but Medicare funds are less secure. The report indicates that the Social Security trust fund would be solvent 1 year longer than was predicted in last year's report, that is until 2041, but Medicare would be exhausted as soon as 2019 in terms of the Medicare trust fund.

The Senator should know I did not and would not attack the independent trustees of the Medicare and Social Security trust funds. My statement responded to two things: first, the administration's misguided mission to use any and all news with regard to Social Security as an opportunity to push for privatizing Social Security; second, the administration's unwillingness to do something to fix underlying problems in our health care system and reduce budget deficits to shore up Medicare before it is too late.

My colleague from New Hampshire pointed out that most of us on this side of the aisle voted against some of his amendments. That doesn't mean we don't want to fix Medicare; it means we don't agree with the way he is proposing. In fact, we have to get a handle on the whole health care system to fix Medicare, not chop away and slash away at Medicare itself. So I agree with the Senator from New Hampshire, we can't leave these problems to future generations. I look forward to working with him on that important issue.

I once again thank my good colleague from Ohio for his generosity of both time and spirit.

Mr. President, I yield the floor.

Mr. ALEXANDER. Mr. President, before the Senator from Ohio goes forward, I simply say to the Senator from New York I applaud his work on the math program. I remember last year when we talked about it, and I met with his constituents who have done so much good work with that model.

Among the other things which are important about the program is that it defines a fair way of identifying a high-need set of teachers—in this case math and science—and when they go into

teaching, to pay them more for being good teachers. That is a tough thing to do. It is tough to do that in a fair way, but the Senator has found one way to do it. We have a variety of other ways to do it. Senator DURBIN and I have supported an amendment, the teacher incentive fund, which encourages that sort of experimentation, a not-made-in-Washington formula.

But if we are to have areas of high need such as math and science and low-income children who can't achieve, we are going to have to find some fair ways for outstanding school teaching and leadership. The Senator from New York has taken an important step in that direction as part of what he has done today, and I congratulate him for that.

Mr. SCHUMER. I thank my colleague.

VOTE EXPLANATION

Mr. OBAMA. Mr. President, during rollcall vote No. 137 today, I was at a speaking engagement in another part of the city and was unable to return in time for the vote. Had I been able to vote, I would have voted for the amendment offered by Senator DEMINT.

Mrs. FEINSTEIN. Mr. President, I rise today in support of Majority Leader REID's legislation S. 761, the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education and Science—COMPETES—Act of 2007 to help maintain our Nation's competitive edge in the critical areas of math, science, engineering and technology.

I am pleased to be a cosponsor of this important bill with 57 of my colleagues.

This bill will strengthen educational opportunities in math, science, engineering, and technology from elementary through graduate school, increase the Federal investment in basic research, and develop an innovation infrastructure—all which is greatly needed in an increasingly competitive global economy.

This bipartisan bill reflects recommendations by the National Academies' report "Rising Above the Gathering Storm" and the Council on Competitiveness' "Innovate America" report.

Both of these reports conclude that action is needed now in order to secure our country's economic and technological leadership in the future.

For example, indicators of the need for action are the following: More than 600,000 engineers graduated from institutions of higher education in China in 2004. In India, the figure was 350,000. In the U.S., it was only about 70,000. Science and engineering jobs are expected to grow by 21 percent from 2004 to 2014, compared to a growth of 13 percent in all other fields, based on Bureau of Labor Statistics reports.

Nationwide, about 68 percent of middle school math students were taught by teachers who did not have a major or certification in the subject. For science middle school students, 57 per-

cent were taught by teachers who did not have a major or certification in the subject—based on the 2004 report by the National Center for Education Statistics.

In California, the State also faces a critical shortage of math and science teachers. The State will need to produce more than 16,000 new math and science teachers within 5 years and more than 33,000 over the next decade due to attrition and retirement. This is from the March 2007 report by the California Council on Science and Technology.

This report also concludes that strengthening the teaching of math and science is crucial if California is to maintain its competitive edge and economic growth.

That is why it is imperative that we take steps to ensure that our children, as our future leaders, are fully prepared with the skills to take on the demands of the country's changing economy and workplace.

Specifically, this bill would increase authorized funding for the National Science Foundation from \$6.8 billion in fiscal year 2008 to \$11.2 billion in fiscal year 2011. California receives about 20 percent of total funding from NSF grants; increase authorized funding for the U.S. Department of Energy's Office of Science from \$4.6 billion in fiscal year 2008 to over \$5.2 billion in fiscal year 2011. California receives over 20 percent of total Federal funding; direct NASA to transfer \$160 million from its accounts for the funding of basic science and research for fiscal year 2008 and fully participate in interagency activities to foster innovation; authorize \$290 million over 4 years to establish a Distinguished Scientists Program under the U.S. Department of Energy which would be a joint program between universities and National Laboratories to support up to 100 distinguished scientist positions; authorize \$210 million for fiscal year 2008, and such sums as necessary for each of the following three years, for new grants under the U.S. Department of Education to develop university degree programs for students to pursue bachelor's degrees in math, science, engineering, and critical foreign languages with concurrent teaching credentials.

Also, grants would be used for master's degree programs in these fields for current teachers to improve their skills.

This model is similar to the University of California's California Teach Program which aims to put a thousand new math and science teachers annually into the State's classrooms.

It will authorize \$190 million over 4 years to create a new grant program to improve the skills of K-12 math and science teachers, under the U.S. Department of Energy, for summer institutes at each of the National Laboratories; authorizes \$146.7 million for fiscal year 2008 and such sums as necessary for the following 3 years to provide "Math Now" grants, under the

U.S. Department of Education, to improve math instruction for struggling elementary and middle school students; authorize \$140 million over 4 years for a new competitive grant program under the U.S. Department of Energy to assist States in establishing or expanding statewide math and science specialty schools and provide expert assistance in teaching from the National Laboratories' at these schools; establishes a President's Council on Innovation and Competitiveness and requires the National Academy of Sciences to conduct a study to identify barriers to innovation 1 year after enactment.

America's economy is fueled by innovation, and innovation is enabled by a strong foundation in math and science. Our country's math and science foundation is eroding, and our innovative strength is similarly weakening.

The U.S. trade balance in high-technology products has shifted from a \$54 billion surplus in 1990 to a \$50 billion deficit in 2001.

This legislation can help reverse this trend. It will help maintain our Nation's global competitiveness and continue to attract the best and brightest minds across the country to pursue careers as engineers, scientists, technicians, and very importantly, as math and science teachers.

I urge my colleagues to support this important legislation.

Mr. CARDIN. Mr. President, I rise today in strong support of S. 761, the America COMPETES Act of 2007. If we consider the people who have given us the light bulb, the blood bank, the artificial heart, the microchip processor, and Microsoft, we must acknowledge that access to quality education and openness to innovation in America have nurtured many of the most influential inventors and the best trained workforce in modern history.

But while technological progress has revolutionized the workplace, our education system has failed to keep pace; now, many of our Nation's schools are unable to provide their students with the scientific, technological, engineering, and mathematical knowledge and skills the 21st century economy demands. Without sufficient numbers of well-trained people and the scientific and technical innovations they produce, the United States is in jeopardy of losing its place as the center for the high-quality jobs and innovative enterprise that have been part of our national heritage.

I applaud Senators BINGAMAN and ALEXANDER and the other leading sponsors of the bill for taking action to ensure that this Nation remains a leader for innovation, and I am proud to join them as a cosponsor of this bill. I am grateful to the academic and business leaders, including Nancy Grasmick, the Maryland State superintendent of schools, and Dr. C.D. Mote, Jr., president of the University of Maryland, who produced both the National Academies' "Rising Above the Gathering Storm" and the Council on Competi-

tiveness' "Innovative America" reports and recommendations that serve as the foundation for this legislation. I am proud of the legislation the Senate is considering: it takes significant steps to stimulate and support innovation in our Nation.

When I ask young scientists and engineers what triggered their interest, they cite—almost without exception—a teacher, mentor, or internship as the inspiration for their love of science, math, and innovation. I am pleased, therefore, that this bill includes several measures to improve teacher recruitment and training, develop partnerships between schools and laboratories, and encourage internship programs. All of these provisions will increase students' exposure to inspirational teaching, talented scientists, and real-world experience.

Education research and the anecdotal evidence I mentioned above indicate that teacher quality is the most important factor influencing student achievement. Yet our best teachers are not evenly distributed among our Nation's communities. Far too many of our highest need school districts are struggling to recruit and retain experienced teachers. To address this inequity, S. 761 includes important measures to recruit and train high-quality math and science teachers for high-need school districts. The legislation also creates mentorship and apprenticeship programs for women, who are underrepresented in science, technology, engineering, and mathematics careers.

The growing gap between what is taught in elementary and secondary schools and the skills necessary to succeed in college, graduate school, and today's workforce threatens the implicit promise we have each made to our own children and those whom we represent: get good grades in school and you will succeed in life. S. 761 contains competitive grants to States that will encourage better alignment of elementary and secondary curricula with the knowledge and skills required by colleges and universities, 21st century employers, and the Armed Forces, so that high school graduates will be prepared to succeed in the world.

Those students who choose to pursue high-tech careers require Federal funding to conduct research. Many scientists and mathematicians make their greatest discoveries early in their careers, before they have developed the track records and reputations often required to secure research grants. The leaders of Johns Hopkins and other great Maryland research institutions have told me that it is difficult for their young and most daring researchers to secure necessary research funding.

S. 761 would significantly increase America's investment in research, doubling funding for the National Science Foundation and the Department of Energy's Office of Science over the next 4 years and authorizing a significant in-

crease in funding for the National Institute of Standards and Technology. But the legislation goes further by also targeting more funds to young researchers and high-risk frontier research. S. 761 would increase the number of research fellowships and traineeships that provide critical support for science, technology, engineering, and mathematics graduate students and would require NIST to set aside at least 8 percent of its annual funding for high-risk, high-reward innovation acceleration research.

Today, we face enormous technological challenges, which include halting global climate change, achieving energy independence, and finding cures for AIDS, malaria, diabetes, and other devastating diseases. We must equip ourselves with skills and resources to tackle these problems so that our children and grandchildren may inherit a world rich with economic opportunities. Therefore, I am urging my colleagues to join me in support of this critical legislation.

Mr. ROBERTS. Mr. President, I rise today in support of S. 761, the America COMPETES Act. This sweeping legislation takes bold steps to recapture America's prowess in the global economy.

The demand for talented persons in the areas of science, technology, engineering, mathematics, and critical foreign language far exceeds the supply in the United States. The likelihood of finding a job in these high-need areas after college is almost guaranteed, yet we find ourselves still lagging behind other countries in producing these graduates. America ranks No. 24 out of industrialized nations in mathematical literacy for children entering high school. Right now, China is graduating four times the number of engineers as the United States, with India not far behind.

I am deeply concerned with these trends. It is vital to have a superior science and mathematics education system and workforce. In 1997, I formed an Advisory Committee on Science, Technology, and the Future in my home State of Kansas. This committee helps me find ways to align Federal and State initiatives to enhance science and technology in the State. The advisory committee has been instrumental in identifying high-need high-tech jobs in the State while focusing on ways to educate, train, and attract talented persons into these fields.

Kansas continues to be a State rich with high-tech industry. Wichita is the aviation capital of the United States, producing approximately 50 percent of all U.S. general aviation. This industry needs aviation researchers, engineers, and skilled technicians. My home State is rapidly growing in the areas of bioscience, including drug discovery, new treatments for disease, food safety, animal health, and renewable energy. The Roberts Advisory Committee has recognized that while these industries are growing, they have a limited

pool of talented employees to choose from.

Like many States, Kansas is facing a shortage of math and science teacher applicants. I agree with my advisory committee that global competitiveness lies with our younger generation. It is imperative that we provide them with an education from science and math teachers possessing a solid knowledge base and effective teaching skills. We also need to find ways to spark students' interests in math, science, and technology while they are in the early years of education. The America COMPETES Act addresses these needs by strengthening the skills of math and science teachers, creating partnerships between National Laboratories and high-need high schools, facilitating the expansion of advanced placement programs, and increasing the number of students who study foreign languages.

Additionally, the bill provides an increase in research investment by doubling the funding for the National Science Foundation, NSF. The grants distributed to States from the NSF are being used to conduct extraordinary research in every corner of the world.

My advisory committee supports the America COMPETES Act, and so do I. It is only through our commitment to the underlying goals of this bill that we will see success in building our competitive workforce.

Ms. MIKULSKI. Mr. President, I would like to thank my colleagues Senator JEFF BINGAMAN, Senator PETE DOMENICI, Senator LAMAR ALEXANDER, and Majority Leader HARRY REID for their efforts to move this issue. I am so proud of this great bipartisan team of 54 Senators working to pass this bill. I can't say enough about the appreciation that many of us in the Senate feel about my colleagues' initiation of the report, "Rising Above the Gathering Storm," which is the basis for this legislation, the America COMPETES Act.

America must remain an innovation economy. This legislation creates the building blocks that we need for a smarter America. Our Nation is in an amazing race—the race for discovery and new knowledge, the race to remain competitive and to foster an innovation society, to create new ideas that lead to new breakthroughs, new products, and new jobs, the innovations that have the power to save lives, create prosperity and protect the homeland, the innovation to make America safer, stronger, and smarter.

This legislation is called the America COMPETES Act or America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education and Science. It is divided into three sections: research, education and innovation. It calls for getting new ideas by doubling Federal funding for research at the National Science Foundation and establishing the Innovation Acceleration Research Program to fund frontier research like testing new theories and using new research methods; getting the best minds with scholar-

ships for future math and science teachers, including \$10,000 scholarships from the National Science Foundation for undergraduate students majoring in math or science along with teacher certification; and establishing a President's Council on Innovation and Competitiveness to develop a comprehensive agenda to promote innovation and competitiveness in the public and private sectors.

Why is this so important? Because a country that doesn't innovate, stagnates. The whole foundation of American culture and economy is based on the concept of discovery and innovation. That is part of our culture. When you look at what has made America a superpower, it is our innovation and our technology. We have to look at where the new ideas are going to come from that are going to generate the new products and workforce for the 21st century.

I want America to win the Nobel Prizes and the markets. This legislation will help to set the framework. It will make sure that we're helping our young people with scholarships and helping our science teachers and those working in science with funding and research opportunities. We also are forming partnerships with the private sector and building an innovation-friendly Government.

The very essence of our culture is innovation and discovery. Remember we got here because someone wanted to discover. When Lewis and Clark set out on their expedition, it wasn't the National Geographic Society, to find a trail to the Pacific—it was called the Corps of Discovery. That is who we are. That is what our culture is, and that is what we need to maintain.

We are a nation of explorers and pioneers always searching for new frontiers. The next generation of pioneers, engineers, and scientists is out there. They will help us create jobs and win the markets. Most importantly, they will help us win the amazing race. I will use my position as chair of the subcommittee that funds science to make sure that there is money in the Federal checkbook to support these proposals, and I hope my colleagues will do the same.

Mr. HATCH. Mr. President, I have an amendment to S. 761, the America COMPETES Act. My amendment would allow competency-based institutions of higher learning to access grant programs which will help them train math, science, and critical foreign language teachers.

I applaud the goals of increasing the numbers of math, science, and critical foreign language teachers in our schools, including high-need schools. Our ability to compete as a nation is directly tied to our ability to educate our young people and retrain those who are in industries that are no longer viable.

We now have the finest system of higher education in the world. There is no doubt that if we provide the proper

incentives, many brilliant innovators and educators will take up the clarion call.

I come before this body today to introduce my amendment because many of today's teachers are teaching an older generation of students. The U.S. economy is in a state of continual change, and with that change comes displacement of workers and a need to retrain and retool. These nontraditional students often receive their training from accredited schools who assess student development based on a student's ability to demonstrate competency in the material being taught. Under the bill as drafted, these competency-based universities would not be able to access the grant money for teacher development. My amendment would remove this bias and allow competency-based universities access to the teacher development grant money. This in turn will increase the teaching quality in math, science, and critical foreign language, thereby providing the students attending these universities with a better education.

Current bill language would prevent participation by well-respected and widely recognized institutions, such as Western Governors University, WGU. WGU was set up by over 19 Governors to provide innovation in higher education and is now training over 1,000 math and science teachers, the majority of whom are women and minorities. WGU's innovative approach to teacher education has proven very successful.

As we set about to ensure that our Nation has the needed highly qualified teachers in critical subject areas, we must make certain that these institutions are included in this legislation. Therefore, I ask my colleagues to join me in supporting this amendment.

MORNING BUSINESS

Mr. BROWN. Mr. President, I ask unanimous consent 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.

SUPPLEMENTAL APPROPRIATIONS

Mr. BROWN. Mr. President, recently we learned that the Ohio National Guard could face early redeployment. We learned the National Guard is being asked to train without the proper equipment. Our Guard will do the job well, General Wade and others in Ohio assure me, and their past history shows they will. Our Guard will do the job well regardless of the circumstances, but it is wrong to send them to Iraq with incomplete training, with inadequate equipment, with insufficient downtime.

The conference report released last night echoes what many of us in Congress and what so many military families across our great country have been saying: We need a new direction for Iraq.