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For a complete list of signatories in formation, please visit <http://www.letjusticeroll.org/pdfs/20070105NationalMinWageletter.pdf>

I am a member of NETWORK, A Catholic Social Justice Lobby, and I support S. 2, the Fair Minimum Wage Act of 2007—to increase to the minimum wage from \$5.15 to 7.25. Long overdue, this bill provides a first step towards a dignified life for low-wage workers in poverty. I urge you to support a “clean” bill to raise the federal minimum wage—one that does not attempt to add provisions of any kind and instead allows it to pass as a stand-alone issue.

Catholic Social Teaching reminds us that all persons are created by God, which is the basis for their dignity. In justice and to live with dignity, each human person working full time should be compensated enough to support him/herself and a family. It has been almost ten years since Congress voted to increase the minimum wage. Currently, a minimum wage employee who works 40 hours a week, 52 weeks in a year makes \$10,700 for that year. For a single parent with two children, that amount is thousands of dollars below the poverty line. This is unconscionable. Workers who provide security, clean hotels, wash dishes and haul supplies should not have to rely on charity or government assistance to get by. The proposed minimum wage increase to \$7.25 an hour (from \$5.15/hr.) would give an additional \$4,368 per year to a full-time worker making minimum wage. This would bring them a step closer to obtaining a livable wage which would provide for a family's basic needs: food, shelter, health care, clothing, education and recreation.

The minimum wage should be increased without any extra provisions or tax breaks in order avoid establishing such a precedent. Since the last minimum wage increase, congress has passed no fewer than five tax relief packages which have provided small businesses with up to \$36 billion in tax breaks. While congress has had no problem providing tax breaks for small businesses without considering raising the minimum wage, it seems impossible for some that the minimum wage be raised without a tax break for small businesses. Given the urgency of the minimum wage increase it is best to avoid linking it to other issues and pass it as a stand-alone “clean” bill.

The American people have spoken out on the urgency of this bill. With strong victories in all six minimum wage ballot initiatives this election, voters have shown concern for hardworking people in poverty. People who work full-time should earn enough to support themselves and their families. Consequently, I call on you to act justly, and challenge your other members to do the same. I urge you to quickly pass the minimum wage bill with no extra add-on provisions as it comes up this January.

Mr. KENNEDY. They mention Matthew's great teachings. The questioner says: When did I fail to treat you well? And the Lord says: When you failed to treat the least of these among us.

We are talking about a minimum wage, not an optimum wage. As the

charts show, it has declined dramatically over a period of years, now at \$5.15, far away from what it was in the 1960s and 1970s, right through the 1980s. We believe that in this country, with the strongest economy in the world, people who work hard 40 hours a week, 52 weeks of the year, should not have to live in poverty. An increase in the minimum wage is long overdue. Hopefully, we will have an opportunity in this body to express our views on this in the near future.

If there are no further speakers, I suggest that we recess, according to the leadership's earlier request.

## RECESS

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

Thereupon, at 12:25 p.m., the Senate recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

## FAIR MINIMUM WAGE ACT OF 2007—Continued

### AMENDMENT NO. 103

The PRESIDING OFFICER. Under the previous order, there are now 30 minutes equally divided on amendment No. 103, as modified. Who yields time?

The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. ENZI. Mr. President, I rise today in support of the amendment offered by Senator SNOWE, Senator LANDRIEU, and others, to provide regulatory assistance to our Nation's small businesses.

This amendment requires that when Federal agencies issue new rules and regulations that impact small business, they also must issue compliance guides for small businesses. The amendment also requires that the compliance guides be written in plain English and made available in a timely manner.

I think this is a commonsense requirement. It not only reduces the administrative costs for small business, but it also increases the level of compliance with such new rules and regulations. I think the work opportunity tax credit is an example. That isn't a program that a lot of small businesses have taken advantage of. Part of it is because they don't know about it, and part is they don't know how to comply with it. They don't have the opportunity to hire the specialists that might be needed to understand it or to do the recordkeeping on it. So they don't take advantage of it to the level they could. It is a provision in the tax bill that could make quite a difference to small employers.

Many small employers simply lack the resources, the outside consultants, the experts necessary to continually advise them of changes in Federal rules

that impact the way they must run their business. As it now stands, smaller businesses currently pay disproportionate per employee compliance costs when compared to larger employers. The average per employee cost for Federal regulatory compliance in a business with less than 20 employees is 45 percent higher than the same cost for a business with 500 or more employees. So it is about \$7,600 for a small business to comply versus \$5,200 for a big business to comply. Those numbers stagger me—the cost for small business to comply with Federal rules and regulations. That doesn't count the cost of complying with the Tax Code, which is a whole other range of costs.

Cost mandates, such as a minimum wage increase, impose significant financial burdens on our small employers. We must do everything we can to help alleviate this burden and ensure that small businesses remain the well-run engine of our economy, and providing the kind of compliance assistance called for in Senator SNOWE's amendment is one of the ways we can assist small businesses in meeting the administrative costs associated with Federal regulation.

I commend Senator SNOWE for her efforts on behalf of small businesses and am proud to be a cosponsor of this legislation with her. She has put in diligent efforts to hold hearings and get this into place in the committee that she chaired, the Small Business Committee, on which she is now the ranking member.

I urge my colleagues to support this amendment that not only provides assistance that reduces employer costs but also assistance that increases employer compliance. That is two goals. This amendment will do both of those. I ask for your support.

I yield the floor and suggest the absence of a quorum, and I ask unanimous consent that the time be equally divided between the sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, we still anticipate a vote at 2:45 p.m. As I mentioned, we are going to urge the Senate to accept the amendment offered by Senator SNOWE. I think it is an important contribution to small businesses and their understanding of the kinds of rules and regulations that have been out there and do it in ways that are understandable and in a timely way and to ensure that the relevant committee is going to find out how that is being implemented. We are certainly in strong support of that concept and idea. I commend those who have been involved in it.

We are going to vote at 2:45. We have amendments that are related to the Finance Committee. I talked with Senator BAUCUS during the noon hour. His staff is working on some that have been offered by Senator SESSIONS, and we are in the process of trying to work with the Senator to see what progress can be made, and the Finance Committee staff, as well as Senator BAUCUS, is attentive to those issues.

Senator ROBERTS has an amendment dealing with childcare and small business. It was a subject matter he talked about during our hearing in the Health, Education, Labor, and Pensions Committee. He will come over to the floor now and address the Senate about that issue. We have been trying to work with him. We think most of us have been strong supporters in terms of childcare. Senator DODD has been a real leader with Senator HATCH in the past with the block grant childcare program.

We have a childcare program that is also tied in with the Social Security program, and we have a very effective childcare program in the military which receives awards. It is very close, actually, to the bill that was initially introduced by Senator DODD a number of years ago.

We will have a chance to consider those amendments in a short period of time. I will take a few minutes now to review for the Senate what will be the first vote tomorrow, and that will be on what we call the line-item veto amendment.

We had an excellent debate and discussion on that amendment yesterday. I refer any of those interested to read the RECORD, the excellent comments that were made on this issue by the chairman of the Appropriations Committee, Senator BYRD, and also the chairman of the Budget Committee, Senator CONRAD, enormously, I think, comprehensive comments on it. I urge they read the comments of Senator GREGG as well, who is the proponent of the amendment.

Senator CONRAD and Senator BYRD made excellent presentations. We will be considering that early tomorrow. I hope those who are interested in the amendment will take a few moments and look back at the RECORD. It is a very complete record on that issue. I stand with Senator CONRAD and Senator BYRD, for the reasons they have outlined, in opposition to the Gregg amendment.

Next we will have a chance to vote on what we call a clean increase in the minimum wage. That means a vote on the increase in the minimum wage over a 2-year period to rise from \$5.15 to \$7.25 an hour.

I strongly urge our colleagues to vote for what we call a clean bill on the minimum wage. I do so for a number of reasons.

First, this is the area of need. It is among workers who haven't gotten a raise in the last 10 years. For 10 years, the longest time since we had a min-

imum wage increase, they have lost effectively 20 percent of their purchasing power, and they are working in tough and difficult jobs. These are men and women of great pride and dignity. They do hard, difficult, trying work, and they do it to the best of their ability. They deserve to have a raise.

I don't think any of us in this country thought the minimum wage would be a permanent wage for millions of Americans, and yet, nonetheless, if one looks at the figures, effectively 40 percent of those earning the minimum wage were earning the minimum wage 4 years ago. That they have been able to make ends meet over this amount of time is extraordinary, particularly when they have members of their family to look after.

This country has said if one works hard 40 hours a week, 52 weeks of the year, one shouldn't have to live in poverty in the richest nation in the world. That is an issue of fairness. It is a moral issue.

As we demonstrated earlier, the Members of the great face of this country have all spoken about the morality of this issue. It is part of our Constitution that talks about the general welfare, how are we going to treat each other. It is as old as the Mayflower Compact. In my State of Massachusetts, before landing, the Pilgrims gathered together near Provincetown. Most people think they landed at Plymouth Rock, but they landed at Provincetown, MA. Before they landed—they had been at sea for close to 100 days, and many had died and many suffered from disease—they got together and talked about their Compact, their willingness to work together for a common purpose and common respect for their fellow human beings. That was going to be the essence of their whole life experiment in the United States.

It is reflected in the actions that have been taken in this body with the minimum wage. On only one occasion in the last nine occasions when we raised the minimum wage have we added a tax provision.

Again, the minimum wage has lost 20 percent of all of its purchasing power. It was a good deal higher in the sixties, seventies, and eighties. It has dropped and dropped significantly over time and has lost that purchasing power.

Secondly, only once in 1996 did we pair a minimum wage increase with tax cuts. Previous increases had strong bipartisan support, despite the lack of tax cuts. In 1989, the minimum wage was raised with no tax cuts and passed by a margin of 89 to 8. In 1977, with no giveaways, an increase passed 63 to 24. We have seen what has happened. Only one time—it didn't happen in 1938, 1949, 1955, 1961, 1966, 1974, 1977, 1989—only in 1996. And look in the last 10 years what has happened in terms of the reduction of taxes for corporations and for small businesses. In corporations, it is \$276 billion in tax breaks; small businesses, \$36 billion; and no raise for minimum wage workers.

We didn't hesitate. We were around here to provide tax benefits to small businesses and large corporations. Where were the voices to say let's give the minimum wage workers a little boost?

Now, all of a sudden, we are trying to get minimum wage workers a little boost, and everybody is running around to get an increase in tax provisions. Fair is fair, Mr. President; fair is fair.

We have seen what has happened in productivity. Over the last 10 years—here are the statistics from the Bureau of Labor Statistics—profits are up 45 percent, productivity is up 29 percent, and the minimum wage is down 20 percent. These minimum wage workers haven't even had the opportunity to get an increase in their salaries in spite of the fact that we have seen a real increase in productivity. Historically, when we saw an increase in productivity, that was reflected in an increase in the minimum wage. That was all true in the 1960s, 1970s, up to the 1980s. As productivity increased, so did the minimum wage increase over a considerable period of time, but not in the last few years.

As I have pointed out, a recent Gallup Poll found that 86 percent of small business owners do not think the minimum wage affects their businesses. Three out of four small businesses said an increase in the minimum wage would have no effect on their company. Many small businesses are already paying higher wages to recruit and retain quality workers. A higher minimum wage actually benefits them because it levels the playing field and allows them to compete with the bigger business.

What we have found over time, when we provide a decent wage to workers—and this is demonstrated; I mentioned it here, I spelled it out in some greater degree on yesterday—what we find is we get workers who are loyal to the business. We find there is less of a turnover when there was an increase in the minimum wage to a living wage.

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

Mr. KENNEDY. Our time has expired. That is interesting. Have we reserved the last 5 minutes for debate on the Snowe amendment?

The PRESIDING OFFICER. That was not the unanimous consent agreement. There is 30 minutes equally divided.

Mr. KENNEDY. I thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, how much time is remaining on our side?

The PRESIDING OFFICER. The Senator has 6½ minutes remaining.

Mr. ENZI. I thank the Chair.

I appreciate the comments of the Senator from Massachusetts and the diligence with which he has worked on this issue and the number of times we have debated it. I appreciate the majority leader making it possible for us to consider amendments on this bill. I understand how some people would like

to have this as a clean amendment, that we just do the increase. The debate the last three times we have done it has been about whether we can have some provisions for small businesses to offset the impact of the raise in the minimum wage.

I want to bring a more personal face to this small business. We confuse that sometimes even with General Motors and some of the airlines. Those are big corporations. In fact, the ones I am particularly concerned about are the ones with 50 employees or less, and even more concerned about the ones that only have 2 or 3 employees. The impact and their ability to adjust is much more limited. We are talking about the inventors in their garages who have an idea and who will employ another person to help put their product together and market it. We are talking about the corner grocery store. We are talking about the laundry. We are talking about the little shoe store, the independent one.

These are families that are eking out a living. These are not families that are getting rich. These are families that took on a lot of risk for the American dream. They are hoping that with all of the loans they put in place to be able to do this business that they always dreamed of doing, they might make a return on their investment and enough to keep their family going. But there is no guarantee.

These are the people who—and I know; I used to be a small businessman. I used to own shoe stores. One of my definitions of a small businessman is the guy who wakes up, sits up straight in bed in the middle of the night and says: Tomorrow is payday; how do I meet payroll? And they figure out a way because the employees get paid first.

These are people worrying about how to stay in business, how to make a living, and taking on a whole lot of risk to make sure other people have jobs.

We have to remember that the small businessman will be forced to come up with additional funds to pay his or her workers on what we are mandating today. Those funds don't come from a money tree or some pot of gold at the end of the rainbow. They come out of the pockets of the Nation's small businessmen. It is the penalty they pay for taking the risk associated with running a small business.

I have about 3 minutes. I yield the remainder of the time to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for 3 minutes.

Ms. SNOWE. Mr. President, I thank the Senator from Wyoming for his leadership on this amendment that is so important to the small business sector of our economy. I also thank Chairman KENNEDY as well for bringing this legislation to the floor.

I rise today in support of the pending modified amendment we will be voting on shortly that has been offered by the

Senator from Wyoming, Mr. ENZI, the Senator from Louisiana, Ms. LANDRIEU, as well by the Senator from Massachusetts, Mr. KENNEDY, to enhance compliance assistance for small businesses. I truly appreciate all those joining me in this effort.

I ask unanimous consent to add Senators KERRY, BOND, SUNUNU, and ROBERTS as cosponsors to this amendment.

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

Ms. SNOWE. Mr. President, I want to say to Members of the Senate, this amendment would significantly help to reduce the regulatory burden imposed on small businesses throughout this country. The amendment is designed to clarify an existing Federal law that the Senate unanimously passed back in 1996. The Government Accountability Office has suggested that we needed to have further clarification to the existing law because many Federal agencies are circumventing the law. These agencies are using loopholes to ignore requirements under the law that the agencies publish small business compliance guides so that small businesses know how to comply with complex Federal regulations. The agencies have used ambiguity in the law as a rationale for not assisting small businesses.

This amendment would clarify existing Federal rules and regulations, by requiring that Federal agencies produce compliance assistance materials to help small businesses satisfy their regulatory obligations. Because the GAO has found widespread and pervasive disregard of this law by agencies, we felt it was very important to clarify the law so that small business not only gets the assistance it requires but also can meet the regulatory requirements promulgated by the Federal government. As we well know, small businesses face a disproportionate burden of the impact of regulations in rules issued by Federal agencies. In fact, employers with 20 or fewer employees face 44.8 percent more of a regulatory burden than companies with 500 or more employees, in terms of compliance costs per employee.

So you can see that for our Nation's small businesses, we clearly need to do better so they can continue to drive our economy, by creating three-quarters of all the net new jobs each year. This amendment will go a long way toward easing the impact of the cost of small business regulatory compliance and making sure the agencies comply with requirements under existing law to provide the support small businesses rightly deserve.

Mr. President, I yield the floor.

The PRESIDING OFFICER. All time has expired.

Mr. KENNEDY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. KENNEDY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from South Dakota (Mr. JOHN-SON) is necessarily absent.

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

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—99

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

NOT VOTING—1

Johnson

The amendment (No. 103), as modified, was agreed to.

Mrs. LINCOLN. Madam President, I move to reconsider the vote, and I move to lay that motion on the table.

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

Mr. KENNEDY. Madam President, the Senator from Kansas has an amendment. He has brought it up during the course of meetings of our Health, Education, Labor, and Pensions Committee, and he has been advocating for it for some period of time. He wishes to address the Senate at this time, if we could have order so that the Senator could be heard.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 102

Mr. ROBERTS. Madam President, I rise today to offer amendment No. 102.

As we debate the issue of minimum wage, we can't forget the impact on the employers who hire these minimum wage workers. Small businesses pay 45 percent of the payroll in the United States, and they have created 60 to 80 percent of new jobs over the last decade. In my home State of Kansas, small businesses actually employ the brunt of hard-working families. I often hear from these employers who agree with their workers that they deserve a fair wage for a fair day's work, but they

admit, however, that they struggle to offer the basic benefits to their employees such as childcare. With a mandated increase in the minimum wage, that struggle will only grow. So affordable childcare oftentimes becomes a factor in keeping a job for many Americans in small communities such as Dodge City, my hometown, and other very similar communities. Childcare facilities are very scarce, limiting the possibilities for families to earn—

Mr. KENNEDY. Madam President, if the Senator will yield, maybe we could have order. We are making good progress on this legislation. This is an important amendment. The Senator has spent a good deal of time, and we welcome the opportunity to hear him on it. We would ask our colleagues and friends if they would be good enough to take their conversations to another part of the Senate so we can hear the Senator.

The PRESIDING OFFICER. Senators, please remove your conversations out of the well.

The Senator from Kansas is recognized.

Mr. ROBERTS. I thank the Senator from Massachusetts and I thank the Presiding Officer and I thank my colleagues to my right who, hopefully, will take their conversation from the floor of the Senate.

Unfortunately, small businesses generally do not have the resources required to start up and support a childcare center like happens in many areas in urban America and big cities.

When I came to the Senate in 1997, one of the first bills I introduced was the Small Business Child Care Act, which authorized a short-term flexible grant as a program to encourage small businesses to work together or with other local childcare agencies to provide childcare services for their employees. This amendment includes the bipartisan language of the Small Business Child Care Act that was passed out of the HELP Committee in August of 2005 as part of the larger childcare and development block grant.

Under the amendment, small businesses are eligible for grants up to \$500,000 for startup costs and training and scholarships and other related activities, with priority given to grantees who work with other small businesses or local childcare organizations. These grants all have a matching requirement which encourages self-sustaining facilities that will go on well after the program ends.

In many small Kansas towns, childcare facilities can be very scarce, as I have said before. This amendment would alleviate the strain on working families who often have to close the door on the opportunity to be a double-income family because of the lack of childcare options in their communities.

When I first ran for the House back in 1980, I was going door to door in Dodge City. I was in south Dodge and I knocked on a door and a young lady

came to the door and two children were immediately right there with her. I handed her a brochure, and I said: I am running for Congress. What can I do for you? Is there anything I can do for you as a candidate?

She looked at me with the two kids behind her—she was obviously a single mother—and she said: Mr. ROBERTS, it's your world, I'm just living in it.

That made a big impression on me. I said: What do you need more than anything else?

She said: If there could be a possibility that there could be any childcare for these two children, I could go to work. I could go back to work.

But that was not the case at that particular time. Then I promised myself that we would try our very best so that in a small community with a bank, the implement dealer, and, say, a restaurant, they could come together, and with these kinds of grants offer affordable childcare.

So I am very hopeful we can get this amendment passed. It is a small change that will make a big difference in the lives of many employees and employers who see a need for childcare in their communities. I hope my colleagues will join me in supporting this amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Madam President, I rise to thank the Senator from Kansas for offering this amendment. Back about 20 years ago, the Senator from Utah and I, along with Senator KENNEDY and others, authored the first childcare development block grant ever to be proposed by the Congress. We had hoped in those days that we would be able to expand the availability, affordability, and quality of childcare to millions of Americans and their children who are lacking those resources.

Over the years, we have provided some good assistance. I am grateful to my colleagues over the years who have been supportive.

We have gone stale on the commitment over the last 5 or 6 years. The funding has not gone up at all and demand continues to grow. We have done a fairly good job in serving some of the working poor. We must do better, however. We have not done a good job, in my view, on the most critical issue most parents and others care about, and that is the quality of childcare. This amendment gets to the quality of child care by providing small businesses the opportunity to use the grant for facilities and to create partnerships with local organizations such as health departments.

What is happening with our colleague's amendment is that it is trying to expand opportunities for families, and I am grateful to him for proposing it. Everyday I hear about the communities in which the demand for child care far exceeds the supply. This amendment would increase the supply and allow more parents to go to work knowing that their children are safe.

I am supporting it. I think it is worthwhile, and it will help make a dif-

ference of expanding quality and access.

It is good for everyone involved. A lot of times we offer legislation with winners and losers. Here, everybody wins. From a business standpoint, they are retaining good employees, allowing parents' minds to be focused on their jobs. In no small measure, this depends on how you feel, where your children are, who is caring for them, and what the conditions are. In terms of productivity and retention, all the elements businesses desire for employees, childcare is a major component. For the parents, obviously, not to be worried or concerned about the quality of the care their children receive and whether they can afford it is a major issue. I am preaching to the choir for those who understand what I am talking about. Obviously, from the child's perspective, it's essential to be able to have that good, nurturing environment. There is not a guarantee they will get it in every case, but it is more likely if this amendment passes.

The difficult area is with smaller businesses. Many larger corporations have installed childcare facilities on-site. In fact, in some cases they have offered less in salaries and wages in exchange for providing better childcare; I am not saying that is great, but people are so hungry to have a good, safe, childcare environment, they will opt for lesser wage or salary in exchange for the assurance their children are in a safe place. Smaller businesses cannot do that. Some of them are at shopping malls, and they develop consortiums and set aside space. There are a lot of creative ideas. But it is the hardest thing in the world for smaller business to provide child care. It is not that they do not recognize the need for it. They understand the value of it. This amendment, from a child's perspective, from a parent's perspective, and from a business perspective is a win for all. I commend my colleague. We have talked of this in the past and agreed on its importance. I thank Senator ENZI.

While I am here, I would like to talk about the underlying bill, to raise the minimum wage. Exactly because of what the Senator from Kansas has offered, it is important to know that his amendment is a related matter when it comes to children. The increase in the minimum wage has a huge impact on children.

So I am taking advantage of a couple of minutes on his amendment to highlight this point. In the last 5 years, we have watched child poverty in this country increase by 1.3 million children. This figure is from the U.S. Census Bureau, not a private think tank making this up. Nearly 12.9 million children in this country live in poverty.

Obviously, that is a matter of great concern, I hope to all of us. What is bothersome to me and should be to every single one of us—I don't care what your politics are or your political persuasion—the fact that the United

States of America, at the outset of the 21st century, has one of the highest rate of child poverty among all the industrialized nations. That is something that ought to concern each and every one of us, not just because of what a shameful statistic that is. As we look to the 21st century, watching our country grow, meeting the challenges in front of us, we have to do a better job if we are going to have a well-prepared generation to meet the challenges.

Aside from providing decent child care, we know by increasing the earning capacity of parents we make a difference. In fact, nearly 6 million children will benefit from a minimum wage increase.

Children whose parents are economically secure—and this increase is not going to guarantee security, but it moves a family closer to it—have better attendance in school and have a higher concentration on the work they are asked to do. Performance levels go up, test scores go up, and graduation rates increase when a family's economic circumstances are far more stable. In addition, children have stronger immune systems, better health, fewer expensive hospital visits and fewer run-ins with the juvenile justice system. Those are facts when you have a family doing better economically. For the families who have the greatest economic stability at home, these statistics improve in almost every category.

Because of what the Senator from Kansas has offered, focusing on childcare, combined with what the Senator from Massachusetts, Senator KENNEDY, is leading today on the minimum wage, we can make a difference for these children. That is the point I wanted to make to my colleagues.

I commend them both. It is long overdue. My hope is that the amendment from my friend from Kansas will be a forerunner this year for increasing our commitments to child care. My colleague from Maine, Senator SNOWE, has been terrific on this issue over the years. Senator HATCH was my principal cosponsor on this many years ago. It was courageous of him then. A lot of people did not realize the value of it. I am remiss not mentioning those who played a significant role. And let me add my colleague, Senator ROBERTS, for his leadership on this issue. I thank him immensely. I thank Senator KENNEDY for his leadership on minimum wage. We can make a difference for children with both of these proposals.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I thank my friend and colleague for his excellent presentation. He has been the leader of the children's caucus and a leader on this issue of childcare.

We have 14,000 family members now waiting, parents who are waiting for childcare slots in my State of Massachusetts.

I have listened to the Senator give the statistics nationwide. This is all related to work. It is obviously related to

lower income because those at the lower income levels have less opportunity as far as affordability.

I can remember when the Senator first offered the childcare legislation. I remember the debates we had about limiting the childcare legislation. We debated for about 10 days or so while it was constantly adjusted, altered, and changed. Eventually, it passed. The childcare block grant has done an enormous amount of good.

The Senator has been very much involved in the other childcare programs that have come out through the CDBG and the other Social Security programs. There is a third childcare program, the one in the military. If you read back in the history books, that particular program passed by over 90 votes. This, effectively, was the legislation the Senator from Connecticut introduced. Today, when we have comparisons about which childcare programs work the best, everyone points to the military. The Senator from Connecticut can give the reasons for it.

The point is, this is a matter of enormous importance to working families, with the whole change in the workforce, the increasing number of women in the workforce, the increasing number of women with children, the increasing demands upon those women, in particular, but not exclusively.

We appreciate the fact that the Senator from Kansas would give focus and attention to this issue. We wish to work with the Senator. We can do part of the job in terms of the authorization. We are going to rely on him to help get limited resources to make sure we bring life to this program. I thank the Senator for his statements and comments.

We look forward to hearing from my friend and colleague from Wyoming, hopefully, urging acceptance of the amendment.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, I echo what the Senator from Massachusetts said, that this does provide for authorization. There is room for that to be included, and we can help look for the resources to do something on that.

I commend both Senator ROBERTS and Senator DODD for their tenaciousness and their active work to be able to bring this to the Senate at this point in time. I note that Senator ROBERTS has been working on this for about 10 years. Six years is the average for a bill around here. That should qualify.

I ask we make this part of that package.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Madam President, I say to the Senator from Connecticut, I thank him very much for his comments. He has been absolutely tenacious, as described by the Senator from Wyoming.

I can remember, it was about, what, 5, 6, 7 years ago, that we all were over, on a cold day, at the childcare center

that is offered for employees on Capitol Hill over by the Hart building. We had a press conference. Senator KENNEDY was there, I was there, Senator DODD was there, I think Senator JEFFORDS was there at that time. That was 4 or 5 years ago.

So we should be moving on these things. I pledge my support to see what we can do down the road.

I rise to call up Senate amendment 102.

The PRESIDING OFFICER. Without objection the pending amendments are set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS] proposes an amendment numbered 102.

Mr. ROBERTS. Madam President, 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 establish a small business child care grant program)

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . SMALL BUSINESS CHILD CARE GRANT PROGRAM.**

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (referred to in this section as the "Secretary") shall establish a program to award grants to States, on a competitive basis, to assist States in providing funds to encourage the establishment and operation of employer-operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the funds required under subsection (e) will be provided.

(c) AMOUNT AND PERIOD OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States receiving grants under this section. The Secretary shall make the grant for a period of 3 years.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses (or consortia formed in accordance with paragraph (3)) located in the State to enable the small businesses (or consortia) to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the startup costs related to a child care program;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school-aged children;

(F) the entering into of contracts with local resource and referral organizations or local health departments;

(G) assistance for care for children with disabilities;

(H) payment of expenses for renovation or operation of a child care facility; or

(I) assistance for any other activity determined appropriate by the State.

(2) APPLICATION.—In order for a small business or consortium to be eligible to receive assistance from a State under this section, the small business involved shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to an applicant that desires to form a consortium to provide child care in a geographic area within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities that shall include small businesses and that may include large businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATIONS.—With respect to grant funds received under this section, a State may not provide in excess of \$500,000 in assistance from such funds to any single applicant.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section, a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by a covered entity receiving assistance in carrying out activities under this section, the covered entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the covered entity receives such assistance, not less than 50 percent of such costs (\$1 for each \$1 of assistance provided to the covered entity under the grant);

(2) for the second fiscal year in which the covered entity receives such assistance, not less than 66⅔ percent of such costs (\$2 for each \$1 of assistance provided to the covered entity under the grant); and

(3) for the third fiscal year in which the covered entity receives such assistance, not less than 75 percent of such costs (\$3 for each \$1 of assistance provided to the covered entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section, a child care provider—

(1) who receives assistance from a State shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State; and

(2) who receives assistance from an Indian tribe or tribal organization shall comply with all applicable regulatory standards.

(g) STATE-LEVEL ACTIVITIES.—A State may not retain more than 3 percent of the amount described in subsection (c) for State administration and other State-level activities.

(h) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering a grant awarded for the State under this section and for monitoring covered entities that receive assistance under such grant.

(2) AUDITS.—A State shall require each covered entity receiving assistance under the grant awarded under this section to conduct an annual audit with respect to the activities of the covered entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that a covered entity receiving assistance under a grant awarded under this section has misused the assistance, the State shall notify

the Secretary of the misuse. The Secretary, upon such a notification, may seek from such a covered entity the repayment of an amount equal to the amount of any such misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(i) REPORTING REQUIREMENTS.—

(1) 2-YEAR STUDY.—

(A) IN GENERAL.—Not later than 2 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine—

(i) the capacity of covered entities to meet the child care needs of communities within States;

(ii) the kinds of consortia that are being formed with respect to child care at the local level to carry out programs funded under this section; and

(iii) who is using the programs funded under this section and the income levels of such individuals.

(B) REPORT.—Not later than 28 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(2) 4-YEAR STUDY.—

(A) IN GENERAL.—Not later than 4 years after the date on which the Secretary first awards grants under this section, the Secretary shall conduct a study to determine the number of child care facilities that are funded through covered entities that received assistance through a grant awarded under this section and that remain in operation, and the extent to which such facilities are meeting the child care needs of the individuals served by such facilities.

(B) REPORT.—Not later than 52 months after the date on which the Secretary first awards grants under this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report on the results of the study conducted in accordance with subparagraph (A).

(j) DEFINITIONS.—In this section:

(1) COVERED ENTITY.—The term “covered entity” means a small business or a consortium formed in accordance with subsection (d)(3).

(2) INDIAN COMMUNITY.—The term “Indian community” means a community served by an Indian tribe or tribal organization.

(3) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms “Indian tribe” and “tribal organization” have the meanings given the terms in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(4) SMALL BUSINESS.—The term “small business” means an employer who employed an average of at least 2 but not more than 50 employees on the business days during the preceding calendar year.

(5) STATE.—The term “State” has the meaning given the term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(k) APPLICATION TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In this section:

(1) IN GENERAL.—Except as provided in subsection (f)(1), and in paragraphs (2) and (3), the term “State” includes an Indian tribe or tribal organization.

(2) GEOGRAPHIC REFERENCES.—The term “State” includes an Indian community in subsections (c) (the second and third place the term appears), (d)(1) (the second place the term appears), (d)(3)(A) (the second place the term appears), and (i)(1)(A)(i).

(3) STATE-LEVEL ACTIVITIES.—The term “State-level activities” includes activities at the tribal level.

(1) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section, \$50,000,000 for the period of fiscal years 2008 through 2012.

(2) STUDIES AND ADMINISTRATION.—With respect to the total amount appropriated for such period in accordance with this subsection, not more than \$2,500,000 of that amount may be used for expenditures related to conducting studies required under, and the administration of, this section.

(m) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2012.

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

The amendment (No. 102) was agreed to.

Mr. KENNEDY. Madam President, I see the Senator from Alabama looking for recognition. He has filed some amendments. Hopefully, I will have an opportunity to discuss some of those.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. I thank Senator KENNEDY and Senator ENZI for their courtesies as we discuss some of the issues I have raised by my amendments.

What is the pending business?

The PRESIDING OFFICER. The pending question is amendment 118 offered by Senator KYL.

AMENDMENT NO. 106, AS MODIFIED

Mr. SESSIONS. I call for the regular order with respect to Senate amendment 106 and send a modification to the desk.

The PRESIDING OFFICER. The Senator has that right.

The amendment will be so modified.

The amendment (No. 106), as modified, is as follows:

At the appropriate place, insert the following:

# SEC. \_\_\_\_ SENSE OF THE SENATE CONCERNING PERSONAL SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) the personal saving rate in the United States is at its lowest point since the Great Depression, with the rate having fallen into negative territory;

(2) the United States ranks at the bottom of the Group of Twenty (G-20) nations in terms of net national saving rate;

(3) approximately half of all the working people of the United States work for an employer that does not offer any kind of retirement plan;

(4) existing savings policies enacted by Congress provide limited incentives to save for low- and moderate-income families; and

(5) the Social Security program was enacted to serve as the safest component of a retirement system that also includes employer-sponsored retirement plans and personal savings.

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

(1) Congress should enact policies that promote savings vehicles for retirement that are simple, easily accessible and provide adequate financial security for all the people of the United States;

(2) it is important to begin retirement saving as early as possible to take full advantage of the power of compound interest; and

(3) regularly contributing money to a financially-sound investment account is one

important method for helping to achieve one's retirement goals.

Mr. SESSIONS. Madam President, it is important as we think about low- and middle-income, middle-class workers in America today, to think about how they are getting along and whether they are saving adequately. Savings is a part of any person's financial security. It makes a difference between how a person thinks about his life, how he or she thinks about her job, and how they can live in the latter years. Most Americans today depend upon Social Security to finance their retirement as Social Security provides 73 percent of the retirement income of the typical household. That is not enough money for the average American to live on adequately. The truth is, they can have so much more so easily. I would like to talk about that today.

To live the comfortable life that Americans deserve after 40-plus years of work, most need to supplement their Social Security income with additional savings, either through an employer-sponsored plan or their own savings plan. Yet despite this need, most Americans are not putting aside money for their future.

Statistic after statistic tragically shows this. The personal savings rate in the United States, as this chart demonstrates, is at its lowest ebb since the Great Depression. It is a matter of national importance, as the Chairman of the Reserve Board and others have discussed.

Look at this chart. It shows, since 1946, our savings rate has fallen steadily; in 2006, it is below zero. We are spending our savings now more than we are saving. It is a very troubling matter. We have to do something about it.

After having averaged better than 7 percent throughout most of the post-World War II period, the personal savings rate dipped into negative territory by 2005 for the first time since 1933. This trend continued last year as the personal savings rate remained in negative territory for the first three quarters of 2006, with the fourth quarter numbers not yet reported.

These statistics indicate that the average American household has been spending more during the last 2 years by either drawing down past savings or selling assets or borrowing.

An alarming number of Americans also lack any financial resources beyond personal income. According to a Federal Reserve 2004 survey of consumer finances, 17 percent of all households have zero or a negative net worth, while 30 percent have a net worth of less than \$10,000. This is especially a problem for African-American households, as they are more than twice as likely to have zero or a negative net worth.

Perhaps most troubling, as this next chart demonstrates, almost half of the 152 million Americans who worked in 2004, 71.5 million employees, worked for an employer that did not sponsor a retirement plan of any kind. Another 17

million did not participate in the plan their employer offered. That means over 58 percent of working Americans in 2004 were not participating in an employer-sponsored retirement plan.

Higher income people take care of their plans, but the average working American tends to focus his savings through his business and employer. In particular, younger workers are much less likely to participate in their employer's 401(k) plan, as only about one-third of workers age 21 to 30 participate in any retirement plan at work. Even if a worker is participating in an employer-sponsored retirement plan, he or she is unlikely to be saving sufficiently for the future.

The average American worker holds nine jobs by the time they are 35, meaning that he or she often leaves the job before their retirement benefits become vested. In fact, frequently they cash it out. I had the opportunity to be on an airplane recently with a young man, 37, with two kids. He is beginning to work for the Federal Government. He is going to be saving through the thrift plan. I asked him what he had done before about savings. I told him the average person had nine jobs. He said: I had nine jobs. And when asked about savings, he said: I cashed in my plans. I just had a few hundred dollars in this one and a few hundred in that one. It didn't make sense to hold on to them. I cashed them in and paid my penalties. So at 35 with two kids, he has missed those first 10 or 15 or 20 years of work that he could have been saving and having the power of compound interest at work. About 45 percent of the participants in employer-sponsored retirement plans cashed out when they changed jobs in 2004. A lot of plans don't offer savings until you have worked with the company 6 months or a year; some, 2 years.

As this next chart shows, if we considered business and Government savings, we find that the United States has the lowest national savings rate of any of the group of 20 industrial nations. Whereas Japan's savings rate was 10.8 percent in 2003, Germany's was 5.4 percent, and India's was 15.4 percent, the United States had a net national savings rate of 1.6 percent in 2003. This is a World Bank chart. We can see we have the lowest rate on the chart. That is significant, not only for individuals, most importantly for individual working Americans, but also for our economy because economists tell us that this is a major detriment to our economy. In fact, all but two of the nations listed on the chart I just showed have a net national savings rate of more than twice that of the United States, if not more than 10 times our savings rate.

The lack of personal savings is a particular problem in my State of Alabama. An A.G. Edwards study rated Alabama the Nation's 46th lowest savings State. This lack of personal savings is a national tragedy, as few Americans are putting money aside to

ensure their financial security upon retirement, during a time where we have growth and relative prosperity in our Nation. I will repeat that. Think about the tragedy that is occurring when people are not setting aside even a small percentage of their salary, when if they do, they could retire with hundreds of thousands of dollars in a savings account at age 65. This is very realistic. It is very possible. I will talk about it a little bit more in a minute. But as anybody knows who has studied the compound interest factor, the earlier you save, the more important it is. So it is a special tragedy when we see this lack of savings. For example, according to an analysis by Fidelity Investments, if one is 25 years old and has 40 years until retirement, every additional dollar a person saves would be worth \$8.14 at retirement, adjusted for inflation. So a dollar saved, if you are 25, is worth \$8.14 at retirement.

Increasing savings also allows Americans to achieve greater control and choice over their lives. According to the Center for Social Development, the presence of savings is even associated with improved health and psychological well-being.

The benefits of increasing our Nation's personal savings rate go beyond the financial security of individual families. By increasing household savings, we will be providing the investment capital our Nation needs to ensure long-term economic growth and create more and better jobs. Increasing savings will allow the United States to depend less on foreign capital. America's current account deficit, the amount of domestic investment financed by borrowing from abroad, hit a record high of over 6 percent of GDP in 2005. Foreign capital can sustain our economy in the short run, but I don't know if we can depend on that in the long run. Moreover, we, as a country, benefit from the interest and dividends our assets generate when we own them.

So what can we do to increase personal savings for retirement? I will soon be introducing a bill to help solve our savings problem by creating a national savings system that would give every American the opportunity to retire a half-millionaire. Not a chicken in every pot, not a car in every garage, we desire that every American be able to retire with half a million dollars in the bank. That is possible, realistic, so easily within our grasp if we set forth the right plans today.

Under the plan I will be introducing, individual savings accounts, or PLUS Accounts—for Portable, Lifelong, Universal Savings accounts—would be created for every working American. One percent of every paycheck earned would be deposited automatically, pretax, into individual PLUS Accounts, along with a 1-percent match from every employer, and invested in a new system like our Federal thrift system, a new 401(k)-type system. Under this plan, a savings account would be established for every American at birth, endowing these accounts with \$1,000.

This is a proposal which the British are already doing. The UK has a plan similar to this plan. They are very excited about how well it is working. Savings among families in Britain has gone up 40 percent since they started this plan. It has educated people to the power of savings and compound interest.

Senators, such as Mr. SCHUMER, Mr. Santorum, and others, have previously offered legislation of this kind.

So these funds contributed to PLUS Accounts would be the legal property of each account holder, but they could not be spent until age 65. Any funds remaining when an individual died would be passed on as they chose to their spouse, children, grandchildren, or any one of the holder's choosing, including a favorite charity. Account assets would be protected from creditors and would not be considered in determining eligibility for any federally funded benefits or in calculating estate tax liability.

Finally, my plan would simply serve as a supplement to Social Security, not altering the Social Security system in any way. I supported the President's idea of changes in Social Security. I thought it made sense. We did not have the votes to do that in this Congress. So I say, let's do it on top of Social Security.

I believe this can work. If we begin PLUS Accounts at birth and require a portion of every paycheck to be invested, the first check you get, the first job you go to work at, the average American citizen could retire with a rather sizable nest egg. For example, given a reasonable rate of return, someone who makes \$46,000 a year—the median household income in 2005—and only contributes 1 percent of each paycheck would retire with almost \$300,000 in the bank. Think about that. You put in 1 percent, your employer puts in 1 percent. You have a \$1,000 deposit at birth. With no more money put in there other than what you pay out, you would retire with \$300,000 in your account. What a remarkable and great country this is. At age 65, this account could be converted to an annuity that would pay the recipient \$2,100 per month for life, which is probably more than they will get from Social Security. If the same individual were to contribute 3 percent, if they would just contribute 3 percent of their paycheck over the course of their working life, they could expect to retire with half a million dollars in their account—enough to purchase an annuity that pays over \$3,700 per month for life, if they chose, or they could simply live off the income of it and have assets for their children or the charity they chose. This is if the company, the employer, only puts in 1 percent. But many employers today offer more than that.

I have to say, I was talking with Senator CORKER from Tennessee, a successful businessman, about this issue. He said: I believe in savings. We have a

savings plan in my company that our people all sign up for.

I said: Tell me about it.

He said: We put in 10 percent, if they will put in 5 percent.

Think about that. That is what Senator CORKER does. A lot of businesses would do this. A lot of businesses would put in more. Many already are, but many businesses would step up to the plate and put in more than 1 percent. But if the employee put in 3 percent and the employer put in 1, at age 65, it would be worth half a million dollars, if you are operating at median income. That is remarkable.

Thus, I would say that if we care about working Americans, if we really want to do something historic, I believe we have an opportunity, a bipartisan opportunity to establish a savings program for Americans. That program should be modeled, in my view, although I am open to other suggestions, on the Federal thrift plan that our employees admire so much and they value so much, you couldn't take it from them with a crowbar. The Federal employees like it. They pay Social Security, and they get a thrift plan where the Government puts in 5 percent if they put in 5 percent. And they can put in more than that. Many of these young people working today who work a career in the Government are going to retire with a very sizable nest egg, something they own, an asset they have earned themselves from their work, and they will be able to retire comfortably, whereas otherwise they may be dependent on Social Security.

It is a national tragedy that we are not educating our children to save. It is a national tragedy that our savings rate has fallen below zero. I believe we can do better. I am offering this sense-of-the-Senate resolution to have the Senate think about it, to affirm its commitment to increasing savings. As we go forward in the weeks to come, we could be talking about the various proposals that are out there to actually make this happen.

I see Senator KENNEDY is off the floor. As I understand, we will set the vote on this resolution for an appropriate time.

Hopefully, we will have strong support from my colleagues.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

AMENDMENT NO. 119

Mr. BUNNING. Madam President, I call up amendment No. 119.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. BUNNING] proposes an amendment numbered 119.

Mr. BUNNING. 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 amend the Internal Revenue Code of 1986 to repeal the 1993 income tax increase on Social Security benefits)

At the appropriate place insert the following:

**SEC. \_\_\_\_ . REPEAL OF 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS.**

(a) RESTORATION OF PRIOR LAW FORMULA.—Subsection (a) of section 86 (relating to social security and tier 1 railroad retirement benefits) is amended to read as follows:

“(a) IN GENERAL.—Gross income for the taxable year of any taxpayer described in subsection (b) (notwithstanding section 207 of the Social Security Act) includes social security benefits in an amount equal to the lesser of—

“(1) one-half of the social security benefits received during the taxable year, or

“(2) one-half of the excess described in subsection (b)(1).”.

(b) REPEAL OF ADJUSTED BASE AMOUNT.—Subsection (c) of section 86 is amended to read as follows:

“(c) BASE AMOUNT.—For purposes of this section, the term ‘base amount’ means—

“(1) except as otherwise provided in this subsection, \$25,000,

“(2) \$32,000 in the case of a joint return, and

“(3) zero in the case of a taxpayer who—

“(A) is married as of the close of the taxable year (within the meaning of section 7703) but does not file a joint return for such year, and

“(B) does not live apart from his spouse at all times during the taxable year.”.

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 871(a)(3) is amended by striking “85 percent” and inserting “50 percent”.

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98-21) is amended—

(i) by striking “(A) There” and inserting “There”;

(ii) by striking “(i)” immediately following “amounts equivalent to”; and

(iii) by striking “, less (ii)” and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking “paragraph (1)(A)” and inserting “paragraph (1)”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2007.

(2) SUBSECTION (c)(1).—The amendment made by subsection (c)(1) shall apply to benefits paid after December 31, 2007.

(3) SUBSECTION (c)(2).—The amendments made by subsection (c)(2) shall apply to tax liabilities for taxable years beginning after December 31, 2007.

**SEC. \_\_\_\_ . MAINTENANCE OF TRANSFERS TO HOSPITAL INSURANCE TRUST FUND.**

There are hereby appropriated to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) amounts equal to the reduction in revenues to the Treasury by reason of the enactment of this Act. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers

which would have occurred to such Trust Fund had this Act not been enacted.

Mr. BUNNING. Madam President, this is an important amendment for many of our seniors because it deals with the taxes on Social Security benefits. I have brought this issue before this Chamber before, so it should be familiar to many of my colleagues.

When the Social Security program was created, benefits were not taxed. However, in 1983, Congress changed the rules of the game by passing legislation to begin taxing up to 50 percent of a senior's Social Security benefit if their income was over \$25,000 for a single individual or \$32,000 for a couple.

Many seniors across the country were hit with a tax they never anticipated and were forced to send a portion of their Social Security benefits back to the IRS.

In 1993, Congress felt taxing 50 percent of benefits wasn't good enough. That year, Congress passed and President Clinton signed a bill that allows 85 percent of a senior's Social Security benefits to be taxed if their income is above \$34,000 for a single and \$44,000 for a couple. This was known as the "Clinton senior citizens tax."

The additional money this tax raises doesn't even go into helping Social Security solvency; instead, it goes into a Medicare Part A program.

I was a Member of the House of Representatives in 1993, and I opposed this tax then and I oppose this tax today, 14 years later.

Some people think this tax only affects "rich" seniors, but that is not the case. In fact, the income thresholds both for the 50-percent tax and the 85-percent tax haven't changed since they were first enacted back in 1983 and 1993. This means more and more seniors are paying these taxes every year.

In fact, it is estimated that of the 40 million Social Security beneficiaries, about 15 million—or 39 percent—of seniors pay taxes on their Social Security benefits. Of these, it is estimated that over 9.5 million pay taxes on up to 85 percent of their Social Security benefit.

On one hand, we tell seniors to plan and save for retirement and, on the other hand, we tax them for doing that.

In the past, there have been efforts by Members of Congress, including myself, to remove this unfair tax. During debate on the Senate 2006 budget resolution, I offered an amendment that provided Congress with the budget resources to remove this unfair tax on benefits. My amendment passed 55 to 45. Unfortunately, the tax reconciliation instructions were scaled back during conference.

Today, I am offering another amendment to finally repeal the 1993 tax on Social Security benefits. This means the 85-percent tax tier would be eliminated and the maximum amount of Social Security benefits that could be taxed would be 50 percent. Millions of seniors would be able to keep more of their Social Security benefits, and

Congress gets an opportunity to end this unfair tax on seniors.

It is also important to point out that the Medicare Program is not harmed by my amendment. As I already said, this tax funds the Medicare program. Therefore, my amendment transfers to Medicare any amount it would have received due to this tax from the general fund.

This was an unfair tax on our seniors, and it is time we repeal it. I urge my colleagues to support this amendment. I thank the Chair for the time. We will look for a time later to bring up the amendment again.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. SANDERS. Madam President, I rise today in strong support of the Fair Minimum Wage Act of 2007. I commend Senator KENNEDY for his leadership on this issue. This important legislation would increase the Federal minimum wage from the abysmally low \$5.15 an hour to \$7.25 an hour over a 2-year period.

Let us make no mistake about it, this bill will benefit millions of workers and their families. It is very long overdue. Anyone who works 40 hours a week in the United States of America should not be living in abject poverty. It is a moral disgrace that Congress has not increased the minimum wage since 1997. Yes, Congress has provided hundreds of billions of dollars in tax breaks to people who don't need it, but somehow, over a 10-year period, Congress has not reached out to millions of workers making the minimum wage and raised that wage.

Today's minimum wage workers have less buying power than minimum wage workers did back in 1955, when Dwight Eisenhower was President. Simply put, a job should keep you out of poverty, not keep you in poverty.

At the current Federal minimum wage of \$5.15 an hour, a person working full time makes less than \$11,000 per year before taxes, which is approximately \$6,000 below the Federal poverty line for a family of three.

Moreover, while the cost of living has skyrocketed, the value of the minimum wage has eroded by over 20 percent since the last increase. Today, nearly 13 million workers, 10 percent of the United States workforce, would directly or indirectly benefit from a raise in the minimum wage to \$7.25 an hour; 5.5 million workers would benefit directly, 7.4 million workers would benefit indirectly, and more than 60 percent of those who would benefit are women.

In addition to workers, millions of American families would benefit from a raise in the minimum wage, including nearly 6 million children who would see their parents' earnings increase.

But some will argue that an increase in the minimum wage will primarily benefit teenagers. I think the evidence is quite strong that that is not the case. Further, recently, over 650 econo-

mists, including Nobel Prize winners and past presidents of the American Economics Association, released a statement calling for a raise in the minimum wage. They confirm that "a modest increase in the minimum wage would improve the well-being of low-wage workers and would not have the adverse effects that critics have claimed. . . . The weight of the evidence suggests that modest increases in the minimum wage have very little or no effect on employment."

Moreover, and interestingly, a recent Gallup Poll revealed that 86 percent of small business owners today do not believe that an increase in the minimum wage would hurt their business. Three-fourths of small business owners thought a 10-percent increase would have no effect on them. In fact, nearly half of those polled thought the minimum wage should be increased.

While I believe it is important to raise the minimum wage to \$7.25 an hour, it is clear to me that much more needs to be done. We should see this increase—long overdue—in the minimum wage as simply a start to address the disgraceful reality that more and more of our fellow Americans are living in poverty, and it is an outrage that today in the United States of America we have, by far, the highest rate of childhood poverty in the industrialized world.

In the last 10 years, what we have seen in our country is a proliferation of millionaires and billionaires. We have seen the wealthiest people become ever wealthier. But what we have also seen, since President Bush has been in office, is that over 5 million more Americans have slipped into poverty. The rich become richer, the poor become poorer, and the middle class continues to shrink. In my view, raising the minimum wage is an important start in attempting to address the crisis of poverty in America, but it is clear to me that we have to do much more. Among many other things we have to do, we must address the reality in America today that we are losing millions of good-paying manufacturing jobs and good-paying white-collar information technology jobs because of our disastrous trade agreements.

The time is now to begin to fundamentally rethink our trade agreements so we can begin to create good-paying jobs here in the United States, so our young people will be able to make it to the middle class rather than to continue to struggle year after year in poverty.

We have to take a hard look at the National Labor Relations Act and the National Labor Relations Board, which today make it increasingly hard for workers to form unions. If workers are able to collectively negotiate a contract, very often the wages they get will be substantially higher than if they did not have a union. So in raising the minimum wage, what we are doing today is saying to millions of workers who are struggling desperately to keep

their heads above water, we understand what you are going through. We understand it is an outrage that for a 10-year period this Congress has not raised the minimum wage, and the purchasing value of the minimum wage has declined. But I hope that what we are doing this week is simply a start to address the very serious economic problems facing not only low-income Americans but the middle class as well.

I hope that this Senate, this Congress, will begin focusing its attention on the decline of the middle class, the increase of poverty, and come up with economic and fiscal policies that benefit all Americans and not just the wealthy and large multinational corporations.

I yield the floor.

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

Mr. GRAHAM. Madam President, I ask unanimous consent to speak for 5 minutes as in morning business.

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

#### NEW STRATEGY IN IRAQ

Mr. GRAHAM. Madam President, the reason I rise to take the floor is this afternoon—I think the Presiding Officer was present in the Armed Services Committee hearing when General Petraeus testified about the new strategy in Iraq. I hope that over time more Americans will be familiar with him and his view of what we can do to go forward.

In his testimony, General Petraeus clearly indicated we have made a lot of mistakes in Iraq. We never had enough troops to secure the country, and the deBaathification program basically was a mistake. Other agencies involved in nationbuilding have not done their part. Militias have grown. The biggest event in the sectarian violence was the bombing of the Shia Golden Dome Mosque, and since that event, which was al-Qaida-inspired, we have been going backward instead of forward and the sectarian violence in Baghdad has gotten worse.

But General Petraeus believes this new strategy is not more people doing the same thing. It is a fundamentally different shift in policy. I agree with him and hope the country will listen closely to what he says. I have a lot of confidence in General Petraeus. I intend to support him.

I will not vote for any resolution that declares a strategy of failure before he has a chance to implement it because if we do that, it is going to be a very bad sendoff for our troops going into battle. It will embolden the enemy and weaken the moderates we eventually have to rely on in the Mideast to help us in the war on terror.

The strategy will be similar to this: We will be increasing reinforcements on all fronts. We have had enough military people in Iraq to clear territory but never hold it. We never lost a battle with insurgents. We can clear out a town or sector of Baghdad, but once we leave, we turn it over to an immature Iraqi Army or corrupt police force.

What we are doing by having 21,500 more troops is it doubles the combat capability of American forces in Baghdad to 17,500, and that will allow some soldiers to stay behind with the Iraqis to hold territory. Hold for what purpose? To give the political leadership in Iraq a chance to reconcile their differences through the political process.

Ask General Petraeus: Do you believe Iraq is part of the overall global war on terror?

I do.

If you believe it is a Vietnam which is a lost cause and not worth fighting for and we need to get out, don't pass a resolution condemning the action. Cut off funding. If you believe it is part of the global war on terror, as I do, we need to fight to win. I think that is exactly what we are trying to do. We are going to reinforce the military so we can hold, to give the Iraqi leadership a chance to reconcile the problems politically. I don't believe any political group could find democracy or common ground in this much violence. It is hard enough for us to find a solution to immigration and none of us being shot at. Can you imagine trying to reconcile a country oppressed by dictators for over 30 years with this level of violence?

If we can control the violence, I think it will lead to a better political result. They have to share the oil revenues with the Sunnis. The Sunnis have to have something to fight for, not against. That has to happen. At the end of the day, a million troops won't change Baghdad or Iraq if the Iraqi people are not willing to make the accommodations they need to make. They are under siege. They need reinforcements.

On the economic front, 70 percent of our casualties come from improvised explosive devices, somebody planting a bomb along the side of the road. Some people are planting those bombs because they don't have a job. They don't have any way to support their family, so they are taking money from the insurgents. Let's create an economy to give them an option other than planting bombs.

Secondly, some people are planting bombs because there is no downside. Once you get caught, you get released. We need a robust rule of law. If you want to change the way our troops are treated in Iraq, put people in jail for a very long time for attacking our troops. That will be a deterrent.

Finally, more military presence will put pressure on those making these explosive devices. This is a surge on all fronts. He is confident this plan will work. He understands the Iraqi political leadership has to do their part. The Iraqi military has to do their part. But the sectarian violence has come about because al-Qaida hit the motherload when they blew up the Golden Mosque. We cannot let al-Qaida win in destabilizing Iraq. They went to Iraq behind us because they understand that the consequences of success in Iraq are not confined to Iraq. If you

can have a stable, functioning democracy that is tolerant, then it will spread to other areas of the Mideast and will be a mighty blow to the al-Qaida agenda.

We need to understand that a failed state in Iraq creates chaos for not just us but the world. Iran becomes a big winner. The south of Iraq becomes a puppet state of Iran. We could have a war between Turkey and the Kurds in the north. And if there is a bloodbath in Baghdad, which there surely will be if we leave, then Sunni Arab nations are going to get involved, and the whole region becomes much more unstable.

I urge my colleagues to listen to General Petraeus and ask the question: Do you have confidence in this man to do what he says he can do? And if the answer is yes, don't undermine him before he leaves. Give him the resources he needs. If you don't have confidence in him and our military and our leadership to change policy and strategy and be successful, don't let one more person go to Iraq to get killed or wounded in a lost cause. You should have the courage of your convictions to cut off funding. A middle-ground solution is the worst of all worlds.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

#### AMENDMENTS NOS. 152, 153, AND 154 EN BLOC

Mr. ENZI. Madam President, on behalf of Senator ENSIGN, I call up amendments Nos. 152, 153, and 154.

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

The legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for Mr. ENSIGN, proposes amendments numbered No. 152, 153, and 154 en bloc.

Mr. ENZI. Madam President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

#### AMENDMENT NO. 152

(Purpose: To reduce document fraud, prevent identity theft, and preserve the integrity of the Social Security system)

At the appropriate place, insert the following:

#### SEC. —. PRECLUSION OF SOCIAL SECURITY CREDITS PRIOR TO ENUMERATION.

(a) INSURED STATUS.—Section 214 of the Social Security Act (42 U.S.C. 414) is amended by adding at the end, the following new subsection:

“(d)(1) Except as provided in paragraph (2), no quarter of coverage shall be credited for purposes of this section if, with respect to any individual who is assigned a social security account number on or after the date of enactment of the Fair Minimum Wage Act of 2007, such quarter of coverage is earned prior to the year in which such social security account number is assigned.

“(2) Paragraph (1) shall not apply with respect to any quarter of coverage earned by an individual who, at such time such quarter of coverage is earned, satisfies the criterion specified in subsection (c)(2).”

(b) BENEFIT COMPUTATION.—Section 215(e) of such Act (42 U.S.C. 415(e)) is amended—

(1) by striking “and” at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(3) in computing the average indexed monthly earnings of an individual who is assigned a social security account number on or after the date of enactment of the Fair Minimum Wage Act of 2007, there shall not be counted any wages or self-employment income for which no quarter of coverage may be credited to such individual as a result of the application of section 214(d).”.

#### AMENDMENT NO. 153

(Purpose: To preserve and protect Social Security benefits of American workers, including those making minimum wage, and to help ensure greater congressional oversight of the Social Security system by requiring that both Houses of Congress approve a totalization agreement before the agreement, giving foreign workers Social Security benefits, can go into effect)

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ TRANSMITTAL AND APPROVAL OF TOTALIZATION AGREEMENTS.

(a) IN GENERAL.—Section 233(e) of the Social Security Act (42 U.S.C. 433(e)) is amended to read as follows:

“(e)(1) Any agreement to establish a totalization arrangement which is entered into with another country under this section shall enter into force with respect to the United States if (and only if)—

“(A) the President, at least 90 calendar days before the date on which the President enters into the agreement, notifies each House of Congress of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register,

“(B) the President transmits the text of such agreement to each House of Congress as provided in paragraph (2), and

“(C) an approval resolution regarding such agreement has passed both Houses of Congress and has been enacted into law.

“(2)(A) Whenever an agreement referred to in paragraph (1) is entered into, the President shall transmit to each House of Congress a document setting forth the final legal text of such agreement and including a report by the President in support of such agreement. The President's report shall include the following:

“(i) An estimate by the Chief Actuary of the Social Security Administration of the effect of the agreement, in the short term and in the long term, on the receipts and disbursements under the social security system established by this title.

“(ii) A statement of any administrative action proposed to implement the agreement and how such action will change or affect existing law.

“(iii) A statement describing whether and how the agreement changes provisions of an agreement previously negotiated.

“(iv) A statement describing how and to what extent the agreement makes progress in achieving the purposes, policies, and objectives of this title.

“(v) An estimate by the Chief Actuary of the Social Security Administration, working in consultation with the Comptroller General of the United States, of the number of individuals who may become eligible for any benefits under this title or who may otherwise be affected by the agreement.

“(vi) An assessment of the integrity of the retirement data and records (including birth, death, and marriage records) of the other country that is the subject of the agreement.

“(vii) An assessment of the ability of such country to track and monitor recipients of benefits under such agreement.

“(B) If any separate agreement or other understanding with another country (wheth-

er oral or in writing) relating to an agreement to establish a totalization arrangement under this section is not disclosed to Congress in the transmittal to Congress under this paragraph of the agreement to establish a totalization arrangement, then such separate agreement or understanding shall not be considered to be part of the agreement approved by Congress under this section and shall have no force and effect under United States law.

“(3) For purposes of this subsection, the term ‘approval resolution’ means a joint resolution, the matter after the resolving clause of which is as follows: ‘That the proposed agreement entered into pursuant to section 233 of the Social Security Act between the United States and \_\_\_\_\_ establishing totalization arrangements between the social security system established by title II of such Act and the social security system of \_\_\_\_\_, transmitted to Congress by the President on \_\_\_\_\_, is hereby approved.’, the first two blanks therein being filled with the name of the country with which the United States entered into the agreement, and the third blank therein being filled with the date of the transmittal of the agreement to Congress.

“(4) Whenever a document setting forth an agreement entered into under this section and the President's report in support of the agreement is transmitted to Congress pursuant to paragraph (2), copies of such document shall be delivered to both Houses of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

“(5) On the day on which a document setting forth the agreement is transmitted to the House of Representatives and the Senate pursuant to paragraph (1), an approval resolution with respect to such agreement shall be introduced (by request) in the House by the majority leader of the House, for himself or herself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself or herself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such an agreement is transmitted, the approval resolution with respect to such agreement shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. The resolution introduced in the House of Representatives shall be referred to the Committee on Ways and Means and the resolution introduced in the Senate shall be referred to the Committee on Finance.”.

(b) ADDITIONAL REPORTS AND EVALUATIONS.—Section 233 of the Social Security Act (42 U.S.C. 433) is amended by adding at the end the following new subsections:

“(f) BIENNIAL SSA REPORT ON IMPACT OF TOTALIZATION AGREEMENTS.—

“(1) REPORT.—For any totalization agreement transmitted to Congress on or after January 1, 2007, the Commissioner of Social Security shall submit a report to Congress and the Comptroller General that—

“(A) compares the estimates contained in the report submitted to Congress under clauses (i) and (v) of subsection (e)(2)(A) with respect to that agreement with the actual number of individuals affected by the agreement and the actual effect of the agreement on social security system receipts and disbursements; and

“(B) contains recommendations for adjusting the methods used to make the estimates.

“(2) DATES FOR SUBMISSION.—The report required under this subsection shall be provided not later than 2 years after the effective date of the totalization agreement that is the subject of the report and biennially thereafter.

“(g) GAO EVALUATION AND REPORT.—

“(1) EVALUATION OF INITIAL REPORT ON IMPACT OF TOTALIZATION AGREEMENTS.—With respect to each initial report regarding a totalization agreement submitted under subsection (f), the Comptroller General of the United States shall conduct an evaluation of the report that includes—

“(A) an evaluation of the procedures used for making the estimates required by subsection (e)(2)(A);

“(B) an evaluation of the procedures used for determining the actual number of individuals affected by the agreement and the effects of the totalization agreement on receipts and disbursements under the social security system; and

“(C) such recommendations as the Comptroller General determines appropriate.

“(2) REPORT.—Not later than 1 year after the date of submission of an initial report regarding a totalization agreement under subsection (f), the Comptroller General shall submit to Congress a report setting forth the results of the evaluation conducted under paragraph (1).

“(3) DATA COLLECTION.—The Commissioner of Social Security shall collect and maintain the data necessary for the Comptroller General of the United States to conduct the evaluation required by paragraph (1).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to agreements establishing totalization arrangements entered into under section 233 of the Social Security Act which are transmitted to Congress on or after January 1, 2007.

#### AMENDMENT NO. 154

(Purpose: To improve access to affordable health care)

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ NON-GROUP HIGH DEDUCTIBLE HEALTH PLAN PREMIUMS OPTIONS.

(a) IN GENERAL.—Section 223(d)(2)(C) of the Internal Revenue Code of 1986 (relating to exceptions) is amended by striking “or” at the end of clause (iii), by striking the period at the end of clause (iv) and inserting “, or”, and by adding at the end the following new clause:

“(v) a high deductible health plan, other than a group health plan (as defined in section 5000(b)(1)).”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

#### AMENDMENT NO. 106, AS MODIFIED

Mr. ENZI. Madam President, in a while, we will take some action on Senator SESSIONS' amendment. I would like to make a couple comments on that amendment before we get to that point. This might be an appropriate time.

Last year, Congress undertook the most sweeping changes to pension law since the enactment of ERISA. It was a major milestone and resulted in the most comprehensive change to workers' and their families' pension and retirement savings in the past 32 years.

The Pension Protection Act could not have been enacted without bipartisan cooperation, but it took more than Republicans and Democrats working together. The Pension Protection

Act resulted from a deep commitment toward cooperation between the Finance Committee, which oversaw the tax provisions of the bill, and the Health, Education, Labor, and Pensions Committee, which oversaw the pensions provisions.

On the Health, Education, Labor, and Pensions Committee, we had previously taken a strong bipartisan look at retirement issues and retirement savings as part of our pension oversight duties. The new chairman of the committee has stated he will continue the committee's strong pension oversight responsibilities in order to protect and strengthen the retirement savings so that workers and their families may prosper long into their retirement years.

The sense-of-the-Senate resolution before us expresses the sentiment that saving for retirement is important. We all agree with that point. The fact is that savings opportunities are available almost everywhere, but many workers do not take advantage of it. By this sense-of-the-Senate resolution, we are not advocating any particular retirement programs or initiatives over others on the books already or proposed to be introduced. We are simply saying that people ought to save enough to maintain their standard of living during their golden years, and they ought to invest prudently so that their savings will be safe when they do retire.

Better financial education and investment advice is needed. Automatic enrollment rules that were enacted in the Pension Protection Act will help people learn to save. New default investment regulations, when finalized, will help too.

In that respect, progress has been made in saving for retirement, but much needs to be done.

I am happy to join with my colleagues in reiterating the commitment by supporting the sense-of-the-Senate resolution.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I expect we will vote at a quarter to 5 or so on the Sessions amendment. I will vote in favor and urge my colleagues to vote in favor.

Americans who have worked hard and played by the rules for a lifetime deserve a secure retirement. They deserve to be able to enjoy their golden years, spend time with their families, and rest after a lifetime of hard work. We need to be sure they have the income they need for gasoline, prescription drugs, and other needs of daily living.

As my friend and colleague, Senator ENZI, pointed out, we passed a comprehensive bill last year. It was the result of years of work by the HELP and Finance Committees. That work took steps to strengthen our pension system and increase retirement savings, but we still have a long way to go. Half of

Americans have no type of pension plan at all in their workplace. And today, Americans have negative savings rates for the first time since the Great Depression.

In order to guarantee a secure retirement for Americans, we need to ensure that the three legs of retirement security are all there: Social Security, private pensions, and personal savings. Each one of these legs plays a vital role, and we need to strengthen all three—Social Security, private pensions, and personal savings.

I know the Senator from Alabama has proposed ideas for creating and expanding personal savings. Our staff has been talking about these ideas and many proposals are being developed by Senator BAUCUS, Senator BINGAMAN, Senator CONRAD, and others. I look forward to continuing to work with Senator ENZI, Senator MIKULSKI, and Senator BYRD on our Retirement Security Subcommittee.

This is an area of enormous concern for working families in this country—what is going to happen during their golden years. They look forward to Social Security, and we are going to have to address that issue. We are going to have to address the Medicare issue, which will begin to run out of funds in, I believe, 2018.

We know that defined benefit programs have been collapsing over the years, and 401(k)s that have tried to fill in have not played the role that defined benefit plans played in terms of giving answers to workers, and we have seen that the personal savings accounts brought out during the discussions by Senator ENZI and Senator SESSIONS have been in rapid decline.

The indicators are all moving in the wrong direction, in terms of a firm, secure, dependable, and reliable retirement program for working families in this country. We should find ways to work to encourage a change in that policy.

At the appropriate time, when the Senator comes back, we will dispose of the Senator's amendment. We are at an appropriate time.

Madam President, I ask unanimous consent that at 4:45 p.m. today, the Senate proceed to a vote on or in relation to the Session's amendment No. 106, as modified; that there be 2 minutes of debate equally divided and controlled between Senator KENNEDY and Senator SESSIONS prior to the vote; and that no second-degree amendment be in order to the amendment prior to the vote.

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

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

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

Mr. ENZI. Madam President, too often when we debate the issue of minimum wage, we focus on abstract ideas and proposals and fail to consider the impact of our actions on the small business community that lives and breathes in the real world. I appreciate the cooperation with Senator REID and others, focused around Senator BAUCUS and Senator GRASSLEY, working in a very bipartisan way to put together a package that would help to relieve some of the impact of the minimum wage increase. I hope everyone has noticed that in the minimum wage debate we have been having, the debate has not been over whether to raise the minimum wage. The debate has been on what we can do to alleviate some of the impact on small business. I hope that is the way we can continue the discussion on this, too.

I mentioned earlier today that you need to meet some of these small businessmen. They are in your neighborhood. You can meet them easily. They run the laundry, corner grocery, little retail stores. For the most part they are families who are eking out a living while they are taking on a lot of risk. They do have these moments that they wonder why they undertook that risk and how they are going to continue to fund that risk. Sometimes they are paying employees when they can't even afford to pay themselves, and their families are relying on the business to support them as a family, too, particularly considering all the risks they are taking.

Sometimes they are forced to come up with additional funds to pay their workers on what we will be mandating. Those funds do not come from a money tree or some pot of gold at the end of the rainbow. They come out of the pockets of the Nation's small businessmen. It is the penalty they pay for taking the risks associated with running a small business.

The first hearing I held in Wyoming was as part of the Small Business Committee. We had a hearing on some of the problems of small business. When it was over, one of the reporters came up and said: You only had about 100 small businessmen attend this. Why do you suppose it was such a poor turnout?

I said: That wasn't a poor turnout from small business. If small business had an extra employee to send to a day's conference, they would fire him. They can't afford extra people.

With that realization, it was a good turnout and there were a lot of good suggestions. I always like to go back to Wyoming and meet with the people and actually talk to the guy on the end of the shovel because he usually has the best suggestions for changing the shovel. I found that to be true of the small businessmen.

This afternoon we agreed to an amendment that will provide for easier compliance with Federal rules and regulations, and I appreciate the bipartisan action that was taken. That will make a huge difference to small businessmen.

We could consider that the action we are about to take will be making it bad business for people to hire people who need some help and support in developing their skills by that method, making them higher wage workers. That cannot help but cost some people their jobs. In other instances, the hours they need will be cut back, hours that they need to get a good paycheck.

We cannot leave the floor today feeling better about having helped ease the income strain for many of the workers of our States but having left the employers wondering how to pay for the increases we have mandated. Once again, we have the best of intentions, but, once again, we have to remember one simple rule: It is not our money. We are, once again, reaching into the pockets of the small businessmen in our community and taking their money and telling them the amount of wages they will pay their employees without regard to the talents and abilities of the employees they can hire.

We have this huge job training corps out there. It is called small businesses. They take people who don't have the skills that are necessary for the small business they are operating and they teach them how to run a cash register, how to count change, how to interact with a customer, how to dress appropriately.

You might think these are all things that might be covered in school classes, and they are, if you take the right classes. But there are a lot of people who not only don't take the right classes, they drop out of school. They need to earn a living and they have to start somewhere earning a living. To earn that living they have to have some training, some basic job training. A lot of these small businesses are where they get that basic business training, and they kind of get it for free. The businessmen provide that information, and most of the people in the minimum wage level move up rather quickly. As they learn those skills, they get paid more. I know a lot of businesses where they have the minimum wage situation that lasts about 3 weeks if the people learn enough to advance so they can actually wait on the customer.

What we are talking about is a blanket increase that will warm the hearts of those who lack the skills for higher wage jobs as it leaves the employers out in the cold, unless we do the Reid package. Any increase in the minimum wage must be offset by a small business tax incentive package.

As a former small business owner of mom-and-pop shoe stores, let me walk through the realities of how business owners may address a mandated Federal minimum wage hike. Raising the minimum wage to \$7.50 imposes a 41-percent increase in labor costs for a small employer with minimum wage workers. Every employer must face the very real issue of how he or she will deal with this increase in the costs and still meet the payroll week after week.

These are very real and difficult questions that impact our smallest employers most heavily. These increases must be paid for by employers and, as I said before, the money doesn't grow on trees. An employer must make hard decisions about how to meet these increased payroll obligations.

When costs go up, most businesses first look to cut expenses. The choices they have can be difficult and have often already been used. To meet higher mandated payroll costs, a small employer may be forced to consider cutting back on benefits such as health insurance, retirement, or leave plans—although a lot of small businesses can't afford to provide those in the first place.

It is simply too easy to forget that fringe benefits have a significant cost. Most employees don't realize the benefit they are getting when they get those. If a small employer has to reduce expenses to meet payroll, those are often the costs that go.

I know of a video store—I was talking to a young man who works in the Senate now, and he used to work in the Senate and part-time in a video store. When the minimum wage went up last time, what the video store did was instead of having two people at the store at the close of business, they only had one, and only having one isn't nearly as safe as having two. But that was the choice that the owner had to make in order to be able to meet the payroll.

We have seen some charts where, in States where there has been a raise in minimum wage, there has been an increase in number of jobs as well. I appreciate those charts and believe those charts to be accurate. What those charts are doing, though, is aggregating for the entire State. What we are doing is imposing this on one business at a time, one employee at a time. It really gets down to as local as politics ever gets. Those small businessmen believe that individuals matter, that people matter, and they are forced into some of these choices. There are not a whole lot of ways they can compensate for the change.

I have a chart that shows how to cut costs when there are none to cut. This came from the Washington Post. It says:

We're at the bottom. If the minimum wage went up, I don't know how we would make the cuts to cover it . . . the employee said.

The lone salaried employee, she works 80 hours a week to make up for the lack of workers. "I have mixed feelings," she continued. "I know that people can't afford to live on \$5.15 an hour. But on the business side, small businesses can't afford to pay it."

There are examples like that that are real-life situations that do make it difficult. That is the lone employee in a store.

Beyond cutting fringe benefits, small businesses may need to consider cutting back work hours, eliminating overtime, or laying off workers. Such actions are traditional and often nec-

essary responses to meeting increased costs—not just the increased costs of the minimum wage. Unfortunately, these actions ultimately hurt the very workers the minimum wage increase is designed to help.

Some would say raise the prices. That is not always possible in the short run. In the long run there may be some flexibility because this is going to be imposed on everybody and will drive up prices. Of course, when it drives up prices, it kind of eliminates the benefit of the increase in the minimum wage. In the real world, small employers have to consider these types of options to cope with mandated increases in wages. Small business owners who themselves favor a minimum wage increase nonetheless recognize that any increase may result in having to make these tough choices.

In a recent front-page Washington Post article, the owner of a discount store in Kansas noted that, while he felt a wage of \$7.25 seemed fair, he also noted that his profit margin was thin and that wages are his biggest controllable expense. He said: If wages go up, hours will have to come down. And the question will become: Whose, his stockman who works 6 hours a day and takes care of a wife who is blind and arthritic or should it be another worker who is ill and is on a waiting list for an organ transplant and needs more hours rather than fewer or yet another employee who is 22 years old and pregnant? These are hard realities that are faced by many small employers and those who work with them.

I ask unanimous consent that an article from the Washington Post that came out recently—I congratulate the writer of that article—be printed in the RECORD.

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

[From the Washington Post, Jan. 10, 2007]

LIFE AT \$7.25 AN HOUR

(By David Finkel)

ATCHISON, KS.—It was payday. Money, at last. Twenty-two-year-old Robert Iles wanted to celebrate. "Tonight, chimichangas!" he announced.

He was on his way out of the store where his full-time job pays him \$7.25 an hour—the rate that is likely to become the nation's new minimum wage. Life at \$7.25; This is the life of Robert Iles and with \$70 in a wallet that had been empty that morning, he headed to a grocery store where for \$4.98 he bought not only 10 chimichangas but two burritos as well.

From there he stopped at a convenience store, where for \$16.70 he filled the gas tank of the car he purchased when he got his raise to \$7.25; then he went to another grocery stores where he got a \$21.78 money order to pay down some bills, including \$8,000 in medical bills from the day he accidentally sliced open several fingers with a knife while trying to cut a tomato; and then he headed toward the family trailer 19 miles away, where his parents were waiting for dinner.

Today in Washington, the House is scheduled to vote on whether to increase the federal minimum wage from \$5.15 to \$7.25. Passage is expected, with Senate approval soon to follow, and if President Bush signs the resulting bill into law, as he indicated he

would, the U.S. minimum wage would rise for the first time since 1997, ending a debate about whether such a raise would be good or bad for the economy.

But even if the matter is settled in Congress, it isn't settled at all in Atchison, and Robert Iles's drive home is proof. Every stop he made on his ride home revealed a different facet of how complicated the minimum wage can be in the parts of America where, instead of a debatable issue, it is a way of life.

At the store where Iles works, for instance, the owner thinks the minimum wage should be increased as a moral issue but worries about which employees' hours he will have to cut to compensate.

At the store where he bought the chimichangas, the cashier who makes \$6.25 worries that a raise will force her out of her subsidized apartment and onto the street.

At the convenience store where he bought gas, the owner worries that he will have to either raise prices, angering his customers, or make less money, "and why would I want to make less money?"

At the store where he got the money order, the worries are about Wal-Mart, which not only supports an increase but also built a Supercenter on the edge of town that has been sucking up customers since it opened three years ago.

As for Iles—who keeps \$70 out of every paycheck to cover two weeks' worth of food and gas and in a matter of minutes was already down to \$26.54—his worry was as basic as how fast to drive home.

Drive too fast and he'd be wasting gas. But his family was waiting. And his chimichangas, best cooked frozen, were starting to thaw.

#### THE MEANING OF A DOLLAR

The debate about the minimum wage usually comes down to jobs. If Congress approves the increase it will result in raises for an estimated 13 million Americans, or about 9 percent of the total workforce. That's a percentage that most economists agree would cause a modest increase in national unemployment. In Kansas, however, "it would have a fairly significant impact," said Beth Martino, a spokeswoman for the state Department of Labor. According to one independent analysis, 16 percent of the workforce, or 237,000 workers, would be affected—and that doesn't include the 20,000 whose wages aren't governed by the federal Fair Labor Standards Act and earn the state minimum wage of \$2.65. That rate, the lowest in the nation and unchanged since 1988, hints at the prevailing wisdom in Kansas about the minimum wage, which is that the only way low-wage earners will make more is through congressional action.

This holds true from Topeka, where the powerful Kansas Chamber of Commerce has long opposed any raise, to rural Mulvane, home of Republican state legislator Ted Powers, who says his futile effort three years ago to raise the state minimum wage resulted in his being branded a "dirty dog," to Atchison, a working-class city of 11,000 where the stores that depend on low-wage workers include one called "Wow Only \$1.00!" This is the store where Robert Iles has worked for five years.

"Robert, would you help me a second?" Jack Bower, the owner, called to Iles soon after opening, as the line at the cash register grew. A onetime Wal-Mart vice president, Bower moved back to Atchison several years ago to teach and ended up buying the old J.C. Penney store, and now runs a business where the meaning of a dollar is displayed on shelf after shelf. The jar of Peter Piper's Hot Dog Relish? That's what a dollar is worth. The Wolfgang Puck Odor Eliminator that a

customer was looking at as she said to a friend, "I just don't know how I'm ever going to make it. My ex-husband's not paying his child support"? That's a dollar, too, as is the home pregnancy test, the most shoplifted item in the store.

"This is not a wealthy community," Bower explained. "The thing is, a lot of people depend on this store."

Robert Iles has his own version of a dollar's meaning, learned last February when Bower took him aside and said he would be getting a pay raise to \$7.25. "Okay," Iles remembers replying, wanting to seem business-like. "But inside I was doing the cha-cha-cha," he said. "It was like going from lower class to lower middle class."

Soon after, he bought his car, a used 2005 Dodge Neon, and just about every workday since then he has spent his lunch break in the driver's seat, eating a bologna sandwich with the engine off to save gas, even in winter. An hour later, he was back behind the cash register, telling customers "Thank you and have a nice day" again and again.

And meanwhile, Jack Bower wondered whose hours he will cut if he has to give his employees a raise.

It's not that he's against raising the minimum wage—"I don't think \$5.15 is adequate," he said, adding that \$7.25 seems fair—but his profit margin is thin, and wages are his biggest controllable expense. So if wages go up, he said, hours will have to come down, and the question will become: Whose?

Will it be Neil Simpson, 66, who works six hours a day as a stockman, and then five more hours somewhere else cleaning floors, and takes care of a wife who is blind and arthritic?

Will it be Susan Irons 57, who was infected with hepatitis C from a blood transfusion, is on a waiting list for a liver transplant and needs more hours rather than fewer?

Will it be Christina Lux, who is 22 years old and 13 weeks pregnant?

Will it be Iles?

"Attention, all shoppers," he said into the microphone. "We will be closing in 10 minutes. Please begin making your final selections." Ten minutes later, he was clocked out and back in his Neon. "My brand new car," he called it proudly, and he explained how he was able to afford it on \$7.25 an hour: a no-money-down loan for which he will pay \$313.13 a month until 2012.

#### SMALL BUSINESS "AT BOTTOM"

Seven dollars and twenty-five cents an hour equals \$15,080 per year, and out of that comes \$313 for the car loan and \$100 for car insurance, Iles said, going over his monthly bills. An additional \$90 for the 1995 car with 135,000 miles on it that he is buying from a friend for his mother, \$150 for the family phone bills, \$35 on his credit card, \$100 for gas \$100 toward the mortgage on the trailer. "That's about it. Oh yeah, \$20 in doctors' bills," he said, and totaled it up on fingers scarred by surgical stitches. Nine hundred and eight dollars. "I bring home 900 a month," he said. "So I very rarely have any money for myself."

He parked in front of a store called Always Low Prices, which has the cheapest chimichangas in town.

Once it was a full-service grocery store with 28 employees. Then came word that Wal-Mart was looking for land for a Supercenter, and now it has become a bare-bones operation where the starting pay for its few employees is \$5.50, and the manager wonders how the store will survive if wages increase.

"We're at the bottom. If the minimum wage went up, I don't know how we would make the cuts to cover it," Michelle Henry said. The lone salaried employee, she works 80 hours a week to make up for the lack of

workers. "I have mixed feelings," she continued. "I know that people can't afford to live on \$5.15 an hour. But on the business side, small businesses can't afford to pay it."

At the register, meanwhile, Shannon Wilk, 33, who makes \$6.25 an hour, said that of course she would like to earn more money. It would help her. It would help her 18-month-old daughter. "It would be good," she said, "but also, for me, I live in income-based housing, and if I get a raise, my rent would go up, and I would lose my assistance." Even the tiniest raise would affect her, she said, and with nowhere to go, the last thing she can afford is a raise to \$7.25.

In such an equation, the fact that she was working in Kansas was to her benefit. Atchison sits on the Kansas-Missouri border, and if Wilk worked a few hundred yards to the east, she would already be in jeopardy: In November Missouri voters supported a ballot initiative increasing the state's minimum wage to \$6.50, with an annual adjustment for inflation. Five other states had similar votes, with similar results, bringing to 29 the number that now require an hourly wage above the federal minimum. In the District the minimum is \$7, in Maryland it's \$6.15, and in Virginia it's \$5.15.

Such is the arbitrariness of state-by-state minimum wage laws that Wilk feels lucky to be in Kansas making \$6.25 an hour while inside at the first grocery store across the Missouri state line, the cashier was ecstatic that she was in a place where her pay was going from \$6.20 to \$6.50, explaining, "That's 30 cents more I ain't got."

Iles handed over a \$10 bill for his 10 chimichangas and two burritos. He stuffed the change deep in his pocket, and headed next to a convenience store owned by a man named Bill Murphy, who said that if he had the chance to talk to new House Speaker Nancy Pelosi, he would ask one question. "Where does she think the money will come from? And that is the question," he said. "My wages are going to go up 10 percent."

Unlike Jack Bower who would compensate by cutting hours, Murphy said that in his two convenience stores there are no hours to cut. "I'm going to have to raise my prices," he said—not only because his workers who make less than the new minimum wage would get raises but also because those who earn more would insist on raises as well. Employees at \$7.25 will want \$8.25. Those at \$8.25 will want \$9.25.

Economists classify such workers as the ones who would be indirectly affected by a minimum-wage increase. Of the estimated 13 million workers expected to get raises, 7.4 million are in that category. "You've created this entitlement," Murphy said he would tell Pelosi.

And yet he will pay it, he said, and compensate with price increases, which he worries will be inflationary, even though most economists say that won't happen. He will raise prices he continued, because the only other option would be to earn less money, which he doesn't want to do because he owes \$1.5 million on his businesses and wouldn't want to default.

"Now that might be a stretch in some people's minds, from giving a guy a raise to not being able to pay the bank, but that's the path I'm talking about," he said. Against such a dire backdrop, Iles put \$17 worth of gas in his car.

"That'll be \$16.70," the clerk said to him, and instead of correcting this, Iles gladly took the change.

Thirty cents, suddenly got.

#### THE WAL-MART FACTOR

Iles drove past the Atchison Inn, where starting pay is \$5.15, past Movie Gallery, where it's also \$5.15, and stopped in front of

Country Mart, the fanciest grocery store in town, where high school students start at \$5.15 and, according to owner Dennis Garrett, "some of them aren't worth that."

A few days earlier, Garrett had gotten a letter from a lobbying consortium called the Coalition for Job Opportunities, urging him to write Congress to protest the minimum-wage increase. It came in the form of a letter already written, to which he merely had to add his congressman's name and send it off to Washington. "We are very concerned," the letter began, and it was signed by 25 organizations.

The most conspicuous signature, though, was the one that wasn't there, that of Wal-Mart, the nation's largest private employer, with 1.3 million workers. Wal-Mart won't say how many of those workers earn less than what the new minimum wage would be, but if the Atchison store is an example, starting pay is \$6 an hour.

Nonetheless, in October 2005, Wal-Mart chief executive H. Lee Scott Jr. said in a speech that the "U.S. minimum wage of \$5.15 an hour has not been raised in nearly a decade, and we believe it is out of date with the times." He went on to say, "Our customers simply don't have the money to buy basic necessities between paychecks."

When it comes to Wal-Mart, however, just about any announcement that affects public policy is greeted with suspicion, and that has been the case with the minimum wage. Some have said that Wal-Mart, in need of good publicity, is supporting an increase for public relations reasons; others have declared it an attempt to drive small, independently owned stores out of business.

These suspicions exist in Atchison as well. As in many small communities, Wal-Mart defines local retail, and just as Always Low Prices had to retool itself, Country Mart was significantly affected by Wal-Mart's new food-stocked Supercenter several miles away.

What is Wal-Mart up to? What are its true motives? Like many others, Dennis Garrett wonders. He imagines public relations is part of it, but he didn't want to speculate on whether this was an attempt to put him out of business, except to say that raising some wages wouldn't do that. He'd reduce some hours, he said. He'd manage.

Yes, Atchison businesses would be hurt initially, but in the long run, if unemployment increases, those hurt the most would be the very ones Wal-Mart insists would be helped—the customers, especially the younger ones, "the people who don't advance their education and need a job between the ages of 16 and 21, 22, 23."

In other words, many of the workers in Atchison, one of whom was now at Garrett's service counter buying a money order so he could pay bills. Even though Iles has a checking account, this is the method he prefers because if he were to pay by check, and the check were to bounce because of insufficient funds, the penalty would be devastating. A \$25 fee would require more than three hours of work.

And where would those hours come from?

"IT'S TOUGH FOR ME"

So go the calculations of a \$7.25 worker, now headed home.

"It's an old trailer," he explained earlier in the day.

The heat doesn't work, he said, and the water heater works sporadically.

One of the bedroom ceilings is caving in. He sleeps in the other bedroom, and his parents sleep in the living room because his father, who has diabetes and had to have several inches of one of his feet amputated, can't really get around.

Also, his father has leukemia. And is legally blind. And his mother, who once made

\$6.50 an hour as an aide at a nursing home, quit to take care of her husband.

"We're pretty much living off my money," Iles said, and in he went to cook them dinner, bring payday to an end and, the next morning, start the cycle again.

Life at \$7.25. Should that be the minimum wage?

"Yes," Iles said.

Even if it hurts job opportunities for people like him, as Dennis Garrett had suggested?

"Yes."

Or causes price increases, as Bill Murphy had suggested?

"Yes."

Or damages businesses such as Always Low Prices?

"I mean, it's tough for me, and I'm already making \$7.25 an hour."

Or causes Jack Bower to reduce hours for one of his employees? Perhaps for Iles himself?

"It's just so hard for people. I mean it's hard," Iles said, and then he went to work.

"I think it'll be bad today," one of the workers suggested as the line at the Wow Only \$1.00! cash register began to form.

"Well, it depends on your perspective," Iles said.

Mr. ENZI. The author of the article is really a master at showing how all of these things are intertwined. It is very revealing and makes a good case for the increase in the minimum wage. But it does show some of the decisions that will have to be made and how that will affect other people, some of whom will be in a similar situation.

In a similar vein, when confronted by higher labor costs, employers will naturally gravitate toward filling positions with their most highly skilled, experienced, and productive workers available. Once again, this phenomenon of replacing low-skilled with high-skilled workers in the face of rising labor costs winds up harming the very workers an increase in the minimum wage seeks to help. The minimum wage positions are very often the entryway into the world of work for those who lack skills and experience. I can't say that enough. I am hoping the Workforce Investment Act will kind of come out of this whole process, too, and provide some additional training so people with less skills can have more skills and get some of the choice jobs that this country has to offer. But mandated increases in the minimum wage run the risk of closing that entryway to many.

Another option, of course, for employers that has to be considered is automation as an alternative to a paid employee. Does this sound farfetched? Consider how the automated teller machines, the ATMs, have replaced tellers, how the self-checkout lane at many establishments has replaced the clerk, and the drive-through has replaced the waiter, and in toll booths the EZ Pass has replaced the toll collector—not all of them, but a lot of them who use the EZ Pass eliminate toll collectors. We have seen some charts on how productivity goes up when the minimum wage goes up. Sometimes productivity goes up when machines are instituted in place of peo-

ple. They can work 24 hours a day, 7 days a week, 365 days a year. We don't pay them any health benefits. We may have a little bit of maintenance done on them. They don't get any vacation.

Employees are still necessary. I keep telling people that you can't outsource the fact when your toilet is plugged and you need some help or when your electric switch doesn't work, there are a lot of hands-on things that absolutely require people. But they are figuring out ways to automate a lot of these things. In Gillette, WY, where I am from, we have this huge worker shortage, and as I have said a number of times, I keep encouraging people to go west and find the new frontier and get some good jobs. But when they are pinched, they come up with some other ways of doing things. The drive-up for our McDonald's is actually handled out of California. When you drive up to the little window and you order your Big Mac, you are actually talking to someone in California who uses the Internet to send the order back to the people who are putting it all together to give to you when you get in your car. They have been able to increase the number of drive-throughs substantially using lower paid—this kind of amazes me—out of California. So automation is one of the answers.

Beyond these cost-cutting measures of eliminating benefits, reducing hours, downsizing, laying off employees, reducing low-skill and entry-level employment, and automating, employers may also have to face up to the prospect of increasing the price of their goods and services. Price increases caused by mandated cost increases bring their own catalog of ills. Such increases drive inflation and cause all consumers to ultimately pay the price of these mandates. The irony is that as the cost of these labor increases is passed to the consumers, it affects everyone, including the minimum wage worker, whose recently increased wages are suddenly devalued by the increased price for goods and services that impact them as well. So on this ladder of success, we have kind of removed the lower rung of it. So it is a little bigger step to get up there, and some of them aren't going to be able to make the step because of some of the ways that it has to be adjusted.

In the same Washington Post article I mentioned earlier, another small employer who owns two convenience stores noted that he simply does not have the option of cutting hours to meet his increased payroll burden. Instead, he noted: I am going to have to raise my prices. He indicated if he had the chance to talk with Speaker PELOSI about the minimum wage, he would ask one question, and that is: Where does she think the money will come from? Of course, it can be argued that his customers, if he raises the price for the candy bar or the cup of coffee, will go somewhere where it is cheaper, and that is a good possibility. That means that in order to maintain

the business, if he is going to raise those prices, he has to have employees who give better service, quicker service, and that goes back to the on-the-job training I was mentioning that a lot of these small businesses do. They have to have the good service in order to keep their loyal customers. Sometimes that doesn't just hinge on the price of the candy bar or a cup of coffee.

I believe almost all of us recognize these economic realities and that none of us want them to come about. It is for those precise reasons that the substitute amendment contains provisions designed to enable our smallest employers to meet the obligations imposed by a minimum wage increase without resorting to the difficult personnel choices, the consumer price increases or all of the other things I mentioned.

Yesterday, I spoke briefly about the fact that in legislating, it is often important to find a third way. In this instance, the third way is one that will provide an increase in the minimum wage but also provide relief to the most affected small businesses so that they don't experience employee dislocation, a reduction in employment opportunities for low-skilled and entry-level workers or an increase in consumer prices that takes away the real value of any wage increase.

The third way is represented by the real value of any wage increase. The third way is represented by the substitute amendment that was the product of extensive bipartisan support, Democrats and Republicans working together, acknowledging the fact that mandated cost increases can have negative economic effects. So together we developed a means of addressing those concerns in the form of a bipartisan substitute amendment. I can't emphasize enough how pleased I am with the cooperation I saw as people worked out different alternatives. There were certainly a wide variety of them that were done and I think with some concentration particularly on how they would affect small business. I would reiterate the bipartisan support of that small business tax incentive package. There are key Democratic leaders who have acknowledged the need for the package to offset any wage increase in order to not disenfranchise the employers and their workers.

So I hope we won't make this partisan now. As I mentioned yesterday, the Senator from Massachusetts, Mr. KENNEDY, and I have gone head to head on raising the minimum wage three times in the past several years. Each time, the votes were set up for each side to fail. This time around, we worked to come up with a third way in order to get the job done. I hope that all efforts to try and unravel this third way that will most likely result in a minimum wage increase isn't abandoned for the sake of making partisan messages. I urge my colleagues to continue to support the small business in-

centive package as a much-needed offset to the increased Federal wage.

I think this is a tremendous opportunity for us to do the right thing in all aspects, and I hope there will be good bipartisan support. I understand the desire to have a clean minimum wage, but that is what we have been going through for a couple of years now, and we are finally talking bipartisan. I think that was something that came out of the elections. I am pleased to see it is operating, and we will see how long it continues. I hope it continues through the entire session.

#### AMENDMENT NO. 108, AS MODIFIED

Mr. ENZI. Madam President, I ask unanimous consent that the Sessions amendment No. 108 be modified with the changes at the desk, and I urge its adoption, as modified.

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

The amendment (No. 108), as modified, is as follows:

At the appropriate place insert the following:

#### SEC. —. STUDY OF UNIVERSAL USE OF ADVANCE PAYMENT OF EARNED INCOME CREDIT.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to Congress on a study of the benefits, costs, risks, and barriers to workers and to businesses (with a special emphasis on small businesses) if the advance earned income tax credit program (under section 3507 of the Internal Revenue Code of 1986) included all recipients of the earned income tax credit (under section 32 of such Code) and what steps would be necessary to implement such inclusion.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 108), as modified, was agreed to.

Mr. ENZI. Madam President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 107 WITHDRAWN

Mr. ENZI. Madam President, I ask unanimous consent that the Sessions amendment No. 107 be withdrawn.

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

Mr. ENZI. Madam President, I yield the floor.

Mr. KENNEDY. Madam President, in about 6 or 7 minutes, we will be having a vote, and then I would expect the President's State of the Union Address will place demands on the Members, so that will mean we will probably move over until tomorrow. As I mentioned earlier, I hope our colleagues will vote in support of the Sessions amendment for the reasons I have outlined.

I think an important message ought to go out to families and to workers all over this country and many others who have worked long and hard to try and urge the Senate of the United States to move on the minimum wage issue and raise the minimum wage, as it has been

stuck for the last 10 years at \$5.15. There are people who have knocked on doors, there are people who have stuffed envelopes and there are people who have phoned into radio stations and people who have written letters to the editors and people who have met with Members of Congress all over this country. People have marched, attended parades, and demonstrated. They have spoken out for fairness and justice for workers. Tomorrow we will have a real opportunity to respond to that.

I am very hopeful, as a result of the votes tomorrow, we will be well on the way toward this body supporting action that has taken place in the House of Representatives and a vote for an increase in the minimum wage. There will be those who will go to bed tonight who have been working long and hard for \$5.15 an hour. They may work one job, and many of them, 300,000 Americans, work two full-time jobs. They probably keep saying a prayer, and they are keeping their fingers crossed that in the Senate, tomorrow will provide at least some additional breath of hope to them and to their families, to their loved ones, that can make a difference in terms of their lives and what a difference this can make.

As we have mentioned, it may be more than a year's worth of groceries to some families or it may be the tuition for a community college. It could be 20 months of child care for some workers. It could be heating and electric bills for 19 months, all measured in a few months, for things that so many of us, certainly in this body, take for granted. But out there in so many communities across the country, people fight and struggle to try and achieve those goals.

So this is a very important vote. We have important votes and some not so important votes in this body, but tomorrow will be one of great importance and consequence. I think it will be a defining issue about what kind of society we are; what is the measure of our decency and the measure of our humanity in this body. So I am very hopeful as to the outcome, and we urge our colleagues to give us their support. We will have an opportunity to make comments tomorrow morning briefly before we vote on these measures. We thank all of our Members for all of their cooperation and their help to Senator ENZI and myself over the last several days. So with that I would indicate to our colleagues that in approximately 2 minutes or so we will begin the vote on the Sessions amendment, an amendment which both I and Senator ENZI support.

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

The PRESIDING OFFICER (Mr. SALAZAR). Without objection, it is so ordered.

Mr. ENZI. I yield back, with the consent of both sides, the 2 minutes that was to be available on both sides. I yield back that time.

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

Mr. ENZI. I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 106, as modified.

The clerk will call the roll.

The assistant legislative clerk called the roll.

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

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

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

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 21 Leg.]

#### YEAS—98

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

#### NOT VOTING—2

Biden Johnson

The amendment (No. 106), as modified, was agreed to

Mr. DURBIN. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

#### MORNING BUSINESS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate proceed to 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.

#### VA and Medicare Drug Price Negotiation

Mr. AKAKA. Mr. President, much has been said recently about the way in which VA purchases drugs and the manner in which medications are provided to beneficiaries. This discussion has been a part of the ongoing debate to allow Medicare to negotiate for drugs on behalf of its beneficiaries.

Concerns have been raised about veterans' access to drugs, the quality of the benefit, and VA's formulary and pricing. Veterans medication coverage has been misunderstood. I would like to take this opportunity to set the record straight about the process by which VA achieves drug cost savings and the level of care afforded to veterans.

VA is different than Medicare for a variety of reasons, there is no doubt, but I believe some lessons can be applied to address Medicare drug prices.

While there is no question that VA's formulary is an important component of VA pharmacy management, decisions about which drugs are on the formulary are not made by bureaucrats nor are they made by those solely concerned about the bottom line.

VA employs a scientific review process to select drugs to be available to beneficiaries and to ensure quality care. Physicians and clinical pharmacists from the VA's regional offices manage the formulary.

While some concern has been expressed that the VA formulary covers only 30 percent of the 4,300 drugs available on Medicare's market-priced formulary, this is not the case. Rather, it is my understanding that VA actually offers 11 percent more drugs than are available under Part D of Medicare.

VA offers 4,778 drugs by way of a "core" national formulary which requires that they must be made available at all VA medical care facilities. If a drug is needed which is not on the formulary, VA has a quick process to ensure that the drug will be prescribed. This off-formulary process is so robust, in fact, that last year, VA dispensed prescriptions for an additional 1,416 drugs. So, to put a finer point on this, when a non-formulary medication is clinically needed—it is provided.

To those who argue that VA's formulary is "among the most restrictive in the marketplace," I would only say that the Institute of Medicine took a good long look at VA and found that in many respects it is actually less restrictive than other public or private formularies.

The chairman of the IOM committee said that if VA did not have a formulary process like it has, they would have indeed urged that one be created just like it.

Some have suggested that veterans receive substandard care because of the VA drug benefit. The literature says

otherwise. Veterans get better pharmaceutical care than private or public hospitals, according to a study last year published in the Archives of Internal Medicine.

VA's mail order pharmacy has been criticized, as well. VA employs nearly 10,000 pharmacists and technicians and is regarded by many pharmacy organizations as excellent. VA also operates 230 outpatient pharmacies. VA also trains more doctors of pharmacy than any other single organization in the U.S. And most significantly, while the error rate for prescriptions in the U.S. is between 3 and 8 percent, the error rate in VA is less than one one-hundredth of one percent.

In VA, new drugs are reviewed on their merits and are made available quickly if they provide distinct benefits. Safety and how well a drug works are the most important considerations in the review process, followed by cost.

I could go on. We know that VA gets the best prices, but I think the essential question is: Do veterans get the necessary drugs to promote the best health care? The answer—based on peer-reviewed studies—is a resounding yes. The quality of medical care in VA is significantly higher for overall quality in chronic care and preventative care.

And if some believe that veterans aren't happy with their drug access and pricing, it is news to me, and to the administration. Just last week, VA announced results of a survey done by an independent reviewer of customer satisfaction. For the seventh straight year, the Department of Veterans Affairs has received significantly higher ratings than the private health care industry. VA's marks keep continuing to rise.

When veterans' groups testify before Congress about their needs and desires, the only thing they say about their drug coverage is that they want to keep it the way it is.

Peer-reviewed studies, veterans service organizations, polls, and consumer reports consistently testify to the superiority of VA health care over private sector care. The VA formulary has been repeatedly reviewed and approved by Congress, GAO and the Institute of Medicine. Consumer choice provides clear insight into the success of the VA pharmacy management system.

We can learn a number of lessons from the VA as we consider Medicare price negotiations. I support drug price negotiation by Medicare. As chairman of the Veterans Affairs Committee, I will closely monitor the evolution of this issue to ensure VA retains access to affordable drugs. The gains that can be made in Medicare—and the improvement of quality—are just too great to do nothing.

I ask unanimous consent that the VA's summary of the study to which I previously referred be printed in the RECORD.

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