

A lot of families need urgent relief. They should know the Government is doing everything it can, without damaging our long-term economy, to help them through a very difficult stretch. We certainly should avoid measures that make the underlying situation worse, as the centerpiece of the Democrats' response to the housing situation would certainly make happen.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

BOEING LOSES

Ms. CANTWELL. Mr. President, I rise to join my colleagues, the senior Senator from Washington, Mrs. MURRAY, who did an eloquent job talking about the shocking news that came out last Friday about the Air Force's decision to go with the KC-30 tanker over the Boeing KC-767 plane. I know my colleagues from Kansas want to continue this dialog as well.

What we see is a lot of concern and questions that have not been answered by the Air Force. I appreciate the fact that Speaker PELOSI also issued a statement today questioning the decision by the Air Force and asking for further congressional review. That is why my colleagues are here this morning. We want answers from the Air Force. Frankly, we don't want to wait another week to get them. For 75 years, Boeing has been making tanker products. They know what they are doing. They submitted a bid to the Air Force for a more flexible plane with a cost-effective life cycle. It has proven boom technology. This technology is used to refuel aircraft for the militaries all over the world. Other governments have already bought this product and have made the decision to use this technology. It is amazing to my colleagues and me that the Air Force would make this decision about these planes based on one bid that is a proven technology and has proven successful for more than 70 years and all of a sudden switch to a product that has yet to be built and yet to be proven. The Air Force has made assertions and assumptions without giving Congress the answers.

What I am really amazed about, frankly, is that we are seeing some of the highest fuel costs in America and that impacts our Air Force as well and I want to know why the Air Force picked such a large plane, when their specs clearly asked for a medium-sized plane. If the Air Force wanted a large plane, the Air Force should have simply asked for a large plane. The Boeing Company could have provided a 777 instead of the 767. But that is not what the Air Force asked. I take the Air Force at its word when they say they want to be more energy efficient. In fact, the Air Force uses more than half of all the fuel the U.S. Government consumes each year. Aviation fuel accounts for more than 80 percent of the Air Force's total energy bill. In 2006,

they spent more than \$5.8 billion for almost 2.6 billion gallons of jet fuel, more than twice what they spent in 2003.

If anybody thinks fuel costs are somehow magically going to come down, they are not. The Air Force needs to consider the impact of fuel costs in the future. In fact, I believe it is a national security concern as to where the Air Force is going to get fuel in the future.

Just last Friday, the Air Force Assistant Secretary told the House Armed Services Committee that it wants to leave a greener footprint with more environmentally sound energy resources. Well, if the Air Force is coming up to Capitol Hill talking about a greener, more fuel-efficient plane and at the same time awarding a contract for a plane that burns 24 percent more fuel than the Boeing KC-767, they do not have their act together.

This is what Assistant Secretary Bill Anderson said:

The increasing costs of energy and the nation's commitment to reducing its dependence on foreign oil have led to the development of the Air Force energy strategy—to reduce demand, increase supply and change the culture within the Air Force so that energy is a consideration in everything we do.

Well, I certainly want to know what consideration the Air Force gave to this new energy mandate in their decision to go with the KC-30 over the KC-767, when the Boeing plane is 24 percent more fuel efficient.

Now, one of the things the Air Force stressed in the contract announcement was the size of the KC-30. It is a slightly bigger plane, and the Air Force claims to want that larger plane because it can carry more fuel. However, that fuel is going to cost us.

Since the Vietnam war, the average amount of fuel offloaded from these air tankers is 70,000 pounds. When these tankers are out refueling planes the average amount of fuel they need to carry to complete a mission is less than 70,000 pounds, and that is during combat operations when they are very busy, which obviously would be less during in peacetime operations. This begs the question: Why did the Air Force choose a foreign-built tanker that has the capacity to carry 245,000 pounds of fuel versus the right-sized plane from Boeing that carries 205,000 pounds of fuel? Why did they choose a plane they know is going to have more expensive life cycle costs and more expensive on fuel costs, instead of buying the right sized plane? That would be like driving a humvee to the Capitol every day when you could drive a more fuel-efficient car. The Air Force has to live up to their commitment to a greener energy strategy.

The second issue that is troubling to me is the fact that there is an issue about runway, ramp, and infrastructure capacity. The KC-767 tanker is a smaller plane, it has ability to land on many more airstrips we have access to around the world. The Boeing tanker

can land on shorter runways, takes up less ramp space, and altogether needs less infrastructure. The KC-767 can operate at over 1,000 bases and airstrips worldwide.

For example, at a strategic central Asian airbase in Manas, Kyrgyzstan that I think is key to the war on terrorism, the current runway cannot support the KC-30 plane. It cannot support the plane the Air Force just selected. However, it can support the KC-767 that Boeing offered. Again, it begs the question: why did the Air Force would choose a larger plane when it knows it is going to be unable to land at many bases and airstrips? Are we going to have to pay for the cost of infrastructure improvements of that as well?

It is very important, given these fuel issues and these infrastructure issues, that the Air Force prove to Congress that the cost-effectiveness throughout the life cycle of this procurement really does pan out. If we are simply talking about buying cheaper planes up front, but the life-cycle cost of these planes turns out to be exorbitant—because the fuel is more expensive, because the plane cannot land at various bases—and you have to spend billions more on both of those things, that is very troubling.

The reason this is so troubling to me is because I have seen this same issue play out in the commercial marketplace. Airbus planes have been backed by government financing in the commercial markets, so they were able to put a cheaper plane out in front of many governments across the globe. Boeing, on the other hand, has proven with technology to have more fuel-efficient planes, and they were able to show people that the true life cycle costs of their planes were actually more cost effective. The end result is a WTO dispute over the financing of Airbus by government-backed operations.

What I am trying to say is that the private sector has figured it out. In the commercial space, fuel-efficient planes are paying their way. I wonder why the Air Force did not figure out the same scenario and did not figure out that they will save U.S. taxpayers' dollars by having a more fuel-efficient plane. I also ask the Air Force to explain when the Boeing tanker is 22 percent cheaper to maintain because of the flexibility advantages it has.

I have concerns that Boeing worked hard to meet the requirements the Air Force set. The 767 platform best matched what the Air Force wanted. If they wanted a bigger plane with more capacity, they simply could have asked for one. Yet here we are with a questionable decision that I think raises concerns about the ability of the Department of Defense to maintain critical skills. We need to make sure there is a homegrown workforce and engineers to deliver products we need.

The U.S. Government needs to consider the national security implications of fuel efficiency in this procurement decision. It needs to take a look

at the U.S. workforce and determine whether the loss of high-skill manufacturing jobs is impacting our national security. I plan to ask the Government Accountability Office to investigate these issues and report back to Congress so we can have a full debate and move ahead.

I will remind the Air Force that in the conclusion of their testimony last week before Congress, they stated: We will continue to wisely invest in our precious military construction and operations and maintenance. They highlighted energy as the key element wise investment. I think the Air Force has a lot of explaining to do, and I want to know why they have made this choice. I guarantee you that Congress will continue to ask the tough questions until the information is clear to everyone in America.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The majority's time has expired. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I ask unanimous consent to speak in morning business for up to 10 minutes.

The ACTING PRESIDENT pro tempore. Is there objection?

Hearing none, it is so ordered.

Mr. BROWNBACK. Mr. President, thank you very much.

I thank my colleagues. I, too, am from a State that is keenly impacted by what is taking place on this bid proposal. The Air Force's decision to award a new tanker contract last week is a crowning achievement, not for the Air Force or the United States but for Airbus and the Europeans.

We were saying in our office, I wonder if in the future our young men and women going into the Air Force to fly these planes or to work on these planes are going to have to pass a test in French—"Parlez-vous francais?"—to be able to determine whether we can work on these aircraft. And to be able to get maintenance, equipment, and training, well, we are going to have to go to Europe to be able to do that. We are going to have to get the people who built them to tell us how to do it. I do not think that is right.

I also would like to say to my colleagues, I have been around this fight between Airbus and Boeing for a long time, and Airbus has subsidized itself directly into the commercial aviation market. They had zero market share 30 years ago. They started a European consortium called Airbus and EADS to be able to get at Boeing and into the commercial aviation market. They completely subsidized their way into it. It got to a point with the subsidies where they were taking over half of the marketplace in commercial aviation. Now here we go again. We are just now on the defense side of it. Instead of the commercial side, we are on the defense side.

This aircraft which EADS and Airbus have put together is heavily subsidized by European governments, by European treasuries, to be able to get a

price point, to be able to compete against a well-known Boeing aircraft that has been in our fleet for decades, that has worked well for decades, that has been used to train our young pilots and multiple generations of pilots on this tanker. Now we are going to put those pilots in an Airbus plane, and they are going to land in fields all over the world in an Airbus airplane—our U.S. military risking life and limb—while the Europeans make money off of us and get into, by subsidization, a defense marketplace.

Make no mistake, this is just a start. This is what the Europeans did in commercial aviation. They started subsidizing commercial aviation. They got in one place, got all the market share, and subsidized into another one.

They do things called launch aid. I don't know, my colleagues probably are not familiar with launch aid, but launch aid is where European governments say: We will give you this much money to start this aircraft, and if you stop producing this aircraft, then you have to pay the money back. Well, it then pays them to keep producing the aircraft, and even selling it at a loss, because then they do not have to pay the launch aid back.

Well, now they are doing it in a defense contract field, and they start with tankers. The Europeans start with tankers. Then they will go with surveillance aircraft. Then they will move to other airframes, to where then is it going to be all of our major airframes that are going to be made by the Europeans?

I like the comment from my colleague from the State of Washington: What happens if the Europeans are not pleased with what we are doing in the war on terrorism or what we are doing in the defense of Israel and if then their governments start saying: Well, I don't like what your policy is in the Middle East. Now, as you know, what they do is they say: Well, we are not going to give you overflight rights. We are not going to let you fly your planes out of Germany or not let you fly your planes out of Great Britain. We are going to stop you.

What if in the future they start saying: We are not going to sell you spare parts. Then where are we at that point in time? What do we say to them? I do not know how to use my French enough to plead and beg for spare parts, but I really do not want to be in that spot, and I do not think we should.

As a friend of mine said to me this morning—he is for a very open trading system—he said: There are two things we should not be dependent upon other governments for: one is for your defense, and one is for your food. Those are just two things you should not be dependent upon another government for. Now we are going to be dependent for our defense on a European government that often goes a different way than us. I think this is crazy. For a decision that is going to last—as my colleague, my seatmate from Kansas,

said—for up to 80 years, that just does not seem to be a smart way to go.

This is one Senator who is going to fight against this, who is going to fight against this in the appropriations process. I do not think it is smart. I think it is the wrong thing to do.

Mr. ROBERTS. Mr. President, will my colleague and friend yield for a question?

Mr. BROWNBACK. Yes, I will.

Mr. ROBERTS. I say to the Senator, you brought something up that I think is very important. As you look at the various countries that form up EADS and Airbus and that will participate in this joint effort, which is subsidized, even though we have a WTO case against them, what happens if these countries do not agree, as the Senator has pointed out, with our appropriate policy in regard to the war against terrorism or any other endeavor?

The example I would like to make is: Look at the amount of money these countries, in their gross domestic product, give to defense. The answer is almost zero. Look at the amount of investment they give to NATO, where we are now fighting al-Qaida in Afghanistan. A few countries will fight with us. Note the word I said: "fight." As to other countries that are now receiving this contract, despite the fact they are subsidizing their own product, they are not fighting in Afghanistan. They are not contributing to NATO in a positive way. Some of them are there, but they do not enter into the battle.

Now, here we are, with the American taxpayer paying for the security of Europe and Europe really not facing up to the task of funding and participating in NATO to the extent they can. Yet, in regard to our national security with this particular purchase—and if you do not have tankers, you do not have global reach, you cannot go anywhere, you have access denial, and you cannot even fight the war in regard to Afghanistan or any future place. Yet they are absent without leave, they are not even there. So I think my friend has made an excellent point and I thank him for his comments. We are going to join in an effort to see what can be done because this is harmful not only in regards to workers in France, vis-a-vis these workers in America, but it involves our national security.

I think my colleague and my friend from Kansas has made an excellent point.

Mr. BROWNBACK. I appreciate my colleague joining with me. I wish to make two other quick points. One is I think we need a long-term economic model of the impact on our economy versus the impact on the European economy. Because I believe if you look at the true cost and if you look at the true impact of these jobs being in the United States versus subsidized jobs in Europe, you are going to see the long-term economic impact on this country and on our Government with the taxes our workers would pay will be better by building the plane here.

Second—and this is a strategic issue—this is a bigger plane that is being purchased by the military. It is going to need a longer landing strip. Are those longer landing strips going to be available in countries such as Azerbaijan or Kazakhstan or are we going to be able to get a longer runway to be able to land on? Now we have a plane that will carry more fuel, but it will take a longer landing strip. We can build those in the United States. We can build bigger hangars here. Can we around the world so we can have the reach we need?

Mrs. MURRAY. Mr. President, will the Senator from Kansas yield for a question?

Mr. BROWNBACK. I am happy to yield.

Mrs. MURRAY. I am listening to the Senator from Kansas, and he makes a very good point about the infrastructure that will be needed to be built to build these larger airplanes. Was any of the cost of building those runways or those hangars to accommodate the larger airplanes in part of the bid from Airbus?

Mr. BROWNBACK. I understand from the Air Force yesterday that some of it was, but I don't understand if it was—I do not know fully if it was just the U.S. cost or if it is also what we are going to have to get from other countries around the world on costs there for landing, longer landing strips, and bigger hangars to be able to put any of the aircraft in. So I don't know if that is fully in it as well. But these are huge, decade-long projects and costs.

Mrs. MURRAY. I thank the Senator. I think it is a point we have to look at in terms of the costs of providing this military contract to a subsidized foreign company as well as the future costs—not just for those airplanes but for the infrastructure to handle it and our capability of doing that.

Mr. BROWNBACK. Mr. President, we have just started this discussion, and I think it is a big one, I think it is an important one, whether we should be dependent upon European governments for our global reach in military for our aircraft. That is what tankers provide us is a global reach and whether we should be dependent on the European governments—upon the French, upon the Germans, upon the Brits—for our global reach. I don't think we should be. I think we have to look at the subsidization of this cost by the Europeans. I think that needs to be discounted and taken out of this proposal. I think we have to look at a long-term project, and we are going to be talking about this a lot before we go forward with this—as Chancellor Merkel called it, this giant success for Airbus and the European aviation industry. It may have been that it is at our cost. I am not going to stand still and let it happen.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, what is the regular business? Are we in morning business? Do we have a half hour?

The ACTING PRESIDENT pro tempore. We are in morning business and the Senator has a half hour.

THE BUDGET

Mr. GREGG. Mr. President, I am going to speak, and then I understand the Senator from Texas is going to speak a little bit about the coming events of the next 2 weeks which will be the issue of how we address the budget of the United States. This is an annual event, of course, and so what I am going to give is a little review of last year's budget and where we are going with this year's budget. I regret to say it is a review of what amounts to basically a horror movie because the budget which was produced last year by the Democratic Congress was a horrible thing for the American people in the way of increasing taxes and increasing spending and increasing debt on the American people.

Now, we will hear from the other side of the aisle: Well, the President's budget does this and the President's budget does that and the President's budget does this. However, I think the people who are listening to this discussion should understand the President has no legal responsibility in the area of the budget and producing the budget; that under the Budget Act, the President can send up a budget and that is where it stops. The actual budget is produced by the Congress of the United States, the House and the Senate. It is not—and this is important—it is not signed by the President of the United States. He cannot veto it. The budget of the United States is purely a child of and a product of the House and the Senate and the U.S. Government. So it is our responsibility—not the President's responsibility—to produce a budget that is responsible for the American people and especially for working Americans, so they are not overburdened by the Government, and for our children and our grandchildren, so we don't put too much debt on them as a government.

Last year was the first time the Democratic Congress produced a budget in 12 years. They had the benefit of the doubt. When they said they were going to control spending, people gave them the benefit of the doubt. When they said they were going to address the problems which we confront with entitlements because of the baby boom generation and the cost that is going to be put on our children, people gave them the benefit of the doubt. When they said they were going to use pay-go rules—this motherhood term—to discipline spending around here, people gave them the benefit of the doubt. When they said they weren't going to raise the national debt any more than the President was, people gave them the benefit of the doubt. When they said they weren't going to raise taxes on the American people, that they were

going to find revenues by simply collecting taxes that were already owed, people gave them the benefit of the doubt.

Well, the shell game is over. The benefit of the doubt no longer applies. The record is in and the record is pretty dismal.

The budget from last year produced by the Democratic Congress increased taxes over a 5-year period by \$736 billion. It dramatically increased spending. In the discretionary accounts, the Democratic budget last year, as it was finally executed, increased spending over what the President requested. The President requested a \$60 billion increase in discretionary spending. It increased spending or proposed to increase spending when you combine the supplemental proposals and the actual budgeting proposals by over \$40 billion. It added \$2.5 trillion—trillion—to the Federal debt over the 5-year period. This term “pay-go” is the most abused term on the floor of the Senate and on the floor of the House in the area of fiscal discipline: “Oh, we are going to use pay-go to discipline Federal spending.” We hear that from every Democratic candidate starting with their Presidential candidates right down to their House Members.

Last year on 15 different occasions they either directly waived pay-go or they gamed it in the most cynical manner by changing dates, changing years, moving money here, moving money there, to the tune of \$143 billion of new spending, which should have been subject to pay-go, which was not. It was simply added to the deficit and to the debt of our children, that our children will have to pay. They didn't do one thing about addressing the most significant fiscal issue we face as a country, which is the pending meltdown of our Nation's fiscal policy because of the \$66 trillion of unfunded liability we have on the books as a result of obligations and commitments we have made to the baby boom generation which is beginning to retire right now—\$66 trillion. The President at least sent up a package which proposed trying to discipline the rate of growth of entitlement spending—specifically Medicare—in very reasonable ways, by asking people such as Warren Buffett, for example, to pay a fair cost of their drug benefit—people over 65 who have a lot of money should pay some cost of their drug benefit; by using technology more aggressively, by limiting the number of lawsuits that are brought against doctors to something reasonable along what is known as the California or Texas models. The President's proposals would have limited this liability here as it related to health care by \$8 trillion. It would have reduced it. They were reasonable proposals.

But the Democratic budget, as passed and as executed, not only didn't limit or reduce in any way this outyear liability, they actually aggravated it. They aggravated it dramatically, by \$466 billion over a 5-year period. It was totally irresponsible.