

Mr. GRASSLEY. An investment researcher with UBS recently said that lifting the biofuels mandate will not ease corn or food prices because energy costs and commodity speculation—speculation—are greater factors. Lifting the renewable fuels mandate will not drive down the cost of corn or the price of groceries. But it will increase our demand for crude oil—dirty-burning crude oil. Big oil wins.

A Merrill Lynch analyst recently estimated that oil and gas prices would be up 15 percent higher without biofuels. I have already spoken to the Iowa State University study: 30 or 40 cents higher for gasoline without having the ethanol industry.

Another economist estimated an even higher price, that gas would go up \$1.40 if we removed 50 percent of the ethanol scheduled to be used this year—as these letters from my colleagues suggest that we do away with half the mandate.

It is clear, then, reducing the amount of ethanol in our Nation's fuel mix will have little, if any, impact on food prices and will actually increase prices at the pump for all Americans.

So to the critics, let me say loudly and clearly: Ethanol is not the cause of all that ails you. While it is easy to blame, it is intellectually dishonest to make these claims. It is time for critics to take an independent look at the facts. They have a responsibility to brush aside this sort of “herd mentality” that is being encouraged by the Grocery Manufacturers Association. It eventually gets taken over by the pundits and talking heads on TV who claim that everything about ethanol is bad. And it is getting louder. It is not only bad, but it is bad, bad, bad.

I wish to tell you what is good, good, good about ethanol because the truth is, ethanol is reducing our dependence upon foreign oil. Ethanol has a significant net energy balance. The same cannot be said for gasoline. Ethanol is reducing our greenhouse gas emissions. Ethanol is not the culprit behind rising food and feed prices here at home or abroad. Ethanol is lowering the price of crude oil and lowering the price of gasoline. Ethanol is increasing our national security, helping our balance of trade, reducing our dependence upon Middle East oil and the whims of big oil.

It is time we clear the air, look at the facts, and recognize, once again, that everything about our domestic renewable fuels is good, good, good—good for agriculture; good for the refinery business, providing jobs in rural America; good for the environment; good for national defense; good for the balance of payments—good, good, good.

Madam President, I ask unanimous consent that “Ethanol Myths and Facts” from the U.S. Department of Energy be printed in the RECORD.

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

ETHANOL MYTHS AND FACTS

Myth: Ethanol cannot be produced from corn in large enough quantities to make a real difference without disrupting food and feed supplies.

Fact: Corn is only one source of ethanol. As we develop new, cost-effective methods for producing biofuels, a significant amount of ethanol will be made from more abundant cellulosic biomass sources.

Future ethanol will be produced increasingly from cellulose found in crop residues (e.g., stalks, hulls), forestry residues (e.g., from forest thinning), energy crops (e.g., switchgrass, sorghum), and sorted municipal wastes. Some promising energy crops grow on marginal soils not suited for traditional agriculture.

A high-protein animal feed, known as Distillers Dried Grains with Solubles (DDGS), is produced in the process of making corn ethanol.

The Energy Independence and Security Act of 2007 (EISA) requires that U.S. transportation fuels contain at least 36 billion gallons of renewable fuels by 2022. Of that quantity, 16 billion gallons must be cellulosic biofuels, while ethanol from corn is capped at 15 billion gallons.

The U.S. Departments of Energy and Agriculture's Billion Ton Study found that we can grow adequate biomass feedstocks to displace about 30% of current gasoline use by 2030 on a sustainable basis—with only modest changes in land use. It determined that 1.3 billion tons of U.S. biomass feedstock is potentially available for the production of biofuels—more than enough biomass to meet the new renewable fuel standard mandated by EISA.

Myth: In terms of emissions, ethanol pollutes the same as gasoline or more.

Fact: Ethanol results in fewer greenhouse gas (GHG) emissions than gasoline and is fully biodegradable, unlike some fuel additives.

Today, on a life cycle basis, corn ethanol produces about 20% fewer GHG emissions than gasoline. With improved efficiency and use of renewable energy, this reduction could reach 52%.

In the future, ethanol produced from cellulose has the potential to cut life-cycle GHG emissions by up to 86% relative to gasoline.

Ethanol-blended fuels currently in the market—whether E10 or E85—meet stringent tailpipe emission standards.

Ethanol readily biodegrades without harm to the environment and is a safe, high-performance replacement for fuel additives such as MTBE.

Myth: More energy goes into producing ethanol than it delivers as a fuel.

Fact: In terms of fossil energy, each gallon of ethanol produced from corn today delivers one third or more energy than is used to produce it.

Ethanol has a positive energy balance that is, the energy content of ethanol is greater than the fossil energy used to produce it—and this balance is constantly improving with new technologies.

Over the last 20 years, the amount of energy needed to produce ethanol from corn has significantly decreased because of improved farming techniques, more efficient use of fertilizers and pesticides, higher-yielding crops, and more energy-efficient conversion technology.

Most studies that claim a negative energy balance for ethanol fail to take into account the energy contained in the co-products.

Myth: Rainforests will be destroyed to create the new croplands required to meet food, feed, and biofuels needs, thus accelerating climate change and destroying valuable ecosystems.

Fact: Biofuels have the potential to significantly reduce global GHG emissions associated with transportation, but—as with all types of development—controls are needed to protect ecologically important lands.

In Brazil and elsewhere, laws have already slowed deforestation, and for the past decade China has converted marginal croplands to grasslands and forests to control erosion.

Links between U.S. ethanol production and land use changes elsewhere are uncertain. We cannot simply assume that increases in U.S. ethanol production will lead to increased crop production abroad. In fact, since 2002, during the greatest period of ethanol growth, U.S. corn exports increased by 60% and exports of Distillers Dried Grains (DDGs) also increased steadily. In part, improvements in U.S. corn yield (about 1.6% annually since 1980) have enabled simultaneous growth in corn and ethanol production.

Greenhouse gas emissions will decrease dramatically as biofuels of the future are increasingly made from cellulosic feedstocks and as the associated farming, harvesting, transport, and production processes increasingly use clean, renewable energy sources.

Myth: Ethanol-gasoline blends can lower, fuel economy and may harm your engine.

Fact: Most ethanol blends in use today have little impact on fuel economy or vehicle performance.

While ethanol delivers less energy than gasoline on a gallon-for-gallon basis, today's vehicles are designed to run on gasoline blended with small amounts of ethanol (10% or less) with no perceptible effect on fuel economy.

Flex-fuel vehicles designed to run on higher ethanol blends (E85 or 85% ethanol) do experience reduced miles per gallon, but show a significant gain in horsepower.

As a high-octane fuel additive and substitute for MTBE, ethanol enhances engine performance and adds oxygen to meet requirements for reformulated gasoline.

Mr. GRASSLEY. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 2009

Mr. CONRAD. Mr. President, I ask unanimous consent the Senate proceed to the House message to accompany S. Con. Res. 70, the concurrent budget resolution; that the motion to disagree to the House amendment be agreed to, the motion to agree to the request of the House for a conference be agreed to; and the motion to request the Chair to appoint conferees be agreed to.

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

The ACTING PRESIDENT pro tempore laid before the Senate the following message:

S. CON. RES. 70

Resolved, That the House insist upon its amendment to the resolution (S. Con. Res.

70) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2010 through 2013", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. SPRATT, Ms. DELAURO, Mr. EDWARDS, Mr. RYAN of Wisconsin, and Mr. BARRETT of South Carolina, be the managers of the conference on the part of the House.

Mr. CONRAD. Mr. President, I now ask we enter into 1-hour time agreement, equally divided, on an amendment that will be on or in respect to potential tax increases in the conference agreement.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. GREGG. I will just say it will be a motion to instruct.

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

MOTION TO INSTRUCT

Mr. GREGG. Mr. President, I send a motion to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire. [Mr. GREGG] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to reject the revenue levels in both the Senate-passed and the House-passed budget resolutions, both of which assume the largest tax increase in history, and include revenue levels consistent with extension of the tax rates currently in place.

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

Mr. GREGG. Mr. President, this motion to instruct is necessary because the budget, as it left the Senate and it is represented, has been agreed to between the House and Senate Democratic leadership and membership, with no Republican input other than the courtesy of telling us what they have agreed to, has in it the largest tax increase in the history of the world—the history of the world, not just the history of the United States. It is a \$1.2 trillion tax increase. It means that all Americans' taxes will go up significantly as a result of this tax increase. Mr. President, 7.8 million people today who do not pay taxes will find that they are paying taxes. These are low- and moderate-income Americans who are not liable to pay taxes because their income has them in a level where there is no tax event, but under this budget resolution, which assumes the termination of the tax policies that were put in place in 2001 and 2003, those 7.8 million people will be returned to the tax rolls and will have to pay taxes.

Families of four, earning \$50,000—a husband, a wife and two children—in 2011, under this bill, would see their taxes go up \$2,300. A single mom raising two kids—which is the toughest job in America, in my opinion—earning

\$30,000 a year, that mother would see her taxes go up by \$1,100. That is a lot of food, a lot of clothing, and a lot of better lifestyle that will be lost to that family.

A family of four earning \$110,000 would see their taxes—that would be, for example, a mother who is teaching or a father who is teaching and a mother who is a police officer, one making \$50,000 and one making, say, \$60,000—that family with two children could see their taxes go up \$4,300 under this bill.

Small businesses—which are defined by the Democratic Party as the rich, will pay more taxes. In fact right now in the House of Representatives they are debating a bill which they claim taxes the rich, which it turns out are small businesses who file as individuals—75 percent of all individual returns with income above \$300,000 include business income, and 83 percent of all individual returns with income above \$1 million include business income. They will be subject to the high-end tax which the Democratic Party is proposing in the House. Meanwhile, small businesses, who pay 54 percent of all individual income taxes—those small businesses, 27 million in total, will see their tax bill go up by \$4,100 under this budget resolution. That could easily put a lot of those small businesses out of business, that type of a tax hike. A lot of these businesses work at the margin. Even though they may have high income, they are still spending a lot of that in order to maintain their business.

Elderly couples with incomes of \$40,000, if the Democratic budget goes forward, an elderly taxpayer, someone over 65 with \$40,000 of income, will see their taxes go up \$2,200. That is a lot of money for somebody who is probably on a fixed income and does not have too many ways to increase their income and are trying to make fixed costs, which they also cannot reduce. To be hit with a \$2,200 tax bill in 2011 is a pretty stiff penalty to pay so the party in power, the Democratic Party, can spend their money on some program they deem more appropriate than allowing that individual to keep their money in their pocket. Eighteen million seniors will see taxes go up under this bill as the tax policies of 2001 and 2003 are repealed and taxes are increased.

There was an argument made on the other side of the aisle that we are not going to do that, we are going to collect this money from uncollected taxes. That argument has no viability any longer. They made that argument last year, and the amount of money which was collected from uncollected taxes went up a minuscule amount, so that argument has no credibility. There is an argument made, primarily by Senator OBAMA in his campaign for the Presidency, that all these new programs and all this cost will be paid for by taxing the wealthiest Americans—only the wealthiest Americans; that the other tax breaks will be left in place.

This budget does not assume that. This budget does not assume that at all. This budget assumes the full repeal of all the tax rates as they were put in place in 2001 and 2003. In addition, it assumes the full repeal of the capital gains rate, full repeal of the dividend rate—which, by the way, taxes on capital gains and dividends are paid disproportionately by senior citizens. They are the ones who sell their homes and end up with capital gains, they are the ones who have fixed incomes usually tied to dividends from their pensions.

So that argument that this proposal is just going to tax the wealthiest of Americans does not fly, on the basis of the language of the Democratic budget. The Democratic budget says they are going to repeal and raise, by \$1.2 trillion, those taxes—taxes which all Americans will have to pay.

Senator OBAMA says if he just taxes the wealthy, he can pay for all his new spending programs. Those new spending programs total up to well over \$300 billion a year. He has proposed over 185 new programs. If you score just 143 of those programs he is proposing—his new or additional programs—it totals \$300 billion in new spending. That is on top of the new spending already in this budget resolution. This budget radically expands spending. It is well over \$200 billion in new discretionary spending over the 5-year period of this budget and of course you put the Obama "spend-orama" on top of that and you are up another \$300 billion. All of this is going to be paid for, allegedly, by just taxing the wealthy.

You have to look at the language of the bill. That is not the way it is going to be paid for. As I outlined, it is going to be paid for by taxing working Americans, elderly Americans, single moms with families and individuals who run small businesses.

In fact, if you took Senator OBAMA at face value, and what he is proposing, he is going to raise all of these taxes on the wealthy to pay for his \$300 billion of new spending and the \$200 billion in this bill. The \$300 billion figure is an annual number, by the way.

The maximum amount, if you were to return to the top rate in America, back to the rate during the Clinton years, which is what has been proposed by Senator OBAMA, the maximum amount that generates annually is \$25 billion. The fact is, we will not get that much. These are wealthy people. They understand how to hire tax accountants and avoid taxes when taxes become disproportionate, and they view them as something that should be avoided rather than paid.

The great advantage we have from the tax cuts which were put in place by President Bush and which caused this economy to expand and caused Federal revenues to grow in the most aggressive way in our recent history, was that tax laws have reached fair levels.

Take, for example, the capital gains tax which, under this bill, under this

budget, will be doubled. The capital gains tax today, because it is at a reasonable rate, 15 percent, is generating huge increases in Federal revenues.

In fact, CBO estimated when the capital gains rate went to 15 percent, it would generate about \$100 billion less than what it has actually generated over the last 3 years. And why did we obtain an additional \$100 billion in tax revenue as a result of having a lower capital gains rate? For two reasons: One, because the capital gains rate was fair so people were investing in activity that was taxable, and they were not trying to avoid taxes by investing in nontaxable activity; and, two, because when you set a fair capital gains rate, what you do is incentivize people to go out, recognize their capital gains—in other words, sell the asset which they obtained gain in, and then take that new money they have gotten and reinvest it in some other activity which also generates capital gains.

Instead of having the capital gains event locked down, instead of having assets held simply because people do not want to pay taxes, and those assets may be nonproductive assets, thus not having productive use of those dollars, a reasonable capital gains rate, which is what we now have in this country, causes people to go out and invest and act in the most efficient way with the money they have.

As a result, not only do they generate more taxes to the Federal Government, \$100 billion more than was estimated, but they also, at the same time, create more jobs. Because those dollars are used more efficiently, there is more entrepreneurship, there is more risk taking, and more people are willing to go out and take the risks to create a job because they know they are going to have a chance to get an adequate return, and their efforts will not be taxed away.

But this budget rejects all of that. This budget rejects that whole concept. It says: Let's go back to the period where we taxed people at extremely high rates. And why? Why do they tax people at extremely high rates? Is it to reduce the deficit? No, the deficit goes up dramatically under this bill.

Does it reduce the national debt? No, the national debt goes up dramatically under this bill. The reason they want your tax dollars is because they want to spend your tax dollars. There is a genuine philosophy on the other side of the aisle that says they know how to spend your money better than you do. You, the working American, you, the small business man or woman, you, the single mother, they know better how to spend your money than you know how to spend your money. Thus, they want to raise your taxes in order to reprogram it in some sort of program that they deem to be of a better social purpose than allowing the person who earned that income to keep their money in their pocket so they can make decisions which benefit them and their family with those dollars.

That is the philosophical difference that divides us and could not be shown in a more stark way than in this budget as it left the Senate and which will be conferenced, because this budget repealed almost all the constructive tax policy that was pro-growth oriented in the President's proposals of 2001 and 2003, and as a result it drives this massive increase in the tax burden on the American people.

This is not a tax on the wealthy. This is a tax on the middle class because it is middle-class America who will have to pay for the \$1.2 trillion tax increase. To review the numbers, 7.8 million people who do not pay taxes today will have to pay them under this bill; 27 million people who run small businesses will see their taxes go up by \$4,100; 43 million working Americans who have children will see their taxes go up by \$2,300; and senior citizens, 18 million senior citizens, will see their taxes go up by \$2,200.

Obviously, we have a deep philosophical difference with the majority on this point. And that is why we are suggesting an instruction which says we should not proceed down the path of having the world's largest tax increase. Let's at least tell our conferees: Do not do that to the American people. Keep the tax laws at a level that is fair and is responsible.

By "responsible" I mean the tax laws, as they presently are structured today, are returning more revenue to the Federal Government from our income tax than we have ever had in our history. And even as a percentage of the gross national product, they are returning more revenues to the Federal Government than has been the historical average. Mr. President, 18.7 percent of gross national product today is being collected in tax revenue. Historically, it was only 18.2 percent. So these tax laws have not reduced Federal revenue, they have actually increased Federal revenue, as I pointed out when I discussed the capital gains rates.

We should not be putting in place a tax burden on working Americans which is going to be counter to the idea of creating jobs, creating economic incentives, and giving and allowing people to keep in their pockets money which they have earned and which they know better how to spend than we as a government know how to spend.

I reserve the remainder of my time. I look forward to continuing this discussion as we proceed through the afternoon.

The PRESIDING OFFICER (Mrs. McCASKILL.) The Senator from North Dakota.

Mr. CONRAD. Madam President, I have enjoyed listening to my colleagues describe this budget resolution. But it has nothing whatsoever to do with the budget resolution we have produced. It is a wonderful speech. It is the same speech they give every year no matter what the budget resolution says. But it absolutely has no attachment to what we have presented.

I hear this talk about the biggest tax increase ever in the world history. He said the same thing last year. And you know what happened. We have cut taxes. In fact, I have that chart too. It is very interesting because he gave precisely the same speech last year. It may have been exactly the same speech.

And what has happened with this Democratic-controlled Congress? Well, here are the tax cuts we have enacted, \$194 billion. After they said we were going to have the biggest tax increase in the history of the world last year, we have cut taxes by \$194 billion, with \$7 billion of revenue raised through loophole closers that have been enacted, loophole closers that, frankly, many of them supported to advance the legislation that was important to us all. But that is the record.

After the speech, the identical speech, virtually the identical speech he gave last year, that we were going to have the biggest tax increase in the history of the world—what is the record? We have cut taxes by \$194 billion, overwhelmingly on the middle class.

Now, let's look at this budget resolution. The green line is the revenue that is in our resolution. The red line is the President's. That is a very small difference, as you can see, a very small difference between the two. In fact, here is the difference: \$15.6 trillion of revenue in our resolution, \$15.2 trillion of revenue in the President's proposed budget. That is a difference of 2.6 percent. So I do not know what he is talking about when he is talking about the biggest tax increase in the history of the world. That has nothing whatever to do with our resolution.

In fact, our resolution has substantial tax relief. The Baucus amendment adopted on the Senate floor with bipartisan support extended the middle-class tax relief by providing for marriage penalty relief, by providing for extension of the child tax credit, by extending the 10-percent bracket.

We also provided alternative minimum tax relief to prevent 26 million people from being caught up in the alternative minimum tax, almost an eightfold increase from the number affected now. We have taken effective action to prevent that from happening. We have estate tax reform that will provide that only two-tenths of 1 percent of estates will face any taxes.

We provide for energy and education tax cuts. We provide for property tax relief, and we provide for extension of the popular tax extenders. All of that is done in this bill. Now, there is a difference in revenue, as I indicated, a very modest 2.6 percent between what is in our budget resolution and what the President called for.

Well, where are we going to get that revenue if we are not going to have a tax increase? Well, the first thing we do is go after the tax gap which is now estimated at \$345 billion a year. That is the difference between what is paid and what is owed, \$345 billion a year.

If we got 20 percent of that amount alone we could meet our numbers with no tax increase. But that is not the only place we can look because, as I have shown before on the floor of the Senate, this building down in the Cayman Islands called Ugland House, this little modest, five-story building is the home to 12,748 companies.

Now, I have said this is the most efficient building in the world. Think of that. That little building down in the Cayman Islands, and 12,748 companies claim they are doing business out of that little building. Of course, the only business they are doing in this building is monkey business because what they are doing is claiming they are doing business there in order to engage in tax avoidance. That is the business they are engaged in in Ugland House.

Now, if anybody doubts it, here is a recent story from the Boston Globe from March 6 of this year: Shell companies in Cayman Islands allow Kellogg, Brown and Root to avoid Medicare and Social Security taxes in the United States. What they have done down there this is the Nation's top Iraq war contractor until last year, a subsidiary of Halliburton, is to avoid paying hundreds of millions of dollars in Federal Medicare and Social Security taxes by hiring workers through shell companies based in this tropical tax haven.

Now, what we are saying is, let's shut down this kind of scam. How much is there? Well, the Permanent Subcommittee on Investigations said there is \$100 billion a year that is being lost to the U.S. Treasury in tax scams being run in these offshore tax evasion schemes. So if you have \$345 billion a year in the tax gap, money that is owed that is not being paid, and the vast majority of us pay what we owe, it is outrageous that some are getting away without paying what they owe. And our argument on our side is that we ought to go after those folks who are not paying what they owe and are cheating all the rest of us.

On our side we say: Let's shut down these offshore tax havens that are costing us another \$100 billion a year, these tax scams that are cheating all of the rest of us. You add those two together, that is \$445 billion a year.

Again, now we need less than 20 percent of that in order to completely close this revenue gap.

But it doesn't end there, because I have shown this chart on the floor of the Senate too. This is a picture of a sewer system in Europe. What does a sewer system have to do with the budget of the United States? We have companies in America buying European sewer systems to write them off on their books to reduce their taxes here. Then they lease the sewer systems back to the European cities that built them in the first place. Is that unbelievable? Our friends on the other side don't want to do anything about that. They don't want to shut that down. They think that is OK. We don't. We think that should be shut down. This is

another tens of billions of dollars a year in these types of tax scams.

We have things we have done to try to shut down some of these operations. We have put these in bills that the President has threatened to veto. This is almost hard to believe, but this is what has been going on. We proposed shutting down these scams. One of the things we propose is codifying economic substance, prohibiting transactions with no economic rationale done solely to evade taxes. We proposed shutting down schemes to lease foreign subway and sewer systems and depreciate their assets on the books of the United States to avoid taxes here. We have proposed ending deferral of offshore compensation by hedge fund managers trying to avoid taxation in this country. One of those people, by the way, earned over \$1 billion last year alone. And there is not just one; there are many of them who earned over a billion dollars a year last year. Then they cook up a scheme where they move their money offshore to avoid paying taxes in this country and stick all the rest of us with the bill. We have said no, let's shut that down. The President has threatened to veto that.

We have talked about expanding broker information reporting to prevent this evasion and taxing people who leave this country and give up their citizenship to evade taxes they owe here. As unbelievable as it may sound, we have people who give up their U.S. citizenship, go to one of these tax havens and say: We don't owe any taxes in America because we don't live there anymore. We are no longer a citizen of that country. We are now down in the Cayman Islands or another one of these tax havens.

In fact, I went on the Internet. It is amazing to go on, put in "offshore tax havens." Punch that in and then do a search. You will get over 1 million hits. One of my favorites is "live offshore in a luxury yacht, never pay taxes again." This is the kind of scam that is going on. We say shut it down. If we only got back 15 percent of the money in the tax gap—not 50 percent, 15 percent—if we got back 15 percent of this tax gap, of these abusive tax shelters, we could meet our numbers with no tax increase. Remember, in our resolution, we have hundreds of billions of dollars of tax reduction on middle-income people, because we have extended all the middle-class tax cuts. That is what this resolution does. The other side doesn't want to do that. What they want to do is make sure to protect the wealthiest among us. They want to protect those who are engaged in these scams. I don't know why they want to. I don't get it. But that, apparently, is their position. They are going to have to defend it.

As I have indicated, there is no assumed tax increase in this budget resolution—none. There are substantial tax reductions, hundreds of billions of tax reductions.

I will end as I began. Last year the Senator on the opposing side gave the

same speech, that our budget resolution had the biggest tax increases in the history of the world. Here is the record. Now we can look back and we can see what happened. Did Democrats increase taxes? No. Democrats cut taxes by \$194 billion. In fact, people all across the country are getting checks from the Federal Government right now that represent those tax reductions enacted and, by the way, enacted on a bipartisan basis. The President signed the bill. So people know they got a tax reduction from Democrats when we have been in control of Congress this year, because they are getting the checks in the mailbox right now.

After the Senator asserted last year we were going to have the biggest tax increase in the history of the world, it didn't happen. There wasn't any tax increase. Instead, there were tax reductions.

There is no tax increase in this budget resolution either. None. None is assumed. We don't need any to meet the revenue numbers which are only 2.6 percent more than the President's revenue numbers. In fact, we have substantial middle-class tax relief. The middle-class tax relief that is in this package is right here. We extend the middle-class tax provisions that provide marriage penalty relief. We extend the important child tax credit. We extend the 10-percent bracket that provides such good relief to middle-income people. We have provided for relief from the alternative minimum tax. We have provided for estate tax reform. We have provided energy and education tax cuts, property tax relief, and the popular tax extenders. All of that tax relief is in this package.

I hope our colleagues will reject the assertion that is in the Senator's motion because it bears absolutely no relationship to the budget resolution before us.

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

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCONNELL. 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. MCCONNELL. Madam President, 2 years ago, Democrats campaigned on tax relief for middle-class families. They called for fiscal restraint and lowering the national debt. But as we have seen over the last year, our good friends are more concerned with increasing taxation, increasing regulation, and increasing litigation. The budget they unveiled this year is the latest example.

If we were to follow this budget, it would go a long way toward turning us into a country like France, at a time when even the French, as we all know,

are trying to pull back and trying to get out of the ditch into which they have put themselves.

This budget lifts the curtain on what they have in store for America's already overburdened taxpayers. Instead of lowering taxes on America's working families and small businesses, this budget contains the largest tax hike in U.S. history.

It is not just the rich who would see their tax bills increase by an average of \$2,300 a year; it is taxpayers making as little as \$31,850, and couples earning \$63,700. These are families the Democrats are calling rich and on whom they want to raise taxes.

Under this budget, every American would see his or her share of the national debt rise by \$6,440 as a result of dramatically higher spending requests.

At a time when American families are tightening their belts and checking their own spending habits, Washington should be doing the same. Yet they are proposing the opposite. At a time of serious economic concern, they want to grow the Federal budget to over \$1 trillion in nonemergency spending.

We have heard a lot of talk over the last few months from the other side about how middle-class families are struggling to make ends meet. We even worked together to pass a stimulus package that puts money back in the wallets of middle-class families. But now our good friends on the other side want to take that money back—and then some—to fund their irresponsible spending hikes.

Let's be clear about what this budget is: It is the Democrats' way of saying yes to the failed tax-and-spend policies of the past. American families cannot afford this budget, American job creators cannot afford this budget, and neither can our economy.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Well, Madam President, it is the same song, second verse. Again, it is words. It is no wonder our friends on the other side have lost three congressional elections in a row because they keep chanting the same mantra that has no relationship to reality. These are the exact same speeches they gave last year: biggest tax increase in the history of the world.

Now we can come and we can check the record. We do not have to guess; we do not have to suppose; we do not have to engage in make-believe. We can look at the record. Here it is: Democrats lowered taxes by \$194 billion. If you are listening, you do not have to wonder if that is true. All you have to do is go to your mailbox because all across America people are getting checks from the United States that represent the tax cuts Democrats in Congress passed. So this is not a question; this is a matter of fact. Democrats cut taxes \$194 billion. Those are not my numbers. Those are the numbers from the Congressional Budget Office.

All of this talk about big tax increases is just talk. It has no relation-

ship to this budget and no relationship to last year's budget. It has no relationship to this year's budget.

I present the factual record. It is as clear as it can be. We lowered taxes \$194 billion in the year under the budget resolution we passed last year.

With that, Madam President, I yield the floor.

I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER (Ms. KLOBUCHAR). Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GREGG. 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. GREGG. Madam President, I now suggest we yield back the time remaining on this motion and that we turn to the motion to instruct by Senator KYL. So I ask unanimous consent to yield back all time.

The PRESIDING OFFICER. Is there objection?

The Senator from North Dakota.

Mr. CONRAD. Madam President, I will not object. So let's go forward with that, and then I will seek recognition.

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

The Senator from North Dakota.

Mr. CONRAD. Madam President, I ask that we enter into a unanimous consent agreement on the Kyl motion—there will also be a side by side—that we do an hour on the two, equally divided.

Mr. GREGG. Madam President, to my knowledge we have not seen the side by side.

Mr. CONRAD. Oh, they are typing up the comprehensive agreement. So shall we—

Mr. GREGG. Why don't we proceed with Senator KYL, and after we see your side by side, we can talk about time agreements because we already have an hour.

Mr. CONRAD. Let's proceed on the basis that we will make a good-faith attempt that we try to do this in an hour. Is that OK?

Mr. GREGG. That is fine with me.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Thank you, Madam President. I am going to take a couple of minutes to lay this motion down and then leave the floor. I will come back. Senator GRASSLEY will be here in about a half an hour. I know he wants to speak to this motion. So the total time consumed should not be more than that, but exactly when we will do the time I am not precisely sure.

Mr. CONRAD. Madam President, if I can say, maybe we can work things out. We will try to be flexible and work in people as they come. We will do our best effort to get it done in an hour.

MOTION TO INSTRUCT

Mr. KYL. Madam President, I have a motion at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. KYL] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to reject the House amendment that assumes \$110 billion in tax increases as a result of having to offset the extension of tax policies that expired at the end of 2007 and will expire at the end of 2008 (including the AMT patch, the research and experimentation tax credit, the State and local sales tax deduction, the combat pay earned income tax credit, education tax credits, and the alternative energy tax credits) and insist that the final conference report include in the recommended levels and amounts in Title I reductions in revenues commensurate with extending these tax policies without offsetting tax increases.

Mr. KYL. Madam President, let me simply describe in about 90 seconds what this motion does, and then I will come back and make the presentation for it in a moment. This motion would instruct the House and Senate budget conferees to assume a 1-year extension of the alternative minimum tax so-called patch, in other words, that the filers who have not had to pay that would not have to pay it in the future for another year.

Also, it assumes an extension of the tax extenders, as we call them. Those are the provisions of the Tax Code that have already expired, things such as the R&D tax credit; plus those that expire at the end of this year, things such as the various energy tax credits; and some international tax credits that have always been the subject of our extender policy.

These tax extenders and the AMT, alternative minimum tax, fix would not have to be offset by raising taxes on others. That is the key point of this motion, that we extend the relief we have given to filers—about 26 million filers this year—from the alternative minimum tax, and extend the various so-called tax extender provisions that are traditionally extended here, and that in neither case would we be raising taxes in order to pay for them.

Madam President, I will reserve discussing this further until some of the other speakers are here to make the motion.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I will offer a side-by-side amendment that seeks to achieve the same goal. This is one place where we have an agreement. None of us want to see the alternative minimum tax imposed on the American people. That would involve 26 million people, up from 4.2 million now. All of us want the so-called tax extenders to be extended. It would involve the research and development tax credit and others.

We would add this additional caveat: We ask that every effort be made to

offset the cost of these policies by closing the tax gap, shutting down abusive tax shelters, and addressing these offshore tax havens that are turning out to be so abusive. We think that is better policy.

We absolutely agree that the alternative minimum tax should not be expanded. We absolutely agree that the so-called tax extenders, such things as the research and experimentation tax credit, the deduction for State and local taxes, the deduction for classroom expenses, the deduction for qualified education expenses, the incentive for the charitable IRA rollover, the combat pay earned-income tax credit, and various energy tax incentives, be extended. But we believe that rather than just putting that on the charge card and adding to the debt—meaning that we go out with a tin cup and borrow more money from the Chinese and the Japanese—we pay for it by going after these abusive tax shelters, going after these tax scams, these offshore tax havens, and do it without raising taxes. So I hope my colleagues will support that as a general principle and an instruction to the conference committee.

With that, I note the absence of a quorum and ask unanimous consent that the time be charged equally.

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

The clerk will call the roll.

The journal clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Madam President, I am going to extend my remarks.

I think many people in the country hear the phrase "AMT" and they wonder: What is that? It is the alternative minimum tax. It was established decades ago because they found there were people making \$200,000 a year who weren't paying any taxes. To address that, they created the so-called alternative minimum tax.

The problem with it is that it was never indexed for inflation. The result is that now, instead of affecting just a few people, it is affecting millions of people. In fact, the estimates are that if we don't do anything about this, it will increase from 4 million people in 2007 to 26 million people in 2008.

In this budget resolution we say: No, no, don't let that happen. Don't increase taxes on 26 million American families. Don't do that.

In this instruction to the conferees, we say: Yes, absolutely, don't allow the alternative minimum tax to grow like a cancer. Instead, let's take care of that. Let's remove it as an option, and let's try to pay for it by closing down these abusive tax shelters, these offshore tax havens, and closing the tax gap.

Our friends on the other side have a different approach. They just want to

put it on the charge card. The problem with that is if you eliminate the alternative minimum tax without paying for it, it adds \$1.7 trillion to the debt. That is trillion with a "t." Where do we get the money? Well, we borrow it.

We have been doing a lot of borrowing under this President. This is his record. He is building a wall of debt that is almost unprecedented in the history of the finances of this country. When he came in at the end of his first year, the debt was \$5.8 trillion. At the end of his tenure, it will be \$10.4 trillion. In the 8 years he is responsible for, the debt will have risen to \$10.4 trillion. In fact, he will have nearly doubled the debt of the country.

More alarming is where we are getting it from because increasingly we are getting this money by borrowing from Japan and China. We even owe Korea money. This chart shows it. This chart shows that it took 42 Presidents 224 years to run up \$1 trillion of U.S. debt held abroad; \$1 trillion of foreign-held debt—foreign-held U.S. debt. It took 224 years to run up \$1 trillion of foreign-held debt and all these Presidents, 42 of them. This President tops them all. He increased foreign holdings of our debt by \$1.51 trillion so far, and counting. He has dug a very deep hole.

We have proposed a series of reforms.

I held up just moments ago a picture of a French sewer system and asked the question: What does this have to do with the U.S. budget? Well, it turns out it has quite a bit to do with the U.S. budget because we now find companies in this country—wealthy individuals buying European sewer systems, not because they are in the sewer business but because they want to avoid taxes in this country. How do the two have any relationship? Well, here is how it works: They buy a European sewer system, they put it on their books here, they depreciate it for tax purposes here, reducing their tax bill, and they lease the sewer system back to the European cities that built them in the first place. What a scam.

I just held up a picture of this little five-story building. Here it is. This little building down in the Cayman Islands is home to 12,748 companies. What a remarkable building this is. That little five-story building is supposedly the corporate headquarters of 12,748 companies. Now, are they all really doing business out of that little building down in the Cayman Islands? No, of course not. They are not doing business down there. They have a postal drop down there in order to claim that it is their headquarters for tax purposes. Why would they do that? Because the Cayman Islands doesn't have any taxes. So what they do is they have a subsidiary of this company that sells to another subsidiary that is wholly owned, and they sell at cost to subsidiary No. 2. Then they sell from subsidiary No. 2 to subsidiary No. 3 that is down in the Cayman Islands. They sell to them at cost. Then the subsidiary in the Cayman Islands sells

to another subsidiary over in Germany or France and shows a big profit in the Cayman Islands where there are no taxes. That is an outrage. The vast majority of us pay what we owe. We have some who don't, and they are getting away with it with these scams. We say shut it down.

Let's not go borrow more from China and Japan and dig the hole deeper the way the President wants us to do. That is what our budget resolution says. That is what my amendment says. Yes, absolutely, don't let the alternative minimum tax be expanded from 4.2 million people in this country to 26 million. Don't let that happen. Yes, extend the research and experimentation credit. Yes, extend the sales tax deduction. Yes, provide for these other important tax incentives, especially the energy tax incentives. But instead of borrowing the money, instead of just going back hat in hand to China and Japan and asking them for more money, let's shut down these offshore tax havens, these abusive tax shelters and this tax gap where we have people who owe money but aren't paying it. Let's go after them instead of going over to China and being dependent on the kindness of strangers to finance our country.

We are headed for a cliff here because under this administration the debt has skyrocketed before the baby boomers ever retire. I have shown the chart that shows what has happened to the debt. The debt has gone up like a scalded cat.

Here is what has happened to the debt under this President and these policies: up, up, and away. He has nearly doubled the federal debt. He has more than doubled the foreign holdings of our debt. In fact, the increase in foreign-held debt under this President is now 150 percent of the amount accumulated by all previous Presidents combined over 224 years. As a result, we now owe the Chinese hundreds of billions of dollars. We owe the Japanese even more. We even owe Korea now over \$40 billion. Enough is enough. Enough is enough. Let's quit digging the hole deeper. Yes, absolutely, let's provide middle-class tax relief. That is in this budget.

As I have said before, with all the talk from the other side about the biggest tax increase in the history of the world, here is the record. Democrats had been in charge for 1 year and we have provided \$194 billion of tax relief, and you don't have to wonder if that is true. Just go home and check your mailbox. You are receiving a check passed by this Congress, signed by the President—a stimulus package—with \$150 billion in that package alone. But we have taken other steps to provide other tax relief as well, including not allowing, last year, the alternative minimum tax to be expanded, and we are not going to let the alternative minimum tax be expanded this year either. That is a fact. That is the record. It is not rhetoric, it is a fact.

Madam President, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CONRAD. 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. CONRAD. Perhaps, I would ask the ranking member, could we just agree that whenever we go into a quorum call, we equally divide the time?

Mr. GREGG. Yes.

Mr. CONRAD. I ask unanimous consent that we adopt that as a rule, that any time we go into a quorum call, we equally divide the time.

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

Mr. CONRAD. I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. I would ask the Senator from South Carolina, would it be acceptable—I understand it is with Senator BOXER who has a matching motion to yours—to have 30 minutes equally divided?

Mr. DEMINT. Yes.

Mr. GREGG. On both motions?

Mr. DEMINT. I just have one. Thirty minutes equally divided?

Mr. CONRAD. On the two.

Mr. DEMINT. Yes.

Mr. CONRAD. That would help very much. I appreciate the Senator's courtesy.

Madam President, I ask unanimous consent that we have 30 minutes equally divided on the DeMint and the Boxer motions.

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

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

MOTION TO INSTRUCT

Mr. DEMINT. Madam President, I send a motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to insist that if the final conference report includes section 304 of S. Con. Res. 70, the deficit neutral reserve fund to invest in clean energy, preserve the environment and provide for certain settlements, as passed by the Senate, that such section shall include an additional requirement that legislation providing for new mandates on greenhouse gas emissions that would harm the United States economy or result in a loss of jobs should not be enacted unless similar mandates are enacted by China and India.

Mr. DEMINT. Madam President, I want to take a few moments to explain this motion. I hope we can all agree on it. If there is one thing that we hear from both sides when we are talking about trade around the world, and trade agreements, it is there needs to be a level playing field; that trade needs to be fair; that the terms should be the same on both sides.

This motion to instruct the conferees addresses that one issue. It would prevent Congress from passing any law with new mandates on greenhouse gas emissions that would harm the U.S. economy or result in job loss unless both China and India had the same mandates—in other words, if we had a level playing field. It is not going to help the environment in the United States or the world if we pass mandates that raise the cost of doing business in our country, particularly those companies that are energy intensive, especially manufacturing, if we create mandates that do not exist in India or China. Our companies will simply relocate to other countries, taking American jobs with them.

The point of this motion is to put in front of all of the conferees the idea that it is important for us to reduce greenhouse emissions, to reduce CO₂ emissions all over the world. But it is also important for us to keep in mind that if we do something that is isolated to the United States, that hurts our economy and costs us jobs. It makes no sense if we don't require the major industrial countries, such as China and India, to do the same.

So we have seen over the last 15 years that CO₂ emissions in the United States have actually grown less than the economy has grown. So our productivity is increasing, and our use per capita, as far as CO₂, is actually declining. We see at the same time a 100-percent increase in emissions from China and India. Anybody who watched the prelude to the Olympics in China can see the results of that in the air.

So I ask my colleagues—particularly the conferees—to support the idea that we will not do anything that puts new emissions standards on our companies in this country, if we know it is going to hurt the economy or jobs, and that we need to insist the same standards apply in China and India.

With that, I will yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mrs. BOXER. Madam President, I rise to speak against the DeMint motion and in favor of the Boxer motion, which takes on the issue of global warming in a way that is consistent with the information and the facts that we have today.

The DeMint motion is a throwback to 10, 11 years ago when everybody around here, including myself, was saying we better watch out and not do anything about global warming until the undeveloped world acts. We better sit back and do nothing. You know what. We cannot do that anymore. This is a time of change. This is a time where we have to challenge the status quo. This is a time when we need to stand up as the leading country in the world and say that we can fight global warming, and we can win this fight. As a matter of fact, if we approach it with hope, not fear, we are going to create tens of thousands, hundreds of thousands of new jobs. We are going to get our people off of fossil fuel, not having to worry about gas prices anymore, and we will create new technologies that will spur us on to an economic renaissance.

But what happens with the DeMint motion, he gives China and India a veto power over what we should be doing. Imagine sitting back and saying we are not going to do anything about human rights until China acts. We are not going to do anything about a better educational system until India acts.

Why would we give up our chance to take the mantle of leadership and finally grab hold of this issue, and do it in a way that makes us quite strong in the global marketplace? So when you look at the DeMint motion, it is very similar to what passed in the last century, if you will, more than 10 years ago. That is why I think my friend's party is in so much trouble—because they fight against change, they fight for the status quo, they fear change, and this is a time of change.

I didn't ask for this moment during the budget debate. I don't think this is the right place to debate a cap-and-trade system because we will be tackling this subject matter soon enough. It is not going to be easy. Change isn't easy. But this is positive change, where America says we will lead. We know from the Pentagon, and we know from our intelligence officials that if we do nothing, we become less secure in the world because global warming, we know, will have an impact on drought, floods, cyclones—all of the things we are already seeing—if we do nothing because we have given over our chance to act to India and China, and our people will suffer.

Yesterday, the Bush administration declared that the polar bear is a threatened species because the polar bears' habitat is shrinking away. The permafrost and the ice that the polar bear stands on to hunt is literally melting out from under them. Now, for the Bush administration to declare that is extraordinary. They said it is because of global warming, and that in 30, 40 years we will not have any more polar bears. That is one example.

Scientists tell us 50 percent of God's species could be gone. For those of us who happen to believe there is a spirituality to this world—and I do—it is

our destiny to save the planet. It is not our destiny to support the DeMint motion, which leaves it up to China and India.

We have a better way. We say in our substitute that no legislation should pass mandates on greenhouse gas emissions until it effectively addresses imports from China and India and other nations that have no similar emissions programs. We agree that no bill should pass unless it addresses the imports from these nations. So that is our alternative—not to say stop the world, I want to get off; not to say that America will be missing in action in the biggest domestic challenge of our time, but to grab hold of that challenge and make sure we do it in a way that is fair to our industry, fair to our workers, fair to our consumers, fair to our manufacturers. And when those imports come in at our ports, if those countries seeking entry into our country do not have equivalent programs, then they will have to get the allowances at the border in order to bring those goods into the country.

That is the way we are going to handle this problem. So, once again, I say to my colleagues, we are going to have a debate on global warming very soon, thanks to Senator REID putting it on the schedule for June 2.

When we are told by the leading scientists of the world that if global warming is left unchecked, our planet will become inhospitable to us as human beings, to our children, to our grandchildren, and that there will be vectors around that we cannot combat, there will be amoebas in our water, bacteria that have never been there before; there will be storms, cyclones, droughts, and floods—extreme weather conditions; when we see that the habitat for beautiful animals—God's creatures, such as the polar bear—is already being impacted now as we speak, for us to say we will do nothing until China acts—I don't want China dictating what I do in this country. I don't want India dictating what I do in this country. I want to make sure that we handle this issue right and that we are not disadvantaged because they may not act. That is what our alternative does.

I hope we will have a good vote on that alternative and reject the status quo—the throwback position of Senator DEMINT.

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

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

Mr. DEMINT. Madam President, I appreciate the comments by my colleague from California. Certainly, it should be our highest priority as a nation to continue to remove CO₂ emissions throughout our country. We don't need to wait for any other country to act, only our own.

We do need to recognize that if we put such a burden on our industries in America, they will move production to China, and they will do their polluting

somewhere else rather than here. If that is what our legislation does, then we do nothing for the environment, and the only thing we do for our country is send jobs overseas. We need to be smarter in how we deal with this matter.

The side-by-side motion by my colleague from California would add insult to injury. She wants to leave us open to lose jobs in America by putting mandates on our companies that hurt our economy and cost us jobs. Then she wants to add taxes on products that are coming from other countries that don't abide by our mandates so that products cost more for the people who live here, many of whom would not have jobs.

We cannot solve our environmental problems with this kind of convoluted logic. The motion I have put forward simply says if—and only if—a mandate is known to hurt our economy and costs our jobs, then we need to figure out a different way to deal with it than to put a mandate on a U.S. company in competition with businesses that don't have the same mandate in other countries we trade with.

It is only common sense, and it doesn't make sense, again, to send jobs overseas and then try to add taxes to products that we buy from around the world. I encourage my colleagues to think this through. Let me provide a few more facts about what we are trying to do.

We need to work to reduce greenhouse gases, and there are many things we can do that do not hurt our economy and don't drive jobs out of our country. In fact, if we look at it closely, good economics is usually good for the environment. We see that if we move with all compassion but just knee-jerk reactions, we end up with programs, such as an ethanol mandate, that do not help the environment, raise the price of food, and hurt people all over the world. I am afraid that same type of thinking is going on right now.

It is a laudable goal, one with which I agree, that we should continue to work in all reasonable ways to reduce CO₂ emissions in our country.

One recent study from the University of California found that China passed the United States in carbon emissions in 2006 and is now the largest pollution-producing country in the world. This has just been in a few short years, and they are growing much faster than we are.

We do need to keep in mind that carbon in the air that comes from China does as much to hurt the worldwide environment, if, in fact, it does affect global warming—it doesn't matter if it is coming from the United States or China. If we ignore what other countries are doing, we do it at our own peril.

My motion is very similar to bipartisan agreements that we had in the Congress when discussing the Kyoto agreement. It makes no sense to bind our own companies with expensive mandates if we do not have cooperation

from countries in other parts of the world. We simply move our production and our jobs somewhere else. So we need to be logical about it.

I mentioned before, according to a World Bank study, both China and India have increased CO₂ emissions by nearly 100 percent from 1990 to 2004, while the United States emissions in that same period only increased by 25 percent, which is less than the growth of our economy during that period.

This emissions scheme we have talked about would export American manufacturing jobs to China and India. With the solution that is being presented by my colleague from California, she is basically saying: OK, let's hurt the economy and lose jobs in this country, but we can make up for it by raising prices of goods that come to us from China and India. That is not going to help anyone in this country, and it is not going to do anything to reduce emissions in the world. It is playing musical chairs with American jobs and basically encouraging the environment to be spoiled in other parts of the world.

In order to truly address greenhouse gas emissions, it is imperative that China, India, and other countries that are emitting need to work together. So if we take this on simply as one country, we will hurt ourselves, and we would not help the environment and we will send jobs overseas and actually encourage pollution, magnified, in effect, by not acting in a way that tries to seek cooperation around the world.

I certainly encourage my colleagues to respond to the need to reduce CO₂ emissions and to look at ways we are doing it already that actually create jobs and don't take them from our country. But let's not solve the problem by making it worse and shipping our jobs and pollution overseas and expect to do any good with our legislation.

Madam President, I reserve the remainder of my time and yield the floor.

Mrs. BOXER. How much time remains on both sides?

The PRESIDING OFFICER. The Senator from California has 5 minutes 57 seconds. The Senator from South Carolina has 6 minutes 51 seconds.

Mrs. BOXER. Madam President, will you let me know when I have used up 5 minutes?

The PRESIDING OFFICER. The Chair will so advise.

Mrs. BOXER. Madam President, I say to my colleagues that Senator DEMINT's motion is a back-to-the-future position. Again, it is why his party is in so much trouble. It is not looking ahead with hope; it is looking ahead with fear. It is giving veto power to countries that we should not be following. We should not be following the environmental policies of China. You can barely breathe over there. Yet they are going to have the same until they decide to act and we sit here and do nothing about one of the greatest challenges to face our generation.

I cannot look into the eyes of my grandchildren and tell them: Sorry, I am giving over my proxy to China, I am giving over my proxy to India, and I can't do anything about it.

I don't know exactly what my colleague is talking about. He is telling me what I support, and he has no right to do that. He has no right to say I support higher taxes on consumers because I don't. He has no right to say I want to give away jobs. I have more support from working men and women in my State than probably almost anyone in this body. I take second to none in that category of fighting for the environment and fighting for jobs.

Actually, if my friend knew a little bit more about what we are talking about, he would understand that the bill we are going to come up with has one of the biggest tax cuts in history in it—let me repeat that, one of the biggest tax cuts in history in it—which is going to ease the pain and ease the burden on consumers and on our people and help them pay for high prices of gasoline.

My bill has cuts in carbon of 2 percent a year that we think is doable, and our bill is deficit neutral. It is, as my friend should know, a very bipartisan bill—Boxer, a Democrat; Lieberman, an Independent; Warner, a Republican, and it has bipartisan support.

For someone to stand up and say the purpose of that bill is to hurt consumers, hurt America, hurt jobs, then they have not read the bill or they are giving a political speech. You can put lipstick on a pig, but it is still a pig.

I look at my friend's motion as a sad one. It is a position of surrender. It takes us back to the nineties, when we didn't know what we now know about global warming. It takes us back to the nineties, when we feared taking on that challenge. But our time has come. The time for change is here. It is time, once and for all, to stand up and say we are not going to depend on foreign oil anymore, we are going to make sure we have technology developed in this country that will get us away from foreign oil and away from the countries that hold such a vise around our neck. That is why Senator WARNER is on this bill, that is why Senator LIEBERMAN is on this bill, that is why I am on this bill, and many other colleagues on both sides of the aisle.

So for my colleague to bring this issue up on the budget resolution is unbelievable because he has not even seen the bill. To stand up and say that what I want to do and what those of us who want to act against global warming will do is bad for our country is quite the opposite.

In Great Britain, over the last 10 years, they have reduced carbon emissions by 15 percent. Their GDP rose by 45 percent, and 500,000 jobs were created that are green-collar jobs.

You can stand in the corner and shiver and shake and say: Please, China, please act so we can act. You can say:

Oh, India, please act so we can act. Or you can stand up like an American and say: We lead.

This vote is an important vote because what I say in my side-by-side motion is we will not support legislation that does not address the issue of imports from countries such as China and India that have no emissions program.

MOTION TO INSTRUCT

Madam President, I have a motion to instruct at the desk. I wish to make that clear.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mrs. BOXER] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution, S. Con. Res. 70, the concurrent resolution on the budget for fiscal year 2009, be instructed that—

no legislation providing for new mandates on greenhouse gas emissions should be enacted until it effectively addresses imports from China, India, and other nations that have no similar emissions programs.

Mrs. BOXER. I didn't want to forget to offer the motion.

The PRESIDING OFFICER. The Senator has consumed 5 minutes.

Mrs. BOXER. I reserve the remainder of my time. I look forward to a good vote on the Boxer motion.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Madam President, I ask to take 10 minutes off the Kyl time.

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

Mr. GRASSLEY. Madam President, I believe we should adopt Senator KYL's motion to instruct the budget conferees. First of all, I wish to comment on the status of the alternative minimum tax. There is some good news regarding the need to do a patch to protect over 20 million families. The Democratic leadership in this body recognized the importance of halting the effect of this tax on these families and provided room in the budget for a patch for this year.

I commend my friend, the chairman of the Budget Committee, for that improvement of the budget resolution over previous years. I do so again and note that the Kyl instruction is consistent with the chairman's position in that regard.

The bad news is, we are halfway through the year and the patch has not been done. The reason is that Blue Dog Democrats in the other body will not supply the votes for an un-offset patch in the House of Representatives.

By the way, the only Blue Dog answer to deficit reduction is to raise taxes. We have seen it on the AMT, and we have seen it on spending legislation. We are seeing now the GI benefit provisions in the war supplemental bill. Why they think of only raising taxes and not of where to cut spending levels to offset the need to spend someplace else I don't understand. They never seem to

propose spending cuts as a remedy. I think it is fair for me to say they never do. They only ask for higher taxes.

I hope people in this body will start to pay attention to this issue. The Blue Dogs' bark is deficit reduction, but their bite is always more taxes.

In addition to the AMT patch, both bodies need to deal with several expired provisions of tax law. We need to focus on this problem and get legislation ready.

Earlier today, the House began work on an extenders bill. It is offset with tax increases. I urge them to send the bill to the Senate so Chairman BAUCUS and I will have a vehicle to deal with this pressing problem. We need to act ahead of time. We need to act before the IRS forms are finalized. We cannot go through another filing season fiasco, such as waiting until December last year when it finally got passed, and the IRS had a lot of extra work after the forms had already gone out. Let's not create big problems for our taxpayers and the Internal Revenue Service.

Senator KYL's motion then is very important to assure us of the quickest route to complete action on AMT and extenders. The quickest route is the same route as last year: Drop the offset demand.

Folks on the other side happen to be complaining all the time that offsets are essential. I would like to make it clear that the policy issues behind offsets are one thing. We ought to ask ourselves the same question on any tax policy proposal, whether it raises revenue or loses revenue. The question should be: Does a tax legislative proposal make tax policy sense? It ought to be decided on the basis of policy. That is the bottom line.

On the matters of tax policy, Senator KYL's motion to instruct, the answer is very evident. On the AMT patch and extenders, the answer is overwhelmingly clear. The answer is "yes" on the motion to instruct. The policy call is a slam dunk. It is backed up by the politics; that is, supermajority votes for an AMT patch and extenders in the House and Senate that are very difficult to get.

We have to divorce the merits of the current law provisions from the offset question. Offsets should be judged on their merits. An AMT patch and extenders should be judged on their merits. Why should we seek divorce of the two, some might ask. Here is the reason.

Right now, we have a budget process, including pay-go, that is biased toward higher taxes and, of course, higher spending. As evidence, take a look at expiring spending provisions. According to the CBO, they total \$1.3 trillion—a whole \$1.3 trillion. That is double a permanent AMT patch score. That spending is not subject to pay-go. It, unlike expiring tax provisions, is included in the baseline; hence, it is home free. Just like the record tax increases built into this budget, so too is a record spending increase.

I have not even talked about appropriations increases. That additional above-baseline spending is included as permanent, once passed.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, through you, I ask the Senator if he would yield for the purpose of a unanimous consent agreement we have worked out?

Mr. GRASSLEY. Yes.

Mr. CONRAD. I think it would be helpful to the overall process that we do this.

Mr. GRASSLEY. Yes.

Mr. CONRAD. Madam President, I ask unanimous consent that the following motions to instruct conferees be the only motions, except the pending motions, with no amendment in order to the motions, and that would be the Conrad AMT and the Kyl AMT amendments, with 60 minutes equally divided, with the time already consumed being applied to the 60 minutes; that there be a Democratic nuclear energy reserve fund amendment and a Republican nuclear energy reserve fund amendment and the two amendments be limited to 30 minutes equally divided; that there be a Democratic OCS amendment and a Vitter OCS amendment, with 30 minutes equally divided.

We have already had initial debate on the Boxer China-India and the DeMint China-India amendment with 30 minutes equally divided, and we will apply all time already consumed to that 30-minute limit.

Finally, a Gregg or Republican \$1 trillion cap on discretionary spending amendment with 30 minutes equally divided; that points of order be waived; that upon the use of debate time on each motion, it be set aside and the motions to be voted in the order listed; that there be 2 minutes prior to each vote, and then after the first vote, the vote time be limited to 10 minutes each; that upon the use of all time, the Senate proceed to vote in relation to each motion; that there be 60 minutes of general debate time available to the chair and the ranking member.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CONRAD. Madam President, I would note that obviously the amendment that has already been debated in the time consumed, the Gregg amendment, would be the first amendment to be voted on and these other amendments voted on in the order indicated, or we will do it as offered. I guess we can do it as offered, if that would accommodate the Senator from California, because we did the Boxer-DeMint amendment offered earlier. We will do it as offered.

I thank the Senator from Iowa for his courtesy.

Mr. GRASSLEY. Would you give me 1 more minute added to what I had?

Mr. CONRAD. Absolutely, an additional minute. Always, anytime, to the Senator from Iowa.

Mr. GRASSLEY. Madam President, I have been given 1 additional minute, so I have 5 minutes left at this point?

The PRESIDING OFFICER. That is correct.

Mr. GRASSLEY. The bottom line is that it is about time we start treating spending and taxes the same, under pay-go. So the Kyl motion to instruct treats expiring tax relief the same as expiring spending. That reason alone, aside from the merits of the AMT patch and extenders, should be enough to get the support from all of us on the Kyl motion to instruct.

The bottom line is that pay-go has a bias toward tax increases and increased spending. We ought to have the same rules apply to the expenditure side as to the tax side. Presently, they do not. But this would make it possible for that to be the case.

The chairman of the Budget Committee continues to say he is going to bring in all this money from shutting down abusive tax shelters, which I also favor. Some examples are cross-border leases of foreign sewer systems, which he mentioned, or shutting down tax havens, which he mentioned. I would support him in every one of those efforts.

But Congress has done a great deal already, shutting down abusive leasing deals. We did that in 2004. The Senate has tried to shut off tax benefits from older deals, but the House Democrats have rejected closing those loopholes. So I do not see how the distinguished chairman can count on this revenue even though he keeps saying this is the answer to all of our offset problems—in other words, getting enough new revenue to offset tax cuts someplace else.

The chairman also continues to say we can get \$100 billion per year from shutting down offshore tax havens, according to the Permanent Subcommittee on Investigations. The fact is, there are no legislative proposals out there that the Joint Tax Committee has scored to bring in anywhere close to the \$100 billion we are led by the other side, by the majority, to believe we are going to be able to do.

The 12,748 companies the chairman says are in the Ugland House in the Cayman Islands are not claiming to be doing business there. It is simply their registered address, just like an address in Nevada or Delaware is a registered address of many more thousands of companies. Does the chairman have a picture of an office building in Wilmington, DE, or Reno, NV? I assume the chairman is just as willing to go after onshore tax evasion facilities by State corporate law as offshore tax evasion, and he would want to do so in a way that does not put our information exchange network at risk.

The chairman knows that it is the Joint Committee on Taxation that provides Congress with revenue scores, not the Permanent Subcommittee on Investigations. Anything that would raise the kind of money assumed in this budget would involve a significant change in tax policy, which is the last

thing the chairman says he wants to do.

Again, I do not see how the distinguished chairman can count on all this revenue without assuming substantial tax increases when the Joint Committee on Taxation, the “god” of assuming revenue coming in under tax law changes—if that “god” cannot score it.

I yield the floor.

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

The PRESIDING OFFICER (Ms. KLOBUCHAR). Without objection, it is so ordered.

Mr. KYL. Madam President, I had earlier filed and Senator GRASSLEY had spoken on a motion to instruct conferees. An alternative has been presented by Senator CONRAD. I wish to discuss both of them, this motion to instruct conferees on the alternative minimum tax, and the so-called tax extenders.

Each year Congress is required to fix the AMT because without such a fix—around here it is called a patch—but without such a fix, it would apply to, last year 22 million people, this year 26 million people. It was never intended to apply to those people.

It was originated about 20 years ago because there were a couple hundred millionaires who were not paying taxes because of all of their credits, deductions, offsets, and so on. People in Congress thought that was not right, so we said: Well, no matter what, even if you have enough other tax shelters to eliminate your tax liability, we are going to make you pay an alternative minimum tax, no matter what. But it was not indexed for inflation, so now everyone is going to have to be paying it. Each year Congress says: Well, we did not intend that, so we will fix it so you do not have to pay it this year.

The question is not whether we are going to relieve taxpayers from that—we will—but whether the rules of the Democratic majority that it has to be paid for will, in fact, be implemented so that we have to raise taxes in order to save taxes, save people from having to pay taxes. Obviously it does not make any sense to say to taxpayers: You should have not to pay the alternative minimum tax, but under the Democratic rules we have to raise your taxes so that the Government does not lose any money from us relieving you of that tax liability. That does not make any sense.

So each year we waive that requirement. All we are saying here is we need to do that again this year. I understand the pay-go requirement is part of the Democratic rule around here. It has not been applied in the past for a very good reason: It makes no sense, and it should not be applied here either.

We never intended that this tax apply to 26 million taxpayers, we never intended to collect the revenue, we are not going to collect the revenue. So why do we have to make the Government whole for revenue that we never intended to give it in the first place, especially since it means raising taxes on people in order to “pay for the reduction in revenues to the Treasury”? That is what this resolution is about.

The other half of it is to instruct the conferees that we need to also extend the so-called extenders. Now, that is shorthand around here for a variety of tax provisions which provide various credits and other relief to taxpayers such as the research and development tax credit. But we only do that a year at a time, so every year about this time we have to start talking about passing the extenders package. We are going to do it; there is not going to be any debate about it. The distinguished chairman of the Budget Committee made the point earlier that agrees with us that this needs to be done; it is a question of how we do it.

What we are doing is saying here, today, we need to do it in the following way: Pass it as we did last year. You do not have to raise taxes somewhere else in order to “pay for it.”

This is not a case that make any sense for us. If you are going to give tax relief, why would you raise taxes to have to pay for it? We are not counting on any revenue. Every year we do it this way. So why the charade that somehow we have to raise taxes to pay for something we never intended to collect revenue from in the first place?

That is what this resolution does. Let's strip away the pretense here that somehow or other we are going to pay for it. “Pay for” are not the right words anyway. That starts from the presumption that the Government owns all of this money, and that if we ever decide to give the taxpayers a break so they do not have to pay for it all, the Government gets to make up the revenue some other way.

How does the Government make up revenue? It taxes people. That is the only way the Government makes revenue. So the assumption is, well, the Government deserves all of this money, and if we ever say we are not going to collect some of it because we want people to keep more of it, then we have to make that up some other way, obviously by raising taxes.

I would rather start from the other premise, which is that the money belongs to the people and especially in times of economic downturn it is important that they be able to use, in the way that they deem most beneficial, the income they have earned, and that when we say we are going to relieve them of the alternative minimum tax liability, for example, we are doing that for a reason, and we do not need to start from the premise that it is the Government's money and somehow we have to keep the Government whole and give the Government money by

raising taxes even though they were never going to collect this AMT revenue in the first place.

This must sound like a strange debate to the American people. But that is what the rule the Democratic majority has in place would require. That is what the budget would require. All we are saying is, since we are going to be passing a budget, let's instruct the conferees on the budget here that is not what we are going to do here. We are going to do it as we have in the past, as we did last year. We are going to pass the AMT relief, we are going to pass the extenders, and, no, we are not going to raise taxes on someone in order to pay for them.

Now, what is the alternative that the distinguished chairman of the Committee comes up with? It is the identical motion I have, with one other provision. It is this addition:

And that we should insist that every effort should be made—

That is a sure sign for: We are not really going to do anything about this, but we at least want to make it sound good—

to offset the cost of these policies by closing the tax gap, shutting down abusive tax shelters, addressing offshore tax havens without raising taxes.

Well, I am glad we have the “without raising taxes” in there, because none of us wants to raise taxes. But this reminds me of the candidates, and we have all seen them out on the stump: Yes, we have a huge Federal budget deficit, but I want to spend more money. The way we are going to pay for it is we are going to end waste, fraud, and abuse in Government. That is a sure sign for a politician who has not figured out how to get the money in any other way. Everyone is going to end waste, fraud, and abuse. You know, I used that phrase in a sort of facetious way, but actually I think it is in here.

Shutting down abusive tax shelters. There we are. Abuse. Waste, fraud, and abuse. Addressing offshore tax havens. The reality is, the Finance Committee on which we sit comes up with offsets to offset true tax policy whenever we can, and we have wrung out our Tax Code for every last dollar we can find that involves waste, fraud, and abuse.

There are not any abusive tax shelters out there. If they are out there, we have not found them or we would sure enough have gotten the money from them. The same thing about offshore tax havens. We have gotten about \$60 or \$70 billion from these, and there is no more to get. If there is, we would have gotten it by now.

Then there is the tax gap. The tax gap is this: Not everyone pays all of the income taxes the IRS thinks they owe, and the problem is we do not know exactly who has not paid. But the estimates are that if most businesses in an industry pay \$100, and some only pay \$80, the assumption is that maybe those that only pay \$80 probably ought to be paying more. We cannot figure it out, but we think the money would be

there if we had a better way to account for it.

We have held hearings, and the experts basically say: There is not much more you can get. You probably would have to pay more to find it than it is worth to collect.

We did do one thing, though. We actually subcontracted out to some tax collectors. If they can go out and find some and they can bring it back, they get a little piece of the action. It would help us because they would collect some of these revenues.

The only thing from the other side is, well, let's eliminate that policy. We are not going to send these guys out to try find where these taxes are. So if they intended to collect the revenue or to end or minimize the tax gap, they would not be sponsoring the legislation to fire all of the people we hired to go out there and find the revenue.

The bottom line is, this is a nice sounding phrase, but it is like the person that goes out and says: I am going to end waste, fraud, and abuse. That is how I am going to pay for all of the new spending I am recommending.

I urge my colleagues to support the motion I have filed, the motion that Senator GRASSLEY spoke to, and to reject the motion of the chairman of the Budget Committee which, at the end of the day, recognizes the reality. We are going to do the AMT patch. We are going to do the tax extenders. We are not going to pay for them. So let's don't pretend like we have to find revenue from someplace else in order to make this happen.

I reserve the remainder of my time and inquire how much remains?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. KYL. How much remains on the other side?

The PRESIDING OFFICER. The other side has 16 minutes.

Mr. KYL. I yield the floor.

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

MOTION TO INSTRUCT

Mr. GREGG. Madam President, I am not speaking on Senator KYL's motion. He has reserved his time. I am going to ask to set aside his motion and send another motion to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to insist that the final conference report includes a level for 2009 budget authority not to exceed \$1 trillion for non-emergency discretionary appropriations.

Mr. GREGG. As I understand the order, we have pending the motion to instruct that I offered, the motion to instruct which Senator KYL offered, the motion to instruct which Senator

CONRAD offered relative to the motion of Senator KYL, the motion to instruct which Senator DEMINT offered, the motion to instruct which Senator BOXER offered in relationship to Senator DEMINT's motion, and this motion; is that correct? Is there anything else pending right now?

The PRESIDING OFFICER. There is one correction; otherwise, you are correct. The Conrad motion is not pending.

Mr. GREGG. The Conrad motion relative to the Kyl motion has not been sent to the desk.

The PRESIDING OFFICER. That is correct.

Mr. GREGG. Relative to the unanimous consent agreement, other than the motion I have just sent to the desk, which is a trillion-dollar spending cap, we would still have available to be sent to the desk the motion relative to nuclear energy reserve and the motion relative to offshore drilling, with the side by sides.

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. I thank the Chair. I believe all the motions that are pending, to the extent they still have time remaining on those motions pursuant to the unanimous consent request, that time is reserved; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. So right now I will address the trillion-dollar spending one and have that come off that time which is, I believe, 30 minutes equally divided.

The PRESIDING OFFICER. That is correct.

Mr. GREGG. What this instruction says is, we should not be spending \$1 trillion on discretionary accounts around here. This budget for the first time, the Democratic budget, because of its increases last year on top of the increases in this budget, has hit the trillion-dollar mark. That should be a fairly big red flag, that we are now going to spend \$1 trillion in discretionary spending. I have trouble comprehending what a trillion dollars is. I suspect almost everybody does. But if you take all the taxes paid since we began as a republic, I believe it totals something like \$42 trillion. That would be over 200 years. So this one budget is going to spend a fairly significant amount of what has been raised in taxes since our country began. It is a big number, \$1 trillion. It seems to me we ought to sort of maybe draw a line here, take a breath, and say: Let's stop. Let's think about what we are doing. Let's see if rather than spending this huge amount of money, we can't save a little money.

Last year the Democratic budget, and then the Democratic appropriations bills, increased spending by \$22 billion. That was what they proposed. It is not just a 1-year event when you raise spending around here by \$22 billion. That compounds over 5 years. It is \$22 billion plus \$22 billion plus interest,

plus \$22 billion. It adds up. In fact, a 5-year number is probably closer to \$220 billion, \$250 billion, when you spend \$22 billion in 1 year or increase spending by that much. So it is a lot of money. Last year they increased spending by \$22 billion on nondefense discretionary spending. This year it is not absolutely clear, because it hasn't actually been disclosed to us, but we know it is going to be well over \$20 billion on non-defense discretionary spending again.

That is why the Democratic budget takes us over \$1 trillion; \$1.9 trillion, I believe, will be spent under this budget on discretionary spending. As I said, it is time for a timeout. That is what this motion to instruct says. It says: Let's go back and rethink this effort. Can't we somewhere in that trillion dollars find enough savings to get us back under \$1 trillion? Shouldn't we certainly be saying we are not going to push the American taxpayer over the trillion-dollar number; rather, we will make a little extra effort to try to reduce spending in this account if we want to increase spending in that account, rather than constantly add on to the spending?

This Democratic budget has absolutely no programmatic savings in it. The President suggested some programmatic savings. I believe his programmatic savings added up to about \$15 billion. None of those was accepted and none of those was put in this budget. None of those are assumed. In fact, all it does is add to spending and add to programs. It is hard to believe that in a trillion-dollar budget, we couldn't find a mere 1 percent or 2 percent of savings by reducing programs which have either outlived their usefulness or which, in the order of priorities, we simply can't afford, and we should make difficult decisions of maybe not increasing them as much as proposed or maybe even reducing them. In most instances, we are talking about slowing the rate of increase. We are not actually talking about reducing.

This is a red-flag motion. It says: Let's pause. Let's think about this. Do we want to blow through the trillion-dollar mark on the discretionary side of the ledger without having made some effort to try to save some money around here, to reallocate money, to set priorities, and to do what is affordable? I don't think we do. That is why we are calling on the conferees to take some action to bring this number back under \$1 trillion. That means they have to save \$9 billion, \$10 billion. That is 1 percent. They ought to be able to do that. I know it is a lot of money, \$10 billion, but on a trillion-dollar budget, it certainly ought to be a doable event. It does seem to me the American people deserve that type of effort. We could all earn our pay around here, a number of times over, if we were to save the American people \$10 billion or \$20 billion and allow them to keep that money so they can spend it and make their lives better rather than have the Government spend it for them.

That is what this motion does. It instructs the conferees to bring this budget back under the trillion-dollar level in the discretionary side.

With that, I reserve the balance of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MOTION TO INSTRUCT

Mr. GREGG. Madam President, I ask unanimous consent to set aside the pending motion and send to the desk a motion on behalf of Senator GRAHAM dealing with nuclear power.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for Mr. GRAHAM, moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to insist on the inclusion in the final conference report section 311 of S. Con. Res. 70, the deficit neutral reserve fund to improve energy efficiency and production, as passed by the Senate, and that such section include an additional requirement that the legislation also encourages the removal of existing barriers to building new zero-emission nuclear power plants in the United States.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, I note that the Senator from Louisiana is on the Senate floor. I had planned to offer this motion on behalf of Senator GRAHAM in order to move the process along. He is in accordance with that as he is in a meeting he could not get out of, a briefing on security. I will reserve the remainder of the time on the motion so Senator VITTER can be recognized.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. VITTER. Thank you, Madam President.

I thank the distinguished ranking member for the courtesy.

MOTION TO INSTRUCT

Madam President, I have a motion I send to the desk.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. VITTER] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to insist that the conference report include a reserve fund that requires the Chairman of the Senate Budget Committee to adjust budget aggregates and the allocation of the Energy Committee, if the Senate considers legislation that allows a Governor, with the

concurrence of the State legislature to petition for increased energy exploration on the Outer Continental Shelf and that allows for revenue sharing for such producing States on new areas of production and new leases made available, if the average price of regular gasoline in the United States reaches \$5 per gallon.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. VITTER. Madam President, if I could briefly explain this motion, it attempts to, again, get us to deal directly with the enormously important issue, the real crisis that consumers across America face; that is, the high and escalating cost of energy, including gasoline at the pump.

This will finally suggest to the American people that we get it, that we understand their plight, that we feel their pain, if you will, to use an often used phrase, and we are actually going to do something about it. We are going to act.

This motion to instruct the conferees would show the Senate is serious about increasing energy supplies and doing that to decrease gasoline prices.

The motion is very simple. It would instruct the budget conferees to include a reserve fund for future legislation that we would be expressing an intention to pass. That legislation would allow a Governor, with the concurrence of his or her State legislature, to petition for increased energy exploration on the Outer Continental Shelf off of that State.

It would also allow for revenue sharing coming from such exploration and production, to give producing States a fair share on new areas of production and new leases made available.

Specifically, I would suggest that we follow the precedent and the policy we set a few years ago. As we opened new areas of the gulf, we said the producing States will have a fair share, will finally get revenue sharing—37.5 percent of the revenue from that new production.

Finally, this would only happen if the price of regular gasoline in the United States reaches \$5 a gallon at the pump.

The American people are wondering right now if we understand what their daily lives are all about because as gasoline prices at the pump are high, and higher the next day, and much higher the next month, we seem to want to do absolutely nothing about it.

This Congress, under Democratic leadership, came into power in January of 2007. As that happened, the Democratic leadership of this new Congress was very clear that an absolute top priority was to deal with sky-high energy prices.

At the time fuel prices were about \$2.33 a gallon at the pump. Well, if that was sky high then, I do not know what adjective to use for today because since that time, from January 2007 to today, we have gone from \$2.33 a gallon at the pump to about \$3.72 a gallon—a 61-percent increase. Unfortunately, there does not seem to be any real end in sight.

Now, the American people get this because they live it. They go to the gas pump weekly. They live it. They see that bill for filling up their tank go higher and higher. They have to wonder if we get it because we talk a lot on the Senate floor, we debate a lot, but what have we done? In my opinion, very, little on this crucial challenge—even crisis—facing the American people.

When I look at this issue, I go back to economics 101: supply and demand. Price is set by the intersection of demand and supply. So you can try to stabilize or lower prices in two ways: You can try to decrease demand; you can try to increase supply.

I think our energy situation is so dire, so challenging, the escalating prices are so great, the pace of escalation is so staggering, that we need to take action on both sides of the equation. We need to do everything possible on both sides of the equation.

We need to lessen demand or at least mitigate increasing demand from other countries worldwide, such as China and India. We cannot control what they do. Their demand is increasing enormously. But at least we can try to mitigate that with demand reductions in our own economy. I support those measures: greater efficiency, greater conservation, moving to alternative forms of fuel and energy. That is all absolutely crucial. We need to do that. We have done a little of it; we need to do more.

But as we do that, we cannot ignore the supply side of the equation. We need to address both sides at the same time. We need to do everything reasonable we can on both sides of the equation at the same time.

That brings us to supply. For far too long, Congress has absolutely ignored the supply side of the equation, has absolutely refused to do anything to increase supply in this country—by increased exploration and drilling on our Outer Continental Shelf or in Alaska or anywhere else.

I do not know how long we are going to wait. What does the price have to get to before we hear the American people and before we finally act more on the demand side, yes, and more on the supply side?

Again, my motion to instruct would address this challenge head on. It would say, if the price at the pump gets to \$5 a gallon—we are not there yet. We are below \$4, but if it gets to \$5 a gallon, is that high enough to get us to act, to get us to do something, to get us to, yes, address demand but also address supply?

I think the American people think that is plenty high enough to get us to act. If we push past that point, then under my motion to instruct, we would support a reserve fund for legislation to allow exploration and production off our coasts on the Outer Continental Shelf.

But, again, I want to emphasize there would be two important rules we would

have to follow with this increased exploration and production. No. 1, the host State coast we are talking about would have to want that activity to happen. That Governor and that State legislature would both have to say: Yes, we believe this is good for the country; we believe this is good for the State; we want this activity to happen.

Secondly, when the activity does happen, that host State would get a fair share of the revenue, would get the same share as we set for the host States in the gulf when we opened new areas of the gulf a couple years ago: 37.5 percent. That host State could then use that revenue for its priorities: education, K-12, higher education, highways, environmental cleanup, beach restoration.

In the case of my State, Louisiana, it is perfectly clear what our priority for that money is. We have already passed not only legislation but State constitutional amendments regarding how we are going to use that money. It is to address the crisis that is happening on our coast, to battle coastal erosion, to enhance coastal restoration, to build hurricane protection, and to build hurricane evacuation routes.

To me, that is a very commonsense consensus approach. The price of gasoline has been rising astronomically. As I said, from the start of this Democratically led Congress, it has already risen 61 percent. The Democratic leadership of this Congress began in January 2007 saying this is a top priority. Yet little to nothing has happened, as that price has risen 61 percent.

Are we finally going to hear the pleas of the American people? Are we finally going to act on all sorts of fronts to try to stabilize and bring down these prices? This is a sensible solution on the supply side that can have a real impact.

Let me reiterate. We need to do everything conceivable, both on the demand side and the supply side, because our challenge is that great. I support demand side measures. I supported increased efficiency standards. I supported the measure we passed a couple days ago temporarily ceasing filling the Strategic Petroleum Reserve. So we decrease demand in that very modest way. We need to do more in terms of fuel efficiency, conservation, and new forms of fuel and energy.

But as we address much more aggressively the demand side of the equation, we cannot ignore the supply side. We need to increase supply, particularly domestic supply, at the same time. We have enormous reserves in this country off our coasts, as well as in Alaska, as well as places on shore to do that. What we have not mustered so far is the political will and the votes in Congress to allow our people and our industry to do it.

My motion would say \$5 a gallon—if we get there, we sure as heck need to act. We sure as heck need to do all of those sensible things on the supply side, just as we should on the demand side.

I urge all of my colleagues, Republicans and Democrats, to support this sensible measure. The leadership of this new Congress has been talking about energy prices since the Congress came in in January 2007. The only thing that talk has done is be concurrent with the rise in prices at the pump of 61 percent, from about \$2.33 a gallon to \$3.73 a gallon.

Talk is not good enough. The American people deserve action. They deserve action on the demand side, much more aggressive action than we have taken to date. They sure as heck also deserve action on the supply side to increase our domestic supply, which can have a major impact on price at the pump.

I urge my colleagues to support this sensible motion in that regard.

I yield back my time.

Mr. MENENDEZ. Mr. President, I believe there is time in opposition to this motion?

The PRESIDING OFFICER (Mr. WHITEHOUSE). The Senator is correct.

Mr. MENENDEZ. I wish to claim about 10 minutes of that time.

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

Mr. MENENDEZ. Mr. President, here we go again. Yet again my friends on the other side of the aisle are trying to sell the American people a bill of goods to try to convince them that drilling along our shores will do something to lower gas prices. Opening our shores to drilling was a bad idea in June of last year when we voted down an amendment to the Energy bill—very similar—it was a bad idea when this body voted it down in March of this year on an amendment to the budget resolution, and it was a bad idea when we voted this idea down by well over 14 votes 2 days ago on an amendment to the flood insurance bill.

Ending a bipartisan, 26-year moratoria on oil drilling on the Outer Continental Shelf will do nothing but jeopardize our precious natural resources. The Energy Information Administration projects that even if we opened the entire Outer Continental Shelf to drilling off the east coast, off the west coast, and opened the entire eastern Gulf of Mexico, nothing would happen to gas prices—nothing. Why?

First, because production wouldn't begin until the year 2017. The infrastructure to drill for oil is not just a large oil platform but a network of hundreds of miles of pipelines that transport oil from the platform on to the land and then on to the refineries. This kind of infrastructure simply does not exist on the east coast and in only limited exceptions on the west coast.

The second reason why opening all our shores to oil drilling will not lower gas prices is because by the time full production actually ramped up in 2030, drilling off all of the coasts full tilt—full tilt—would only result in a whopping 3-percent increase in domestic production. Even in 2030, as our con-

tinents is rung all the way around by oil platforms, all of this new supply would be eaten up by a 7-percent increase in domestic demand. So the Energy Information Administration predicts: "Any impact on average wellhead prices is expected to be insignificant."

The fact is that over 80 percent of the resources in the Outer Continental Shelf are already open for exploration. Since 2001, the Bush administration has issued over 100 new leases. Many of these leases are in the eastern gulf where the oil industry already has much of the infrastructure necessary to go into production. Yet only 12 of these new wells have been drilled. The industry is only developing a small fraction of the area already open for drilling. So why isn't ExxonMobil pumping some of its profits into developing some of these areas? If companies are not interested in developing the large fields already in the Gulf of Mexico, why is it so critical to open environmentally sensitive areas to more drilling?

My home State of New Jersey and the New Jersey shore is a priceless treasure that my home State will protect at any cost. The shore also generates tens of billions of dollars in revenues each year and supports almost half a million jobs. If we open the east coast to drilling, we jeopardize a tourism and fishing economy worth tens of billions of dollars in exchange for a cumulative total of only a half year's supply of oil—a half year's supply of oil—jeopardizing, however, tens of billions of dollars. The people of New Jersey cannot afford the risk that will take place to our wildlife, to our economy and, in fact, I believe, the people up and down the coast as well.

Florida beaches generate billions of dollars each year. In South Carolina, Myrtle Beach alone brought in more than \$3 billion in revenue. Do we want oil washing up into the pristine Cape Hatteras National Seashore? What about Virginia Beach? And can Maryland's famous blue crab survive yet another environmental assault?

The bottom line is this proposal will do nothing to lower gas prices, but it will jeopardize coastal economies all along both coasts.

Now to simply say: Well, it is up to an individual State, that doesn't work. The ocean doesn't have neat little boxes which it is divided into. So the reality is that the ability to open the Outer Continental Shelf in one location threatens, if there is an accident, the beaches along the shoreline along that same region. This isn't about making it one versus another; this is a continuity.

There are other things we can do about gas prices. Hopefully the President will soon sign into law the Democratic proposal that passed Congress overwhelmingly to suspend filling the Strategic Petroleum Reserve through December of 2008. When the people of this country are suffering from paying \$4 a gallon for gas and when gas prices

are pushing up the cost of food, and the price of oil has broken \$125 a barrel, it makes no sense to be buying at this high level and then putting that oil in the ground when we are already 97 percent of where we need to be for the Nation's security, burying this precious commodity when we need it the most. Hopefully the President will sign this important measure and we can truly begin to help gas prices go back down and offer some relief.

But it begs even a bigger question, and that is breaking our dependency on foreign oil, seeking renewable sources, and finding new automobiles which we drive in our country; moving on to mass transit, having greater conservation—these are all of the elements that are necessary. It is also about ending speculation in the marketplace. Why is it that when we have testimony before House and Senate committees that says the price of oil should be somewhere between \$50 and \$70 a barrel between demand and supply that we are looking at \$125? Let's go after the speculators. Let's go through a regulatory process that ensures this one market that is so critical ultimately has the regulation necessary.

Finally, we can't drill our way out of oil addiction. We can't drill our way out of oil addiction. We must promote sustainable alternative fuels and incentivize people to buy more efficient cars, raise the fuel economy standards and—something we don't do well in the United States—help commercialize technologies that allow us to run our cars, for example, on electricity. General Motors plans to introduce a plug-in hybrid in 2010 and Nissan announced it will start selling an electric car that same year. Once we get this type of technology right, our constituents will be able to run their cars much more cheaply. Some studies project electricity will be the equivalent of 60 cents per gallon of gasoline. That as a fuel source for the future is just around the corner. We understand that. We want to incentivize it and move it in the right direction.

On the other side, if all you want to do is create more addiction to the oil, find another vein in which to pop into and go ahead and drill even when all that is already open is not being drilled. It is the wrong policy. We have defeated three times in the Senate over the last year or so such provisions. I urge my colleagues to defeat the Vitter motion to instruct and make sure we keep this bipartisan, 26-year moratoria intact.

Mr. President, I yield back the remainder of the time that may be left in opposition, and I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The journal clerk proceeded to call the roll.

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

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

MOTION TO INSTRUCT

Mr. CONRAD. Madam President, I understand the Kyl motion regarding the alternative minimum tax is already pending, so I ask that my motion on the alternative minimum tax, which is at the desk, also be called up and be made pending.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] moves that the managers on the part of the Senate at the conference on the disagreeing votes of the two houses on the House amendment to the concurrent resolution S. Con. Res. 70 (setting forth the congressional budget for the United States Government for fiscal year 2009 and including the appropriate budgetary levels for fiscal years 2008 and 2009 through 2013) be instructed to—

(A) insist that the revenue levels in the resolution include the cost of providing relief from the Alternative Minimum Tax in 2008, so that the number of taxpayers affected by the AMT does not increase and thereby more than 20 million middle-class families would be protected from paying higher taxes;

(B) insist on the Senate position of providing for the extension of expiring and expired tax relief that has been routinely extended in past years, including tax relief such as the research and experimentation tax credit, the deduction for state and local sales taxes, the deduction for classroom expenses, the deduction for qualified education expenses, the incentive for the charitable IRA rollover, the combat pay earned income tax credit, and various energy tax incentives; and

(C) insist that every effort should be made to offset the cost of these policies by closing the tax gap, shutting down abusive tax shelters, addressing offshore tax havens, and without raising taxes.

Mr. CONRAD. Mr. President, I ask unanimous consent that the vote sequence with respect to the pending motions be as follows: the Gregg amendment, the Conrad AMT amendment, the Kyl AMT amendment, the Boxer China-India amendment, the DeMint China-India amendment—those are both with respect to energy provisions—the Vitter OCS amendment, the Graham energy nuclear reserve fund, and the Gregg discretionary spending cap, with the remaining provisions of the previous order in effect.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Mr. President, I ask unanimous consent that there be no further motions to be brought forward.

Mr. CONRAD. Mr. President, no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Without objection, it is so ordered.

Is there objection to the request of the Senator from New Hampshire?

Mr. CONRAD. No objection.

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

Mr. CONRAD. Mr. President, I wish now to turn to the Gregg amendment that was previously offered with respect to a \$1 trillion cap.

Let me indicate that the spending in the budget resolution that has gone to

the conference committee takes spending down as a share of GDP each and every year from 20.8 percent of GDP in 2008 and 2009, every year stepping it down until we get to 19.1 percent of GDP in 2012 and 2013. I might add, we balance the budget in 2012 and 2013 under the budget.

The comparison of the spending under the resolution and the President's budget is depicted by these lines: The green line is the budget resolution spending line; the President's is the red line. You can see almost no difference. That is because there is almost no difference between the spending in the President's budget and the spending in the Senate budget resolution. In fact, here are the differences: The Senate budget resolution has \$3.08 trillion of spending over the period of the 5 years. The President has \$3.84 trillion of spending over the period.

What are the differences? Let me indicate as a percentage, that is a 1-percent difference—1 percent. Why do we have 1 percent more than the President? Well, because first we rejected his Medicare cuts. That is 45 percent of the difference. Forty-three percent of the difference is we rejected his cuts to law enforcement. We rejected his cut to veterans. We rejected his cuts to transportation. My goodness. We just had a bridge collapse in Minnesota, 35W. Can you imagine the horror? You are driving home and the bridge collapses. We don't think it is wise to be cutting transportation funding when we are not maintaining the roads and bridges we have now, much less dealing with the gridlock that exists around the country as well. So we have rejected those cuts by the President.

We specifically rejected his proposal to cut the COPS program, not by 10 percent and not by 20 percent. The President proposed cutting the COPS program 100 percent. What is the COPS program? That is a program that has put 100,000 police officers on the street in this country. In my State, it has put over 200 officers on the street. I just held a hearing with every part of law enforcement represented: the police chiefs, the sheriffs, the States' attorneys—open testimony. They said it was absolutely beyond their understanding why the President would propose cutting the COPS program 100 percent, but he did.

He proposed cutting weatherization assistance 100 percent. Why would you cut weatherization assistance when that is designed to reduce fuel bills when oil is \$120 a barrel? He says cut weatherization assistance 100 percent.

He says cut first responder grants 78 percent. I just held a hearing that involved all of the first responders in my State: The fire chiefs, the police chiefs, and all of the others, including the EMS personnel, emergency medical services. I asked them: Do they think it makes any sense to cut the first responder grants 78 percent? They unanimously said absolutely not. What are we going to do in terms of interoper-

ability of communications if we are not upgrading those systems? One of the things we learned on that fateful day, September 11, was that the failure to have interoperable communications created a fiasco at the Pentagon when all the emergency responders were going there to try to help and they couldn't communicate with each other. That is what these grants are for, to provide interoperable communications, to provide the training to respond to disasters, both natural and manmade. The President says cut it 78 percent. The President said cut community development funds 24 percent. He said cut clean water grants 21 percent. He said cut low-income home energy assistance—the very popular LIHEAP program—which is already underfunded, another 15 percent. We said, no, that doesn't make any sense; yet we produced a budget that balances. It balances in the fourth year—not by much, but it does balance, according to CBO. We stay in balance in the fifth year, unlike the President's budget. The President balanced in the fourth year but went right back out of balance in the fifth.

He has an addiction to debt unlike anything I have ever seen. This President has almost doubled the national debt in just 7 years. He has more than doubled foreign holdings of our debt in that period. We owe the Chinese hundreds of billions, we owe the Japanese hundreds of billions, and we even owe Mexico. This President's legacy is one of debt.

In this budget, we bring down the debt as a share of GDP in each and every year, according to the scoring of the budget resolution, from 69.6 percent down to 66 percent. That is not as much progress as I would like to make.

Senator GREGG and I have a separate proposal to deal with the long-term entitlement problems and those challenges, to deal with that in a bipartisan special task force that would have the power to come back with a recommendation that would get a vote in the Congress of the United States if a supermajority of the members of the task force, who are completely bipartisan, would agree on the plan.

Mr. President, I am proud of this budget resolution. I think this trillion-dollar cap on discretionary spending is a pure political gambit.

Let me add one other thing. If this cap were imposed, part of what is included in that spending is spending on our national defense. So that would put defense under the gun and put it at risk of additional cuts. I am a little surprised that the Republicans are proposing that. I don't think this is the time to be making cuts in national defense, but that would be in the pot and be subject to cuts under their proposal. I hope we reject that approach.

With that, I think we are very close to being ready to go to votes.

I see my colleague, the Senator from Florida, here.

I wonder if the Parliamentarian could advise us on the time remaining

on the Conrad-Kyl AMT amendment and the Gregg \$1 trillion cap. How much time is left on those two?

The PRESIDING OFFICER. On the Kyl AMT amendment, Senator KYL has 7 minutes and Senator CONRAD has 16 minutes. On the Conrad AMT amendment, there is 16 minutes remaining, equally divided.

Mr. CONRAD. No, there is not. That is not correct. That was part of a unanimous consent agreement. There was 16 minutes for KYL and CONRAD combined, and all time consumed was credited against that 60 minutes. So there is virtually no time. I think we will just yield back all time on that motion.

Mr. GREGG. Mr. President, I think we will yield back all time on the Kyl-Conrad motion.

Mr. CONRAD. Senator NELSON may want to speak on OCS. How much time is left on that?

The PRESIDING OFFICER. Senator VITTER has 3 minutes. The majority has 7 minutes.

Mr. CONRAD. I am happy to yield 7 minutes to the distinguished Senator from Florida.

Mr. GREGG. I would like to retain 2 minutes to respond to my spending a trillion dollars.

Mr. CONRAD. I will retain 2 minutes on that too. So we each will retain 2 minutes on that amendment and yield back all other time, except for the 7 minutes on OCS.

Mr. GREGG. Mr. President, I ask unanimous consent that 4 minutes be equally divided between Senator CONRAD and myself when we get to the Kyl-Conrad AMT amendment.

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

The Senator from Florida.

Mr. NELSON of Florida. Mr. President, here we go again. The oil companies are trying to have it exactly the way they have had it in the past. They have developed an amendment that is very seductive by saying that you can have offshore drilling with the concurrence of the State if gasoline reaches \$5 a gallon. What they have not told you is that if the price of gas goes up to \$5 a gallon, of which the oil companies are making money hand over fist, they are going to utilize that to perpetuate the myth that they need to drill off the coast of a State like Florida, when, in fact, what they have not told you is that the oil companies already have under lease, which has not been drilled, 33 million acres offshore. The oil companies also have another 31 million acres onshore that have not been drilled. And the myth that they perpetuate, now using the fright of \$5-a-gallon gas, is that we have to have more supply and therefore we have to go offshore. This is the seductive red herring of this amendment which was offered by a Senator whose State, Louisiana, has a big oil industry that drills off of Louisiana, where, in fact, there are deposits of oil. But when you get to a State such as Florida, there have been several dry holes, and the geology

shows very little oil, plus we have the adverse interests.

Now, why do we have to keep going through this drill over and over? It is because the oil companies are insatiable. Do we not remember what we did just a year and a half ago, where the oil interests wanted to drill toward Tampa, FL, 2 million acres? We worked out a compromise—which wasn't 2 million acres, it was 8.3 million acres—but we kept it further to the south, away from the military training and testing area, where you cannot put oil rigs on the surface of the water, where we have our largest training and testing area in the world for our U.S. military. That is where we are training pilots for the F-22, where we train all of the pilots for the new Joint Strike Fighter being developed. That is where we are testing some of the most sophisticated weapons. That is because we have the area that is restricted airspace. As you are shooting that live ordnance and you are testing in your research and development of weapons systems, you cannot have oil rigs down there on the surface of the Gulf of Mexico. We etched that into law.

But here we go again. Having gone through this and having the oil industry have 33 million acres that is already available for lease but has not been drilled, they want to make an exception and are using the scare of this \$4 gas—maybe going to \$5 gas—in order to do that. That is wrong, and we ought to put a stop to it.

Here is the greatest wrong it perpetuates. What it does is it keeps us in the same old mindset where we stay married to oil. The emphasis is drill, drill, drill to solve the problem, as evidenced by \$5 gas, when, in fact, that is not going to solve our problem. What is going to solve our problem is using our technology to go to alternative fuels. What is going to solve our problem is to go to renewables. What is going to solve our problem is going to be to have a new President of the United States who says he is going to commit to making the United States independent of foreign oil, of which we now import 60 percent for our daily consumption from places such as Nigeria, Venezuela, and the Persian Gulf.

So what we have to do is change the mindset of the old way of doing things, which this amendment by the Senator from Louisiana is suggestive of; that is, to go to the alternative fuels, to go to a serious research and development program for a new engine on down the line, to encourage the increase of miles per gallon. In Japan, they are driving cars that get 50 miles per gallon. In Europe, they are driving cars, on a fleet average, that are getting in the area of 40 miles per gallon. Why can't the United States—if we had the political will—change our way of doing things as oil guzzlers through our consumption in our personal vehicles? We can if we have the political will.

Mr. VITTER. Will the Senator yield?

Mr. NELSON of Florida. I appreciate the Senator from Louisiana asking me

to yield. But I have a lot on my mind, and the Senator has already had his 15 minutes, so this Senator is going to complete his thoughts.

So here we go again. The emphasis is drill, drill, drill.

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

Mr. NELSON of Florida. Well, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized. The Senator has 3 minutes.

Mr. VITTER. Mr. President, if I can briefly respond on my own time—and I invite a conversation or colloquy with the distinguished Senator from Florida—I hope the distinguished Senator realizes that in this proposal, in order for any offshore drilling to take place, both the Governor and the State legislature of the host State have to say, yes, we want it. That is an absolute requirement under this proposal. The distinguished Senator from Florida knows Florida politics far better than I, but based on everything I know, that is not going to happen in Florida, including under Republican Governors and Republican legislatures, anytime soon. So I don't understand why he considers this a threat to the State of Florida, because they are in absolute control of their own destiny under the details of my motion. If the Senator has a response to that simple fact, I would love to hear it and engage in a discussion.

Mr. NELSON of Florida. Mr. President, if the Senator will yield, I am very grateful to him for giving me this opportunity. When it comes to the defense interests of the United States, I think it would be folly to allow a State legislature to impose their will with regard to the defense interests. This Senator has already given the example of the largest testing and training area in the world for the U.S. military, which is the Gulf of Mexico off of Florida, which we have prohibited in law from being drilled.

Let's take, for example, the Atlantic coast of Florida. Thirty years ago, this Senator had to oppose the Secretary of the Interior James Watt from drilling off the east coast. The only way this Senator was able to beat him then was because it finally dawned on the administration that we were launching from the Cape Canaveral Air Force station from west to east and launching from the Kennedy Space Center from west to east, therefore dropping the solid rocket boosters into the Atlantic Ocean along with the first stages of the expendable booster rocket out of the Air Force station, and that, in fact, we cannot have oil rigs down there.

So a State legislature might well not understand and be able to impose its will on the security interests of the U.S. Government.

Mr. VITTER. Mr. President, if I can reclaim my time.

The PRESIDING OFFICER. All time has expired.

Mr. VITTER. I ask unanimous consent for 1 additional minute since I seemed to cede all my time.

The PRESIDING OFFICER. Under the previous order, the time is reserved to the manager. Is there objection?

Mr. CONRAD. I will allow the Senator an additional minute if the Senator in opposition will be given an additional minute as well.

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

Mr. VITTER. I thank the Chair.

Quite honestly, I am not sure I understood that response. My simple point was that Florida under my motion is in control of its own destiny, and if Florida doesn't want drilling, the Governor and the State legislature, Florida doesn't get drilling.

There is a little bit of caveat to that. I think the Cubans are going to drill off Florida if we do nothing. That is moving forward anyway. Or the Chinese through Cuba. But otherwise, Florida doesn't get drilling.

My other response is, here we are caught in a stale debate again. It isn't either/or. It isn't oil and gas or alternative fuels. Our energy picture is so challenging it clearly has to be both. We need a future of new fuels and new technology. We also need to get to that future in the short and medium term. We need to do both things on the demand and the supply side. Let's start acting for the good of the American people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I say to my friend, the Senator from Louisiana, perhaps since he is from the gulf coast, he does not understand that all the way up the Atlantic seaboard, there are areas with restricted airspace where live fire training is done. A State legislature would not necessarily be attuned to the security interests of the U.S. Government.

If a State legislature were at the beck and call of a particular lobby—in this case the oil industry—wanting to drill, it would be at cross-purposes with the security interests in many of those regions off Florida, off Georgia, off the Carolinas, off Virginia, and further up the seaboard and, therefore, would have a veto over the U.S. Government.

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

Under the previous order, there is now 4 minutes equally divided.

Mr. GREGG. Mr. President, I ask unanimous consent that we turn to two other items that need to be taken up prior to the time limit.

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

MOTIONS TO INSTRUCT

Mr. GREGG. Mr. President, I send two motions to the desk dealing with budget enforcement. I ask they be reported in seriatim.

The PRESIDING OFFICER. The clerk will report the motions.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] moves that the conferees on the part of the Senate on the disagreeing votes of the

two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to insist on the inclusion in the final conference report the point of order against the consideration of a budget resolution in the Senate that does not contain a section regarding gross federal debt disclosure as contained in section 223 of the concurrent resolution as passed by the Senate, and further, that the conferees be instructed to include a debt disclosure section in the final conference report that itemizes the overall debt increase and the per person debt increase assumed by the final conference report.

The Senator from New Hampshire [Mr. GREGG] moves that the conferees on the part of the Senate on the disagreeing votes of the two Houses on the concurrent resolution S. Con. Res. 70 (the concurrent resolution on the budget for fiscal year 2009) be instructed to insist that the final conference report include the individual points of order that empowers the Senate to prevent future budget resolutions from raiding Social Security; enforces transparency during Senate consideration of the congressional budget by requiring disclosure of the gross federal debt held by the nation; strengthens the integrity of the reconciliation process; and provides an additional tool to thwart any net increase in deficits in the long term (four ten-year periods after 2018), as contained in sections 226, 223/224, 202 and 201, respectively, of the concurrent resolution as passed by the Senate.

Mr. GREGG. Mr. President, these are two motions, one of which says that under the rules of the budget, there will be a disclosure of the debt owed by the United States in a manner that is comprehensible.

Right now the budget is a very hard, very complex document to read for those of us who are involved in it, but it is extremely difficult to glean what actually is the debt and how the debt relates to the overall budget. The first motion says that will be made clearer for the purpose of transparency.

The second motion has four elements. The first one is a point of order that says the budget resolution, which will be live, does not put us on a path to a balanced budget over a 5-year period. The second one is a point of order against a reconciliation bill which spends more than 20 percent of what it saves. The third is a point of order against a budget resolution that does not provide a debt disclosure statement, such as the first motion included. And fourth is a long-term deficit point of order that should prohibit any deficit increases outside the budget window.

I talked about these with the chairman. The chairman seems amenable to accepting these motions. I hope they can be accepted.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the first motion I like very much, the debt disclosure. I think that would be a very useful item for Members of Congress and for the people of the country. So I readily accept motion No. 1. Can we accept that motion by a voice vote?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire, Mr. GREGG, on debt disclosure.

The motion was agreed to.

Mr. CONRAD. Mr. President, on the second motion, we have no objection on this side to adopting that motion by unanimous consent.

Mr. GREGG. Mr. President, I ask unanimous consent that the second motion be adopted.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The motion was agreed to.

Mr. CONRAD. I thank the Chair, and I thank my colleague very much. I thank Senator GREGG. We have had an interesting day. Senator GREGG, we can see by his head with that nasty bruise, is bloodied but unbowed.

Mr. GREGG. That came from the farm bill.

Mr. CONRAD. He said he got hit by a farmer with a lamb chop or asparagus, I don't know which.

Mr. GREGG. It must have been asparagus.

Mr. CONRAD. I think we are ready to proceed to vote.

Mr. GREGG. We are. I suggest we have 2 minutes equally divided before each vote to explain what we are voting on for our colleagues.

Mr. CONRAD. I think that is fair.

Mr. GREGG. And after the first vote, the votes be 10 minutes.

Mr. CONRAD. I think we would be well advised as well. We advise colleagues, after the first vote, there will be 10 minutes. We will have eight votes. Typically, that will take us 3 hours. If Members will come and stay here, we can conceivably get done in 2½ hours. It is up to the Members whether we are able to do that.

With that, I go to my colleague for an explanation of the first motion.

Mr. GREGG. Mr. President, it being my motion, I am sure the chairman would like to go first.

Mr. CONRAD. I will be happy to go first. The Senator is talking about this being the biggest tax increase in history. That is the same speech he gave last year. We can now check the record and see what actually happened and, lo and behold, there was not the biggest tax increase ever. In fact, there was no tax increase. In fact, there were tax cuts. The Democrats in both Houses of Congress cut taxes by \$194 billion.

In this legislation before us, we have no tax increases. We have additional tax reductions. Included in this resolution are the middle-class tax cuts, the marriage penalty relief, the child tax credit, the 10-percent bracket, further alternative minimum tax relief, estate tax reform, energy and education, property tax relief, and extenders.

The difference in revenue, which is only 2.6 percent between our bill and the President's, can completely be met by closing down these offshore tax havens, abusive tax shelters, and aggressively going after the tax gap, the difference between what some owe and what they are failing to pay.

Mr. GREGG. Mr. President, there is a tax increase in this resolution. If there

isn't, then the budget doesn't make any sense because it assumes \$1.2 trillion of new revenues in order to reach its targets, and that means 78 million taxpayers who don't pay taxes today are going to end up paying taxes under this budget.

It means a working family of four with \$50,000 income will end up with a \$2,300 tax bill increase in 2011. It means a single mom with two kids earning \$30,000 will have a \$1,000 tax increase in 2011. It means that 18 million senior citizens will have their taxes increased by over \$2,000, and that 27 million small businesses will have their taxes increased by over \$4,000 in the year 2011.

The simple fact is this budget assumes massive tax increases, the largest tax increase in the history of the world. I hope people will oppose that.

The PRESIDING OFFICER. Under the previous order, the question is now on agreeing to the motion of the Senator from New Hampshire, Mr. GREGG.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON) and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Tennessee (Mr. CORKER), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted "aye."

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

The result was announced—yeas 44, nays 51, as follows:

[Rollcall Vote No. 131 Leg.]

YEAS—44

Allard	DeMint	Martinez
Barrasso	Dole	McConnell
Bennett	Domenici	Murkowski
Bond	Ensign	Roberts
Brownback	Enzi	Sessions
Bunning	Graham	Shelby
Burr	Grassley	Smith
Chambliss	Gregg	Specter
Coburn	Hagel	Stevens
Cochran	Hatch	Sununu
Coleman	Hutchison	Thune
Collins	Inhofe	Vitter
Cornyn	Isakson	Warner
Craig	Kyl	Wicker
Crapo	Lugar	

NAYS—51

Akaka	Carper	Johnson
Baucus	Casey	Kennedy
Bayh	Conrad	Kerry
Biden	Dodd	Klobuchar
Bingaman	Dorgan	Kohl
Boxer	Durbin	Landrieu
Brown	Feingold	Lautenberg
Byrd	Feinstein	Leahy
Cantwell	Harkin	Levin
Cardin	Inouye	Lieberman

Lincoln	Pryor	Snowe
McCaskill	Reed	Stabenow
Menendez	Reid	Tester
Mikulski	Rockefeller	Voinovich
Murray	Salazar	Webb
Nelson (FL)	Sanders	Whitehouse
Nelson (NE)	Schumer	Wyden

NOT VOTING—5

Alexander	Corker	Obama
Clinton	McCain	

The motion was rejected.

The PRESIDING OFFICER. The Senator from North Dakota is about to explain what is going to happen in the next few minutes.

Mr. CONRAD. Mr. President, two of our colleagues and a third, counting me, have very graciously agreed to take voice votes to shorten this process. Now we will turn to Senator KYL for an explanation of his motion.

Mr. KYL. Both the chairman of the committee and I have resolutions that are almost identical. They both call for us to extend the so-called patch for the alternative minimum tax which otherwise would affect about 26 million taxpayers this year; to extend the so-called tax extenders package that has tax provisions like the R&D tax credit in it for another year, and to do so without raising taxes.

The addition on the Conrad motion is to use our best efforts to shut down abusive tax shelters, address offshore tax havens, and to close the tax gap.

Since I assume we are all for ending any waste, fraud, and abuse, I cannot disagree. I would be pleased to take votes on both of these motions by voice vote.

Mr. CONRAD. Mr. President, I thank Senator KYL for his willingness to do this on a voice vote. He has described the amendments well. I see no purpose in further discussion.

I ask for a voice vote on the Conrad and Kyl motions.

The PRESIDING OFFICER. The question is on agreeing to the motion offered by the Senator from Arizona, Mr. KYL, on the AMT.

The motion was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion offered by the Senator from North Dakota, Mr. CONRAD, on the AMT.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, the distinguished Senator from South Carolina, Mr. GRAHAM, has a motion on nuclear energy. The Senator from South Carolina has also graciously agreed to take it on a voice vote.

Would the Senator like to take 30 seconds to explain the motion?

Mr. GRAHAM. No.

Mr. CONRAD. The Senator from South Carolina continues to rise in the judgment of his colleagues.

Can we then go to a voice vote on the Graham motion?

The PRESIDING OFFICER. The question is on agreeing to the motion offered by the Senator from South Carolina, Mr. GRAHAM, on nuclear energy.

The motion was agreed to.

Mr. CONRAD. Mr. President, that takes us to the Boxer motion on cap and trade. We have 2 minutes equally divided. These are motions that will require votes, the Boxer and DeMint motions.

If the Senator from California would take time to explain her motion.

Mrs. BOXER. Mr. President, colleagues, I hope you pay attention to this because there are two motions that deal with global warming. The first one is the Boxer motion, and what it says is, we should not enact any global warming legislation until we address the issue of goods imported from nations such as India and China, countries that do not have their own global warming program. So we protect our people and yet we allow global warming legislation to proceed.

Senator DEMINT's motion is a back-to-the-future motion. He basically says we can do nothing—nothing—until India and China act. This is wrong. We should not be held hostage to the actions of China and India or any other nation when it comes to our own country, when it comes to an issue which is so serious that even the administration, that has been kind of dragging on this, yesterday found that global warming is threatening a beautiful species called the polar bear.

We do not want to be held hostage to India and China. Vote aye on the Boxer motion, and no on the DeMint motion.

Thank you.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. DEMINT. Mr. President, my motion has been mischaracterized, I am afraid. I am opposed to the Boxer motion because it would clearly, from the language, add tariffs or some kind of penalties to imports from around the world, unless emissions standards in other countries match ours, I guess, exactly.

This would add to the cost of products that are purchased by Americans. My motion is one that tries to keep jobs in this country. Unfortunately, my colleague is suggesting, I am afraid, as many have over the years, that we have two false choices. We either have a good economy or we have a good environment. Those are not the choices.

In fact, my motion would allow us to continue to develop nuclear generation, which is good for the environment and the economy, or hydrogen cars or electric cars or hybrid cars. Most of what we can do is good for the environment and improves the economy. My motion simply says: We cannot pass legislation unless other countries go along, otherwise we are exporting jobs and pollution.

The PRESIDING OFFICER. The question is agreeing to the motion of the Senator from California, Mrs. BOXER.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON) and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Tennessee (Mr. CORKER), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted "nay."

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

The result was announced—yeas 55, nays 40, as follows:

[Rollcall Vote No. 132 Leg.]

YEAS—55

Akaka	Feingold	Nelson (FL)
Baucus	Feinstein	Nelson (NE)
Bayh	Harkin	Reed
Biden	Inouye	Reid
Bingaman	Kennedy	Rockefeller
Boxer	Kerry	Salazar
Brown	Klobuchar	Sanders
Byrd	Kohl	Schumer
Cantwell	Landrieu	Smith
Cardin	Lautenberg	Snowe
Carper	Leahy	Specter
Casey	Levin	Stabenow
Coleman	Lieberman	Tester
Collins	Lincoln	Warner
Conrad	Martinez	Webb
Dodd	McCaskill	Whitehouse
Dole	Menendez	Wyden
Dorgan	Mikulski	
Durbin	Murray	

NAYS—40

Allard	Domenici	McConnell
Barrasso	Ensign	Murkowski
Bennett	Enzi	Pryor
Bond	Graham	Roberts
Brownback	Grassley	Sessions
Bunning	Gregg	Shelby
Burr	Hagel	Stevens
Chambliss	Hatch	Sununu
Coburn	Hutchison	Thune
Cochran	Inhofe	Vitter
Cornyn	Isakson	Voivovich
Craig	Johnson	Wicker
Crapo	Kyl	
DeMint	Lugar	

NOT VOTING—5

Alexander	Corker	Obama
Clinton	McCain	

The motion was agreed to.

Mrs. BOXER. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes equally divided prior to a vote on the motion to instruct offered by the Senator from South Carolina, Mr. DEMINT.

Mr. DEMINT. Mr. President, during the last vote, some of my Republican and Democratic colleagues asked me if it didn't make sense to vote for both these motions. Both understand we need to be careful in mandates that hurt our economy and jobs, unless we recognize what other countries are doing when they are polluting.

My motion focuses on here at home. I want to make sure folks understand what it is about.

Most of the things we can do to improve our environment and to stop CO₂ emissions can actually improve our economy. We know, as we try to build dozens, if not hundreds, of nuclear plants, it will create new jobs all over the country and improve our economy, just as Europe has done. Solar panels and wind, as well as hybrid cars and hydrogen fuel—all of these things are good for the economy and energy. My motion—

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

Mr. DEMINT. Could I get another minute?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DEMINT. I thank the Chair.

My motion does not affect any of the attempts to reduce CO₂ emissions except when we know it is hurting the economy and hurting jobs. In that case, we cannot move ahead with penalties and mandates unless China and India—the two largest polluting countries—have similar emissions standards. So it is just a "hold on," let's not hurt our economy and ourselves. There are many ways we can reduce CO₂ emissions without hurting jobs in this country.

I encourage my colleagues to support this motion.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, how much additional time did Senator DEMINT get?

The PRESIDING OFFICER. The Senator had an additional ½ minute.

Mrs. BOXER. Then, Mr. President, I would ask for the same amount of time, equally divided, between myself and Senator WARNER.

The PRESIDING OFFICER. What is the request of the Senator?

Mrs. BOXER. Mr. President, I ask unanimous consent that I have the same amount of time Senator DEMINT had, divided equally between myself and Senator WARNER.

The PRESIDING OFFICER. Is there objection to 1 minute being equally divided between Senator BOXER and Senator WARNER?

Without objection, it is so ordered.

Mrs. BOXER. If the Presiding Officer will tell me when I have used half the time so I can stop.

Colleagues, this is a very important vote. We already voted to level the playing field for America in that last vote so that countries cannot take advantage of us. But I have to say, this motion would hold this Nation hostage to China and India. Since when do we wait around for countries such as China to act on human rights issues, on economic issues, on environmental issues? That is not America.

I believe this is a motion that looks to fear, not hope. This is the greatest country on Earth, and I do not think we should tell ourselves we can do nothing about a pressing issue until a foreign country acts.

The PRESIDING OFFICER. The Senator has used half the time.

The Senator from Virginia.

Mr. WARNER. Mr. President, I have been working with Senator BOXER and Senator LIEBERMAN for almost 10 months on a bill with regard to global climate change. This week—perhaps tomorrow or the first of next week—we will offer a managers' amendment which will address the important issues my colleague raises.

I simply ask this Chamber to consider that when our bill comes up there will be ample opportunity to address your issues and that we have a provision in the managers' amendment giving the President of the United States the chance to proceed to correct the very things the Senator seeks to be corrected with his motion.

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

The question is on agreeing to the motion of the Senator from South Carolina, Mr. DEMINT.

Mrs. BOXER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON) and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Tennessee (Mr. CORKER), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted "nay."

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

The result was announced—yeas 34, nays 61, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—34

Allard	Craig	Kyl
Barrasso	Crapo	Lugar
Bennett	DeMint	McConnell
Bond	Domenici	Sessions
Brownback	Ensign	Shelby
Bunning	Enzi	Stevens
Burr	Grassley	Thune
Byrd	Hagel	Vitter
Chambliss	Hatch	Voivovich
Coburn	Hutchison	Wicker
Cochran	Inhofe	
Cornyn	Isakson	

NAYS—61

Akaka	Dole	Lautenberg
Baucus	Dorgan	Leahy
Bayh	Durbin	Levin
Biden	Feingold	Lieberman
Bingaman	Feinstein	Lincoln
Boxer	Graham	Martinez
Brown	Gregg	McCaskill
Cantwell	Harkin	Menendez
Cardin	Inouye	Mikulski
Carper	Johnson	Murkowski
Casey	Kennedy	Murray
Coleman	Kerry	Nelson (FL)
Collins	Klobuchar	Nelson (NE)
Conrad	Kohl	Pryor
Dodd	Landrieu	Reed

Reid	Smith	Warner
Roberts	Snowe	Webb
Rockefeller	Specter	Whitehouse
Salazar	Stabenow	Wyden
Sanders	Sununu	
Schumer	Tester	

NOT VOTING—5

Alexander	Corker	Obama
Clinton	McCain	

The motion was rejected.

Mrs. BOXER. Mr. President, I move to reconsider the vote.

Mr. CONRAD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. There are now 2 minutes equally divided prior to the vote on the motion to instruct by the Senator from Louisiana.

Who yields time?

The Senator from Louisiana.

Mr. VITTER. Mr. President, this motion is very straightforward. It creates a reserve fund in support of the following bill, a bill that would say: If the price at the pump, the price of gasoline reaches \$5 a gallon—if it reaches \$5 a gallon—then we are going to allow exploration and production off our coasts in the Outer Continental Shelf, but only if two conditions are met. No. 1, the host State wants it; the Governor and the State legislature of the host State say yes, we want that activity; and No. 2, the host State gets a fair revenue share of 37.5 percent which is the policy and the precedent we set about 2 years ago.

It would also ensure that nothing in this bill would disrupt military training, military activity off the coast, and that also a host State could decide to do natural gas only.

We can't drill our way out of this energy problem, but increased domestic supply is part of the solution. We need a new energy future, but we also need to get to that future.

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

Who yields time?

The Senator from Florida.

Mr. NELSON of Florida. Mr. President, what the Senator didn't say is that this puts a State's veto power over the U.S. Government as to its security arrangements in restricted areas off the coast which you never want to put at stake.

What the Senator also didn't tell you is there are already 31 million acres offshore that are ready for lease that have not been drilled.

I yield to the Senator from New Jersey.

Mr. MENENDEZ. Mr. President, the Senate has on three different occasions over the last year defeated similar efforts to end the 26-year bipartisan moratoria on the Outer Continental Shelf. This is another attempt to get at it. Even the Energy Information Administration projects that if we opened the entire east and west coasts, we wouldn't achieve anything because it would take up to 2017 to ramp up and 2030 to actually achieve results.

So this isn't about gas prices; this is about tapping into another vein of oil,

continuing our addiction, and putting our shores at risk.

I urge my colleagues, particularly from coastal States, to oppose it.

Mr. STEVENS. Mr. President, I ask unanimous consent to be a cosponsor of the motion.

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

Mr. WARNER. Mr. President, I ask unanimous consent to be a cosponsor of the amendment.

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

All time has expired.

The question is on agreeing to the motion of the Senator from Louisiana, Mr. VITTER.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON) and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Tennessee (Mr. CORKER), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted "yea."

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

The result was announced—yeas 44, nays 51, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—44

Allard	Domenici	Murkowski
Barrasso	Ensign	Nelson (NE)
Bennett	Enzi	Roberts
Bond	Graham	Sessions
Brownback	Grassley	Shelby
Bunning	Gregg	Specter
Burr	Hagel	Stevens
Chambliss	Hatch	Sununu
Coburn	Hutchison	Thune
Cochran	Inhofe	Vitter
Coleman	Isakson	Voinovich
Cornyn	Kyl	Warner
Craig	Landrieu	Webb
Crapo	Lugar	Wicker
DeMint	McConnell	

NAYS—51

Akaka	Durbin	Menendez
Baucus	Feingold	Mikulski
Bayh	Feinstein	Murray
Biden	Harkin	Nelson (FL)
Bingaman	Inouye	Pryor
Boxer	Johnson	Reed
Brown	Kennedy	Reid
Byrd	Kerry	Rockefeller
Cantwell	Klobuchar	Salazar
Cardin	Kohl	Sanders
Carper	Lautenberg	Schumer
Casey	Leahy	Smith
Collins	Levin	Snowe
Conrad	Lieberman	Stabenow
Dodd	Lincoln	Tester
Dole	Martinez	Whitehouse
Dorgan	McCaskill	Wyden

NOT VOTING—5

Alexander	Corker	Obama
Clinton	McCain	

The motion was rejected.

Mr. REID. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, for all Senators, I have been talking this afternoon with Senators KENNEDY, ENZI, GREGG, and MCCONNELL, of course. We believe it would be in the best interests of the Senate to vitiate the cloture vote in the morning. Senator KENNEDY and ENZI have agreed to continue working on the firefighters bill. Yesterday, it was interrupted by the farm bill, and the Graham amendment was an interruption.

As I have said on a number of occasions, there is not more of a gentleman in the Senate than MIKE ENZI. He felt aggrieved—that is my word, not his—and he needs more time on this. Again, I have talked to him and Senator KENNEDY. They believe they can get from here to there and work out something so that we can wind up completing the bill.

I have asked the managers to work together to see if they can reach agreement on the process that will permit the Senate to complete action on the bill in a timely way.

Therefore, I ask unanimous consent that the cloture vote be withdrawn with respect to H.R. 980.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, let me further say that when these two good Senators come back to me with that process, I will confer with the Republican leader, and then I will make a decision when to return to this. I favor this a lot. I think it is a great piece of legislation. I hope we can complete it.

We should continue the bipartisan approach we have had up to this time on that legislation. I appreciate the understanding of the Senate in allowing us to approach this in a different way. This is not unique. We have done it on other occasions. For a lot of reasons, cloture would not be invoked tomorrow. I think people favor this legislation and they would vote for cloture if there is more of an opportunity to work on amendments. I appreciate the cooperation of everybody.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, if I may add, I think the majority leader has made a wise decision, after consultation with both sides. Cloture would not have been invoked tomorrow. Senators KENNEDY and ENZI can work out an orderly process. I think it is an approach that I applaud and recommend.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I wish to personally thank the two leaders and Senator ENZI. This is important legislation involving national security. I am grateful for the opportunity to work with my friend and colleague, Senator ENZI, to try to make recommendations here in the Senate. I

know there are diverse views on this issue. We will try to work out an orderly procedure so that Members will be able to get their views out and considered in the Senate and do it in a timely way.

Again, I thank the two leaders and the Senator from Wyoming as well for his cooperation, as always.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS CONSENT AGREEMENT—S.J. RES. 28

Mr. REID. Mr. President, I ask unanimous consent that, upon disposition of the House message on S. Con. Res. 70, the Senate proceed to the consideration of Calendar No. 731, S.J. Res. 28, a joint resolution disapproving the rule submitted by the FCC with respect to broadcast media ownership, the statutory time be reduced to 2 minutes equally divided and controlled between Senators DORGAN and STEVENS or their designees; that upon the use or yielding back of the time, the Senate proceed to vote on passage of the joint resolution; provided further that all remaining provisions of the statute remain in effect. I further ask that all statements relating to the matter be printed in the RECORD prior to the vote on this important piece of legislation.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Finally, as I understand, we have one more rollcall vote we are going to have now. There will be no votes tomorrow. This will be the last vote until Tuesday morning, unless someone has an objection.

The PRESIDING OFFICER. There is now 2 minutes equally divided prior to vote on a motion offered by the Senator from New Hampshire, Mr. GREGG, on discretionary spending.

The Senator from North Dakota.

Mr. CONRAD. Mr. President, under the budget resolution, spending goes down each and every year as a share of domestic product, 20.8 percent down to 19.1 percent

The Senator opposite seeks to make those reductions more steep and embrace the President's proposal which would eliminate the COPS Program—not just cut it but eliminate it, a program that puts 100,000 police on the street—cut the Weatherization Assistance Program 100 percent at a time of \$120 oil; cut the first responder grants—police, fire, emergency medical 78 percent; cut community development 24 percent; cut clean water 21 percent; cut LIHEAP 15 percent.

More than that, because of the way this amendment has been written, this would put defense in the pool to be cut. If you want to do that, vote for the Senator's motion. I urge a "no" vote.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I have no charts. I simply have a number: \$1 trillion. We should draw the line somewhere around here. We should say to the American people: It is time that we exercise fiscal discipline. Let's do it at

\$1 trillion. That means that in this budget, you only have to reduce it 1 percent to get back underneath that number.

We don't have to look to the President to do that. We can't, amongst ourselves, come up with \$10 billion of savings on a \$1 trillion budget? If we can't, we should all go home.

Vote to draw the line at \$1 trillion. Vote for the American taxpayer.

Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire, Mr. GREGG.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New York (Mrs. CLINTON) and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Tennessee (Mr. ALEXANDER), the Senator from Tennessee (Mr. CORKER), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Tennessee (Mr. ALEXANDER) would have voted "yea."

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

The result was announced—yeas 47, nays 48, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—47

Allard	DeMint	Lugar
Barrasso	Dole	Martinez
Bayh	Domenici	McConnell
Bennett	Ensign	Murkowski
Bond	Enzi	Roberts
Brownback	Feingold	Sessions
Bunning	Graham	Shelby
Burr	Grassley	Smith
Cantwell	Gregg	Stevens
Chambliss	Hagel	Sununu
Coburn	Hatch	Thune
Cochran	Hutchison	Vitter
Coleman	Inhofe	Voinovich
Cornyn	Isakson	Warner
Craig	Klobuchar	Wicker
Crapo	Kyl	

NAYS—48

Akaka	Harkin	Nelson (FL)
Baucus	Inouye	Nelson (NE)
Biden	Johnson	Pryor
Bingaman	Kennedy	Reed
Boxer	Kerry	Reid
Brown	Kohl	Rockefeller
Byrd	Landrieu	Salazar
Cardin	Lautenberg	Sanders
Carper	Leahy	Schumer
Casey	Levin	Snowe
Collins	Lieberman	Specter
Conrad	Lincoln	Stabenow
Dodd	McCaskill	Tester
Dorgan	Menendez	Webb
Durbin	Mikulski	Whitehouse
Feinstein	Murray	Wyden

NOT VOTING—5

Alexander	Corker	Obama
Clinton	McCain	

The motion was rejected.

Mr. CONRAD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Chair appoints Mr. CONRAD, Mrs. MURRAY, Mr. WYDEN, Mr. GREGG, and Mr. DOMENICI conferees on the part of the Senate.

DISAPPROVAL OF FCC OWNERSHIP RULE SUBMITTAL

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S.J. Res. 28, which the clerk will report.

The legislative clerk read as follows:

A resolution (S.J. Res. 28) disapproving the rules submitted by the Federal Communications Commission with respect to broadcast media donorship.

The PRESIDING OFFICER. There is 2 minutes equally divided. The Senator from North Dakota is recognized.

Mr. DORGAN. This is a resolution of disapproval of an FCC rule dealing with media ownership. The Commerce Committee has passed this out to the floor of the Senate. I will not go into great length on the merits of the issue except to say we have visited this issue previously. I think there is too much concentration in the media. The FCC rule moves in exactly the wrong direction, adding more concentration.

I ask that Members of the Senate who wish to would be able to make statements that appear prior to this vote. I believe we have agreed to a voice vote.

I yield the floor. I reserve my time.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I yield to the Senator from Georgia.

Mr. CHAMBLISS. Mr. President, I know we are going to have a voice vote. I ask unanimous consent I be recorded as a "no."

The PRESIDING OFFICER. The record will so reflect.

Mr. ISAKSON. Mr. President, I wish the record also to reflect I voted "no" on S.J. Res. 28.

Mr. STEVENS. I ask unanimous consent statements in opposition to the resolution of the Senator from North Dakota be printed in the RECORD at this point.

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

CROSS OWNERSHIP RULE

Mr. WEBB. Mr. President, I rise today to thank my colleague from North Dakota for his work on media ownership issues and to engage him in a colloquy to clarify one point about the resolution of disapproval. I note that Senator DORGAN has long been a champion of media localism and diversity, issues that are quite important to me as well.

Because I believe that the Federal Communications Commission ignored Congress's repeated admonitions about following appropriate processes in reaching the agency's new cross-ownership rules, I support this bipartisan resolution.