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## House of Representatives

The House was not in session today. Its next meeting will be held on Monday, March 3, 2008, at 2 p.m.

## Senate

FRIDAY, FEBRUARY 29, 2008

The Senate met at 10 a.m. and was called to order by the Honorable JOHN D. ROCKEFELLER IV, a Senator from the State of West Virginia.

### PRAYER

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

Let us pray.

O God of eternity, You are the first and the last, the beginning and the end, the alpha and the omega. You have given this great land spacious skies, strong leaders, and wonderful freedoms. Help us to be guardians of Your bounty, and use us as instruments of Your providence.

Lead our lawmakers. Help them to surrender to Your wisdom and power. May they be faithful stewards of the abilities You have given them. Lord, carry their heavy burdens and deepen their joy as servants of Your purposes. Give them a glimpse of Your view of their lives.

We ask in the Redeemer's Name. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable JOHN D. ROCKEFELLER IV led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication

to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, February 29, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN D. ROCKEFELLER IV, a Senator from the State of West Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,  
President pro tempore.

Mr. ROCKEFELLER thereupon assumed the chair as Acting President pro tempore.

### RESERVATION OF LEADER TIME

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

### NEW DIRECTION FOR ENERGY INDEPENDENCE, NATIONAL SECURITY, AND CONSUMER PROTECTION ACT AND THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume the motion to proceed to H.R. 3221, which the clerk will report by title.

The assistant legislative clerk read as follows:

A motion to proceed to the bill (H.R. 3221) moving the United States toward greater energy independence and security, developing

innovative new technologies, reducing carbon emissions, creating green jobs, protecting consumers, increasing clean renewable energy production, and modernizing our energy infrastructure, and to amend the Internal Revenue Code of 1986 to provide tax incentives for the production of renewable energy and energy conservation.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. BROWN. Mr. President, I ask unanimous consent that after my remarks, the senior Senator from Rhode Island, Mr. REED, be allowed to speak.

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

Mr. BROWN. Mr. President, housing is on the minds of so many Ohioans these days, as it is on people's minds across the country. My State has the unfortunate distinction of leading the Nation in the percentage of property in foreclosure.

Every day, 200 Ohio families lose their homes—200 families every single day. The strides we have made as a Nation in increasing home ownership in the last few years will be reversed if we don't act.

The foreclosure crisis is having a tremendous impact on all of Ohio. No city, no region has been spared. The past few years have seen an explosion of predatory lending. The State of Ohio was slow to respond, while the Federal Government—regulators and Congress and the President—have been even slower to respond. Today, we pay the price.

As late as this summer, President Bush and Secretary Paulson—the Bush administration—indicated the problem was largely contained and it would

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



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play itself out. So long as the problem was largely contained to Ohio, Michigan, Indiana, Illinois, and the Presiding Officer's State of West Virginia, the situation was nothing to worry about. But once the problem spread from Main Street, Cleveland, or Main Street, Dayton, to Wall Street, the administration suddenly became a bit concerned. Not overly concerned, mind you. For while it changed its tone a bit, its words have not been accompanied by much action. The budget submitted by President Bush shows, for example, no signs of a housing crisis. Congress appropriated \$180 million for housing counseling last September at the urging of Senator SCHUMER, Senator CASEY of Pennsylvania, and me, from the Banking Committee, but the President proposes only about one-third of that for the year ahead and criticizes the Reid proposal for continuing that funding.

As cities see their crime rates go up and their property tax bases shrink and more and more homes and families vandalized, with copper and aluminum being stripped from these homes, the President proposes to cut the community development block grant by more than 20 percent.

I appreciate Secretary Paulson's efforts to get voluntary action by lenders and servicers. That is a good thing, but it is not nearly enough. We have seen a rate of mortgage modifications rise from a measly 1 percent to a meager 3 percent. And I have to say, I am not confident how much progress even those numbers represent.

My office just heard from a struggling homeowner in Ohio whose lender offered to reduce her interest rate from 11 percent to 10 percent. But after penalties and late fees were added to the principal, her monthly payment barely budged.

Earlier this week, a couple from Lyndhurst, OH, joined Senators KLOBUCHAR, SCHUMER, DURBIN, and me in Washington to tell their story. John and Vicki Glicken went through a rough patch when John lost his job, but he found a new one, and they are doing their best to make their payments and stay in their home. They have done everything as citizens and as homeowners that we would ask, but doing so is going to be impossible for them so long as they are stuck with a loan that costs more and more every 6 months.

These families, and millions like them across America, need our help. Instead, they are facing foreclosure on one side and a filibuster on the other. That is unconscionable.

The legislation we are being prevented from considering, with the vote yesterday, when our efforts were blocked, would help hundreds of thousands of families like the Glickens. It would help the tens of thousands of communities from Ironton, across the river from West Virginia, to Steubenville, to Cleveland, to Dayton.

I applaud Majority Leader REID for trying to act on the legislation that

would provide vital help to communities and families across the country. Under this bill, which I am proud to co-sponsor, housing agencies would have access to lower cost financing; businesses that are struggling would get a boost; cities would be helped by an infusion of community development funds, big cities and smaller cities alike; and families would be able to restructure their debts and get back on their feet.

The administration has made a lot of voluntary efforts to date, and to be sure, every bit helps. But the rate freeze will help only a very small sliver of people, of borrowers, and banks just aren't being responsive enough. They say they have no interest in foreclosing on homes, and that is perhaps true, but they do not seem to have the capacity to work out loans with people who could afford to make payments on a reasonable loan long term. I know lenders want to avoid becoming real estate owners, but they do not have the ability to deal with problems their lax underwriting standards have created, and they are obviously not in the business of rebuilding the communities this crisis has threatened.

That is why I think Senator HARRY REID's legislation is so important. If we can spend \$3 billion a week on the war in Iraq, we can find room in our budget to spend \$4 billion a year to help communities across America get back on their feet. There are billions, tens of billions of dollars to rebuild Iraq. Yet President Bush says no to \$4 billion to rebuild our cities.

The administration has argued this constitutes a bailout for lenders and speculators. In Ohio, we are going to meet these people in the courthouse, all right, but I assure my colleagues it won't be to record the title on some sweetheart deal. Anybody who tries to make the argument that cities, both large and small alike, will use community development funds to bail out lenders and speculators has no clue what is going on in communities such as Springfield and Zanesville and Chillicothe.

As we try to rebuild our communities, we must do everything we can to keep families in their homes. If lenders and their servicers can't keep up with the flood of foreclosures they are facing, it is essential we permit the bankruptcy courts to serve as a backstop; otherwise, the problem only gets worse.

Consider this, Mr. President: One of the ratings agencies is now predicting a 50-percent default rate for subprime loans made in the fourth quarter of 2006—a 50-percent default rate for securitized subprime loans. That is not lending, that is putting a bet on black at the roulette table with somebody else's home. What happens when that bet goes bad? A family is put out on the street, a neighborhood is hurt, and a town has one more magnet for trouble.

The banks have trouble too. Nationwide, banks are recovering only about

60 cents on the dollar for what they are owed when a home goes into foreclosure. In Ohio, that number is only 35 cents, by one estimate. When lenders recover only 35 cents on the dollar on a foreclosure in my State, I don't think they have anything to fear from an alternative process that may result in avoiding foreclosure. Judges would only step in when voluntary efforts have failed and when a family is on the ropes.

That is why the Reid bill's proposal to permit the modification of the mortgages on primary residences makes so much sense. We know servicers can't keep up with the flood of bad loans, so we need a backstop for the 600,000 or so families that may well end up in bankruptcy. Allowing bankruptcy judges to modify a loan on a primary residence, just as they can do today on a loan for a vacation home or a boat or a family farm or a small business, will not just keep a family in a home, it will keep the bank from a 65-percent loss on that property.

Two years ago, there were a lot of slick promises made about how these loans could be refinanced. Today, we know that is just not the case. So we need to act, and we need to act soon so that 2 years from now we can focus again on expanding home ownership under reasonable terms rather than trying to stop the bleeding.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The senior Senator from Rhode Island is recognized.

Mr. REED. Mr. President, let me commend the Senator from Ohio for his very thoughtful and very persuasive remarks about a crisis that is gripping almost every family in this country. We are in an extraordinarily daunting moment in our history, and I was disappointed, to say the least, when our colleagues on the Republican side blocked consideration of the Foreclosure Prevention Act of 2008. Every household in this country is beginning to recognize the specter of decreasing house prices, and for many it is not just a looming potential, it is a reality, and it is forcing them to consider very difficult choices in their own family lives.

We have had a situation over the last 8 years in which the income of working families has been stagnant, and in contrast, prices for items that are essential, such as energy and food and health care, have gone up dramatically. Families across this country have been squeezed by flat incomes and rising prices. But there was one point of hope and confidence, a foundation, at least, for their hopes going forward, and that was the value of their home because it was appreciating. Now that has reversed dramatically, and there are estimates that if nothing is done, if the administration continues to block efforts through their colleagues here in the Senate and the House, we could lose somewhere up to 30 percent of the value of homes throughout the United

States, from their peak several years ago to the trough that is anticipated. That would mean the loss of \$4 to \$6 trillion in household wealth—a staggering figure. It is a figure that, from a macroeconomic standpoint, would have huge ramifications.

But let us step down to the actual effects on a family. What does it mean? Well, it means your senior in high school who was planning on going to a prestigious college is not going there. They are going to find an alternative, maybe a State school or another school, because you were going to pay for that, partially, by taking some money out of your house, which was worth so much. If you didn't have adequate health care, that was the reinsurance you had, that if there was a major health care crisis in your family—a child or your spouse—that at least you could go in and quickly get some money. Now that has evaporated. If you are a retiree or about to retire, your plan was pretty simple: You had a home you were going to sell and you were going to use the profits to help you fund your retirement.

This housing crisis is affecting working families across the country. They are now discovering, around the kitchen table, that their plans are being frustrated. We have to do something.

Yesterday, when this Senate failed to at least consider moving to legislation like this, I think it is a telling indication of the detachment from the reality of American lives that the administration and some of their colleagues here have.

Today, in my home State of Rhode Island, an added complexity, unemployment, is beginning to creep up. And "creep" is probably too mild a word. It is 5.67 percent, the worst record of unemployment we have had since the mid-1990s. That is another blow to the working families in this country.

So we must act. One other startling statistic to me is today it has been estimated that 10 percent of the households in America are upside down, not physically but financially. Ten percent of the homes, the mortgage is greater than the value of the home because of declining home prices.

Now, what does that mean? Well, not only have you lost your nest egg, in many cases you now are in a situation of being tempted to just walk away from the home. Why are you making expensive mortgage payments at great sacrifice when the home is not worth it?

These are real problems people across the country are facing. It is no longer a localized problem. It is no longer a certain section of the country is having a bad time, but the rest of the country is doing well. Nationwide, for the first time since the Great Depression, we have seen housing prices decline. That is a phenomenon that has to be dealt with. Ignoring it or suggesting that we are indifferent to that, as I think one can assume from the action of yester-

day, is, I think, not only wrong, it is bad policy. It also is bad policy because the sooner we take proactive action, the more effective we will be in lessening the consequence of this crisis on working Americans.

We are going to act eventually. This is not going to go away. The staggering numbers that Senator BROWN pointed to, the estimates that there are so many more interest rate resets and so many more people will be overwhelmed by these alternative mortgages, these subprime mortgages, that is not fiction; that is the projection of the financial analysts. It is going to happen.

We have to move now. If we move now, we move deliberately. We cannot eliminate some of the pain, but we can certainly lessen it. We also have to recognize, too, that we can only help those who are prepared to carry and shoulder the mortgage going forward. But I think if we act, if we act properly, we cannot only make progress, but we can respond to what is becoming an overwhelming cry for relief for American families across this country.

In Rhode Island, for example, we have seen mortgage delinquencies increase from 6,100 in the third quarter of 2005, to 10,300. Again, Rhode Island is the smallest State in the Union. We have 1 million people. So these numbers, when you project them to Ohio, are much larger. But in my State, we are, unfortunately, seeing unprecedented foreclosures.

According to the Joint Economic Committee, the number of subprime foreclosures in Rhode Island will total 5,800 between the third quarter of 2007 and 2009. We are seeing an acceleration and, in fact, we have the dubious distinction of having the highest foreclosure rate in New England. There are other parts of the country that are worse, but we have that unfortunate distinction.

We are going to see the cost of these foreclosures in Rhode Island rise to an estimated level of \$670 million from the end of 2007 to 2009. Those are huge figures from a small State like mine. In fact, forecasters are estimating that the foreclosure cost could total nearly \$104 billion nationwide. But one of the things about these numbers that the numbers are growing—I have been looking closely at this crisis since last April when I was chairman of the Subcommittee on Securities and Insurance. We had a subcommittee hearing on securitization of subprime mortgages and the experts estimated that the subprime crisis was going to result in \$19 billion in losses worldwide; that it was over because the mortgages were no longer being issued; that we were in a situation that would be almost self-correcting if we just let the markets work their will.

Well, that \$19 billion in terms of losses to financial institutions is now being estimated to be as high as \$600 billion worldwide, and the losses keep growing and growing and growing.

Again, I think another strong rationale for immediate action, not simply

letting the market take its course, is we are seeing not only a deterioration in the financing mechanisms in the mortgage market, but this liquidity crisis is spreading over to other financing mechanisms. We have seen financing mechanisms for municipal bonds, for example, literally shutting down. There was a technique where municipalities and hospitals would, on a weekly basis, reset the rate for their bonds in an auction. The auctions have failed. The Port Authority of New York just a few weeks ago went from an interest rate of 4 percent to 20 percent, the default rate.

I have talked to a hospital in my State. I asked them, among many other issues, what is happening with respect to their financing. Their rates are shooting up because their option securities are not working any longer.

This credit crisis, this liquidity crisis, is spreading from mortgages to car loans to securitization of credit card receipts to municipal securities, and it is slowing down the economy.

Now, the President does not think we are going into a recession. But, frankly, most everybody else does think we are going into recession. And we have to act, not only to directly respond to this housing crisis, but also to pull this country back as quickly as we can from this pending recession.

I think one of the most important lines of approach to dealing with this problem is bolstering the housing market. That was one of the major engines that moved our economy for so many years. If we let it deteriorate, if we just shrug our shoulders and say, eventually, it will come back, we not only will see a very poor housing market, we will see a recession. And it will be more severe and more consequential than it ought to be.

Now, the Federal Reserve has cut interest rates dramatically. We, very quickly, in a bipartisan fashion, passed a \$168 billion stimulus package that will help. But I do not think it is going to be sufficient unless we make significant efforts to deal with the housing problems that are affecting all Americans today.

The administration proposed a Hope Now Plan, a voluntary effort to deal with foreclosure problems. And, again, as Senator BROWN pointed out today, to date 3 percent of potential foreclosures have been avoided through this voluntary effort. This is not an effective way to deal with the huge problems that threaten the economic well-being of this country and all of the families of America. This administration is great on slogans but poor on strategy and execution. Just a week after I was talking to the Under Secretary of the Treasury about the Hope Now Program, I said: Well, do you have a plan B? This does not seem to be working.

"No, this will work. We will have the metrics in a few weeks." Then the administration announced another program. I think it is called the Lifeline

Program. Well, we need something more than slogans. We are going to need something more than hopeful wishes that everyone will get along and coordinate together. We need definite help for the homeowners in our communities.

Embedded in the legislation that Senator REID proposed was that specific kind of help: foreclosure counseling funding, CDBG monies for communities to deal more comprehensively with the problems caused by foreclosures, because one of the consequences of foreclosure is it is not just the individual's home, statistical analysis over many years points out very clearly that the surrounding homes lose value when there is a foreclosure on the block. And if those homes are on the tipping point, guess what. They will tip into foreclosure. I do not think I have to tell anyone in this Chamber, because we have seen it before, that once you have this growing sort of malaise in the community, it spreads block by block by block until you have a community-wide problem of not only foreclosures but of despair.

I am taking, I think unfortunately, an example from Senator BROWN's State. But I read a few weeks ago about a community in the Midwest, either Ohio or Pennsylvania, and it was an old ethnic community. In fact, I think the nickname for the community was Slavic Town. There, the foreclosures have been so extensive that literally gangs are going in and ripping off the vinyl siding, the plumbing. They are taking out the copper piping because it has been abandoned, this forlorn community, in the heartland of this great country.

A tragic case was a retired gentleman who was trying to protect his property which he had worked for all of his life. He was killed by some of these marauding gangs. That is here in America. We are just going to sit back and say: Well, the market will adjust someday. No, I think we have to do much more.

Unfortunately, because of the policies of this administration, we are not as well positioned to do what we have to do. Yesterday Chairman Bernanke was before the Banking Committee. In response to a question by Senator DODD, he said: Frankly, we are in a worse position today than 8 years ago to deal with this crisis, the housing crisis. Falling productivity, falling value of the dollar—yesterday, the dollar hit a new low against the Euro, and I think today against other currencies. Surging oil prices—yesterday the price of oil went to \$102 a barrel, which is translated automatically at the gas pump into higher gasoline prices, higher heating oil prices.

These are huge, huge, huge problems. Because of decisions made by this administration, we do not have surpluses we had 8 years ago. We are committed to a conflict in Iraq which costs \$190 billion a year. And even with a change in policy, there will be, unfortunately,

not a dramatic shift in spending in the next several months because it takes time to disengage and to change policies.

So we are seeing economic vulnerabilities because of, I think, the policies of this administration. We have forfeited the strength we had 8 years ago to deal with these issues. We understand, too, from looking across the globe at other countries that if you do not move promptly and aggressively and deal with problems like this, they do not go away, they get worse.

In the 1980s, we had a S&L crisis. It took about 2½ to 3 years for, first, the Reagan administration, then the George Herbert Walker Bush administration to deal with it. In those 2½ years, experts on either side of the aisle pointed out that the cost of remediation went up and up and up. I fear that is the same situation we are going to have today unless we deal promptly and immediately with this housing situation.

Again, I think the vote yesterday to stop consideration of legislation to help deal with this crisis was very short-sighted and unfortunate. Now, as I said before, the legislation we would have considered, the Foreclosure Prevention Act, of which I am a proud cosponsor, deals with, in a very pragmatic way, many of the features of the housing crisis that are of immediate concern: the \$200 million foreclosure counseling, and part of that has to be not only setting up the counseling but also outreach. We have to do more of that.

It also allows State housing finance agencies to increase their bonds, raise capital to buy mortgages to essentially take out the current mortgage holders, renegotiate the terms with the borrower, and put them in a mortgage plan they can live with and afford. In fact, the President has called for that, but he is objecting to its inclusion, I presume, in this legislation. Then there is a change in the Bankruptcy Code, which has been carefully tailored so as not to roil the financial markets. It would allow a very limited category of individuals who have these subprime mortgages to go into bankruptcy court and allow the bankruptcy judge to set up a new payment plan. The first criterion he or she would have to look at is the fact that these individuals do, in fact, qualify for bankruptcy protections, that if there is a restructuring of their mortgage loan, they can carry out the terms of that loan.

This is not only giving people a chance who don't have the wherewithal to take up that opportunity. There is also language in the bill that sets the lowest rate charged as the prime rate, plus a premium for risk. So this does not allow a bankruptcy judge to take an 11-percent mortgage and make it a 1-percent mortgage or a zero-percent mortgage. There is a very narrowly tailored exception. As my colleague, Senator BROWN, pointed out, you can do that with a second home. You could do

that with a farm, if you are in bankruptcy. I don't see why, in this particular crisis, we cannot extend that same protection to homeowners who have subprime mortgages and need immediate help. I think it would accelerate efforts to not only help these individuals in bankruptcy, but it would send a strong message to the financial community that unless they get engaged with working out these foreclosures and mortgages, there is the alternative of bankruptcy court which, if they think it is so onerous, then they should be even more incentivized to work with borrowers to ensure foreclosure doesn't take place and new mortgage terms are negotiated.

An additional element in this legislation is language I suggested as a way to prevent a reoccurrence in the future of this type of mortgage problem by giving the borrowers, in a timely way before they close on the loan, specific information that is essential. The most specific information is the maximum payment they would pay under the terms of the mortgage. There is a lot of discussion about people who were winking at each other across the table, can't afford the mortgage, but "I will take it if you give it to me." Many people honestly walked in, sat down, and thought they were getting a mortgage of 5 or 6 percent with a payment on a monthly basis of perhaps \$1,500 or \$2,000. Tough to afford, but it was within their budget. But lo and behold, years later or months later, that initial teaser rate became much higher. That maximum payment should be disclosed. A borrower should be able to look at the piece of paper and say: At some point in this mortgage, I will have to be paying \$2,500 a month. That is the type of information people need to know. Frankly, many would say: I can't afford that.

There is a suggestion I have heard so often in the debate that we would be rewarding families and homeowners who were trying to take advantage of a good deal with these subprime mortgages. The impression I have, from talking to people in Rhode Island, is that for many families, going back 2 or 3 years, they found themselves saddled with extraordinary credit card debt at interest rates that could be as high as 15 to 18 percent. Why? If you have a health care problem, where do you go? The first response is to put it on the credit card. If you have to go to an emergency room and you don't have health care insurance, if you have an unexpected expenditure, the first thing you do is to put it on the credit card. So many families were stuck with a huge credit card bill.

Somebody walks in and literally sells them a bill of goods by saying: You have 18 percent interest rates. I can put you in a mortgage for 2 years at 9 percent. Of course, it goes up a little later. The little later was not dwelled upon. So for many families, this was not an irresponsible, irrational act.

They were buying time, in other words. They were hoping this would be a bridge to a better future, that they would get a raise at the job so they wouldn't have to depend on their credit cards and, when the reset came up, they would be able to refinance. Little did they know that many of these subprime mortgages were constructed so there was a prepayment penalty exactly at the time the reset took place. So as you tried to get out of it, you discovered you would be paying a huge penalty.

The point I wish to make is we have families who now, for the last almost decade, have been struggling. They have exhausted all their options. The last option was their home. Now that option seems to be evaporating in terms of financial strain and support. What we have to do is respond. I believe that is the nature of Government, to respond to the genuine concerns, the genuine expectations of the people we serve. I defy anyone in this Chamber to go back to their States and talk not just to low-income families but to every family and say: Shouldn't we be doing something dramatic, challenging, visionary, and doing it immediately with respect to housing? The answer would be an overwhelming yes. We should listen to the people of America.

I yield the floor.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, I wish to follow on the comments offered by Senator REED of Rhode Island. This issue of the subprime mortgage scandal is a big one. It is affecting not just people who are losing their homes this week or next month; it is affecting all home values everywhere. We had this unbelievable bubble exist with respect to home values, but the collapse has been precipitous and has hurt a lot of people. It is a circumstance where people have discovered the mortgage interest rate they had not understood fully has been reset, they now have mortgage payments they can't possibly make, and they are discovering their home is gone. There is foreclosure on the mortgage.

I wished to talk a little about what has caused all of this. This has been a trail of greed. When you look at the wreckage of this scandal, you see two trails—a trail of greed and a trail of tears. A trail of greed by some mortgage brokers, not all, some mortgage banks, not all, a good many hedge funds, not all, and speculators. They were all making a lot of money. This was great while the party continued.

Then all of a sudden it was discovered that none of this made much sense.

Let me describe what was happening and why it didn't make sense. Zoom Credit. You get up in the morning, brush your teeth and shave and you have a television set there and watch television in the morning and see the advertisements. Here is one, a company called Zoom Credit:

Credit approval is just seconds away. Get on the fast track at Zoom Credit.

At the speed of light, they will approve you for a car loan, a home loan, and a credit card. Even if your credit is in the tank, Zoom Credit is like money in the bank. It doesn't matter if you are not creditworthy. Come to us, we want to give you a loan.

Millenia Mortgage Corporation:

Twelve months, no mortgage payment. That's right. We will give you the money to make your first 12 months. And if you call in the next 7 days, we pay it for you. Our loan program may reduce your current monthly payment by as much as 50 percent and allow you no payments for the first 12 months.

What they are not saying is that is all reset at the back end of the loan, which means the homeowner will pay a lot more for that mortgage.

Countrywide is the biggest mortgage company. By the way, Mr. Mozilo, man of the year, was honored by everybody, made a lot of money, made a big old mortgage company bigger. Here is what they say:

Do you have less than perfect credit? Do you have late mortgage payments? Have you been denied by other lenders? Then call us.

That is the kind of business they are soliciting.

Mr. Mozilo did real well, \$142 million or so for himself. They all did well. Here is what they did. They put these mortgages out and in some cases they cold called people on the phone. People were in an existing home with an existing mortgage. They said: What are you paying for your mortgage payment? We have a new instrument we wanted to put you in at a 2-percent interest rate. Don't tell them there is an escrow payment, just tell them what the 2 percent payment will be. And don't tell them that 2 percent is going to reset, or quintuple in a couple years and they will not be able to pay it. We want to put you in a new mortgage.

So a whole lot of unsuspecting folks went into these new mortgages. It all seemed too good to be true, and it was. But in the meantime, everybody was making money. There is the old story about in the old days when they were making sausage, they would take meat and sawdust and pack them together in the sausage, packing sawdust into sausage. That is what they did. They put out these subprime loans and the subprime loans were kind of attractive because, even as they were putting people into these new instruments, the brokers were making a fortune. I read that if they could make a \$1 million jumbo subprime, they could get as much as a \$25,000 payment up front for the broker. That is the broker's fee. So

then the mortgage company now has a mortgage that is going to reset at a very high interest rate, and so then they package this up. They slice it and dice it with other mortgages. They package it up similar to sausage. And when they cut it up, they call it securitizing it and they start selling it. They can portray a much higher yield for this piece of sausage because they have these subprime mortgages in there, but nobody knows exactly how much is subprime and how much is real.

Then they sell it to the hedge funds. The hedge fund thinks this is great. They are not making hundreds of millions of dollars. The top guys are making more than \$1 billion in a year. They say: What we want to do is buy some of these securitized instruments. So they do.

So the broker makes a lot of money. The mortgage company makes a lot of money. The hedge fund makes a lot of money. There are some people who are buying homes as flippers. They and the brokers were in cahoots. They also were greedy. The notion was, buy this home, get a 2-percent mortgage, you can flip it in 2 years because that housing bubble is going up. You will do nothing but make money. Then you had speculators, hedge funds, mortgage banks, and brokers.

All of a sudden the whole thing wrecked, collapsed. Why? Because it never made any sense. It was a house of cards. You can't be putting a lot of mortgages out there to people who can't afford them, people who can't abide by the terms.

I have described three companies, including the largest company, that said: You have bad credit? Come to us.

I have also, in the Commerce Committee at a hearing, heard testimony about how the brokers' pitch went to borrowers out there who were in a home with a good mortgage, and they persuaded them, I think through terms that were never fully disclosed to the homeowner, to get a new mortgage, a new subprime mortgage. Then when it resets all of a sudden, this family is done. They can't possibly afford to stay in that home.

Here is what the carnage is. This is FedEx Stadium. This is the largest football stadium in the NFL. It holds about 90,000 people, slightly more. Last month in January, we had foreclosures in this country in 1 month that meant about 20,000 more than are seated in this stadium are out of a home, in 1 month. In the next 2 years, it is estimated there will be 60 of these stadiums full of people who will have lost their home. Think of that.

Now, there is a new credo here in this Chamber, apparently, this week. It is not even new, I guess. It is well practiced. It is by the minority: Don't just do something, sit there.

This is an urgent problem, and all week long we have seen the minority decide, in two clotures motions, they would insist on 30 hours postcloture.

What did that mean? That meant that starting Tuesday, midday, when I was on the floor with the Indian Health Care Improvement Act—the last thing we did this week was to pass the Indian Health Care Improvement Act on Tuesday—and then the minority insisted on two 30-hour periods, taking us to Friday, so that nothing could get done to try to address this housing issue, to try to address a very serious issue.

By the way, this is not just affecting the people I have described. It is not just affecting the people who would sit in that stadium—120,000 people who are out of a home as of January. It affects every other home and every other homeowner. The folks around that home—in the neighborhood, in the community—their home values are impacted by homes that are now vacant whose upkeep is not guaranteed. There are a whole lot of folks who are affected by this, and this country's economy is affected by it in a very dramatic way.

I know the President yesterday said he was surprised when a reporter talked about projections of \$4-a-gallon gasoline. A reporter said: Mr. President, there are projections of \$3.50 or \$4-a-gallon gasoline. What do you think about that? The President said: Well, I have not heard of those.

We have a lot of problems in this country. Gasoline and oil prices are one; the subprime mortgage scandal another; unbelievable speculation, for example, in the energy markets. Let me describe, for a moment, that issue.

We are doing two things right now that are unbelievably inept and hurt every American. One, the Department of Energy—at a time when oil is \$102 a barrel, and the price of gasoline is bouncing up, and there are some people thinking about getting a loan to fill their car with gas—the Department of Energy is sticking oil underground. We have a Strategic Petroleum Reserve. It is 97 percent full.

The Department of Energy is taking oil coming off the Gulf of Mexico—royalty-in-kind payments to the Federal Government—and instead of putting that oil in the supply to put downward pressure on oil and gas, 50,000 to 60,000 barrels of oil a day right now are going underground into our domes to be saved. That is unbelievably inept, in my judgment. Why on Earth, when oil is \$100 a barrel, would you take oil that belongs to the American people and put it underground? And they are going to go from 50,000 to 60,000 barrels of oil a day to 125,000 barrels of oil per day in the second half of this year.

I have a piece of legislation to try to shut this down. I am going to do everything I can to stop it. Oil that is coming into the Federal Government ought to be in the supply pipeline to put downward pressure on oil and gas. It is that simple. I do not understand why the American consumer is being burned at the stake here with gas prices and the Department of Energy is carrying the wood. What are they thinking about?

Now, there is another thing that is happening that, in my judgment, needs a full investigation by this Government. Oil is \$100 a barrel, gas is \$3, \$3.50 a gallon, going, perhaps, to \$4 a gallon. Who knows? We have had testimony before the Senate Energy Committee by experts who say there is not one bit of justification for oil being more than \$55 or \$60 a barrel. The supply/demand fundamentals in no way justify current prices of oil.

Here is what is happening. Hedge funds are neck deep in the futures market for oil, speculating on oil futures. Investment banks are neck deep in the oil futures market. In fact, for the first time, some investment banks are actually buying oil storage.

Now, why would an investment bank want oil storage? Buy oil, take it off the market and store it because when prices increase you sell it and you make money. There is a carnival of greed, in my judgement, in the oil futures. This is an unbelievable amount of speculation. Nobody is paying much attention to it. It is not very sexy. I know of very little reporting on it, even.

But you have two things happening to the American consumers in this area of gas prices and the cost of energy that are just unbelievable. One is, we are sticking oil underground when we should not be, to take oil out of the supply. That is the Federal Government doing that. No. 2, we have unregulated hedge funds—and most hedge fund activity, as you know, is not subject to regulation—and an unbelievable amount of speculation by hedge funds, investment banks, and others in oil futures has driven this price well beyond the justification of the price of oil, given the supply-and-demand relationship. That is something we have to deal with. That comes on top of and at the same time we see the wreckage that comes from this housing scandal—the subprime loan scandal.

As I said before, some are content to sit around here and thumb their suspenders and act important and look important and wear their blue suits but do nothing. Is that why one gets elected? Is that why one aspires to public service: to do nothing in a time of urgency?

I think this economy faces great peril for a lot of reasons. We have a trade deficit that is the highest in history. Two billion dollars a day we import more than we export. We have a budget deficit that is way out of control, way off track.

The President says: Well, my budget deficit that I propose is \$425 billion for this coming year. No, it is not. He has asked to borrow \$700 billion for this coming year—\$700 billion. Now, you put that \$700 billion with a \$700 billion trade deficit and you are talking about borrowing, in 1 year, almost \$1.4 trillion—10 percent of the value of our economy.

It is unbelievable to me. This country is off track and we have to fix it.

One portion of it is energy. One portion is trade policy. One portion is fiscal policy. Today I was talking about a subprime loan scandal that is affecting housing, and housing is an engine in this country. Housing is a very important economic engine.

That is why we want to pass a stimulus package dealing with housing to try to at least catch and at least deal with—in a responsible, appropriate way; not rewarding speculators, but trying to help homeowners—we want to do that in a way that will begin to shore up and provide some foundation to an economy that is in trouble.

Mr. President, I have said what I have come to say. I think there is a lot to do. It is very important for the Senate to take action. I hope next week will be a better week than this week. We do not need delays. We do not need stalling. What we need is action. We need bipartisan action working on pieces of legislation that will improve this country's economy and reach out to those folks in the trail of tears, in the wreckage of the subprime loan scandal, to say to them: We want to see if we can find a way to help you keep your home. Home ownership is a very important part of American life. The housing industry itself is a very important engine of opportunity for this country's economy. My hope is we can do something important in the next week that will address both of these issues.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand I have up to a half hour to speak at this time.

The ACTING PRESIDENT pro tempore. The Senator can speak as long as he wishes.

Mr. DOMENICI. I thank the Chair.

Mr. President, yesterday I spoke about the work we have done, and the challenges we still face, with regard to energy policy. I return to the floor today to complete my remarks.

I concluded yesterday by putting a pricetag on our dependence on imported oil. Experts estimate that foreign oil will cost us \$400 billion just this year. This expense will impact our economy in a number of ways, including our trade balance. In December 2007, imported crude oil accounted for 61 percent of the national trade deficit, or an all-time high of \$36 billion. The trade deficit, propelled by high oil prices, has factored into the decline of the dollar.

Yesterday, Fed Chairman Ben Bernanke testified that the cost of energy is being passed through and reflected in the increase in prices of core consumer goods and services. Other experts believe that increasing energy prices and lower economic growth could lead to a return of "stagflation."

Our dependence on foreign oil also has a negative impact on job creation in America. The National Defense

Council Foundation concluded that imported oil deprives the U.S. economy of more than 2.2 million jobs per year. Choosing to import oil to meet our energy needs exports more than our money—it also exports jobs. Choosing to produce energy here at home would keep those jobs within our borders, and help countless Americans earn a good living.

The National Defense Council Foundation also identified several more “hidden costs” of oil imports, including oil-related defense expenditures, lost economic activity, reduced domestic investment, lost Government revenues, and the cost of periodic supply disruptions. Together, these total \$825 billion per year, nearly four times the amount that America spent directly on acquisition of foreign oil in 2005.

The money we export for oil flows directly into the economies of foreign nations around the world. Oil-producing nations spend these revenues on national defense, education, health care, social programs, infrastructure, financial instruments, and to bolster their own energy security. As these nations use American dollars to pay for investments in their own futures, we are forced to spend money we do not have, and forgo our own priorities.

The fact that many of the major oil-exporting nations are undemocratic only makes matters worse. We import much of our oil from Canada and Mexico. Unfortunately, beyond North America, most of our oil comes from countries such as Saudi Arabia, Venezuela, Nigeria, Iraq, and Algeria. Worldwide, the top oil exporting nations also include Russia and Iran.

Many regimes in oil-rich nations are unstable and unfriendly. Anti-Americanism is prevalent throughout the Middle East. The same Saudi lands that are used to produce 10 million barrels of oil per day also provide a staging ground for the advancement of radical Islam. While the State Department has listed Iran as a sponsor of terrorism since 1984, oil revenues allow that regime to weather heightened sanctions.

Our reliance on foreign oil continues at our own peril. We pay huge sums for oil, but even this premium cannot guarantee the availability of supplies. A recent study identified 24 significant oil supply disruptions between 1950 and 2003. These lasted an average of 6 months, and reduced the world’s supply of oil by up to 12 percent. Recent events around the world reveal that our supply of oil is still incredibly vulnerable to disruption.

In Nigeria, conflict over oil wealth reduced that nation’s daily output by 25 percent last year. Dozens of workers have been kidnapped there, nearly leading Shell to suspend all of its operations in the Niger Delta region. In Iraq, more than 460 attacks on oil pipelines, facilities, and personnel have occurred in the past 4 years.

Not all supply disruptions will be caused by natural events or manmade

strife, because much of the world’s oil is controlled by irrational, often unpredictable leaders. Venezuelan President Hugo Chavez recently threatened to stop sending his country’s oil to America because of a British court ruling. The simple truth is this: in a world without spare production capacity, every major production loss, no matter where it occurs, can boost oil prices—and even short-term increases heighten the long-term costs to our Nation.

Many foreign leaders are using oil as a diplomatic weapon, and establishing diplomatic ties with growing energy consumers. Such relationships legitimize the regimes in power and allow them to secure regional influence. We have seen the Putin regime use its vast resources as leverage throughout Eastern Europe. But perhaps the best example of this type of petro-influence can be seen in Venezuela. The Chavez regime peddled influence by distributing nearly \$5 million in financial assistance per day last year to nations throughout Latin America. Venezuela also used revenue from its oil sales to subsidize bus tickets for Londoners and home heating oil for Americans.

Nearly all of us, and nearly all of our constituents, can agree that America’s dependence on foreign oil must end. Before I discuss some solutions to the problems I have outlined, I will provide historical context for them.

Attempting to bolster America’s energy security is not new to Washington. In 1973, my first year in Congress, President Nixon gave a major address on energy. He proposed a very aggressive initiative, called ‘Project Independence’, stating:

Let us set as our national goal, in the spirit of Apollo with the determination of the Manhattan Project, that by the end of this decade we will have developed the potential to meet our own energy needs without depending on any foreign energy sources.

At the time of that speech, net imports accounted for approximately 28 percent of U.S. crude oil demand. Thirty-five years later, imports account for more than 60 percent. Imports have grown because the gap between domestic supply and demand has been allowed to widen—consumption has steadily increased over the years, while production dwindled.

In 2005, the United States consumed 21 million barrels of crude oil per day, but that same year, domestic production hit a 50-year low. The result established a record for oil imports—13.7 million barrels per day—but not a ceiling on them. According to the EIA, oil usage will rise 30 percent by 2030, even as alternative sources of energy account for a much greater percentage of our energy supply.

These estimates show that, while our goals have been admirable and ambitious, we are heading in the wrong direction. As consumption rises, and domestic production falls, oil imports continue to increase and our hand is weakened diplomatically, militarily, and economically. As we debate catch

phrases like “energy independence,” “energy security,” and “energy freedom”—we miss the point. And that is, we must immediately adopt policies to reverse the course we have been on since before 1973, and the course that our best experts estimate will continue beyond 2030.

Part of the problem is created by the talking points originating in Washington. Although the goal of “Project Independence” was never met, the same rhetoric is still used to define the challenges we face. Invoking the Apollo missions and the Manhattan Project ignores the hard truth that an effective long-term energy policy will not be a race to the finish line. As President Nixon asserted, we will need the spirit and determination of past endeavors. We will need our brightest minds and best science. But this time, we do not seek a one-time goal—to land the first man on the Moon, or to develop the first atom bomb. Instead, we seek a fundamental shift in how our Nation powers its economy. The widening delta between domestic production and consumption will continue to swell unless we change course.

Throughout this debate, we must be straight about these challenges. We must be honest with the American people and honest with ourselves. Given our growing energy needs, and our reliance on foreign oil, we should not promise energy independence within a term of office. In the absence of scientific breakthroughs, the strengthening of our energy security that we seek will take substantial time and effort to achieve. But we can begin to move in that direction today.

There are no easy solutions or quick fixes to our energy challenges. As we debate these issues, we should not propose to overhaul the traditional energy industries without also addressing the likely impacts that such actions will have. And we should not seek to transition away from traditional sources of energy until new technologies are affordable, available, and acceptable to the public.

Those of us in Congress share a common goal—to reduce our dependence on foreign oil—but there are deep divisions over how to achieve it. As a result, the CONGRESSIONAL RECORD is filled with legislation that undermines our ability to move toward this goal. These measures were drafted with good intentions. However, good intentions are not enough, especially when they are not matched with the wisdom and experience necessary to achieve these goals we seek. This Congress is in danger of failing in this regard.

Last year, Congress passed an omnibus appropriations bill in the place of several individual bills. As time dwindled, attention was diverted away from damaging provisions that were inserted in that bill and passed with little notice and no debate. Among these provisions was a moratorium on oil shale regulations, which could delay the commercialization of one of America’s



most promising resources. Our Nation holds 62 percent of the world's oil shale deposits. This equals nearly five times the proven conventional oil reserves of Saudi Arabia. Just imagine the possibilities if we unleash American ingenuity to access these resources.

Another provision in that bill imposed new fees for domestic oil and gas permits, which will increase the cost of business and ultimately heighten the cost of energy for American consumers. As we have seen our domestic production level off over the past several years, it is irresponsible to adopt policies that accelerate this trend. Yesterday, the House Democrats chose the unwise path of raising taxes on our domestic energy producers by \$18 billion. Additionally, some in the majority seek to make it more difficult for our military to purchase unconventional fuels from our allies in Canada. On top of that, some in the majority still seek to undo lease agreements that American companies have to produce energy in the Gulf of Mexico. This makes no sense.

These backward policies prevent us from building on the success of recent energy bills. Legislative efforts to open a small section of the Arctic Coastal Plain have now been thwarted for over 25 years. Much of our Outer Continental Shelf also remains closed for energy leasing. Combined, these areas contain more than 100 billion barrels of oil and 450 trillion cubic feet of natural gas.

Using old fears about energy production, and ignoring new concerns about energy prices, policymakers are locking up our energy potential. It is clear that this approach has failed, and that we need to find a new way to reach smart consensus on energy policy.

For too long, the debate on energy has been dominated by extreme ideologies. Discourse has deviated into an "either/or" approach, where participants are accused of being beholden to either "big oil" or "environmental extremism." In an almost equally divided Senate, and at a time when party control is split between the legislative and executive branches, there is no better time to bridge this divide.

We must take action on an aggressive agenda of both new and old energy ideas. Some of these proposals have been labeled as Republican ideas, and others have been labeled as Democratic ideas. We must recognize that reasonable policies to reduce our dependence on foreign oil are American ideas, not partisan agendas. We must affirm that these policies are worth pursuing, because additional steps can and should be taken to reduce the amount of energy this nation imports.

A strong energy policy will rely upon three types of initiatives: those that increase the responsible production of domestic energy; those that accelerate the research, development, and deployment of renewable and alternative sources of energy; and those that significantly enhance our Nation's ability

to conserve energy. There is broad agreement that two of these three areas are critical to America's energy security. I see them outlined in the measures introduced in Congress, and they are built upon in the energy proposals of those running for President.

In modern politics, most people would be satisfied with two out of three. But when we miss a critical piece of the puzzle—the one that matters most in the near-term, and would have the greatest immediate impact—then we can safely say, as I do now, that our efforts will fall short of the goal.

I speak, of course, of the continuing disagreements over domestic production. We must, without delay, produce more energy at home. American energy, produced by our workers, must be used to power our homes, businesses, and vehicles.

Increasing domestic production will not be a stand-alone solution. But with proven reserves of more than 21 billion barrels of oil, and undiscovered reserves of more than 100 billion barrels, it is simply unacceptable that America fail to meet a greater share of our own needs with domestic energy resources.

The good news is that we have the resources, the technology, and the support of most Americans. The bad news is that so far we have been unable to muster the political will—we cannot even build consensus to inventory these areas and gain an accurate assessment of our Nation's energy reserves. To have a fair and informed debate, we must know the extent of our resources. And then we must tap them with the ingenuity, skill, and technology at our disposal.

We must listen to the people of Alaska and open the Arctic Coastal Plain to responsible leasing for the exploration and production of oil and natural gas. ANWR is an emotional subject for many folks, so let's stick to the facts. First, to the critics who say that oil from ANWR will take 10 years to come on-line—you are probably right. But to use this as an argument against development is like refusing to save for your retirement because you are not retiring next year. It will take time and patience to develop the resources of Alaska's North Slope. From experience, we know that starting this process a decade ago would have ensured greater domestic oil production when we needed it most.

In 1995, Congress did pass legislation to open a small portion of the Coastal Plain to oil and gas leasing. But President Clinton vetoed the legislation, and more than a decade later, an estimated 10.4 billion barrels of oil continue to sit under our own soil. The week of that veto, the average price of crude oil was \$19 per barrel. This week, the price has risen to about \$102 per barrel. I would say that conditions have changed enough to warrant a fresh debate on this topic.

Congress must also open more of the Outer Continental Shelf, as we did in

the Gulf of Mexico in 2006. Last year, an amendment that would have allowed leasing off the coast of Virginia was defeated on a near party-line vote. That vote was a step in the wrong direction. Offshore America holds tremendous energy potential, and it is essential that the American energy industry have greater access to explore and produce in this area.

Continuing to restrict the OCS will sacrifice billions of dollars that could be used to develop our Nation's future energy supplies. Opening it would augment our supply of traditional fuels—and dollars that now go overseas to acquire oil could remain within our own economy and could be used to develop alternative sources of energy. The conventional fuels of the 20th century can be used to pioneer those of the 21st century, but we must first find the courage to put ourselves on such a forward-looking and pragmatic path.

Equally important to increased domestic production will be measures to expedite the on-shore permitting process. A good example of why is Alaska's natural gas pipeline. Permitting and activities related to permitting that project may add more than 5 years to its timeline. This is just one example, but it is representative of an increasingly burdensome process. Permitting must be streamlined, not only to prevent energy producers from investing abroad, but also for the sake of growing our energy production.

As I have indicated, our Nation has a great quantity of oil locked up off of our coasts, beneath our permafrost, and within our shale. These areas can provide a stable supply of energy as we transition to alternative fuels. But oil is not the only resource that can be developed at home and depended upon to meet our energy needs. We are also fortunate to have vast reserves of coal: some 270 billion recoverable tons, which would last for 240 years at the current rate of consumption. That coal can be turned into fuels that help meet our transportation, manufacturing, and electric power needs.

Because of the emissions that result when coal is converted to energy, we will need cleaner methods to ensure the protection of our environment. To me, this is an opportunity. Our Nation has a proud heritage of innovation, and there is no reason to believe this strong record will not continue in the future. As our most abundant and affordable fossil resource, we cannot simply cross coal off the list. Any serious effort to strengthen our energy security must include coal.

One of our best prospects is to advance the development of coal-to-liquid fuels. As an alternative to oil, coal-to-liquid fuels have many merits: it will reduce emissions of sulfur dioxide, nitrous oxide, particulate matter, and other pollutants when compared to conventional fuels. Coal-to-liquid fuels have been commercially demonstrated in other countries, can be moved through existing pipelines, and can be



used in existing vehicles. Commercialization of this resource will create investment in rural communities, thousands of good-paying jobs, and cheaper energy for American consumers. Despite this potential, two amendments to advance this type of fuel were defeated on party-line votes in the most recent energy debate.

Future generations of automobiles will be powered by the advanced battery. The Government must redouble its efforts to ensure the research, development, and deployment of these technologies. Reliable and rechargeable batteries will be critical to the success of hybrid vehicles, which hold tremendous promise for reducing the amount of oil consumed in the transportation sector.

The policies I speak of are just a few of the options available to us. We should also increase the number of flex-fuel vehicles on the road, and the number of stations that offer blended fuels. We should offer incentives to existing refineries, and encourage the expedited construction of new ones, to reduce the amount of gasoline we import. We continue to lament that while our refinery capacity has improved at existing sites, we have not built a new refinery in 30 years. We must rethink our policies to match the modern challenge we face. Again, these are just a sampling of the policy options available to the Congress as we seek to chart a more responsible path forward.

As a member of the Senate Energy Committee for nearly 30 years, and its chair or ranking member for much of the past decade, I obviously have strong views on the energy policies that will best serve our Nation. But I also recognize that we must work together to find common ground. We did this in the past on energy policy, and we can do it again.

The costs of our dependence on foreign oil are enormous and increasing. The consequences of removing money from our economy, and sending it to often-volatile oil-producing nations, are becoming clear. Few positives will ever be drawn from this arrangement.

When we import oil, we export our jobs and we export our wealth. We strengthen regimes that are intent on undermining our interests, opposed to the spread of democracy, and unwilling to extend some of the most basic freedoms to their own people. When we import oil, we threaten our national security and our economic strength. As we look ahead, we must remember that for today and the foreseeable future, we need oil. We should put our American energy resources to use.

This is my final year in the U.S. Senate. It is a privilege and an honor to serve the people of New Mexico and this country. But it is not just the end of my time in the Senate that approaches; the time to reduce our growing dependence on foreign oil is also upon us.

It is my sincere hope that we will use this year and the future to work to-

gether on policies that will move us toward our energy security goals. This will require us to set aside our differences and make difficult decisions. It will require us to come to the table with open minds and positive intentions. In an era defined by its bitter partisanship, this will not be easy. But given the stakes—our national security, our economic strength, and our standing in the world—that is exactly what we must do.

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

Mr. BOND. Mr. President, I am here today to talk about some very positive things that the Republicans in the Senate hope to do to help those people who are caught in a real crisis. We have the HOME Act that my colleague from New Mexico has discussed, and I want to discuss some specific housing proposals that we believe will help people who are caught in the tremendous crisis of the subprime meltdown and the economic conditions it imposes on them.

Too many families in my State of Missouri and across the Nation, including in West Virginia, the State of the Presiding Officer, are feeling the pain of the housing crisis, and they need our help now.

There are 57,000 people in Missouri who are delinquent on their mortgages, with 20 percent of Missouri subprime borrowers behind on their payments. These families, like many across America, can least afford higher housing costs as they are being hit with heating bills, higher health care costs, and more pain at the gas pump.

I am proud to gather with my Republican colleagues to introduce the Home Ownership, Manufacturing and Economic Growth Act, or HOME Act, of 2008.

The housing relief provisions of the Republican HOME Act will provide help for folks such as Willie Clay of Kansas City, MO, caught up in this subprime mortgage mess. Willie is a former Vietnam war paratrooper who lives mainly on Government disability checks. Willie was recently highlighted in a Kansas City Star article entitled "American Dreams Built on a Shaky Foundation of Subprime Loans."

Willie Clay lives in the Kansas City neighborhood of Ruskin Heights, a modest community of hard-working families and tidy ranch homes, a place where folks of modest means can share in the American dream by owning their own home.

In 2004, Willie refinanced his mortgage for a total of \$101,000. As you can see from the size of the loan, Willie was not a rich man. He was like so many other Americans—just looking for a little bit of money to pay off medical bills, his car loan, and some credit card bills.

Willie took out a subprime loan with an adjustable rate. It started out at a fixed 8.2 percent. He had no problem making his payments. But then, last October, the fixed rate interest ended

and the new adjustable rate reset at 11.2 percent. It is set to rise again in March to 12.2 percent, and even higher in the coming months.

Willie told the Kansas City Star:

If the rate goes up again, I can't afford it.

Willie and his wife Ina will have to give up their home and move to an apartment. Willie now admits that he never fully understood how an adjustable rate worked when he agreed to the new loan. "I didn't have the education to understand it," Willie said. "And they didn't explain it to me. I thought if the interest [rate] went down, the payment went down. If the interest rate went up, your payment stayed the same."

Willie was also trapped with a \$2,500 prepayment penalty, committing him to the loan for at least 3 years. Willie is not alone. His entire neighborhood is suffering through this crisis. There are more than 500 foreclosures in his ZIP Code alone. On Willie's block, there are already several empty houses.

This is wreaking havoc on the neighborhood, its property values, even its basic fabric, as families struggle to make ends meet.

That is why I believe so strongly that we need to help folks such as Willie Clay and families across the Nation. The Kansas City Star suggested that we require tougher disclosure requirements so that borrowers have no question about the terms of the deal. They believe home buyers should encounter crystal clear disclosure forms, stating the loan amount, interest rate, whether the rate will reset under certain conditions, and any prepayment penalty.

We heard the needs of Willie Clay and thousands of families like his across America. We heard the suggestions of the Kansas City Star and many others with ideas on how to fix this mess, and we propose taking action. This institution must take action.

First, the Republican HOME Act will help families like Willie's suffering now with \$10 billion to refinance distressed subprime mortgages. Our proposal would authorize State housing finance agencies to issue \$10 billion in tax-exempt bonds and use the proceeds to help homeowners refinance subprime mortgages.

Second, in order to help families avoid foreclosure and help them keep their homes, Republicans will expedite the delivery of \$180 million approved by Congress in December to provide counseling and help for families in distress. I was proud to cosponsor that in the appropriations bill with my colleague from Connecticut, Senator DODD.

As I announced earlier this week, the first block of these funds has just gone out, and we will ensure that remaining funds are delivered as quickly as possible.

Third, Republicans support helping neighborhoods like Willie's by providing \$15,000 tax credits to purchase over the next year a home in or approaching foreclosure. Senator ISAKSON of Georgia will talk more about that.

We support the so-called net operating loss carryback provision to help firms that suffered operating losses lower their tax burdens.

Last, Republicans support protecting families who are applying for new loans. People deserve to know and understand what they are signing before they sign it. Anyone who ever bought a house and confronted the stack of small-type paperwork written in legalese knows what I mean. I used to be a lawyer, and I have been presented with those stacks of documents. They are so overwhelming that, unless you have a half day to spend, you are never going to read them. Even as a lawyer, I will tell you they are not the easiest things to understand.

Our proposal will require a plain English explanation of key loan conditions. Borrowers will see in big type any teaser or introductory rate, their payment, and when it expires. They need to know they are agreeing to an adjustable rate and what that rate will be and how much a new payment will be. I doubt that Willie Clay was ever told his mortgage rate could go up over 12 percent. That is unconscionable. I don't think they ought to be allowed to raise adjustable rates beyond what they disclose in the initial disclosures to the borrowers. They need to be notified of any prepayment penalty, and they will be reminded there is no guarantee they can refinance their loan before the introductory rate expires. These are the very things Willie and thousands of borrowers did not understand when they agreed to their loans. Hopefully, this will protect future families who want to share in the American dream.

In contrast to the Democrats' plan, Republicans will avoid making home ownership more expensive, especially for low-income families through harmful bankruptcy changes that increase the cost of borrowing or encourage costly litigation.

If my colleagues on the other side succeed in using bankruptcy to write down all the mortgages and essentially destroy the basic terms of the contract, guess what will happen. What will happen is that nobody will get a loan at a reasonable rate anymore. Any rates that are offered to homeowners will have to have a risk premium built in, probably 1.5 percent or more. Each quarter of a percent will mean 500,000 families cannot get a loan. So that would mean that if this proposal coming from the other side is implemented, some 6.5 million, at least, families will be denied the opportunity to get a home loan because of the risk built in by a congressionally mandated cram-down of the interest rate terms, breaking the terms of the contracts which have been signed.

Republicans will also oppose plowing billions of dollars into big Government programs that do not help our neediest families now. We will oppose adding more dollars to programs that are still flush with funds they were given in De-

ember. We want a responsible, effective, and fiscally conservative package that can be adopted without wreaking havoc on our economy, without destroying our budget, yet helping the people who most need help.

Right now, we are threatened by the position of the majority leader of being shut out from offering any amendments. We want to move forward. We want to move forward on a responsible plan that allows the Republicans to decide what amendments they will offer. We are not going to be told by the majority leader that he is the one who decides what amendments we offer. Where has that ever worked in this Senate, telling a block of Senators, minority Senators, 49 of us, that we cannot offer an amendment unless we get the approval of the majority leader? There is a body on the other side of the Capitol that may be able to do that, but the strength of this body is we do not get crammed down on the amendments we can offer.

I have talked with a number of my colleagues on the other side of the aisle, and they agree that our proposals make sense. We just want to have votes on the proposals we think are effective, fiscally conservative, and will not endanger the homeowners whom we seek to help.

If we can work together—and I believe there is plenty of opportunity for a bipartisan compromise—on housing proposals we will help families like Willie Clay's and neighborhoods such as Ruskin Heights in Kansas City to get through this crisis. I urge my colleagues to support the home proposals we will be offering when we are given an opportunity to offer those amendments.

Mr. President, I ask unanimous consent to have printed in the RECORD the article to which I referred from the Kansas City Star.

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

[From the Kansas City Star, Dec. 30, 2007]

AMERICAN DREAMS BUILT ON A SHAKY  
FOUNDATION OF SUBPRIME LOANS

By Paul Wenske

Willie Clay remembers the day a loan broker showed up and sold him on consolidating his debts by refinancing his south Kansas City home.

The former Vietnam War paratrooper, who lives mainly on government disability checks, jumped at the chance to pay off medical, car and credit-card bills. That was in 2004.

Now he realizes it was "a big mistake." In October, his 8.2 percent interest rate on the new \$101,000 home loan shot to 11.2 percent. It is set to rise to 12.2 percent in March—and higher yet in subsequent months.

"If the rate goes up again, I can't afford it," said Clay, who lives in a tidy ranch home in Ruskin Heights with his wife, Ina. "We'll have to move to an apartment."

Welcome to subprime hell, where interest rates are going through the roof and the bottom is falling out of home values.

The ZIP code in which Clay lives has had more than 500 foreclosures—one of the highest rates in the city, according to

RealtyTrac, a national firm that tracks foreclosures. On his block, many neighbors' homes are empty. Clay worries his may be next.

Clay, who thought his adjustable rate could go down but would never go up, is another victim of the subprime implosion. He and millions of other low- to moderate-income Americans bought or refinanced homes with creative terms that began with lower "teaser" interest rates designed to rise after several years.

At the time, it seemed like a good deal. Home values were soaring. Lenders seemed to have barrels of money to lend—even to borrowers with less-than-perfect credit—stoking the American dream of homeownership and fueling the torrid housing market from 2004 to 2006.

But housing prices cooled in late 2006, just as adjustable rates started to creep upward. Now many loans are going bad as families find they can't afford their monthly payments and can't get refinanced by lenders who have tightened credit.

Foreclosures are at record highs, with Kansas City's foreclosures up 80 percent just since last year.

Thousands of Americans could lose their homes when at least 2 million subprime-loan interest rates are set to rise again this spring. President Bush recently announced a plan to freeze the rates on as many as 1.2 million of those loans. Some experts estimate the eventual cost to the economy will be more than \$223 billion.

For many, the help comes too late.

In metropolitan Kansas City, more than 34,290 adjustable-rate loans are ready to reset, putting more homes at risk, according to an analysis of mortgage data by the Center for Responsible Lending.

"What this foretells is foreclosures will get worse before getting better," said Kelly Edmiston, a senior economist at the Federal Reserve Bank of Kansas City, who has crunched the numbers. "We haven't really seen the peak yet."

WHAT WENT WRONG?

Blame is easy to spread around for the subprime mess, said William M. Dana Jr., the president and CEO of Central Bank of Kansas City and the immediate past chairman of the Missouri Bankers Association.

Dana cited lax underwriting standards, borrowers who didn't understand the terms of their loans, and regulators who weren't paying enough attention.

Consumer advocates, however, said borrowers with little experience in home buying got caught up in a frenzy, fed mainly by non-traditional lending institutions and thinly regulated brokers who were more intent on making fat commissions than making quality loans. Big national banks also dove into the market with subprime subsidiaries.

"You had an army of salespeople who were hired to go door to door and sell these things very aggressively," said Michael Duffy, the managing attorney of Legal Aid of Western Missouri, who noted that subprime loans are more complex than conventional loans, yet borrowers often received less loan-disclosure information.

Elma Warrick, the executive director of the Kansas City Home Ownership Center for HomeFree-USA, said: "People were just happy to be told they could get a home. Quite frankly, they didn't know what questions to ask."

Clay acknowledged that he never fully understood how an adjustable rate worked when a Wells Fargo Financial broker sold him on the deal.

"I didn't have the education to understand it," Clay said. "And they didn't explain it to me. I thought if the interest went down, your

payment went down. If the interest rate went up, your payment stayed the same."

What's more, Clay's loan included thousands of dollars in added charges and carried a \$2,500 prepayment penalty, which tied him to the debt for at least three years.

Steve Carlson, a spokesman for Wells Fargo Financial, a division of Wells Fargo & Co., said that while he could not comment specifically on Clay's case, the company does not make home loans "unless we believe the customer has the ability to repay the loan." Carlson said the bank works with customers to avoid foreclosure and find options "based on the customer's financial ability to repay the debt."

Adjustable-rate loans aren't new, but they had been used primarily by borrowers with good credit who didn't intend to hold on to a house long, because they planned to sell it or move.

In recent years, a new breed of lenders and brokers saw a way to use the subprime market to keep home sales revved up.

Lenders targeted urban neighborhoods where new borrowers were itching for the chance to buy. Because those neighborhoods usually had lower average credit scores, often reflecting riskier credit, lenders felt justified to charge more. And they did.

Nearly 28 percent of the home-purchase loans made in Jackson County from 2004 to 2006 were subprime, federal mortgage records show. That compares with less than 10 percent in more affluent Johnson County.

Teaser rates made the loans appear affordable. "These loans wouldn't have been made without the teaser rate," Edmiston said.

From 2003 to 2004, adjustable-rate mortgages nearly doubled—growing to more than 50 percent of all originations in Kansas City, according to Federal Reserve data.

Loan offers became increasingly creative, offering no money down or interest-only payments that began low, but skyrocketed nearly 200 percent in a few years. TV ads induced consumers to borrow against 125 percent of the value of their home—a recipe for disaster for most cash-strapped borrowers.

Subprime sales even took off in middle-income tracts, according to a study of Kansas City's 5th Congressional District by Compliance Technologies, a Washington firm that provides lending intelligence services to financial institutions.

Critics say that raises questions about whether some borrowers were steered to subprime loans when they might have qualified for cheaper conventional loans.

While most mainstream banks in Kansas City resisted the subprime stampede, newer lenders rushed in. More than 98 percent of the loans that H&R Block's Option One Mortgage Corp. made in Kansas City from 2004 to 2006 were subprime, federal loan figures show. More than 97 percent of NovaStar Mortgage's loans were subprime in that time.

In contrast, only a small percentage of loans sold by established local banks were subprime. None of the nearly 1,000 metro loans that Kansas City mortgage banker James B. Nutter & Co. made was subprime.

Ironically, Clay bought his Ruskin Heights home in 2000 with a conventional 30-year loan from Nutter & Co. It was for \$76,000 with a fixed 6.5 percent interest rate.

Company president James Nutter Jr. questioned why Clay was directed into a costlier subprime loan when he refinanced his house in 2004. Nutter said that Clay—even with more debt—probably would have qualified for a cheaper conventional loan from his company or another local lender.

"Especially with him being a veteran," Nutter said, noting that some brokers appeared to steer lower-income borrowers into subprime loans "to make more money."

#### WALL STREET CONNECTION

Soaring subprime profits quickly attracted Wall Street investors.

As fast as brokers sold more teaser-rate loans, they quickly bundled them into packages and sold them like securities to investors, who pumped even more money into the subprime market.

The Compliance Technologies study showed that more than half of the subprime loans made in Kansas City's 5th District were securitized and sold off to investors.

"Originators were making loans based on quantity rather than quality," said Kurt Eggert, a law professor at Chapman University in Orange, Calif., who served on the Federal Reserve's consumer advisory counsel. "They made loans even when they didn't make sense from an underwriting standpoint."

Mark Duda, a research affiliate at Harvard University's Joint Center for Housing Studies, said that because brokers were so intent to quickly sell off loans to investors, they had little incentive to make sure the loans were suitable for borrowers.

"They were setting people up to fail," Duda said.

By sheer numbers, more whites got subprime loans—but as a percentage, blacks were more likely to be steered into subprime loans and usually paid more for them.

An analysis by The Kansas City Star of home-purchase loans from 2004 to 2006 in the metro area showed that blacks were placed in subprime loans nearly 50 percent of the time and Hispanics about 32 percent of the time. Whites, however, got subprime loans only 16 percent of the time.

These findings are supported by Compliance Technologies' analysis. Examining a larger pool of both home-purchase and refinance loans in the 5th District, the firm found that last year blacks were placed in subprime home-purchase or refinance loans nearly 66 percent of the time.

That compared with 41 percent for Hispanics and 29 percent for whites.

Blacks also were consistently charged an interest rate that was at least a half a percentage point higher, said Maurice Jourdain-Earl, the managing director of Compliance Technologies—meaning, "all things being equal, their monthly mortgage payments are going to be higher."

U.S. Rep. Emanuel Cleaver, a Democrat who represents the 5th District, contends that brokers knew some minorities were less sophisticated about buying homes.

"This was designed to ensnare Latinos and African-Americans," said Cleaver, a member of the House Financial Services Committee. "These brokers get their money on the front end. So they don't care. They're gone."

#### SUBPRIME IMPLSION

As adjustable interest rates climbed, many subprime borrowers could not make their payments. In some cases, homeowners and real-estate investors also had tapped all the equity from their homes. As prices fell, they owed more than their homes were worth.

When the new homeowners couldn't sell or refinance their homes, they often walked away from them. As the inventory of unsold houses grew, prices plummeted even more.

In 2004 and 2005, homes nationally were appreciating, on average, more than 12 percent a year, according to Federal Reserve data. By 2007, they were losing about 1.5 percent in value each year. Kansas City homes went from appreciating an average of 4.5 percent a year to dipping nearly 1 percent in value.

Wall Street investors now are left holding worthless real-estate securities. Subprime lenders are stuck with billions of dollars in bad loans, which they have had to write off. Many are going broke.

"It's like any Ponzi scheme," said Duffy of Legal Aid. "Artificially high values drive more investments, that drive more artificially high values, that drive more investments, until the values get unrealistically high and the whole scheme collapses. That's what you see now."

Ruben Flores, a Johnson County real-estate investor, worked as a loan officer in NovaStar's loss-mitigation office in May when things started collapsing.

"It was like triage," he recalled.

Flores said that loan officers—each handling portfolios of 200 or more borrowers—worked 70 to 80 hours a week trying to salvage as many souring loans as possible.

But the losses have left once-high-flying NovaStar struggling to stay out of bankruptcy. Option One has shuttered its business and plans to write off \$125 million in bad loans. Wells Fargo and other big national banks have cut back or stopped making new subprime loans.

Meanwhile, Congress is grappling with ways to help homeowners clean up the mess and make sure it doesn't happen again—including tougher regulations and penalties.

The good news is that tighter underwriting standards are being restored. The bad news is that foreclosures probably will continue to haunt neighborhoods such as Clay's for at least another year.

Foreclosures, however, ripple throughout communities, lowering home values, decreasing tax revenues, and inviting blight and crime. So even if you didn't have a subprime loan, you probably will feel their pain in 2008.

"Subprime problems have become everyone's problem," said Martin Eakes, the chief executive officer of the Center for Responsible Lending.

A look at where subprime loans and foreclosures are most prevalent in the KC metro area.

#### WHAT'S A SUBPRIME LOAN?

Subprime loans are generally defined as those given to borrowers with weak or damaged credit. Lenders charge higher interest rates because the loans are seen as riskier.

#### METHODOLOGY FOR THE DATA ANALYSIS/MAPS

The home-loan data used for this analysis comes from the Home Mortgage Disclosure Act database, which is compiled by the Federal Financial Institutions Examination Council. The data include millions of records from all home-loan applications, but for the purposes of this study, much of the information was not considered. The only records that were analyzed were for loans in Kansas or Missouri that were used to purchase a one- to four-family home, which means homes that were not apartment buildings. Refinancing loans, home-improvement loans and loans not secured by a first lien were not considered. Only records from 2004 through 2006 were analyzed because prior to 2004 the Federal Financial Institution Examination Council did not have an indicator for subprime loans. A subprime loan is any loan with an interest rate 3 or more percentage points higher than the Federal Treasury yield on securities, according to the Federal Financial Institutions Examination Council. The home-mortgage data were joined to the map based on census tract numbers and state and county identifiers. The maps accompanying this story were assembled using census tract shape files obtained from the Missouri Spatial Data Information Service and the Kansas Geospatial Community Commons.

Mr. BOND. Mr. President, I yield the floor and suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Ms. STABENOW. Mr. President, in listening to my friend from Missouri who just spoke, I was surprised that this is all being debated now in the context of the fact that yesterday our Republican colleagues stopped us from proceeding to the very measure everyone is now talking about and wanting to make changes and improvements to. There are ideas my friend from Missouri talked about that I think are worthy of discussion and debate. Some we may very well support.

The reality is that we are here today because colleagues on the other side of the aisle stopped us from even proceeding to have a debate. So it seems to me it is a little disingenuous to say we want to be doing all these measures—and we agree there is an incredible sense of urgency about what is happening now to families—yet, at the same time, rather than proceeding to the bill and offering amendments, such as an amendment to remove a provision if there is concern on bankruptcy on which I happen to disagree—I think it is very difficult to explain to people why their vacation home, which I hope to have some day in beautiful northern Michigan, would be covered by bankruptcy provisions, but my home, my primary residence where my children grew up, where I raised my family, would not be protected. So I do not understand that difference. That is a debate worth having. If our colleagues had allowed us to go to the bill, we could have had that discussion, we could have had that debate about whether that provision should be in the bill.

I come to the floor today to urge colleagues—and Senator REID has renewed his motion to go to the bill—we cannot begin to deal with an issue which colleagues are saying on both sides of the aisle is incredibly important, which has a great sense of urgency to it, if we are not allowed to go to the bill.

This reminds me of time after time in the Senate where we as a majority have brought forward urgent issues that affect American families and American communities and asked that they be considered, that we have an opportunity to debate and take action, and we have been blocked time and time again—in fact, a record 72 times now, which is more than the 2-year average of any Senate 2-year session. We now have 72 times that our Republican colleagues have blocked us from being able to proceed to do the American people's business on issues that are incredibly important.

I welcome colleagues to come to the floor next week, to support Senator REID's motion to go to the debate, and to look at a variety of ideas that need to be addressed on this critical issue.

We all know that for a majority of Americans—Mr. President, I know in West Virginia as in Michigan—when folks want to get into the middle class, the first thing they do is go out and buy a home, to have that equity in a home, to be able to save equity in their home—no more renting; they are going to buy a house. I know in Michigan that is step 1 for people who are working very hard to get that home for their family, to be able to save for the future. That is the primary way that people, in fact, in this country do save for their future: build up that equity so they can use it to offset the cost of college for their children, to save for retirement, to use it in a medical emergency, which is happening way too often now in our country.

Equity in the home, knowing that you can invest and have your home, is a basic part of what we all call the American dream in this country, and that is in great jeopardy right now for too many families.

Mr. President, 87,000 people went into foreclosure in this last year just in Michigan, and we have one of the highest foreclosure rates in the country right now. That has happened for a variety of reasons. We talk a lot about the financial mortgage arrangements, ARMs—adjustable rate mortgages—that are coming due and interest rates going up. That is certainly part of it. We also have another piece that is very true in Michigan and my guess is around the country that relates to predatory lending practices.

I have a very large number of great Michiganders who are African American or from other minority communities who could be in a prime-rate mortgage right now but were sold a subprime mortgage. They were put into a much more fragile situation with less accountability.

We know of situations where senior citizens have been followed home from church in Detroit, forming relationships with our seniors where they have been talked into totally refinancing their home. They paid for their house, had no mortgage payment, but were told that if they wanted to refinance, they could get that new furnace they needed, they could fix the roof, or they could pay for those medical bills, and they were placed in a situation through predatory practices that has now jeopardized their ability to even have their home.

Then we have another factor which I believe is the largest factor going on right now, which is the underlying fundamentals in the economy and the fact that too many people are losing their jobs or seeing their incomes go down. Certainly, for us in Michigan, it is different than these ARMs resetting. For us, it is about the fact that families are losing their jobs. Families are going from a middle-income job of \$25 an hour to \$14 an hour and trying to figure out how they are going to pay the bills and keep a roof over the heads of their family.

I happen to believe the best stimulus is a good-paying job, and that is something also of great urgency on which we need to be spending our time. I am very proud of the fact that as we move forward in the next 2 weeks in the discussion of our values and priorities through the budget for next year, they will be laser focused on jobs and what we can do to help people keep and get the American dream by working hard and having a job and creating opportunities for themselves and their families.

We have in front of us the opportunity to do something immediately to help people. We have a bill that includes a number of provisions. Some of them the President talked about in his State of the Union Address. That is a good idea; we incorporated it.

We are talking about adding to the number of preforeclosure counseling offices. We have heard from lenders, we have heard from families and communities that the most important thing is to help people before they lose their house, before they are 90 days behind, when someone thinks they might be having a problem, or they know in 6 months they are going to be faced with this situation of their payments going up—start now and work with lenders.

We also know that most people—not most but many—do not answer the phone when the lender calls. They are worried about what is going to happen and do not think they have any way out, so they just wait. By helping people with counseling, we can stop a lot of this on the front end and help people refinance. For people trying to do that, it is tougher now because we have this complicated situation going on where they go to a lender, they get their mortgage, and that loan is then sold, and they don't know who owns it. So who do you talk to when you are trying to figure out how to make some accommodation to refinance? So, having counselors will help.

We put money in the budget this year because it was a priority for our majority, adding \$200 million to help people on the front end, so they could work their way out of this. That is very important. Also, we allow State housing agencies to issue \$10 billion more in refinancing bonds so State and local communities can help refinance homes. That is incredibly important, and something that has been widely supported on both sides of the aisle.

We also have said that community development block grant money should be able to be used to purchase and rehab foreclosed properties, again, to help communities. We have to stop this. We have to stop this where it is. I think we can help create some certainty in the markets by helping families right now and creating also some confidence in the markets going forward. That can be done by using the CDBG dollars for communities to refinance and help families stay in their homes.

Also, in a balanced approach, we have addressed what is happening on the

business side for home builders. We agreed to include in our original package in the Senate—with the help of our distinguished Presiding Officer on the Finance Committee, one of our top leaders on the Finance Committee—a tax issue, net operating loss, to allow home builders to go back a couple of years to a better time and address some of their issues so there is not the pressure to sell their inventory, the unsold homes at the moment, and allow them a little breathing time. We have included that in this provision as well to support the industry itself. This is a very balanced package that took the input of the leadership on the Banking Committee and the Finance Committee which looked at proposals that were bipartisan—by the President, by a number of people—that had brought forward something that will help. We don't pretend it is a magic bullet. I wish there were one; I don't think there is. But it is a very reasonable approach that has been put forward.

So here we are. We have this situation where colleagues now on the other side of the aisle, the leader on the other side of the aisle, comes forward with a package and says, this is what we want to do; we need to be able to pass these measures. Yet he has blocked us from even getting to the housing issue, to the bill itself. He has blocked us from getting there.

I have to say, this reminds me of one other issue that is very related, and certainly is critical for me in Michigan, that has also been blocked time and time again, and which was a part of our original stimulus package we did in the Senate, of which I am very proud. I think it was a very good proposal, and I was proud of the work we did. In that proposal, we did something else that is very important right now for middle-class workers and families. We extended unemployment compensation benefits for families. It is viewed as one of the top two ways to stimulate the economy.

If you are unemployed, you are going to take every dollar that comes in the door to pay the mortgage, to keep the lights on, the heat on, pay for food, and do the things you need to do for your family. We know it is stimulative. We also know, from a moral standpoint, it is the right thing to do to help families. That has been blocked as well. I see them related because we now have people who have been unemployed for longer periods of time than they ever wanted to be and who are in these situations. Maybe to keep going they did a home equity loan, and now that is not working and they find themselves in a situation of foreclosure. One of the ways we can help on housing is to give people some stability in their income.

I heard colleagues, when we debated this on the other side of the aisle, saying, well, it is encouraging people not to work. I would love to have the President or the Secretary of the Treasury or colleagues come, if they have not

talked to folks in their own State, to Michigan and talk to folks who want desperately to work, and are working at very minimal wage jobs right now to try to keep going.

Nationally, we know there are 7.7 million unemployed people today who are competing for 4 million jobs, which is why I say the best long-term stimulus is a good-paying job. I am glad our budget is going to focus on jobs, but the reality is we want to help stabilize families right now because there are hundreds of thousands of people—millions, actually—in a situation where extending unemployment benefits for 13 weeks, and an additional 13 weeks for high unemployment areas, is exactly what needs to happen. I hope we are going to address that as part of what we are doing here as well.

In 2002, there was an extension of unemployment benefits, and the national unemployment rate is roughly the same right now. It was 5 percent then, and it is nationally 4.9 now. We hear from the Bureau of Labor Statistics and from Goldman Sachs that by the beginning of next year the national rate is going to be 6½ percent—6½ percent nationally. I am in a unique situation because I will take that. Our rate right now is 7.6 percent in Michigan, so I would take 6½ percent. The reality is we are seeing a dramatic rise in unemployment, and more and more families are going to find themselves in a situation of not being able to pay the mortgage, not being able to do what they need to do for their families.

I think this is a fundamental issue for families—for middle-class families. We are talking about people who work and who find themselves in a situation, because of a multitude of issues—where the job is not there anymore—where they need help to continue to keep their family together, and keeping their house is incredibly important. I have 72,000 people in Michigan who are scheduled to lose their unemployment benefits by June. I have over 10,000 people a month who are losing their unemployment benefits, and we don't have the jobs for them. This is incredibly serious.

So I am, one more time, asking my Republican colleagues not to block that when it comes to the floor. It is a very important part of the economic picture for people, and it is time for us to get about the business of fixing the economy, of supporting efforts that are going on in the economy for businesses, for individuals, for families, and for communities. There is a great sense of urgency that we need to have, because that is what families feel every single day. I am hopeful that when Senator REID brings the next motion in front of us to be able to go to a bill to deal with housing, colleagues will have that same sense of urgency and join us in being able to do that.

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

The ACTING PRESIDENT pro tempore. If the Senator would withhold her request.

Ms. STABENOW. I will withhold my request for the distinguished Senator from New Jersey.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey may proceed.

Mr. MENENDEZ. Mr. President, I thank my distinguished colleague from Michigan for her attribution, and I rise this morning to echo some of the comments of my colleague and others who have lamented what the Senate did yesterday.

We have a situation across the landscape of this country in which our economy is headed onto the shoals of a recession, with some economists believing that we are there already, and the very essence of that recession, which hurts American families in real terms, stems from the housing crisis that exists in this country. Instead of having responded to the storm clouds of the crisis that were on the horizon a year ago—in the Banking Committee, of which I am privileged to be a member, I said we are going to face a tsunami of foreclosures—the administration said, oh, no, no, no, that is an overexaggeration. Well, unfortunately, we haven't even seen the crest of that tsunami.

The reality is that as the administration hit the snooze button then, instead of responding to the oncoming crisis and limiting its scope, yesterday our colleagues on the other side of the aisle did exactly the same thing, opposing the majority leader's opportunity to make sure we address the housing crisis that exists in this country in a way that not only saves American families from having the American dream become an American nightmare, but also, at the same time, in dealing with the very core underpinnings of where this economy is headed—in a negative direction—and turning it around. That is what yesterday's vote was all about.

Everyone except President Bush and some of his colleagues seems to understand that we are in some very serious economic situations. I saw the President's press conference yesterday. Even as gas prices in some parts of the country are already at \$3.60 a gallon, when he was told what it was going to do when it hits \$4 a gallon, he said: What \$4 a gallon?

Well, I guess if you never have to pay for gas, you are totally disconnected from the realities of average Americans. But, yes, that is where we are headed. He doesn't seem to understand we have a serious economic situation.

But let us get real. It isn't largely those of us in this body who understand what is going on, it is the American people, across the landscape of this country, who are feeling the effects of this downturn firsthand. They are the ones receiving foreclosure notices; they are the ones struggling to balance their checkbooks; and they are the ones reaching out to Congress for help.

Yesterday the majority leader tried to bring up a bill to help those struggling in this economic downturn, and

yesterday Republican Members of this Chamber blocked that bill, in essence blocking help for those American homeowners who are on the verge of losing their home. The Foreclosure Prevention Act gets to the heart of our economic crisis—that is, the housing market.

As I and others on the Banking Committee have said, the downward spiral of the housing market is the reason we are facing such a difficult economy. We cannot think we will get the Nation back on track without legislation to address the weaknesses in the housing market. The bill that Republicans blocked would have done one major thing: Keep families in their homes.

Beyond the economy, this goes to the very heart of our families' ability to grow and prosper. Home. Home is where we are brought from the hospital when we are born. It is home we come to. Home is where we are nurtured as we grow. Home is where we get to celebrate, most of the time, our birthdays. Home is where, in fact, we also share moments of sorrow. Home is where we often take care of a sick or dying loved one. Home is the very essence of the American dream.

Beyond what it means to us and our families in the context of the development of our lives, home is also the single foundation of the individual American's economic ability to prosper. It is the single biggest asset most Americans will have in their lifetime. It is the asset they will use very often to borrow in order to educate their child and send them to college. It is the asset they may draw upon if they have a significant illness. It is the asset they will rely upon as they grow older and seek retirement.

When it means so much to us as a society, both in the personal context of what home is and the values that surround it mean, and when it means so much to us individually and collectively as communities and as a nation in terms of our economy, it is unthinkable that we could not get progress on a bill that saves the very essence of that American dream.

Yet that is what happened yesterday in the Senate. The bill that was up provides funding for counseling in order to reach and help families at risk of losing their homes. Many American families are sitting around the kitchen table looking through their mortgage bills and their finances and those bank notices. Many of them have turned to their credit cards to float their personal debt.

They are lost. They do not know where to turn. And these counselors who were part of the bill could help offer them real solutions and options to help in averting a foreclosure. Does not that make sense? It does to me. That is what the bill allows.

The bill also provided funding to allow communities with high foreclosure rates to access an existing program, community development block grants. With these funds communities

can purchase foreclosed properties for rehabilitation, rent, or resale.

There are some who have said in this debate: Well, you know, those borrowers, they are responsible for making their own decisions; it has nothing to do with me. Well, for every foreclosed property in a neighborhood, those who have their properties adjacent to or nearby within that neighborhood have a decrease in value. Having a series of foreclosed properties, as we have seen in some parts of the Nation, having communities abandoned does not benefit anyone. It decreases surrounding home values; it attracts crime and vandalism.

The bottom line is that foreclosures destabilize neighborhoods.

The funds in this bill, which the Republicans have not allowed to move forward, allow communities to stop the spiral before it starts. Does that not make sense?

The bill's most controversial piece—there are many others, many others that I think were pretty universal; that is, that should have been supported. But its most controversial piece put in by my friend, Senator DURBIN, his bankruptcy provision would, in essence, change the bankruptcy law to give judges the discretion to modify loan terms for a primary residence, in essence, where you call home.

Right now the law allows for modifying those loan terms for vacation homes, something that is not your primary residence. So you can have a vacation home, a time share; you can have any other second home under existing law. If you have some financial trouble, you can actually get the bankruptcy judge to modify those terms. But when it comes to your core home, your principal residence, the place where you nurture and grow your family, oh, no, you cannot do that.

Does it make sense that we have greater value for a vacation or secondary home and less value for the primary residence of American families? That would be the equivalent of something along the line of: You can get a modification on Camp David, but you could not get any modification at 1600 Pennsylvania Avenue.

Now, of course, in this particular case, that example does create so vividly for people what we are talking about. In either case, the President does not have to pay a mortgage on either of those properties because they are owned by the American people. But my point is here is the primary residence, you cannot get any help. The secondary residence, you can get help. It does not make any sense. The thing is, most Americans do not have a Camp David, and they are asking for help to save their house on Main Street. This makes sense.

Now, the majority leader and Senator DURBIN and others worked out a compromise to make sure this provision that was in the bill was even more narrowly tailored. More narrowly tailored? How so? Under their com-

promise, the only families who could request a court-ordered change to their mortgage are families who would otherwise lose their homes to foreclosure.

But that was not even all. It went on. It went beyond that and it said: Only those families who can pass a strict means test, their ability to pay in bankruptcy, and therefore can prove they cannot afford their current mortgage are eligible. That was not it. They went beyond that. They said: Only families who are currently struggling with what type of mortgage? Any mortgage? No. Only nontraditional and subprime loans, the very essence of the types of mortgages that have created the crisis in America that were spun out there in a way, attracting people into mortgages without the appropriate credit counseling, that they should have never been attracted into anyhow.

So the universe was further limited, further limited. And furthermore, to give the lenders some additional guarantees, if the families, after the bankruptcy judge made some decision to make an accommodation in that loan, if they sell their home after that mortgage modification, any increase in the home value would go back to whom? To the lender. So lenders would have a chance to recoup the loss in that home value.

Now, let me say, there is going to come a point in time that lenders understand that as values continue to go down and down and down, when they foreclose on a piece of property, they are not even going to get that which they, in fact, loaned against.

Is it not far better to be able to sustain a family in their home and to help that value reestablish itself over time and grow and be able to make the lender more whole than to put that family out on the street? Lenders will come to that conclusion at some point.

So these provisions, each time more and more and more narrower, so we were talking only of a universe of those people who were being hurt, had no financial ability to pay the mortgages that they should have never gotten into, that was offered by the industry to lure them in, lower interest rates, and then reject afterwards, and with the ability to recoup any value going back to the lender, all conditions that do not exist on a secondary residence.

None of the things I talked about are part of the law as it relates to a secondary residence; they are all about only this limited prime universe, and, of course, anyone who got a conventional mortgage, anyone who did not get a subprime mortgage or a nontraditional mortgage, they were totally, under the existing law, going to continue to be under the existing law. So we had a narrow universe.

This provision that was in the bill blocked by Republicans was not added to harm the banking industry, was not added to hurt mortgage brokers, it was added to help homeowners save their home. This provision is only one of the ways we can help a significant number



of homeowners without costing the taxpayers a dime.

It would help more than 600,000 families in bad loans keep their homes across the landscape of the country. It would help over 14,000 families in my home State of New Jersey avoid foreclosure. That would be a savings of almost \$5 million in home values. But if we do not do anything, if we sit back, we risk losing much more. In New Jersey over the next 2 years, we expect more than 57,000 homes to be lost to foreclosure. That means 57,000 families who will have to hand over their keys to their home, 57,000 families who will be forced to say goodbye to the place where they were nurtured and comforted, the place they lived with the good and bad, the place they came home to every night, the place they call home.

In the words of families who know what it feels like to lose a home, they will feel like they will have lost everything. But this is not even about those homeowners. Foreclosed properties have a ripple effect on surrounding homes and the community at large.

In New Jersey, these 57,000 foreclosed homes could cost a \$10,000 decrease in the home prices of over 2 million surrounding homes. And, overall, that loss would be about \$19.6 billion in home values. That is just in my home State.

The fact is, no one is immune from the ripple effect of this housing crisis. The potential loss to families and communities in New Jersey and across the Nation is far too great for us to sit this one out. I, personally, cannot stand by while Members of the Chamber play games with my home State and with the American dream of millions of people across the landscape of this country.

Collectively, we have much too much to lose. I do not know if other Members of this Chamber do not watch the news, or they do not get the same memos, but foreclosures are going to happen nationwide if we do not do something. Analysts anticipate that 2 million American families will lose their homes over the next 2 years, and 40 million of their neighbors will see their home values decline due to projected foreclosures.

When those neighbors see their home values decline as a result, their ability to borrow against their home for their kid's college education, to have the buffer in case of a major illness in their family or themselves, their ability to do all those things will be affected.

It is not time to play games and use delay tactics. The more we delay, the more homes we risk losing. Approximately 20,000 families lose their homes every week. Every week, 20,000 families see the American dream slip away. These families are struggling. They are trying to pay their mortgages, but they cannot. Most of them cannot sell or refinance. Many of them have found, in fact, the value of their properties is less than the mortgage amount. They need other options, and they are look-

ing to the Federal Government and those who lured them, the lenders, as the first place for help.

The fact is that help simply is not there. Loan servicers could modify the loans themselves. They do not have to wait for a bankruptcy judge, would not have to wait for the Congress to act. Under existing laws, the loan officers could modify loans to make them more affordable and simply are not doing so in sufficient numbers.

A report by Moody's found that loan servicers have only modified 3.5 percent of mortgages that increased to higher rates. These are opportunities to keep people in their home, and instead of dealing with the higher rates, maybe adjust those rates in a way where they would still get a borrower who can continue to pay, wait for the value of that home to build up. But they would not make as much as in the loan they lured these individuals into. A report by the Center for Responsible Lending estimates that the administration's plan that has been put out there as the solution to this problem, to streamline modifications, is only going to help about 3 percent of homeowners, 3 percent.

As a member of the Banking Committee, I asked the Secretary of the Treasury, Secretary Paulson, when he was before us about 2 weeks ago, and yesterday Chairman Bernanke, the Chairman of the Federal Reserve: Are we willing to say 97 percent of the projected 2 million homes that are going to be lost in America, that is a market correction?

Are we willing to accept that 97 percent of those 2 million homes that will go in foreclosure, that is acceptable as a societal value? You hear a lot about family values here. Well, I do not know of any greater family value than the place we call home and a place to call home.

Are we willing to say we will, in our overall economy, accept a 97-percent foreclosure rate as it relates to the nature of our economy and where it is headed, an economy that is stagnant in terms of growth but rising in terms of consumer costs, on gas—notwithstanding the President's lack of knowledge of it—on energy costs as a whole, on rising food prices, and lowering home values? Are we willing to say that?

Are we willing to say to 97 percent of 2 million families: Well, that is a market correction. Yet we heard the rush to get the Federal Reserve to respond to Wall Street and the concerns of shareholders. How about homeowners? How about homeowners? That is simply not good enough.

Thousands of New Jersey families have already gone into foreclosure. Tens of thousands more are behind on their mortgage payments. How many more are we going to watch have their American dream turn into the American nightmare so many are facing. Let me put a face on these statistics: Charmain Perryman, a resident of

Nunellen, NJ, she came home last fall to an eviction notice taped to her front door. Perryman, like so many others, had an adjustable rate mortgage that had reset not once but twice, rising from 7.5 percent to 11 percent. She was on the verge of losing her home. Luckily her story has a happy ending. A community development organization, similar to those we want to help through community development block grant opportunities, is buying her home from the bank and working out a payment schedule so she will be able to stay in her home and make responsible payments.

But there are too many families across the landscape of New Jersey and the country that are not realizing that opportunity. That foreclosure notice taped to their door will soon be replaced by a padlock on their door.

The Foreclosure Prevention Act, of which I am a proud cosponsor, offers real solutions for the American family, neighborhoods, and the entire economy. It would help stop the bleeding in the foreclosure crisis.

I ask Members in the Chamber to think about these families when, hopefully, they have an opportunity to vote again. What happened yesterday was embarrassing. I know some camouflage is being offered that, well, we were not going to be allowed to offer certain types of amendments. The reality is, as the majority leader made clear, all relevant amendments would be allowed. Families who are struggling, at the end of their rope, 20,000 families a week losing their homes, don't want to hear about some amendments that ultimately had nothing to do with the very essence of the housing crisis as the reason they are getting put out of their homes. All we are saying is, come to the table. Offer relevant amendments. Let's have a real discussion about how to help families avoid foreclosure. With 20,000 families losing their homes every week, 10 million on the near horizon; with an economy that is bleeding dramatically and that could go, if we do not stem the hemorrhaging, into a deep recession that would have long-term consequences for us as a Nation, both as individuals, families, communities, and collectively, it is not something with which we can afford to play procedural games.

I look forward to next week having a new opportunity, fresher minds' reflection, and an understanding of the grave consequences before us, and an opportunity to rescue—not to do a Government bailout but to rescue—the opportunity of the American dream being snatched away by the American nightmare.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Louisiana.

#### DAMAGE FROM HURRICANES

Ms. LANDRIEU. Madam President, I want to follow up on the remarks of my colleague from New Jersey who has been an extraordinary leader in so



many ways, particularly on the housing issue. I thank him and associate myself with many of his remarks.

I rise to speak about the housing situation and to try to bring some comparisons between the difficulties around the country and, in some places, downright despair because of the foreclosure situation and pending bankruptcies. I also want to remind my colleagues that there is still a tremendous need on the Gulf Coast relative to the housing crisis and ask my colleagues not to lose sight of the difficulties that we are still having in Texas, Louisiana, Mississippi, and Florida.

I know it is 2008. The storms of Katrina and Rita and Wilma are long gone in some people's memories but not in ours. These storms in many ways were just like yesterday, not just the hurricanes but the levees that broke and caused unmitigated disaster and despair.

I thought it would be helpful to first examine communities with the highest foreclosure rates, and with the Senator from Michigan in the chair, the first area I want to speak about is in Michigan—Detroit, Livonia, and Dearborn, which I am sure she is familiar with—which happens to be the metropolitan area that has the highest percentage of foreclosures. This chart shows you the top 10 communities in the Nation and the numbers of homeowners facing bankruptcy or foreclosure. The number of homes is both striking and startling. If you think about foreclosure, the damage is not just done to the family losing their home or the individual but to the neighborhood as a whole. If it is so concentrated, as it seems to be in some particular counties, it has dramatic economic effects on the whole community. That is why Democrats—and I know some on the other side are sensitive to this—are trying to fashion a package that recognizes that while we don't want to bail out improper behavior, we most certainly don't want to bail out illegal behavior, we absolutely need a housing bill that recognizes that foreclosure does not just involve a single family, but it impacts an entire community, particularly in Michigan where some of this is probably associated with the downturn in manufacturing jobs. People are not only losing their jobs but losing their homes.

While the causes of our loss were very different, it wasn't due to an economic downturn. It wasn't really due to subprime lending practices. Our problems were due to the levees collapsing when they should have held and the ensuing floods that wiped out hundreds of thousands of homes, which I will get to in a minute. But for purposes of my brief remarks this morning, these are the top 10 areas facing foreclosure problems in the United States, in Michigan, California, and Nevada.

You have heard people say this crisis is limited to places within about seven States. But for comparison, I would

like to show the counties and parishes in the Gulf Coast that have the highest rates of housing loss due to the floods. This is an extraordinary comparison. If I could ask the staff to hold up the other chart next to this one so people may see.

We are talking about the mortgage crisis, 4.9 percent in Michigan and 4.9 percent in Stockton, CA. Next to it is the actual numbers. So 41,273 households in the Detroit area are in some part of the foreclosure process; down in Miami, FL, 2.7 percent. That doesn't sound like a big percentage, but it is 25,000 families. That is a lot of families.

But let me show you on the Gulf Coast what has happened to us over the last 2 years. In St. Bernard Parish—this is major and severe damage. This is the percentage of homes that were unlivable, 78.4 percent; in Cameron Parish, which is a small parish in the Southwest, 71.8 percent; in Hancock County, MS, 69.8 percent; in Plaquemines Parish, LA, 57.5 percent; Orleans Parish, 55.9 percent; Harrison County, MS, 34 percent; Jackson County, MS, 34 percent; St. Tammany Parish, 25 percent; Jefferson Parish, 19 percent; and Vermilion Parish, 13 percent. There are no other percentages like this anywhere in the country.

My point is that while I am glad address the foreclosure crisis for the country and am proud to help other regions—and I most certainly understand the disaster associated with foreclosures, particularly if they are not really of your making. You took out the right kind of loan, you put your money down, but you lost your job or your child got into an accident, and because you don't have health insurance, you have to file for bankruptcy, and people are taking your home. And that is the last thing people should be doing. We should be helping pay medical bills and getting people jobs and not taking their homes. I am not here to bail out reckless behavior. But I most certainly think Congress should step up and help middle-class families struggling to keep their homes. But for comparison's sake, I want people to get their eyes on what we are still going through on the Gulf Coast.

We have parishes where 78 percent of the homes are unlivable and people are struggling to keep these homes. What the Federal Government has done has been substantial, but it is not adequate and not enough. While we have sent Community Development Block Grant funding down to many of these families, some of them still haven't seen a penny. Some of them had to deduct their insurance from that. We still don't have tax relief for individuals who took a casualty loss deduction and are now being taxed on their Community Development Block Grants. So people, in addition to not receiving their full complement, not getting their full insurance money, are now being pushed to a higher tax bracket because this Congress has failed yet to give them tax relief that they desperately need.

So as we put this housing relief package together for the Nation, let's think about what can be done in Mississippi, Florida, Texas, and Louisiana, where, in some places, 50 percent of families or more have lost their homes. Some people are back. Some people are struggling. But you might have a neighborhood, let's say, in St. Bernard—I was there last week—where there is one home that is fixed and inhabited. Every other home on that block is vacant. Think about that. This person is happy to be back in their house. But when you ask them what was the value of that house before the storm, it used to be \$450,000. Today that is a very interesting question. What is the value of a three-bedroom brick home on a block where every other home is empty? That is how badly people want to live in their neighborhoods and communities. These are not communities necessarily below sea level. Some of these places I describe are above sea level.

If the Senate continues to consider the Foreclosure Prevention Act, I have some specific suggestions as to how we can make the bill more relevant for families struggling on the Gulf Coast. First, we need tax relief for Road Home grant recipients. We need it for the people who have lost their homes. We also need to craft the legislation so that families can use the bonds allocated in the bill to purchase or refinance a home that was destroyed in the 2005 hurricanes. Also, the Community Development Block grant funding formula in the legislation should account for communities that have lost significant numbers of homes in the 2005 hurricanes. Finally, the bill provides a unique opportunity for us to increase home ownership in hurricane-impacted areas.

I wish the Presiding Officer the best in helping one of her communities. But please don't forget us. I don't have Alabama numbers, but the hurricane did hit Alabama. We do have those numbers on another chart. But for those of us on the Gulf Coast, this is critical. And, yes, another hurricane season is starting this spring. Let's get some help to these people and fashion a bill that we can pass that will bring real relief to American homeowners everywhere.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Madam President, I thank my colleague for raising some of those issues. Our area was hardest hit in one area I visited not long ago, and just now we are seeing houses come back. It has been sad. I think that it has taken this long to move, going on 3 years, and you wonder why we couldn't make that happen earlier. A lot of money has been spent on interim housing and other things, that had it been spent in a way that goes directly to housing, to building new housing in safe areas and raised up so we wouldn't have a risk in the future, we would

have been a lot better off. I know it is hard because I have been there and I have seen how hard it is to move the process in a faster way. I hope in the future we will learn to do it better.

I thank my colleague for raising it.

#### BUDGET

Madam President, all of us realize our country faces a fiscal crisis. Unless we take action, we are going to see dramatic damage to our economy in the years to come. With the retirement of the baby boomers, our current spending levels on Social Security, Medicare, and Medicaid in particular are simply unsustainable.

Absent reform, the Social Security trust fund is expected to be exhausted by 2041, the Medicare Part A trust fund will be exhausted in 2019—only 11 years from now—and the cost of these Federal programs will actually exceed the current budget. The resulting deficits will be so large that many predict the Government will not be able to borrow its way out of the problem. So we do need to take some steps now.

Some may think these grim predictions, these projections are not accurate. Maybe things are not as bad as some are projecting. But I do not think anybody can doubt we are moving to a period of time when our ability to fund the entitlement programs, plus our general expenditures, will be beyond our capacity—really beyond our capacity. It becomes more difficult each year we delay in getting there.

Next week we will be marking up, in the Budget Committee, this year's budget. I have served on the Budget Committee for a number of years. Last year, we had a budget, and it was a bit discouraging. We have had discouraging budgets for some years, frankly.

I want to make some remarks to clarify what I think is a problem. Some would say it is partisan, but I think we might as well talk about it because, prior to the last election, our Democratic colleagues vigorously attacked the Republicans for not fixing our fiscal situation. They said: You are in the majority. There was, in truth, much merit to those criticisms. I do not think the Republican majority did a very good job, and people were not happy about it. It was a factor in the last election.

In fact, in the last election, 2006, when my Democratic colleagues were promising to do better—and they achieved a majority in both Houses of Congress—the polling data showed the Democratic Members of Congress were believed to be better able than Republicans to confront this deficit problem we were facing. So it was a factor, I think, in the last election.

I note that over the last several years substantial progress was made about the deficit. We do not need to be too negative here. The deficit fell from \$413 billion in 2004 to \$162 billion last year. That is more than half—well more than half—that we reduced it. I, frankly, was very hopeful that if we could continue to contain the growth

in spending we would see that deficit continue to fall.

But two things have happened that, frankly, make this a difficult year. First, the Congress voted for a \$170 billion stimulus package to send everybody checks and other things—\$170 billion. Last year, our deficit was just \$162 billion. This year we added on top of all of our spending another \$170 billion.

Since we were already in deficit, where did we get the money to pay the \$170 billion? Nobody disputes it: Every single dollar of the \$170 billion proposed is paid for by more debt. It is borrowed. It is going to be a debt we will carry and our grandchildren will carry, frankly. And we will pay interest on it. So this year's budget is going to look bad, and it is going to be difficult because we have another \$170 billion, and that is more than the deficit of all of last year.

Secondly, we still have very considerable expenses related to the war on terrorism. That hurts. But that was included in last year's deficit.

The next thing—that is troubling for us all—is the economic slowdown. We tax the American people pretty heavily—frankly, more than I like to see them taxed. We tax upper income people with even higher marginal tax rates than we tax lower income people.

When the economy is doing well—and somebody should do a better study about this, I think, than has been done to date—when the economy is doing well, upper income people tend to do very well. So their business—maybe they own 10 or 12 of this or that outlets in some city. The economy is booming. The CEO, the owner, makes \$300,000 a year, and he pays that 35-percent marginal income tax rate to the Federal Government.

Now, if the economy slows down, instead of making \$300,000, he makes \$100,000. It looks like a lot of money, but it certainly will not benefit the U.S. Treasury nearly as much because the marginal rate on \$100,000 will be lower than 35 percent. And he will only be paying on \$100,000.

So I say, we have created a tax system that has tied itself to a growing economy, and we are not in a growing economy this year. It looks like the economy is going to slow down, and it is troubling. So we cannot project the same level of revenue to the U.S. Government that we had the last several years, which had been surging. It was 13 percent, 11 percent, 10 percent the last 3 years in growth. So we are facing a difficult issue.

My Democratic colleagues, during this past election, promised to cut spending and do better than those who had been in power. My very fine colleague Senator CONRAD—who I think, if he had more support among his majority colleagues, would be able to do more than he is doing—said these things last year. This is the chairman of the Budget Committee:

So for those of us who are concerned about spending, sign me up.

On "60 Minutes":

We need to be tough on spending.

I think most of it is going to have to be on the spending side of the equation, given the magnitude of the baby boom generation.

I think we should sharply inhibit the growth of spending.

Well, those were some promises that were made last year. They have also promised and made a big to-do about the tax gap.

Now, the debate over the tax gap was simply this: Well, we don't want to promote in our first budget—last year, that was the first Democratic budget—a tax increase, so what we will do is we will use the same current tax rates, and what we will do is collect more and get those people who are cheating. We had reports from the IRS that said that was not going to work. We had experienced Senators, such as Senator GRASSLEY, former chairman of the Finance Committee, who said: That is not going to work. Senator GREGG, former chairman of the Budget Committee, and now ranking Republican on that committee, said: It is not going to work.

Oh, but they used that argument. When the budget was passed, this extra income they projected would be received into the Treasury as a result of enhanced enforcement by the IRS, that that was going to help them, allow them to spend more money and not increase the debt. OK. That was the debate we had last year when we passed a budget: a commitment they would raise more money by collecting from those who are not paying as much as they are supposed to pay. It did not happen. I will talk about that in a minute.

But I want to say this: A budget is a defining document for a political party. It is organized 51–49 with a Democratic majority here. We passed a Budget Act a number of years ago—because we could not pass budgets because of filibusters—to eliminate the filibusters during budget debates. You can pass a budget with a majority vote. So the majority party, as the Republicans could do in the past, was able to pass a budget without support from the other party. Anybody who is in a majority in the Senate ought to be able to pass a budget. It also is a document that says something about the priorities and the direction that the majority wants to see the country go: how they are going to get there. It is a very important, defining document.

Senator GREGG, last year, was very eloquent. He is such an experienced and wise Senator, who watches this carefully. He has studied these issues carefully. He predicted their budget was not going to add up last year when we passed that budget. But they insisted that it would work, as it was passed, and history now can tell us what happened. Looking back, it is clear—even in a period of good economic growth last year—the promises that were made were not kept. They told us they would cut the existing spending or reduce the

rate of increase in spending. Yet last year the majority attempted to add \$23 billion to President Bush's discretionary spending request, which already reflected a \$60 billion increase.

So President Bush's budget had a \$60 billion increase in discretionary spending. This excludes Social Security, Medicare, and the military—or the war supplementals. It excludes those entitlement programs. He proposed \$60 billion in increases. Our colleagues passed a budget in the Senate that was a \$23 billion increase above that.

Contrary to cutting spending, I would suggest my colleagues did not fulfill their promises, but actually proposed a budget that increased spending 50 percent more almost—40 percent—plus more than President Bush proposed. Over a 5-year period, that budget would have hiked nondefense discretionary spending by \$205 billion. But we did have somewhat of a battle last year, and as the great omnibus bill came through at the end of the year—that monstrosity—President Bush threatened a veto, and he forced a cut in spending. Republicans in the Congress backed him up on that veto threat, and that was achieved at the end.

It appeared that we had a spending program that was more akin to President Bush's \$60 billion increase than to an \$83 billion increase as proposed by my Democratic colleagues. But it wasn't all that good, frankly, because, as has been the case for decades, there are other options to get around the budget—gimmicks and devices. By abusing the emergency spending designation last year, the majority party was able to spend an additional \$24 billion anyway, by calling it an emergency.

If we have a budget and we agree to commit to that budget and legislation is proposed that goes above that budget, it is subject to a point of order, and you have to have 60 votes at least before you can spend it. But if you can get enough votes, if you can get 60 votes, you can just declare something an emergency, and you can put the money in the emergency spending with 60 votes, and it doesn't count against the budget because you have declared it an emergency. So that is on top of the deficit budget we have.

Also, there were great promises that any new spending programs would be offset. This is the pay-go rule. How do you offset a new spending program? You can cut spending somewhere else or you can increase taxes. That is the only way to do it under pay-go. But our colleagues have often—this pay-go rule that had been so much ballyhooed here by our colleagues—they either ignored it or gimmicked the pay-go rules last year. Such gimmickry resulted in \$143 billion in deficit spending.

For example, let's look at the SCHIP reauthorization. I hope my colleagues will just think about this. I take no pleasure in this. I have seen Republicans do this too. But this is really a

blatant example. The bill we passed last year increased funding for SCHIP, the insurance for children, increased spending over 5 years by \$35 billion. But in fiscal year 2013, that spending level was decreased by 85 percent. Now, I ask my colleagues: Why? Why would we dramatically increase funding for the SCHIP program and then in an out-year—2013—slash it by 85 percent? The reason is they score the cost of it over 5 years. So for 4 years we would have a dramatic increase, and in the fifth year they make a dramatic 85-percent reduction. The question is, Why was that done? So it would fit within the score, the 5-year score. But what is really going to happen? Does anybody in this Senate think that in 2013 we are going to cut the children's insurance program by 85 percent? Of course not. This is a gimmick. It was a gimmick to make it fit within the budget, to appear not to be in violation of the pay-go rule when, in fact, we know we couldn't possibly reduce that program by 85 percent.

Not only does the pay-go rule fail to control spending, it will put us on an almost guaranteed path to large tax increases. Under the Democratic budget that passed last year, any existing tax cut, any existing lower tax rate that expires sometime in the future would be allowed to expire—for our colleagues, to continue those current levels of taxes, to continue them at a lower rate is considered a tax cut. So to extend the dividend cuts, extend the capital gains cuts, extend the lower rates for lower income workers, it amounts to, under their definition, a tax cut. It takes 60 votes under this pay-go rule to pass a tax cut. President Clinton said he opposes these tax cuts that President Bush passed, and I think that represents the majority view of my colleagues, so we are looking at a period of time that we could see additional increases in taxes, and to keep them at the current rate, they will score it as a tax cut. We will either pay for it under this definition by reducing spending or increasing taxes somewhere else. We are not going to reduce spending because we have already seen the majority party has proposed a budget that spends more than President Bush proposed, and he proposed an increase in spending.

It is sort of a perverse little deal. Under this pay-go rule, my colleagues assume that spending will go up each year, so that doesn't have to be offset. It goes up at a certain rate, but they say if you extend the current tax rates, that is a tax cut. It provides an incentive and an advancement of spending and a detriment to tax reductions.

Now, with regard to the tax gap, it would be pretty humorous, frankly, if it weren't so serious. Their proposals on this tax gap, this idea that they are going to raise more taxes by having the IRS increase collections, was one of the wildest political chimeras this Senate has seen in quite a number of years. As I have indicated, senior Senators such

as Senator GRASSLEY and Senator GREGG pointed out how it was not going to work, and they cited the IRS and other things that showed it, but we passed it anyway. We scored the budget on the assumption the money would come in. It was going to raise \$300 billion over 5 years, just in enhanced collections. So we assumed we were going to enhance tax collections by \$300 billion over the next 5 years last year when we passed this Democratic budget. But we see now, from the best estimates we have for the effort of closing the tax gap, it is not going to raise \$300 billion, it will raise \$200 million over 5 years, \$40 million a year—hardly enough to impact the overall deficit situation we are in at all. The House has recently passed legislation that actually is going to widen the tax gap, unfortunately.

Our colleagues promised to enact middle-class tax relief, but that has not been done. There has been no action to extend the marriage penalty relief we have today, the \$1,000-per-child tax credit we have, the 10-percent tax break credit—the 10-percent tax bracket for low-income workers, or any kind of estate tax reform. So we have had that talk, but we haven't passed it, and we are heading to the point where we are going to have a pay-go problem to even extend these current rates, and they are going to score that as a tax cut and demand to know where we are going to get the money from. The capital gains reduction that virtually every economist agrees results in increased revenues to the Government from capital gains taxes will expire in 2010. The 10-percent tax bracket—the low 10-percent tax bracket that didn't previously exist but was created as a result of President Bush's tax cuts would expire, and it would go back to 15 percent for lower income individuals. Setting a dividend rate at 15 percent will end; it will go back to the marginal rate for many people of over 30 percent. Does anybody think that is going to help the stock market to increase—double—the rate for dividend taxes you have to pay? So the best scores we have are that we are heading toward a \$900 billion tax increase that will impact directly—and everybody indirectly—116 million taxpayers.

What about entitlements? The majority party talked about doing something about entitlements. I think Senator CONRAD truly believes we should do something about it. He has worked hard at it, but he has never gotten the support on his side of the aisle to ever make a dent in it. We have to think about entitlement spending.

At this point in time, entitlement spending—Social Security, Medicare, Medicaid—exceeds half of our budget, half of what we spend. That number is growing. Some have it up to 100 percent of the current budget level in a number of decades unless something were to change. At least President Bush consistently has offered programs to improve and contain the growth in

these programs. He talked about Social Security reform, and the door was slammed shut. My colleagues wouldn't even discuss it. He has talked about Medicare and Medicaid. Nobody would talk about that last year. It was absolutely not a part of last year's budget.

So I think this is irresponsible. If we are heading on a glidepath that takes us to trillions and trillions of dollars in debt, driven overwhelmingly by the 6, 7, 8 percent increases annually in Medicare and Medicaid, why can't we begin to reduce that growth rate and bring it more close to the inflation rate of 2, 3 percent, maybe 4 percent, 5 percent increases each year?

Finally, I thought one of the most effective critiques of the Republican majority leadership in 2006 and the years before was we weren't passing our appropriations bills on time. They had too much pork in them. Stuff was put in them in the dead of night, and we didn't have a chance to read it and do anything about it. That was the valid criticism of the Republican majority.

What happened this past year after our colleagues won the majority, claiming they were going to do better? Did they do better? Well, we have 12 appropriations bills each year. We should enact each one of them individually. They should be brought up on the floor one-by-one. There should be an opportunity to offer amendments, and they should be voted up or down, right? No, that is not the way it goes. This past year, we had the largest omnibus bill in 20 years. The majority sent us, near Christmas, a 1,600-page omnibus package that combined into one bill 11 of the 12 appropriations bills, and then it hit this floor; there was no time to read it. We didn't know what kind of pork or policy had been added to it. We were challenged to vote for it or not. It was \$555 billion. That is worse than we have had in terms of an omnibus package in 20 years.

Frankly, the majority leader, Senator REID, has indicated that he may not even bring up the appropriations bills or we may have another great omnibus bill this year, but after the election. Well, the election is in November. The fiscal year starts October 1. It is our responsibility to have the appropriations bills passed before the beginning of the fiscal year, October 1.

It is as if he is throwing in the towel before we even get there. Frankly, as an aside, I truly believe we would do much better if we went to a 2-year budget and 2-year appropriations, as over half of the States have. That would help us in this process because this happens every year, and it is getting worse, it seems, every year.

We will soon have the new budget resolution. It will hit the committee next week. I am a member of the committee. It was a failed and unhealthy budget last year that was moved forward by our Democratic colleagues. I am afraid this one will not be much better.

I noticed that the Democratic Presidential candidates are offering a lot of

new proposals. Senator OBAMA, who now leads, has offered 158 of them that would cost at least \$312 billion in new annual spending, or \$1.4 trillion over 5 years, as we tend to score those things. That doesn't include all of his proposals that are out there.

Madam President, I will conclude by telling the American people and my colleagues that next week we will begin a defining process. Next week, the majority party will offer a budget. Because of the budget rules, with 51 votes, they will be able to pass this budget. So because the Democratic majority has 51 votes, they can pass the budget they want. But we need to examine it because it will tell us and America what their priorities are, what their commitment is, how willing they are to sacrifice and make sure we have fiscal responsibility in this country.

Based on last year's budget, I am afraid it is not going to be any better. Based on the fact that Senator REID says he doesn't expect we will finish the appropriations process until after the November elections, I don't sense any commitment to do better than the Republicans did when they had the majority. Certainly, this year, their performance was worse. This past year, it was worse, and it doesn't look as if it will be better in the future.

I thank the Chair for this opportunity to share my concerns. I hope we can be frank about these matters because the majority party knows it has a very serious responsibility when it submits a budget. We knew it when we had the majority. I sat on the Budget Committee. Senator CONRAD and his colleagues know they have that responsibility. They also know they have the votes to pass this. Therefore, there can be no excuses. There is nowhere to hide. Are you going to do anything about entitlements? Are you going to guarantee tax cuts? Are you going to submit a budget that projects lower spending or one that is filled with gimmicks to hide even more spending increases? It is a big deal. We will be talking about this for some weeks. I hope our colleagues will focus on this.

The PRESIDING OFFICER. The Senator from Utah is recognized.

#### FISA MODERNIZATION LEGISLATION

Mr. HATCH. Madam President, during a debate about strategy on how to defeat al-Qaida, goal No. 1 should be figuring out their plans. What are their tactics and targets? How do we do this? We use our technological advantages to get this information. That is what the FISA modernization bill allows us to do.

The Congress has been working on FISA modernization since April 2007—over 300 days ago. But I guess 300 days is not enough time for a bill of this magnitude, right? But wait, the Constitution of the United States has written in only about 115 days, and that included travel time on horseback for the Founding Fathers. So the entire Constitution of the United States was written in one-third of the time we have spent on FISA modernization.

Congress has plenty of time and has had plenty of time to debate this issue. Given that the executive strategy in this instance is paramount, the next President's decision, whoever that may be, will be critical. Like many people, I have watched many of the Presidential debates. One thing amazes me: Out of at least 32 debates and forums, the candidates have yet to receive one question on FISA, the most important piece of legislation certainly in the last number of years and certainly in this Congress. There has not been not one question on the Foreign Intelligence Surveillance Act and what we are trying to do here. So we are continuing to talk about the most important bill in the entire 110th Congress, which is apparently not important enough to come up during over 50 hours of discussion with our next Commander in Chief.

I did hear an interesting comment during the most recent debate. A decision to utilize military strikes to kill al-Qaida in Pakistan was seemingly supported. That is the irony of this situation. It is OK if we kill terrorists overseas with missiles, but we cannot listen to the phone calls of new terrorists without demonstrating "probable cause." We have to ask what probable cause is and why it exists at all. That will tell us to whom it belongs. Probable cause is a check on Government power rooted in the due process guaranteed by the Constitution. Who may claim such due process protection under the Constitution of the United States? U.S. citizens, not foreign citizens overseas.

We are constantly hearing from the leadership in Congress about the need to "bring people together." Yet, at every turn, they seem to be willing to set aside bipartisanship in favor of the preferred policies—in favor of preferred policies of extreme political organizations. If Democrats really want to change the tone in Washington, they are going to have to, at some point, say no to the more radical elements of their base.

With the current stalemate on FISA modernization legislation, we have seen both political parties blaming each other for the delay. We have heard notions that we are not in danger due to the lapse of the Protect America Act. While our opinions on this issue will remain in bitter disagreement, the solution to these problems is quite easy. In fact, it should take about 15 minutes to solve this problem. Here is the answer, and it is just four words: Let the House vote. That is it. It doesn't take a genius to come up with a solution. All of the disputes will go away, and the bipartisan majority of the House will approve the bill if given a chance to do so. Is this a novel concept? The House of Representatives has been voting on bills since 1789—over 219 years ago. Will we ever be in a situation as complicated as this again, where the solution to every problem is allowing our elected officials to vote?

Back on December 17, on this very floor, I asked one of my Democratic colleagues if he agreed with me that should the FISA bill pass, it would be one of the best examples of bipartisanship in the whole 110th Congress and maybe in the history of this body. He agreed with this notion. Months later, this worthy goal came to fruition in the Senate.

As we all know, the Senate approved a FISA modernization bill by a bipartisan supermajority vote, a veto-proof margin. Senators from both sides of the aisle engaged in lengthy and informative debate and came together to pass a bill that met the goals of modernizing FISA.

This rare demonstration of unity came to a crashing halt on February 14. Rather than allow a bipartisan majority of the House to vote on and pass this bill, the House leadership refused to allow a vote on this bill. The House spent its last legislative day, before their weeklong recess period, debating and voting on a contempt resolution to further a partisan fishing expedition that has led to no credible evidence of wrongdoing. House Democrats had been sitting on these resolutions since July, for over 201 days. Yet they determined that they were so important that they superseded the needs of our intelligence community and the needs of protecting the American public.

So a bipartisan majority of the House was ready and eager to vote on this bill and was prohibited from voting on this bill. While numerous lawmakers stated they would stay in Washington—including me—for as long as it took to get this bill passed, the leadership from the House forced them to go on vacation. So they were prohibited from voting on a bipartisan bill to protect our country but were mandated to take a recess period.

You want to stay and vote on this bill? Too bad. We would rather you take some time off. Go back to your districts and take a break. Don't worry about our intelligence community. They have all the tools they need. That is what the House Members heard. These Representatives did not need to be patronized; they needed to be given a chance to vote.

The Attorney General, the chief law enforcement official of the United States, and the Director of National Intelligence, the person who is responsible for our intelligence in this country, say that the lapse of the Protect America Act caused us to miss information. These officials have more institutional knowledge on this topic than anyone in either body, and they dispute the notions that "the intelligence community has everything it needs." With all due respect to all of us who serve as politicians, I am going to trust in the expertise of the Attorney General and DNI over the assurances of politicians in an election year.

So why doesn't the House leadership allow a vote on this bill? Could it be because they know it will pass, which

it would? But we cannot have that. Heaven forbid, democracy would be free to run its course.

So rather than vote on this bill, we are hearing that the House leadership wants to conference this bill. Conferences are about resolving disagreements between the Chambers. But remember, a bipartisan majority from both Chambers has no disagreements on this bill. There are no disagreements to resolve between the majority of the Senate and the House. So a conference is entirely inappropriate in this situation.

I have also heard an argument that the House needs more time to review the immunity provision—the immunity that would protect these companies that patriotically cooperated with us in collecting the information that protected American citizens, which are now being sued in 40 different lawsuits for hundreds of billions of dollars. I want to make sure everybody is perfectly aware that the immunity provision has been publicly available and unaltered for 133 days. It has not been hidden. It has been available to everybody in Congress. It has been available to the world on the Web site of the Senate Intelligence Committee. It only takes about 3 minutes to read it. It should not take 133 days to analyze it, while putting our American public at risk.

I am also amazed at the false descriptions floating around about the terrorist surveillance program, TSP, which is the program the President described on December 17, 2005, during a radio address. We have all heard the terms: the warrantless wiretapping, domestic spying, or eavesdropping bill. The list goes on. Let's look at what the President actually said during his radio address on December 17, 2005:

In the weeks following the terrorist attacks on our Nation, I authorized the National Security Agency, consistent with U.S. law and the Constitution, to intercept the international communications of people with known links to al-Qaida and related terrorist organizations. Before we intercept these communications, the Government must have information that establishes a clear link to these terrorist networks.

I don't see anything in this statement about domestic spying. I thought the definition of the word domestic was pretty clear. If the program intercepted communications in which at least one party was overseas, not to mention a member of al-Qaida, then it seems fairly obvious that the calls were not domestic.

Look at this chart. Is this such a hard concept to grasp? The last time I flew overseas, I didn't fly on a domestic flight, I flew on an international flight. And there is a big difference between domestic calls and international calls. My last phone bill showed a big difference between the price of the two. Is it a domestic call when a foreign terrorist calls someone in our country or someone in our country involved in terrorism calls a terrorist in a foreign country?

"Domestic spying" may sound catchy and mysterious, but it is a completely inaccurate way to describe the terrorist surveillance program or the FISA modernization bill. Why don't we describe them as we should: international spying. Isn't that a more accurate description? I guess accurate descriptions take a back seat to terms which incite fear and distrust in our Government.

What about "warrantless wiretapping," doesn't this sound like a bad thing? Perhaps we should read the fourth amendment to the Constitution. Notice that not all searches require a warrant. Every member of the public who is up in the galleries watching us today went through a warrantless search to get into this building. Every time an American comes into the United States at the border, they go through a highly intrusive warrantless search. Every time an American gets on a plane, they go through a warrantless search. Every time an American goes to see a rally or speech from the President of the United States, thus exercising their first amendment rights, they go through a warrantless search. And there is good reason for it.

Remember, foreign citizens overseas receive no protection from the fourth amendment. So "warrantless wiretapping" in this instance is perfectly constitutional. In addition, look at what the Foreign Intelligence Surveillance Court, the highest court to look into this issue, previously said. This is 310 F3rd 717, FISA Court of Review in 2002. It is called *In re: Sealed Case*:

The Truong court, as did all the other courts to have decided the issue, held that the President did have inherent authority to conduct warrantless searches to obtain foreign intelligence information. . . . We take for granted that the President does have that authority and, assuming that is so, FISA could not encroach on the President's constitutional power.

That is one of the few formal cases out of the FISA Court.

Given the staggering amount of misinformation in the public, how many people have incorrectly stated that the Government can listen to all of their phone calls, read all of their e-mails, spy on American families overseas, even spy on our own military members overseas? How many of these false representations have been made by my colleagues and by others?

These accusations are completely false and are meant to incite fear of nonpolitical intelligence analysts who serve regardless of whom the President is. Isn't that the real fear mongering? Terrorists killed 3,000 Americans on September 11 and killed hundreds of other people in Madrid, London, Bali, and Kenya. They have sworn to kill more. They have said that "the streets of America shall run red with blood, casualties will be too many to count, and the next wave of attacks may come at any moment."

These terrorists recently called for the President of the United States to

be “received not with roses and applause, but with bombs and booby traps” during a recent Presidential trip overseas. So they wish death on all Americans and they threaten the assassination of the President of the United States. Yet if we acknowledge their threats, if we try to prepare for these attacks, we are accused of the politics of fear. But there is no problem when numerous individuals completely misrepresent how our Government protects our country. Nobody is calling these tactics “fear mongering,” so is it perfectly acceptable to question the integrity of thousands of Americans who have taken an oath to defend the Constitution of the United States and who have dedicated their lives to preventing our great Nation from suffering these terrorist attacks?

I am sorry to break it to people, but our intelligence analysts have more important things to do than look at someone’s eBay transactions and listen to phone calls from the Jones family on their family vacation in Italy. I guess I shouldn’t be surprised by these conspiracy theories, given the vocal lunacy expounded by those who think the September 11 attacks were an “inside job.”

The FISA modernization bill should be the best example of how meaningful legislation becomes enacted. This bill passed by a veto-proof majority in the Senate. It came out of the Senate Select Committee on Intelligence, on which I serve, 13 to 2. It was bipartisan. It is supported by the intelligence community, and it has the support of the executive branch. Isn’t this about as good as it gets? When a bill has support from all these elements, there is no excuse for it being held up.

The House leadership has indicated it intends to unveil a “compromise” FISA bill. Apparently, House Democrats are using an unconventional definition of the word “compromise.” What would they call the Senate bill? We went through months of hearings in the Senate Select Committee on Intelligence asking about pros and cons, asked thousand of questions, met with the top people in all fields, were read into the program, went out to the National Security Agency to look at these programs. What do they call the Senate bill?

No one, not the administration or anyone in the Senate, got everything they wanted with the Senate bill. It is a compromise. Is it everything I want? No. Are there things in there I wish we did not put in there? Yes. But it is a compromise, and I voted for it.

All sides had to make concessions before a final solution was reached 13 to 2 in the committee and it was bipartisan, 68 to 29 in the Senate—bipartisan. That is precisely what the compromise is all about. I simply do not follow the logic of rejecting a bipartisan result, which is what we already have, in favor of a more partisan solution and calling it a “compromise.” I can only assume that when House

Democrats say “compromise,” they mean something else—capitulation.

I don’t intend to capitulate on this issue. I hope the Representatives in the House who share my view will weigh in with the House leadership and other Democrats who have been holding this up to the detriment of the citizens of the United States of America. I have been to this floor countless times to discuss FISA modernization, and I will continue to do so. I will continue to fight for this cause because it is the right thing to do and especially since so many in both parties have come together to support the Senate bill and would support it in the House if the chance was given.

Madam President, we are still in the month of February. We should be doing our work here in the Senate. We should be working toward legitimate, bipartisan agreements on the issues that matter most to Americans.

That is what our constituents sent us here to do. Of course, in an election year, particularly a Presidential election year, we unfortunately slide into a silly season where very little gets done.

Instead of listening to each other and trying to come up with commonsense solutions, there is a temptation to use the Senate as an arena to make one’s opponents look bad.

Usually the flowers of that silly season do not bloom until the summer. We are still in the month of February! We need to be getting the work of the American people done. We are in a time of legitimate economic distress.

There are very different ideas about how to deal with this economic slowdown. There is nothing wrong with this difference of opinion. The majority seems to think that the principal way to deal with an economic challenge is to spend money. To be clearer, they think that the answer is to spend taxpayer money. And make no mistake, if there is not enough taxpayer money to go around, the solution to an economic slowdown for the majority is to raise taxes. Conservatives have a slightly different understanding of what it takes to get the economy running again.

When the companies that Americans work for are loathe to invest, it hurts employees. When they don’t invest, these companies do not create jobs. And when the economy is weak, it makes it more difficult for an entrepreneurial American to take the risks necessary and obtain the credit to start new businesses that will employ the people in his community.

So conservatives think we should do more to encourage business investment and capital formation. Both sides want to do what they can to get the economy humming. And both sides think there are different ways to accomplish this. Sounds like an opportunity for compromise to me!

But I think that some of my colleagues are more interested in an issue than a solution. We should not elevate politics above solutions. Congress

needs to come together. Conservatives believe that their policies will work effectively to help the economy and the families that depend on good jobs and economic growth. We are not asking much.

We are simply asking that our ideas be taken seriously. And we should be. Even in the most liberal of States, Members of this body have many conservative constituents. Is it really too much to ask that those ideas be given an opportunity to debate on the Senate floor? It shouldn’t be.

I am not sure, however, that the majority is interested in that debate. Twice this week, Senate minority voted to proceed to bills offered by the majority leader and my colleague from Wisconsin, Senator FEINGOLD. Yet after voting to proceed to those bills, we were accused of blocking debate on the bills we helped to bring to the floor. That really is a classic.

The majority casts 21 votes against proceeding to a bill the majority leader himself wanted to proceed to debate. The minority casts the votes to allow that debate. And then the minority stands accused of delay.

A similar pattern has occurred with this housing bill. The majority rushed a bill to the floor. They bypassed the relevant committees. They bypassed the regular order.

In their haste, they made a small mistake with the legislation. Well, maybe it was not that small. The majority intended to spend \$2 billion on counseling for distressed homeowners. They accidentally made this a \$200 billion program; \$200 billion.

I understand that this is a mistake. But it is a mistake born of a cavalier approach to legislating. We could have had a consensus bill.

Instead, the majority never consulted with the minority as this bill was being put together. In our view, we have a much better plan. It includes titles that would address taxes, capital markets, housing, and tort reform. We would keep taxes low.

We would extend the 2001 and 2003 tax cuts, preventing a looming tax hike, and making sure that working families do not get socked with thousands of dollars in extra taxes when these tax cuts expire in 2010.

We would increase the value of homes and prevent an unfair tax on their sale. We would help to keep jobs at home by encouraging job creation.

We would help prevent foreclosures by providing credit stability.

We would maintain the value and security of neighborhoods by encouraging the speedy sale and renovation of foreclosed homes.

And we would protect small businesses from the threat of excessive and frivolous lawsuits.

And let me tell you, when I talk to businesses, businesses that are subject to incessant litigation, tort reform is at the top of the list of things we have to do. It hurts companies large and small, and we need to do something about it.



I think if we had been invited to the table to discuss this bill, had been a party to the negotiation, or even been allowed to offer amendments, we could have worked something out on this bill.

We could have found common ground. I know that is what the American people want. We have been hearing a lot about common ground these days.

Whenever I turn on the television, I hear someone telling us about the need to change our ways in Washington. I hear about the need to bring people together. Well, we certainly have our opportunities.

But I feel that they are being missed. We do not have to be consumed by partisanship. In 2005 and 2006, Congress accomplished a number of serious policy reforms. We passed bankruptcy reform, class action reform, energy and highway bills, CAFTA and other trade bills, and the most significant reforms of pension laws in 30 years.

And those bills only became law because of debate, negotiation, and compromise. Through amendments, the regular order, and serious debate, the Senate was able to pass consensus legislation. And today? It is not quite the same.

Take it or leave it is not the stuff of statesmanship. It is the stuff of the sandlot. Leadership demands a willingness to listen to both sides. It requires compromise and openness to other ideas. The American people have made their position clear. They are tired of business as usual.

In the coming months, I hope to work with the majority on the issues of importance to the American people. The last week has not been very promising. Nonetheless, my hope is that Congress will be able to accomplish important reforms for the American people even in this election year.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. McCASKILL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Madam President, I have spoken twice on energy, once today and once yesterday.

I have come to add a few more thoughts to my previous remarks on energy. I spoke yesterday of the recent Energy bills that Congress has passed, and the growing costs of our dependence on foreign oil. This morning, I urged my colleagues to reach agreement on a comprehensive energy policy that uses our own resources to meet our energy needs.

Of all the issues we have to consider in this Congress, some may wonder why I have focused on energy three times in the past 2 days. The answer is simple: it is February 29. Oil is going

for nearly \$102 per barrel, and gas prices are up 20 cents in the past 2 weeks alone. The start of the summer driving season is still 3 months away, but consumers are already being squeezed by near-record energy prices. More than that, this should be a story we talk about in both good and bad times, because our dependence is growing great and it is not matched by our policy.

We must rethink our policies to match the modern challenges we face. As I have indicated, our Nation has a great quantity of oil locked up off of our coasts, beneath our permafrost, and within our shale. These areas can provide a stable supply of energy as we transition to alternative fuels. But oil is not the only resource that can be developed at home and depended upon to meet our energy needs. We are also fortunate to have vast reserves of coal: some 270 billion recoverable tons, which would last for 240 years at the current rate of consumption. That coal can be turned into fuels that help meet our transportation, manufacturing, and electric power needs.

Because of the emissions that result when coal is converted to energy, we will need cleaner methods to ensure the protection of our environment. To me, this is an opportunity. Our Nation has a proud heritage of innovation, and there is no reason to believe this strong record will not continue in the future. As our most abundant and affordable fossil resource, we cannot simply cross coal off the list. Any serious effort to strengthen our energy security must include coal.

One of our best prospects is to advance the development of coal-to-liquid fuels. As an alternative to oil, coal-to-liquid fuels have many merits: it will reduce emissions of sulfur dioxide, nitrous oxide, particulate matter, and other pollutants when compared to conventional fuels. Coal-to-liquid fuels have been commercially demonstrated in other countries, can be moved through existing pipelines, and can be used in existing vehicles. Commercialization of this resource will create investment in rural communities, thousands of good-paying jobs, and cheaper energy for American consumers. Despite this potential, two amendments to advance this type of fuel were defeated on party-line votes in the most recent energy debate.

Future generations of automobiles will be powered by the advanced battery. The Government must redouble its efforts to ensure the research, development, and deployment of these technologies. Reliable and rechargeable batteries will be critical to the success of hybrid vehicles, which hold tremendous promise for reducing the amount of oil consumed in the transportation sector.

The policies I have spoken of these past 2 days are just a few of the options available to us. We should also increase the number of flex-fuel vehicles on the road, and the number of stations that

offer blended fuels. We should offer incentives to existing refineries, and encourage the expedited construction of new ones, to reduce the amount of gasoline we import. We continue to lament that while our refinery capacity has improved at existing sites, we have not built a new refinery in 30 years. Again, these are just a sampling of the policy options available to the Congress as we seek to chart a more responsible path forward.

As a member of the Senate Energy Committee for nearly 30 years, and its chair or ranking member for much of the past decade, I obviously have strong views on the energy policies that will best serve our Nation. But I also recognize that we must work together to find common ground. We did this in the past on energy policy, and we can do it again.

The costs of our dependence on foreign oil are enormous and increasing. The consequences of removing money from our economy, and sending it to often-volatile oil-producing nations, are becoming clear. Few positives will ever be drawn from this arrangement.

When we import oil, we export our jobs and we export our wealth. We strengthen regimes that are intent on undermining our interests, opposed to the spread of democracy, and unwilling to extend some of the most basic freedoms to their own people. When we import oil, we threaten our national security and our economic strength. As we look ahead, we must remember that for today and the foreseeable future, we need oil. We should put our American energy resources to use.

This is my final year in the Senate. It is a privilege and an honor to serve the people of New Mexico and this country. But it is not just the end of my time in the Senate that approaches; the time to reduce our growing dependence on foreign oil is also upon us.

It is my sincere hope that we will use this year and the future to work together on policies that will move us toward our energy security goals. This will require us to set aside our differences and make difficult decisions. It will require us to come to the table with open minds and positive intentions. In an era defined by its bitter partisanship, this will not be easy. But given the stakes—our national security, our economic strength, and our standing in the world—that is exactly what we must do.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Madam President, before my distinguished friend leaves the floor, let me say publicly what I have said privately to my friend, the distinguished senior Senator from New Mexico. He has been a great Senator. He and I have worked together on issues that only we know about because of the sensitive nature of what we did, dealing with the nuclear stockpile we have.



As the chairman and ranking member of the Energy and Water Subcommittee on Appropriations, we worked for years as chairman, as ranking member, however the majority in the Senate was, and I think we have done a good job so that our nuclear stockpile is safe and reliable. I hope those who follow us recognize how sensitive and important this is.

We also worked on other issues with our great national laboratories, two of which are located in New Mexico. I think the Senator and I have done some good work to protect basic science which so much of it comes from these laboratories, and, of course, Livermore in California. We have done some of the great experimental work at the Nevada test site.

I personally look forward to working with this wonderful Senator for the next 10 months, but also we will miss him a lot. I hope we are able to pick up another vote, and we will have one soon, on allowing this country to go to more alternative energy. We missed by one the ability to do that. There was some concern about what some of the offsets were.

So I hope my friend, with all the persuasive powers he has among my colleagues on the other side of the aisle, will work to see what we can do to come up with that vote. Even though I am not a big fan of coal, I understand the long-time work this man has done in trying to develop some other way of lessening our dependence on foreign oil.

In short, I express my friendship and appreciation to the Senator from New Mexico. I look forward to the next 10 months and hopefully in the next few weeks of working something out so we can get long-term tax credits for renewable energy which will work in New Mexico and Nevada.

We have great natural resources which are not being used because of the inability of the financial world to invest because they need the incentives for long-term tax credits to do that.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Before we leave, Madam President, I say to the distinguished majority leader that I appreciate his kind, generous remarks.

Mr. REID. Madam President, I would say this: They were not generous enough. This man deserves far more than that. I hope someday, in the next few months, someone asks me in detail, because there should be a historical account of this man's service in the Senate. I want to tell them things that only he and I know that should be known to the public. He is a real dedicated public servant.

Anyway, that is enough of that, but there will be more I will say about Senator DOMENICI at a later time.

Mr. DOMENICI. Madam President, I also want to make a comment regarding something the leader said when he was discussing my speech he heard.

I want to say to the Senator, you caught the end of 2 days of speaking on

energy, and you heard: coal. I want you to know I had spoken of many other sources of energy before that. But I thought in recapping what we own, you must include coal in that. That is why you heard it there, not to give it special emphasis beyond which it is entitled.

Mr. REID. I would briefly say, Madam President, I, with Senator DOMENICI, have been involved in producing huge amounts of money for research into clean coal.

Mr. DOMENICI. Right.

Mr. REID. I think we should continue that research. Right now I am totally unsatisfied as to where we are with clean coal technology. But we should spend more money because we have great resources, and maybe someday we can work it out so it will work.

Mr. DOMENICI. I thank the Senator.

#### FISA

Mr. REID. Democrats and Republicans are united in our resolve to fight terrorism. Democrats, no less than Republicans, want to provide our intelligence professionals with the tools they need while protecting the privacy of law-abiding Americans.

Both the House and the Senate have passed bills to strengthen the 1978 FISA law, the Foreign Intelligence Surveillance Act. The House passed its bill in November. We passed our bill a couple of weeks ago.

Since Senate passage, the chairmen of the Senate and House Judiciary and Intelligence Committees have been working very hard to resolve differences between the two bills. Democratic staff have been meeting and exchanging ideas and proposed language. But, I am sorry to say, the Republicans have instructed their staffs not to participate in those negotiations. Yesterday, the President held yet another of his increasingly belligerent news conferences demanding the House of Representatives pass the Senate's FISA bill. He does not want to negotiate, he does want any negotiation between the House and the Senate. He has decreed such. He simply wants the House to bend to his will and pass the bill he prefers without changing a single word.

The President said there is a majority in the House that will pass the Senate bill. That may or may not be true. But what we do know for a fact is there was a majority in the House for the bill they passed last November. That is why we need negotiations. We would much prefer it be negotiated on a bipartisan basis, not just being done with Democrats.

A new FISA law that passed with broad bipartisan support of both Houses would be good. A new FISA law that passed with broad bipartisan support in both Houses would provide greater certainty to the intelligence community and make us a stronger nation.

There are some hopeful signs that we can do this. It may be possible. Yesterday, House and Senate Members finally from both sides of the aisle had a pro-

ductive meeting with the general counsel to the Director of National Intelligence.

I urge President Bush to engage in a more constructive manner in this effort to pass a new FISA bill to allow and encourage bipartisan negotiations. As we move forward, there is no reason not to extend the PATRIOT Act to ensure there are no gaps in our intelligence-gathering capabilities.

Even Admiral McConnell, the Director of National Intelligence, has testified that such an extension would be valuable. But the President threatens to veto an extension and my Republican colleagues continue inexplicably to oppose it. The President asked us to extend it. He is the reason we have not extended it. I urge the President to withdraw his opposition.

I will now ask unanimous consent to take up and pass S. 2664, a bill that would extend the PATRIOT Act for 30 days, and make the extension effective as of February 15 to ensure there are no adverse legal consequences from the President's decision to let the law expire.

#### UNANIMOUS CONSENT REQUEST—S. 2664

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 583, S. 2664, which is a 30-day extension of the Protect America Act; further, that the bill be read a third time and passed, and the motion to reconsider be laid on the table and there be no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Madam President, while Democrats and Republicans joined last month to pass the economic stimulus package, we agreed that it was an important first step in addressing our country's economic challenge, but we agreed it was only a first step, that we must do more to help America.

All Americans are struggling. We must do more to help Americans struggling to make ends meet. Yesterday Democrats tried to take that next step. We brought to the floor a genuine effort to help families and neighborhoods weather the growing housing crisis. But Republicans in the Senate blocked our legislation to help struggling American families, as they have done time and again on other important legislation.

Why did they choose obstruction over American families at risk to lose their homes? Senator ALEXANDER, my friend from Tennessee, and a few others, said here on the floor that all Republicans wanted was an opportunity to offer amendments.

Anyone following this debate would know my Republican colleague was given some very bad information or that his or their staffs watched none of the floor debate on this issue.

I have said numerous times, both publicly and privately, that both sides want to offer amendments; that is, Democrats and Republicans, and both sides should have that opportunity. I have said that privately to the Republican leader, and publicly here on the floor, and in many press events.

I told, in fact, Senator MCCONNELL more than a week ago that we intended to allow both Democrats and Republicans to offer amendments. I have made that commitment on this issue several times on the floor. My words are available for anyone to review in the CONGRESSIONAL RECORD.

There is only one reason why Republicans were not able to offer amendments. They refused to let us move procedurally to the legislative posture where amendments could be offered. We have here before us the Republican filibuster chart. You will note that we keep changing the numbers because they keep coming; 72 Republican filibusters, 72.

Last year, in less than 1 year, the Republican minority broke all records for a 2-year Congress in the number of filibusters. And we have another on the housing stimulus package.

The Republicans' decision to deny the ability to even take up this bill deprived both sides of the opportunities to offer a single amendment. As I said yesterday, why would you stop us from going to the bill? I have said: You can offer amendments. Then, if you do not like what happens, you still have 49; it only takes 41 of you to stop us from doing anything.

Why would you stop us? They are stopping us because they want to slow things down. That is the whole purpose. They do not want this minority to allow us to do something. I guess the direction is coming directly from Bush and CHENEY.

My colleagues can talk all they want about amendments, but the record betrays the rhetoric. Yesterday's Republican press conference was before that vote. The Republicans held a press conference saying what it is that should be done with the housing problems.

Now, listen to this: As reported in the New York Times and other places, here is their solution, according to a public press conference they held before the vote yesterday to stop us from going forward.

Here is what they want to do: tort reform. That is going to really help the housing crisis, tort reform. The other thing they want to do is lower taxes. That is so Bush-Cheney that we look and we find that is why we are in the trouble we are today. When the President took office, there was a surplus over the next 10 years of \$7 trillion. That is gone. As indicated by Nobel Prize winning economist Stiglitz yesterday, the war has and will cost us \$3 trillion.

Instead of standing on the side of struggling families and at-risk homeowners, Republicans in the Senate once again chose the side of Bush and CHE-

NEY, big banks, and big business. Republicans want us to continue to help those who contributed to the foreclosure debacle in the first place. Yesterday's prevention of us going forward to legislate was a victory for the people who are causing all the trouble to begin with. Who were the losers? Middle-class Americans, people trying to stay in their homes. The Republican alternative housing plan is almost laughable.

The Presiding Officer is a lawyer. She has been to court a few times to prosecute people, knows what is going on on the civil side. Their solution to the housing crisis is tort reform? How can they say that with a straight face?

That is not me. Read about it. It is in today's press. And more tax cuts. Neither has anything to do with the housing crisis. The Republican housing plan consists of tired programs from a dusty Bush-Cheney playbook. Tort reform and Bush tax policy, neither have anything to do with housing. The housing plan Democrats proposed offers real solutions to the crisis that families and neighborhoods are facing all across the country.

Today I had another conversation with the chairman of the Banking Committee, one of the more senior Members of this body. I said: Senator DODD, if your counterpart, DICK SHELBLY, wants to work out anything on this housing stimulus crisis, let's work it out. If there are amendments they want to offer, let's take a look at the amendments. My people want to offer amendments. They want to offer amendments. Let's offer some amendments. But tort reform? Cutting taxes?

The housing plan Democrats propose offers real solutions to the crisis families and neighborhoods are facing all across America—Missouri, Nevada, New Mexico, all over. Our plan helps families keep their homes by increasing preforeclosure counseling funds. Our plan expands refinancing opportunities for homeowners stuck in bad loans. Our program provides funds to help the highest need communities purchase and rehabilitate foreclosed properties. This is a proposal the President talked about in his State of the Union message and on which he is now blocking us. We tried to get this in our previous stimulus package, something the President talked about in his State of the Union Address. No. I guess from the speech back to the White House someone talked him out of it.

Our legislation helps families avoid foreclosure in the future by improving loan disclosures and transparency during the original loan and refinancing process. JACK REED of Rhode Island sponsored that provision. Our legislation amends the Bankruptcy Code to allow home loans on primary residences to be modified, only in certain circumstances with very strict guidelines.

If the Republicans and the President don't like that provision, offer an amendment to take it out. I have said

that publicly. If you don't like it, offer an amendment to take it out. Maybe you will get some Democrats to join with you. I think that is a pretty good bet. But, no.

So I say to my Republican colleagues who talk about their desire to help, talk is so cheap. The American public deserves better than tort reform and extending Bush economic policies to handle the foreclosure crisis now facing our country. Republicans have been able to hold on to the status quo and block us from moving America forward because of our razor-thin majority. For 10 months last year, it was 50 to 49 because TIM JOHNSON was sick. He is back. He is at 100 percent. So the majority now is 51 to 49. But that is still pretty narrow. The Republicans have been doing everything they can to maintain the status quo.

In addition to blocking our housing plan, we have had 71 other things that they have blocked. Tax incentives for alternative energy, something as simple as allowing Medicare to negotiate for lower priced drugs, they stopped us from doing that. A better economic stimulus bill, for example, to provide for the extension of unemployment benefits, they stopped us on that. And time after time, they have stopped us from moving forward on changing what is going on in Iraq. A razor-thin majority has allowed Republicans to block legislation with little effort because, remember, we need 60 to get anything done.

But I say to my Republican friends through the Chair to my friend, one of the more senior Members of the Senate, my friend from New Mexico, enjoy it while you can. The American people are seeing what is going on. They are seeing how you are maintaining the status quo. Enjoy it while you can because our majority, come November, is going to grow. So continue to block because it is not going to be there forever. It is not going to be there very long. Neighborhoods and families struggling mightily through the housing crisis can't wait until then.

I urge my Republican colleagues to join us and reconsider, support a housing plan that actually addresses housing—not tort reform, not lowering taxes—and eases the suffering of millions of American families.

I suggest the absence of a quorum.  
The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. REID. Madam President, my friend is always looking out for me, and there is other work I have to do. I can't do it unless he is here, so I appreciate that very much.

Mr. DOMENICI. I have to stay here until it is done.

Mr. REID. He has to stay here until it is done. It will be real quick.

I withdraw the pending motion.

The PRESIDING OFFICER. The motion is withdrawn.

#### MORNING BUSINESS

Mr. REID. I ask unanimous consent that the Senate proceed to a period of morning with Senators allowed to speak therein for a period of up to 10 minutes each.

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

#### TRIBUTE TO GERALD W. HAYES

Mr. McCONNELL. Madam President, I rise today to honor a man well respected throughout south central Kentucky, Gerald W. Hayes. Mr. Hayes has faithfully served citizens in parts of south central Kentucky through his commitment to the Warren Rural Electric Cooperative Cooperation, RECC, and its members for 40 years.

Hayes was born in humble circumstances in Simpson County under the roof of his grandmother's farmhouse. After 4 years in Butler County, the Hayes family settled in Richardsville, located in Warren County. Mr. Hayes attended Richardsville Elementary School and later, Richardsville High School, where he played point guard on the basketball team.

As a promising young man, Mr. Hayes married his childhood sweetheart, Karen Smith, in December 1966. Two years later, on May 6, 1968, Mr. Hayes began his work for Warren RECC.

He entered as a chainman and quickly exceeded expectations, being promoted to groundman in the same year. By 1969, Mr. Hayes had worked his way up to apprentice lineman and acquired the nickname "Squirrel" for his prodigious ability to climb poles. Mr. Hayes' physical talents were not the only thing that went noticed at Warren RECC. His relentless hard work and dedication earned him a promotion to line frontman just 1 year later.

From here, Mr. Hayes continued to impress. His tenacity and loyalty led to his eventual promotion as successor to Wilmuth Deweese in 1990 as district manager of the Warren RECC Leitchfield office. In 2000, Gerald accepted the position of president and CEO of Warren RECC, taking on the responsibility of leading a company he had already committed to for 32 years.

The Warren RECC mission statement claims "safety, integrity, value, and innovation" as their guiding principles. Mr. Hayes has worked relentlessly to see that these values are upheld and not forgotten. On May 6, 2008, Gerald will honorably retire from his position as CEO, 40 years to the day he began work as a chainman. Mr. Hayes's wife Karen, their four children Laura, Leah, Lisa and Landon, and their seven grandchildren have proudly supported him throughout his career, and are the foremost reason Mr. Hayes has been able to achieve so much.

Warren RECC has been providing quality electrical service to south central Kentucky residents for 70 years thanks to Mr. Hayes' constant and faithful service. He is a truly outstanding Kentuckian, and I ask my colleagues to join me in honoring Mr. Gerald W. Hayes for his 40 years of outstanding and loyal service.

#### NATIONAL PEACE CORPS WEEK

Ms. MURKOWSKI. Madam President, on March 1, 2008, the Peace Corps celebrates its 47th year of operation. I congratulate all past and present volunteers and staff members on 47 years of international service and I welcome many more years to come.

Since 1961, the Peace Corps has served as a creative and productive outlet for U.S. citizens to spread some of the very best of our society—our desire to help those less fortunate than ourselves—around the world. The year 2007 was no exception.

I am proud to recognize that the spirit of that movement is still strong in America's youth, and our young at heart. Last year witnessed the highest number of volunteers since 1970, with 8,079 volunteers serving in 74 countries as of September 30th.

The Peace Corps is expanding in breadth as well as numbers, with a new program opening in Cambodia. Also in 2007, Ethiopia welcomed the Peace Corps back after 8 years, making it the 10th nation that is also a focus country for the President's Emergency Plan for AIDS Relief to host volunteers. In fiscal year 2007, over 1 million people affected by the HIV/AIDS epidemic were assisted by Peace Corps volunteers and their activities.

Constantly rotating their personnel, the Peace Corps is well accustomed to adapting to and taking advantage of new ideas, thinking, and technology. In the coming year PeaceWiki will launch, allowing volunteers to share experiences and information with each other. They are even creating an online "role-play" game to teach middle schoolchildren about international service.

Many people mistakenly believe the Peace Corps is only about helping those distantly removed from our daily life here in America. This could not be further from the truth. Peace Corps volunteers return with a sense of accomplishment and the skill sets to that are often desperately needed or in short supply here in the United States. Volunteers have had to learn approximately 250 different languages and dialects, not to mention how to handle different cultures with dexterity and ease. Twenty-two percent of all current volunteers serve in predominantly Muslim countries.

Returned volunteers' paths after service are as varied as their tours. They include Assistant Secretary of State Christopher—Chris—Hill, who served in Cameroon in the 1970s, several of my colleagues in Congress,

CEOs and founders of major companies such as Netflix and The Nature Company, authors, journalists, teachers, government employees, and businessmen.

Volunteers often return to service later in life as part of the Peace Corps Response, which sends former Corps members to assist in crisis and natural disasters around the world for brief intervals. Over 200 served in our own country after Hurricanes Katrina and Rita.

Across the globe, 36 intrepid Alaskans currently serve their country as members of the Peace Corps. I would like to take this opportunity to extend a special thank you to them in particular. Whether they are in El Salvador, Ghana, or Kazakhstan, I know they are not only fulfilling the Peace Corps' mandates of providing trained personnel to developing nations and promoting cross-cultural understanding, but they are also learning important life lessons which will be a credit to them in their future endeavors and to our State. I look forward to welcoming them back to Alaska as I do all who choose to serve our Nation abroad.

#### POST-9/11 VETERANS EDUCATIONAL ASSISTANCE ACT

Mr. WYDEN. Madam President, this Chamber has recently been consumed by discussion of the wars in Iraq and Afghanistan. Obviously, we don't all agree on this issue. But there are a few things that I think we can agree on.

We can agree that the brave men and women serving their country overseas and at home are doing a superb job. We can agree that we have the finest fighting force the world has ever known. And we can agree that our veterans deserve benefits for the sacrifices they make and the risks they take while serving their country.

For nearly 65 years, one of those benefits has been affordable access to a college education when they return from war. Commonly called the GI bill, this benefit is widely recognized as one of the best pieces of legislation ever passed by Congress. Unfortunately, for many Oregonian citizen soldiers this benefit has remained just out of reach.

Oregon has no large active duty military bases, and most Oregonians who serve their country do so in the National Guard or Reserves. They stay trained and ready, and when our nation needs them they fight bravely. But when the fighting is over, they return to their communities and their jobs. And, all too often, their sacrifice is not rewarded the way it is for members of the active duty force.

An active duty soldier can collect GI bill benefits even after they leave the military. However, if a member of the Oregon National Guard wants to attend Portland State University after fighting in Iraq for a year, he or she must