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Senate

The Senate met at 10 a.m. and was called to order by the Honorable JON TESTER, a Senator from the State of Montana.

PRAYER

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

Let us pray.

Father of all, we pray today for our Senators. You said in Your Word that we should pray for those who govern so that we may live quiet and peaceable lives in all Godliness and honesty. So we ask You to walk beside our lawmakers. Give them wisdom and knowledge. May discretion be their shield, delivering them from the evil path. Direct their decisions and infuse them with the spirit of knowledge and discernment. Deliver them from all littleness of heart, shallowness of mind, and smugness of spirit that would keep them from embracing Your purposes. Draw them into deeper friendship with You and each other.

We pray in the Name of Him who gives us life eternal. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JON TESTER 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, March 4, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable JON TESTER, a Senator from the State of Montana, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican Leader, the Senate will be in a period of morning business for up to 1 hour, with Senators permitted to speak for up to 10 minutes each and the time controlled between the two leaders or their designees. Following morning business, the Senate will proceed to the consideration of S. 2663, the bill to reform the Consumer Product Safety Commission. The Senate will stand in recess from 12:30 until 2:15 p.m. to allow for the weekly caucus lunches.

We are going to do everything within our power to finish the CPSC bill this week. Everyone should understand that we have to complete the bill this week because next week we have to be on the budget. So I would hope everyone understands that if we finish this bill at a decent hour on Thursday, we will be out Thursday; otherwise, we are going to have to work until we complete it, whatever that takes.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the

transaction of morning business for 60 minutes, with Senators permitted to speak therein for up to 10 minutes each, with the time equally divided and controlled by the two leaders or their designees, with the majority controlling the first half of the time and the Republicans controlling the final half.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

BOEING LOSES

Mrs. MURRAY. Mr. President, last Friday I stood on the floor of the 767 line with workers in Everett, WA, who have put their hearts and their souls into making Boeing airplanes. I was there as those workers learned that after 50 years—five decades—the Air Force no longer wants them to build its refueling tankers. I saw the dismay in their eyes when they learned their Government is going to outsource one of the largest defense contracts in history to the French company Airbus. It was devastating news for Boeing, for American workers, and for America's men and women in uniform.

Today, those workers are frustrated, and they are angry, not only because the tanker contract would mean 44,000 new American jobs in 40 States, including 9,000 in my home State of Washington; they are frustrated and angry because their Government let them down. They are frustrated and angry because their Government wants to take American tax dollars, their tax dollars, and give that money to a foreign company to build planes for our military.

I am frustrated and angry, too, because I cannot think of a worse time for a worse decision. Our economy is hurting. We are nearing a recession, if we are not already there. Families are struggling just to get by, in part because their factory jobs have been moved overseas.

This tanker contract was not just one defense contract, it was a key piece

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



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of our national and economic security. The Boeing 767 tanker would have helped stabilize and strengthen the American aerospace industry. We are hemorrhaging manufacturing jobs to foreign countries already, so I cannot imagine why, at a time like this, our Government would decide to take 44,000 American jobs, good jobs, and give them to the Europeans instead of securing the American economy and our military while we are at war. We are creating a European economic stimulus plan at the expense of U.S. workers.

I have a lot of tough questions I hope I will get answers to soon because there seems to be some real disconnect here. For one, how can we, while we are at war across the globe, justify putting a contract that involves military security into the hands of a foreign government? Outsourcing a key piece of our American military capabilities to any foreign company is a national security risk.

Airbus and its parent company, EADS, have already given us reason to worry about how hard they will work to protect our security interests.

In 2005, EADS was caught trying to sell military helicopters to Iran despite our concern about Iran's support of terrorists in Iraq and their efforts to develop nuclear weapons. When they were confronted, EADS answered that as a European country, they were not supposed to take into account embargos from the United States. Well, that is the company to which the Air Force is now going to give a major military contract. But that is just one example. In 2006, EADS tried to sell C-295 and CN-235 transport and patrol planes to Venezuela—a circumvention of U.S. law. We prohibit foreign countries from selling military products containing U.S.-made military technology to third countries without U.S. approval. Part of the reason is because we want to keep our weapons from falling into the hands of countries such as Venezuela which have threatened U.S. security and mean us harm. We cannot trust a foreign company to keep our military's best interests in mind, especially one that has a history of trying to sell weapons and military technology to unfriendly countries.

But you know what, I think this raises a bigger question too. What happens if France or Russia—which is pushing to increase its stake in EADS, by the way—decided it wants to slow down our military capacity because it does not like our policy? Do we want another country to have that kind of control? I think that is one of the questions we need to answer, and we need to answer it now.

I also want to know why this Government would choose an unproven plane using unproven technology for a program that is so vital to our U.S. Air Force. Tankers are so important to our military that Army GEN Hugh Shelton, who was the former Chairman of the Joint Chiefs, said that the motto of the tanker and airlift forces should be “try fighting without us.”

Boeing has 75 years of experience designing planes for our Air Force. Boeing's tanker has been a reliable part of the U.S. military fleet for so long that we have squadron pilots whose fathers and even grandfathers have flown them. Boeing could have started building these tankers immediately.

In Everett, the machinists call Airbus's tanker a “paper airplane.” Why? Because Airbus's tanker only exists on a sheet of paper. Now, although Airbus has taken contracts for tankers, it has not yet actually delivered a single refueling tanker, ever. Yet our Air Force just picked that plane—that “paper airplane”—to serve one of military's most critical functions.

Finally, I do not understand why the Air Force did not take jobs into consideration when it awarded this contract. Yet that is what they said on Friday. The Air Force said simply that Airbus's tanker will be an American plane with an American flag on it. Well, you know what, you can put an American sticker on a plane and call it American, but that does not make it American-made, especially if it was made in France. It seems to me extraordinary that when the military is deciding how to spend \$40 billion in American taxpayers' hard-earned dollars, it would not at least consider the effects it would have on the economy.

This is not just \$40 billion either, and it is not just 44,000 jobs; it is much bigger because this affects Boeing's entire 767 line and all of the communities that depend upon it. In Everett, we know this. Boeing's health touches everything: how much people spend on groceries and clothes and whether they can buy a car or even a home. I think the Everett Herald put it in perspective Saturday when it quoted the general manager of our local mall, who said:

When Boeing sneezes, we all grab for the Kleenex.

This loss is going to be felt in our homes and our businesses and communities throughout Washington State and the entire country wherever there is a Boeing factory or a Boeing supplier.

Now, my colleagues from Alabama came on the floor last night and defended Airbus. They argued that this contract does not outsource jobs. We still do not really know how many jobs Airbus might create in the United States. That has not been decided. The only thing we know for sure is that much if not most of the initial work will be done overseas. And today, guess what. The Europeans are celebrating that. The United Kingdom's Business Secretary is already counting the jobs. Do not listen to me. Listen to what they are saying in their papers overseas over the weekend after the contract was announced.

UK's Business Secretary, John Hutton, quoted in the papers in Europe over the weekend:

The massive contract will secure a number of years of work for the UK industry benefit-

ing not just Airbus UK, but also many other UK suppliers.

The German Government's coordinator for the aerospace industry said over the weekend:

It is a massive breakthrough for the European aerospace industry on the key American market.

They are not talking about jobs that might be created in the United States, they are talking about jobs that are being created—and lots of them—in the European Union. For decades, we have been talking about this, and now here we are.

What does France's Prime Minister say? He said of the victory over the weekend:

It testifies to the competitiveness of our industry and does honor to France and Europe.

They are not celebrating this as an American victory, they are celebrating it as a victory for France and Europe. Europe has provided subsidies for decades to prop up this company, Airbus, and EADS-Airbus is a European jobs program that has created an uneven playing field and led to tens of thousands of layoffs here in the United States. Europeans are willing to do anything to distort the market and beat out Boeing.

The tanker they will supply for the military is a result of that decades-long effort. I have for years—and my colleagues know this—been coming out here and urging the administration and Congress to fight to save America's aerospace industry from a European takeover in order to save American jobs. We have demanded that Europe stop the subsidies and play by the rules. In fact, because of EADS illegal tactics, the U.S. Government right now has a WTO case pending against Airbus, the same company to which we are now awarding a \$40 billion contract. It took us 100 years to build the aerospace industry in this country. We have to defend it. Once those plants are shut down and our skilled workers move on to other fields, we cannot recreate that overnight. What did the administration turn around and do? It handed Airbus \$40 billion of taxpayer money and 44,000 jobs and did “honor to France and Europe.” It is no wonder Boeing's workers are angry. One worker said to me: It is a slap in the face. Many others are asking: How could this happen?

I am angry too. I am looking forward to asking these questions of the administration. The hard-working Americans in my State and across the country deserve to know why this administration has given their jobs and a contract involving a major piece of our military capability to France.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mr. ROBERTS. Mr. President, what on Earth is going on here? I am extremely disappointed. No, I am shocked. This isn't shock and awe; this is shock and shock over the Air Force's decision to choose EADS or Airbus

over Boeing to make our critical new aerial refueling tanker. This is the Air Force, not Alice in Wonderland. I pay credit and associate myself with the remarks of the distinguished Senator from Washington, Mrs. MURRAY, and thank her for reserving this time, for taking a leadership role, along with her colleague from Washington, Senator CANTWELL. I thank them both for their efforts. We are going to need a bipartisan approach to this to see if we can't get some answers.

Simply put, it does not make sense that the Air Force would choose a foreign entity that has no prior tanker experience to build the next generation of refueling aircraft for the men and women of our Air Force. I met with the Air Force yesterday. I appreciate that. It was about an hour and a half meeting. It was not pleasant. We had what we call "meaningful dialog." I am still not satisfied with their conclusion. In fact, I think there are many more questions that must be answered before this bid conclusion should move forward.

For example, as the distinguished Senator has pointed out, why can't the Air Force brief Boeing sooner than next week? We already have leaks all over this town as to exactly what happened and the specifics of the RFP and the bid selection and everything else, but Boeing has not had a debriefing. Yesterday the Air Force said it was OK, that Boeing said: Fine, we are OK with a briefing next week on Tuesday. That is not the case.

The two competitors were originally told that the briefing would be within 4 to 5 days of the contract announcement. The Air Force is not holding up to that bargain. Why did the secondary cargo mission—i.e., a larger plane—factor so large in the announcement briefing when this was a competition for a tanker? How could an airplane as large as the A330, which burns 24 percent more in fuel than the KC-767, possibly be valued as less costly? How did the Air Force evaluate the risk associated with a foreign government owning and subsidizing the Airbus tanker? Why were the fixed price options discussed at the announcement brief when the life-cycle cost was supposed to be the only measure? Is the Air Force concerned about delays and other issues stemming from the fact that EADS Airbus have never built a tanker with a boom? Will the Air Force need new equipment to deal with the repair of a foreign tanker? Why does the Air Force place cargo space over fuel efficiency and the ability to land and take off from more places? Where is this larger airplane going to land? Is the Air Force prepared to pay way more for the Airbus because of the amount of fuel it takes to fly them and the amount of capital it takes to open a brandnew assembly line in Europe? Is the Air Force aware that they currently do not use all of their available cargo space in the fleet? Is the Air Force aware that the Boeing 767 would provide even greater cargo space than they have now?

What about the issues regarding the fact that the EADS Airbus company made the Lakota light utility helicopter? The way it was delivered, it can't even fly on hot days. They are putting air conditioning units in that helicopter. That makes it modified and makes it less maneuverable.

Is the Air Force at all concerned with the backlash, described by Senator MURRAY, all across this country regarding the fact that they did not consider American jobs, much less the WTO dispute with Airbus or government subsidies issue with the EADS proposal? I can tell you, I hope I have been able to express my dismay over the Air Force's choice, but the problems simply don't end there. The Airbus frame will be made in Europe. There is no question about that. The nose will be made in France, the wings in Great Britain, and part of the fuselage in Germany. Bonjour, the Air Force has certainly gone into the wild blue European yonder, and they have never done this before.

The Air Force gave no consideration to the fact that Boeing has built a tanker that lasted over 50 years. With every airframe being built in France, we are paying for the French national health care system. What kind of sense does that make? In fact, they gave more credit to Northrup Grumman for making other defense systems as recently as last year than they did Boeing. That is saying something about this competition when you consider Northrup won't even be making most of the plane. Airbus will. Again and again in this competition, the Air Force has not judged the two bids fairly. Not only did they not consider past performance accurately, they also placed a much higher price on the cargo space than they led anyone to believe.

As my colleague from Kansas, Congressman TODD TIAHRT, expressed yesterday in the meeting with the Air Force, if they wanted an aircraft as large as the KC-10, they should have put out an RFP for one. But they didn't. They asked for a tanker, and that is what Boeing proposed. Airbus proposed something much different. It is my opinion that the men and women flying those aircraft are going to suffer for it.

Make no mistake: Unless something changes, we will be dealing with the ramifications of this bid for the next 80 years. It will take Airbus longer to start up the assembly line than Boeing, and it will take them longer to produce a viable plane. When they finally do, that plane will be just plain too big.

I am deeply troubled by this announcement. I expect to see a very detailed documentation on the questions we raised yesterday that were not answered from the Air Force. I also expect them to brief both competitors quickly. The long and short of it is, if this decision holds, it will be at the cost of American jobs, American dollars, if not our national security.

I again thank Senator MURRAY for reserving this time and yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

HOUSING CRISIS

Mr. McCONNELL. Mr. President, I wish to take a few moments of my leader time, not to interfere in the record with this discussion that has been ongoing between the Senators from Kansas and Washington.

Last week we debated housing. Democrats want to raise monthly mortgage payments on everyone who wants to buy a new home or refinance an existing one. Republicans have a broader, bolder plan. We want to create the economic conditions that make home ownership easier—more jobs and higher wages. Our first priority is to help families who are either facing foreclosure or seeing the values of their homes drop as a result of other foreclosures nearby.

This morning I want to talk about one specific action we can take to help these families. Home values are falling not only because of cut-rate sell-offs by banks but also because areas with high volume and vacant homes often see an increase in crime and neglect. One thing government has done in the past to the help reverse a slide in home values is to make tax credits available to people who pick up foreclosed homes in affected areas. This worked in the mid-1970s when a period of easing credit led to overconstruction and higher interest rates. Congress responded with a \$6,000 tax credit spread over 3 years for anyone who bought a new home for their primary residence. This is what they did back in the 1970s. Home values were stabilized. Inventory dropped, and the housing market recovered.

Congress should do the same today. Senator JOHNNY ISAKSON of Georgia, a real expert in real estate and housing, who spent decades in that field, has a fabulous idea. He saw the good effects of the tax credit that Congress provided back in the 1970s. Now he is proposing a \$15,000 credit spread over 3 years for people who buy newer homes with a first mortgage in default or single-family homes in the possession of a bank. Let me say that again. He is proposing a \$15,000 tax credit spread over 3 years for people who buy newer homes with a first mortgage in default or single family homes in the possession of a bank. Buyers must occupy those homes as their principal residence to be eligible. We are not about to let speculators come in and make the current problem even worse.

This is one idea Republicans are proposing to help families struggling with the painful effects of the housing downturn. I mentioned some of these ideas yesterday. We will discuss others as the week goes on.