

is \$11,400. So working families are not assisted by the home mortgage interest deduction in getting into homes.

It is still a good program. It still empowers home ownership over the long term. It certainly is beneficial in an increasing way to families who earn more.

Here is a family buying a \$500,000 house. While the interest is the same, the same assumptions—5 percent down, 5 percent interest, \$23,591, far exceeding the standard deduction. So if you are a family who is better off, you can buy a bigger house. The home mortgage interest deduction helps launch you into home ownership. But if you are a working family in America, it does not help much. In fact, often the interest is less than your standard deduction. So it has no impact whatsoever. This is why we should debate fully a permanent \$5,000 downpayment tax credit for first-time home buyers.

Of course, we always struggle with the cost of programs and that is a very important thing to do. The cost of the home mortgage interest deduction in this last year was about \$97 billion. That is the cost of the home mortgage interest deduction, with most of the benefits going to affluent families. So \$97 billion is directed in ways that do not help our working families get into their first home.

What if we were to spend a fraction of that to help working families become homeowners, knowing that the externalities of home ownership—the stability for children, the lower crime rates, more likely to finish school, more likely to earn more money, you pay more in taxes, less likely to end up on public programs. All those programs are paid back to us in multiples.

What would the cost be of providing a \$5,000 downpayment tax credit, a permanent one, to first-time home buyers? It would be on the order of \$10 billion, assuming that every family, regardless of income, was eligible.

A \$97 billion program, an important program, a good program, but it does not help working families get into homes. Why not spend 10 percent of that on a program that would help launch our working families into home ownership, which makes much better lives for them and a much better community, stronger communities for everyone else, and a much better future for their children?

I will conclude in this fashion. Home ownership has enormous value to our society—home ownership done right, not with liar loans, not with prepayment penalties, not with steering payments, not with mortgages that are basically scams. But home ownership done right has enormous returns—responsible, good, solid mortgages. We should support our working families to become homeowners, for their sake and for strengthening all of America and for the future of our children.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

UNEMPLOYMENT COMPENSATION EXTENSION ACT OF 2009

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 3548, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 3548) to amend the Supplemental Appropriations Act, 2008, to provide for the temporary availability of certain additional emergency unemployment compensation, and for other purposes.

Pending:

Reid (for Baucus/Reid) amendment No. 2712, in the nature of a substitute.

Reid amendment No. 2713 (to amendment No. 2712), to change the enactment date.

Reid amendment No. 2714 (to amendment No. 2713), of a perfecting nature.

Reid amendment No. 2715 (to the language proposed to be stricken by amendment No. 2712), to change the enactment date.

Reid amendment No. 2716 (to amendment No. 2715), of a perfecting nature.

The PRESIDING OFFICER. Under the previous order, all postcloture time is expired, the substitute amendment is agreed to, and the motion to reconsider is considered made and laid upon the table.

The amendment (No. 2712) was agreed to.

The PRESIDING OFFICER. Under the previous order, the time until 12:15 p.m. will be equally divided and controlled between the two leaders or their designees.

The Senator from Georgia.

Mr. ISAKSON. Mr. President, that will be, I suppose, about 12 minutes each side; is that correct?

The PRESIDING OFFICER. The Republican side has 15 minutes.

Mr. ISAKSON. Mr. President, I rise in full support of the extension of the unemployment insurance compensation. I rise also to express my thanks to a number of people in this body.

First, as everybody knows, we adopted a substitute to the unemployment compensation bill by Senator REID. Senator REID, the majority leader, has been instrumental in seeing to it this bill not only passes but that enhancements are made to this bill to help the U.S. economy, and it is totally paid for and a net positive to the Federal Treasury. I appreciate more than I can express Senator REID's hard work to help this take place.

Secondly, I thank Max BAUCUS, chairman of the Finance Committee. Senator BAUCUS and his staff have been unbelievably cooperative in helping us find the pay-fors to match and actually exceed the cost of the home buyers tax credit which will be extended in this legislation.

Senator DODD, chairman of the Banking Committee, 3 weeks ago hosted a 3-hour hearing in the committee on the housing tax credit and the housing

market. Without his giving us that time to bring forward the issues that are so pressing in our country today, I am not sure we would be standing here at all. So I am greatly appreciative of Senator DODD.

I particularly thank Chris Cook on my staff for the work he has done in helping make this take place.

Lastly, but not least, I thank Mr. Richard Smith, a private citizen, a person in the housing industry who dedicated countless hours of his life in the past month to educate people on the positive effects of what we are about to do.

Briefly, I want to say the following: We learned about 8 months ago that a tax credit for first-time home buyers worked. It worked to bring back the entry level marketplace in housing, and it helped to begin to stabilize the housing market which led us in late 2007 into the difficulties we have experienced over the last 20 months. Extending it is important, as long as everybody still understands permanent extension would be bad. Extending it to next April, which this bill does, with a closing no later than June 30, allows the American housing market and first-time home buyers to exercise their right to take tax they pay, convert it to equity in the investment and net appreciating asset, and help stimulate what is the rock-solid base of the American economy.

We also add, in addition to the \$8,000 credit extension for first-time home buyers, a move-up buyer tax credit of \$6,500. This is the cornerstone of the substitute before us now. It offers to any previous homeowner who has lived in their home for at least the last 5 years the opportunity to sell that home, invest in a new home, and take up to a \$6,500 tax credit. That is going to help us boost what is the problem in the U.S. housing economy today, and that is what is called the move-up market. It is the gentleman who is transferred from Delaware with Hercules to Brunswick, GA, who cannot sell his house in Wilmington and cannot buy a house in Brunswick because the markets are so frozen and the move-up market is dead. Now he has an opportunity to sell that house and have an incentive for its purchase in Delaware and an incentive to come and reinvest that money in Georgia in a house in Brunswick. It will make a measurable difference over the next 7 months in our economy.

We also raised the means test on income from \$75,000 to \$150,000, which is in the current credit, to \$150,000 and \$225,000 in the new bill for both move-up buyers as well as first-time home buyers. Those income thresholds will open the incentive to more Americans and I think will show a measurable increase in the amount of business that takes place.

In response to the Internal Revenue Service concerns we expressed a few months ago on fraud, we put in every single request they made for fraud to

see to it the HUD-1 is attached to tax statements, to see to it there is no fraudulent claim of the money, and to see to it the IRS has every tool they can to prosecute to the fullest anybody who would abuse this credit.

Lastly, we have one exemption to the payback. As the Presiding Officer knows, the credit has to be paid back if somebody sells their house within the first 3 years of occupancy and moves. That is because they are required to own it at least 3 years. That payback is waived if they are a member of the U.S. military who has redeployed in our military in the United States or overseas. It is not right for them to respond to our country's call and then penalize them on the tax credit if they used it before by not knowing they would be called or moved again.

Again, I thank Senator REID, Senator BAUCUS, and Senator DODD for their tremendous work. I thank the Members of this body for their positive vote of 85 to 2 on cloture on Monday night and hopefully what will be a very positive vote tomorrow night to extend and pass the first-time home buyers credit and add to it the move-up buyers home credit.

I add to this list everybody who has an interest, everybody who thinks it is a great opportunity. It is a great opportunity, but it ends on April 30 for contracts and on June 30 for closing. It would not be in the best interests of the United States or this Senate to extend this credit. Part of the benefit of a tax credit is the scarcity or the urgency of its sunset. This tax credit will sunset on April 30, 2010, and it will not be extended. Closing will have to take place by June 30 or it will not count.

I urge all Americans who have always dreamed, if they are a first-time home buyer, of having a home of their own or Americans who have been gridlocked in the failure of our move-up market to actually move up and work, you have a 7-month opportunity that is good for you, it is good for the United States of America, and it is good for this economy.

I yield the floor by thanking all the Members of this body and urging them to vote in favor of the adoption of the substitute and ultimately on the passage of the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I commend several of my colleagues who brought us one step closer to passing an extension of unemployment insurance which is absolutely critical in the lives of millions of Americans. Hundreds of thousands—millions, indeed—have run out of their benefits or are about to run out of their benefits. They are facing the prospect of a tough economy without jobs and looking feverishly and not finding them and not having a basic support for their families. This is critical.

Majority Leader REID has helped immensely, together with Chairman BAU-

CUS. I particularly single out Senator ISAKSON and Senator BUNNING. They have worked collectively, collaboratively to bring to this bill two other measures which are critical. As Senator ISAKSON explained, the housing tax credit. One of the real benefits of this body when it works well is we are able to have the expertise and the judgment and the knowledge of someone such as Senator ISAKSON who understands better than anyone else the real estate market because he came up through that business.

His vision months ago gave us the option to move forward on this homeowners tax credit. It has been a huge success, and it is much to the credit of Senator ISAKSON.

Senator BUNNING recognizes the need for the net operating loss favorable treatment to small businesses.

When we work together, pooling our best ideas, we can contribute to the well-being of Americans all through this country. I thank those two Senators.

I hope that after what I anticipate to be another overwhelming procedural vote that we could move immediately to consideration of final passage of the unemployment compensation bill, together with the measures Senator ISAKSON and Senator BUNNING have offered.

I hesitate, but I will add that it has been 20-plus days since we have been considering this unemployment extension. We have been through numerous procedural votes. These procedural votes have been overwhelming. Monday evening, it was 85 to 2. Typically, when we have that kind of underlying support for a measure, we do not need 30 additional hours, particularly now since we are considering a bipartisan bill, incorporating unemployment compensation extensions, first-time home buyers, together with net operating loss treatment for small businesses.

So I anticipate a successful procedural vote. I would like to anticipate swift and unanimous passage, and I hope that is the case.

The issue of unemployment compensation is absolutely critical all across this country. There is no place today in the United States that does not see a serious crisis in unemployment. In my home State, we have a 13-percent unemployment rate. My assembly was briefed today with the prediction that the rate will peak sometime next year at 14 percent. That is crippling in terms of its effect on families.

We have seen some progress in our economy. We saw last week, for the first time in a year, a growth in the gross domestic product—3.5 percent. The economy is expanding. We are growing again. The downward collapse has stopped, and we are beginning to grow. But, as I suggested previously on the floor, you can't feed your family GDP. You need a job. You need to be able to work. You need to have the certainty of your work, that it will be

there. And you have to be able to have that job to provide for your family and to give us the confidence we need to continue to grow and expand the economy.

One of the economic effects we have seen is lagging consumer consumption, which was a major driving force in our economy. It is obvious that when people are afraid of losing their jobs, when people have lost their jobs, their consumption is necessarily limited. So in order to sustain our growth, we have to go ahead and rebuild our employment situation.

But what we have to do immediately is to recognize there are people without jobs. These are people who have worked all their lives. My colleagues have come to the floor repeatedly and they have read—Senator DURBIN and so many others—letters from constituents, husbands and wives who are now faced with no employment, are faced with the loss of their insurance because their COBRA is running out, their health care, and they are worried about losing their homes. For the first time, they are at the edge of financial ruin. Many have already exhausted their 401(k)s, all their retirement benefits, just to get by, just to survive.

Again, these are people who have worked all their lives. We owe them something more than procedural niceties in the Senate. I hope that today we will pay that debt to these people.

We are here on the verge, I hope, of quick passage and not additional delay. We have taken it step by step. The leadership of Majority Leader REID and Chairman BAUCUS has been extraordinary, and with the thoughtful and substantive contributions of my colleagues, Senators ISAKSON and BUNNING. I hope that with this now bipartisan approach, we can, in fact, not only procedurally take it a further step but pick up the pace dramatically and cross the finish line—today, I hope. I would obviously urge all my colleagues to support this measure and support the underlying legislation as quickly as possible.

At this juncture, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REED. Mr. President, I ask unanimous consent that the time during the quorum be charged equally against both sides.

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

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

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

The bill clerk proceeded to call the roll.

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

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

ANNIVERSARY OF IRAN HOSTAGE CRISIS

Mr. KYL. Mr. President, I rise today to note the 30th anniversary of a very sad day in American history. On this day 30 years ago, an angry mob of so-called students stormed the U.S. Embassy in Tehran and took 66 U.S. citizens hostage there. The original plan of the terrorists was to hold the Embassy for 3 days. In the end, they held 52 American hostages for 444 days.

The images of hostages blindfolded, with their hands tied behind their backs, should remain seared in our memories. The ABC News program "Nightline" essentially has its beginning in this crisis. The title of the news program at the time was "The Iran Crisis—America Held Hostage." Each night, as Americans went to bed, it would add a day to its count of how long Americans were held hostage. Walter Cronkite would similarly sign off his newscast.

I am sure many remember the chants of the hostage takers and those who supported them—"Death to America," they would say. The Iranian regime would call us the "Great Satan." The thing is, although the hostages have long been released, not much else has changed. The government still leads its citizens in chants of "Death to America."

After Ayatollah Khamenei came to power, a Time magazine article in 1980 described him as the face showing "the ease with which terrorism can be adopted as government policy." Terrorism remains the policy of the Government of Iran today. Earlier this year, the State Department issued its annual report on terrorism, finding that "Iran remained the most active state sponsor of terrorism."

The Ayatollah Khamenei blessed this brazen terrorist act of holding Americans hostage. Upon his coming to power, Iran went from being an American ally in the region to our mortal enemy. The hostage crisis was, and remains, the defining symbol of this rupture.

In his inaugural address, in keeping with his campaign promises, President Obama stated to countries such as Iran, "We will extend a hand if you are willing to unclench your fist." On the nuclear weapons issue, the hand has been extended many times to Iran, but Iran has yet to unclench its fist.

Sadly, its resistance is nothing new. In October 2003, Iran concluded an agreement with France, Germany, and the United Kingdom known as the EU-3 in which Iran promised to suspend its uranium-enrichment activities. It did not live up to that promise. Iran arranged again, in November 2004, a suspension agreement with the EU-3, only to repudiate it again. This Iranian duplicity continues to this day.

In June 2006, the EU-3 was joined by Russia, China, and the United States to become the P5-plus-1. They called on Iran to suspend its uranium-enrich-

ment activities in exchange for a variety of incentives. A revised version of this proposal was presented to Iran in the summer of 2008.

The International Atomic Energy Agency issued its most recent report on the matter in August 2009. In paragraph 27, it found that:

Iran has not suspended its uranium enrichment related activities or its work on heavy water related projects as required by the Security Council.

The most recent Congressional Research Service report on the matter says:

Iranian officials maintain that Iran will not suspend its enrichment program.

Yet another deal to bribe Iran to comply with its international obligations is before Iran today. Under this proposal, Iran would transfer stocks of its low-enriched uranium to Russia, Russia would enrich the uranium further and transfer that to France for France to fabricate into fuel assemblies, and then finally France would transfer this enriched uranium back to Iran. This deal came after the G-20 meeting in Pittsburgh in September, at which it was revealed that Iran had a covert enrichment facility in defiance of all of its international commitments and requirements.

French President Sarkozy said:

If by December there is not an in-depth change by the Iranian leaders, sanctions will have to be taken.

Prime Minister Brown stated:

I say on behalf of the United Kingdom today, we will not let this matter rest. And we are prepared to implement further and more stringent sanctions.

I hope President Obama will join in the Europeans' forceful and clear response to continued Iranian intransigence on the nuclear issue.

This current Iranian regime represents the same terrorists who took U.S. citizens hostage 30 years ago today and held them in humiliating captivity for 444 days. That seminal event is still celebrated in Iran. I do not believe it has ever been repudiated or condemned by the Iranian Government.

In his book "Guests of the Ayatollah," Mark Bowden describes how the U.S. Embassy has perversely become an anti-American museum to which students are bussed to commemorate the terrorist event. He further describes how "the takeover is remembered as one of the founding events of the Islamic 'republic.'"

Mr. Bowden also writes:

The Iran hostage crisis was for most Americans their first encounter with Islamofascism and, as such, can be seen as the first battle in that ongoing world conflict. [The hostages] were the first victims of the inaptly named 'war on terror.'"

Now Iran continues its nuclear activities in defiance of Security Council resolutions, and it remains the world's leading state sponsor of terrorism. This regime is not negotiating in good faith over its nuclear program, and during the time we have attempted to bring it

into compliance with its international obligations, Iran has continued to defiantly develop its nuclear capabilities.

Thirty years ago today, Iran directly threatened and harmed the most vital and core U.S. interests. No one in this Chamber should be confused that 30 years later this regime still means to do us harm.

Mr. President, I wish to especially thank Michael Stransky for his research on this matter.

As a sign of remembrance and respect, I ask unanimous consent to have printed in the RECORD the names of all of those taken hostage in Iran 30 years ago today, as well as the 8 servicemembers who lost their lives in an attempt to free them.

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

THE HOSTAGES AND THE CASUALTIES

Sixty-six Americans were taken captive when Iranian militants seized the U.S. Embassy in Tehran on Nov. 4, 1979, including three who were at the Iranian Foreign Ministry. Six more Americans escaped. Of the 66 who were taken hostage, 13 were released on Nov. 19 and 20, 1979; one was released on July 11, 1980, and the remaining 52 were released on Jan. 20, 1981. Ages in this list are at the time of release.

The 52:

Thomas L. Ahern, Jr., 48, McLean, VA. Narcotics control officer.

Clair Cortland Barnes, 35, Falls Church, VA. Communications specialist.

William E. Belk, 44, West Columbia, SC. Communications and records officer.

Robert O. Blucker, 54, North Little Rock, AR. Economics officer specializing in oil.

Donald J. Cooke, 26, Memphis, TN. Vice consul.

William J. Daugherty, 33, Tulsa, OK. Third secretary of U.S. mission.

Lt. Cmdr. Robert Englemann, 34, Hurst, TX. Naval attaché.

Sgt. William Gallegos, 22, Pueblo, CO. Marine guard.

Bruce W. German, 44, Rockville, MD. Budget officer.

Duane L. Gillette, 24, Columbia, PA. Navy communications and intelligence specialist.

Alan B. Golancinski, 30, Silver Spring, MD. Security officer.

John E. Graves, 53, Reston, VA. Public affairs officer.

Joseph M. Hall, 32, Elyria, OH. Military attaché with warrant officer rank.

Sgt. Kevin J. Hermening, 21, Oak Creek, WI. Marine guard.

Sgt. 1st Class Donald R. Hohman, 38, Frankfurt, West Germany. Army medic.

Col. Leland J. Holland, 53, Laurel, MD. Military attaché.

Michael Howland, 34, Alexandria, VA. Security aide, one of three held in Iranian Foreign Ministry.

Charles A. Jones, Jr., 40, Communications specialist and teletype operator. Only African-American hostage not released in November 1979.

Malcolm Kalp, 42, Fairfax, VA. Position unknown.

Moorhead C. Kennedy Jr., 50, Washington, DC. Economic and commercial officer.

William F. Keough, Jr., 50, Brookline, MA. Superintendent of American School in Islamabad, Pakistan, visiting Tehran at time of embassy seizure.

Cpl. Steven W. Kirtley, 22, Little Rock, AR. Marine guard.

Kathryn L. Koob, 42, Fairfax, VA. Embassy cultural officer; one of two women hostages.

Frederick Lee Kupke, 34, Francesville, IN. Communications officer and electronics specialist.

L. Bruce Laingen, 58, Bethesda, MD. Chargé d'affaires. One of three held in Iranian Foreign Ministry.

Steven Lauterbach, 29, North Dayton, OH. Administrative officer.

Gary E. Lee, 37, Falls Church, VA. Administrative officer.

Sgt. Paul Edward Lewis, 23, Homer, IL. Marine guard.

John W. Limbert, Jr., 37, Washington, DC. Political officer.

Sgt. James M. Lopez, 22, Globe, AZ. Marine guard.

Sgt. John D. McKeel, Jr., 27, Balch Springs, TX. Marine guard.

Michael J. Metrinko, 34, Olyphant, PA. Political officer.

Jerry J. Miele, 42, Mt. Pleasant, PA. Communications officer.

Staff Sgt. Michael E. Moeller, 31, Quantico, VA. Head of Marine guard unit.

Bert C. Moore, 45, Mount Vernon, OH. Counselor for administration.

Richard H. Morefield, 51, San Diego, CA. U.S. Consul General in Tehran.

Capt. Paul M. Needham, Jr., 30, Bellevue, NE. Air Force logistics staff officer.

Robert C. Ode, 65, Sun City, AZ. Retired Foreign Service officer on temporary duty in Tehran.

Sgt. Gregory A. Persinger, 23, Seaford, DE. Marine guard.

Jerry Plotkin, 45, Sherman Oaks, CA. Private businessman visiting Tehran.

MSgt. Regis Ragan, 38, Johnstown, PA. Army noncom, assigned to defense attaché's office.

Lt. Col. David M. Roeder, 41, Alexandria, VA. Deputy Air Force attaché.

Barry M. Rosen, 36, Brooklyn, NY. Press attaché.

William B. Royer, Jr., 49, Houston, TX. Assistant director of Iran-American Society.

Col. Thomas E. Schaefer, 50, Tacoma, WA. Air Force attaché.

Col. Charles W. Scott, 48, Stone Mountain, GA. Army officer, military attaché.

Cmdr. Donald A. Sharer, 40, Chesapeake, VA. Naval air attaché.

Sgt. Rodney V. (Rocky) Sickmann, 22, Krakow, MO. Marine Guard.

Staff Sgt. Joseph Subic, Jr., 23, Redford Township, MI. Military policeman (Army) on defense attaché's staff.

Elizabeth Ann Swift, 40, Washington, DC. Chief of embassy's political section; one of two women hostages.

Victor L. Tomseth, 39, Springfield, OR. Senior political officer; one of three held in Iranian Foreign Ministry.

Phillip R. Ward, 40, Culpeper, VA. Administrative officer.

One hostage was freed July 11, 1980, because of an illness later diagnosed as multiple sclerosis:

Richard I. Queen, 28, New York, NY. Vice consul.

Six American diplomats avoided capture when the embassy was seized. For three months they were sheltered at the Canadian and Swedish embassies in Tehran. On Jan. 28, 1980, they fled Iran using Canadian passports:

Robert Anders, 34, Port Charlotte, FL. Consular officer.

Mark J. Lijek, 29, Falls Church, VA. Consular officer.

Cora A. Lijek, 25, Falls Church, VA. Consular assistant.

Henry L. Schatz, 31, Coeur d'Alene, ID. Agriculture attaché.

Joseph D. Stafford, 29, Crossville, TN. Consular officer.

Kathleen F. Stafford, 28, Crossville, TN. Consular assistant.

Thirteen women and African-Americans among the Americans who were seized at the embassy were released on Nov. 19 and 20, 1979:

Kathy Gross, 22, Cambridge Springs, PA. Secretary.

Sgt. James Hughes, 30, Langley Air Force Base, VA. Air Force administrative manager. Lillian Johnson, 32, Elmont, NY. Secretary.

Sgt. Ladell Maples, 23, Earle, AR. Marine guard.

Elizabeth Montagne, 42, Calumet City, IL. Secretary.

Sgt. William Quarles, 23, Washington, DC. Marine guard.

Lloyd Rollins, 40, Alexandria, VA. Administrative officer.

Capt. Neal (Terry) Robinson, 30, Houston, TX. Administrative officer.

Terri Tedford, 24, South San Francisco, CA. Secretary.

Sgt. Joseph Vincent, 42, New Orleans, LA. Air Force administrative manager.

Sgt. David Walker, 25, Prairie View, TX. Marine guard.

Joan Walsh, 33, Ogden, UT. Secretary.

Cpl. Wesley Williams, 24, Albany, NY. Marine guard.

Eight U.S. servicemen from the all-volunteer Joint Special Operations Group were killed in the Great Salt Desert near Tabas, Iran, on April 25, 1980, in the aborted attempt to rescue the American hostages:

Capt. Richard L. Bakke, 34, Long Beach, CA. Air Force.

Sgt. John D. Harvey, 21, Roanoke, VA. Marine Corps.

Cpl. George N. Holmes, Jr., 22, Pine Bluff, AR. Marine Corps.

Staff Sgt. Dewey L. Johnson, 32, Jacksonville, NC. Marine Corps.

Capt. Harold L. Lewis, 35, Mansfield, CT. Air Force.

Tech. Sgt. Joel C. Mayo, 34, Bonifay, FL. Air Force.

Capt. Lynn D. McIntosh, 33, Valdosta, GA. Air Force.

Capt. Charles T. McMillan II, 28, Corrytown, TN. Air Force.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. No time remains on your side. There is 32 seconds remaining on the other side.

Mr. REED. Mr. President, without objection, I will proceed for the remaining seconds and simply remind everyone that we are taking another step to expand unemployment coverage for an additional 14 weeks for every State and 6 more weeks for those States that have unemployment rates above 8.5 percent. We are incorporating a home buyer tax credit that has worked remarkably well, and we are also incorporating net operating loss treatment for small businesses so they can have additional resources to hire more Americans.

This legislation is important, it is critical, it is vital, and I hope it is unanimously accepted.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on H.R. 3548, the Unemployment Compensation Extension Act of 2009.

Max Baucus, Byron L. Dorgan, Edward E. Kaufman, Mark L. Pryor, Jeff Bingaman, Tom Udall, Roland W. Burris, Tim Johnson, Mary L. Landrieu, Patty Murray, Al Franken, Michael F. Bennet, Benjamin L. Cardin, Richard Durbin, Herb Kohl, Mark Begich.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on H.R. 3548, the Unemployment Compensation Extension Act of 2009, shall be brought to a close? The yeas and nays are mandatory under the rule. The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from West Virginia (Mr. BYRD), and the Senator from Missouri (Mrs. McCASKILL) are necessarily absent.

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

The yeas and nays resulted—yeas 97, nays 1, as follows:

[Rollcall Vote No. 333 Leg.]

YEAS—97

Akaka	Feingold	Merkley
Alexander	Feinstein	Mikulski
Barrasso	Franken	Murkowski
Baucus	Gillibrand	Murray
Bayh	Graham	Nelson (NE)
Begich	Grassley	Nelson (FL)
Bennet	Gregg	Pryor
Bennett	Hagan	Reed
Bingaman	Harkin	Reid
Bond	Hatch	Risch
Boxer	Hutchison	Roberts
Brown	Inhofe	Rockefeller
Brownback	Inouye	Sanders
Bunning	Isakson	Schumer
Burr	Johanns	Sessions
Burris	Johnson	Shaheen
Cantwell	Kaufman	Shelby
Cardin	Kerry	Snowe
Carper	Kirk	Specter
Casey	Klobuchar	Stabenow
Chambliss	Kohl	Tester
Coburn	Kyl	Thune
Cochran	Landrieu	Udall (CO)
Collins	Lautenberg	Udall (NM)
Conrad	Leahy	Vitter
Corker	LeMieux	Voinovich
Cornyn	Levin	Warner
Crapo	Lieberman	Webb
Dodd	Lincoln	Whitehouse
Dorgan	Lugar	Wicker
Durbin	McCain	Wyden
Ensign	McConnell	
Enzi	Menendez	

NAYS—1

DeMint

NOT VOTING—2

Byrd

McCaskill

The PRESIDING OFFICER. On this vote, the yeas are 97, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The Senator from New Hampshire is recognized.

Mr. GREGG. Madam President, I note that my colleague from New Hampshire is also on the floor. Did she want to go first?

Mrs. SHAHEEN. Go ahead.

Mr. GREGG. Madam President, I ask unanimous consent to speak for 10 minutes as in morning business.

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

DEBT AND DEFICIT

Mr. GREGG. Madam President, last night's elections have been interpreted in a variety of different ways. I listened to one channel and got one certain interpretation, I listened to another channel and I got the exact opposite interpretation. So I will throw in my interpretation.

I think the American people, most Americans today, are going through some tough times. They are finding it very difficult to make ends meet. Many Americans have lost their jobs, unfortunately. Those Americans who have jobs are worried about their jobs. They are going home at night, they are sitting down with their husbands or with their wives and they are trying to work through the family finances.

They are concerned about making ends meet. They are worried about their credit card debt, they are worried about their mortgage, they are worried about how they are going to pay for their children's schooling, if their kids are in school. If they are graduate students, they are not kids, they are worried about how they are going to pay all those debts they are running up to get through school.

I think Americans understand the debt is a problem personally and now they look at the Federal Government and they see we are running up this massive debt on them. We are going to be asked, fairly soon, to raise the level of the national debt by maybe \$1 trillion.

This year the deficit will exceed \$1.4 trillion—or last year—and we are seeing deficits projected for the next 10 years of over \$1 trillion a year. They are seeing our Federal debt being bought up by foreign countries. Yet our Federal debt keeps going up dramatically. They are asking themselves: How can this be? How can a country as strong and vibrant as the United States continue to run up all this debt and continue to be successful? We cannot do it as family members. We cannot do it in our household. How can the Federal Government do this?

I think the answer is fairly intuitive: It cannot do this. Yet we continue to do it as a government. So I think some of the vote last night was a statement that, hey, Federal Government, take a pause. Think about what you are doing in the area of running up deficits and running up debt and passing on to the children, to our children and to our grandchildren, a situation which is not fiscally sustainable.

Think about what is going to occur if we continue to run these massive deficits and this massive debt. It will be a situation where we have a new saying in this country, "No child left a dime" as a result of all this debt being run up. Our kids will be put in a position where

their quality of life will be fundamentally undermined. They will not be able to buy their home. They will not be able to send their children to college. They will not be able to do the things we have been able to do in our generation because they will have to be paying for the debt which we put on their backs, \$1 trillion of deficit every year for the next 10 years, the public debt going to 80 percent of GDP.

Yet the proposals we are seeing come across this floor aggravate the situation almost on a daily basis. Two weeks ago, there was a proposal by the White House to add \$13 billion of new deficit spending because they wanted to give \$250 to every Social Security recipient.

Well, I think most Social Security recipients are sophisticated enough to know that putting \$13 billion of debt on their children's backs, in a system that already has severe fiscal problems, is not worth it for \$250. It is not worth doing that to their kids and their grandkids.

Then, 1 week ago, it was proposed we spend almost \$¼ trillion—\$250 billion—to fund the doctors fix. The doctors need this adjustment. But it was going to be funded by passing debt, putting debt on our children's backs. We could not afford to do that to them.

It is not right to fix the doctors' problem by passing the bill on to the next generation. Yet that was what was proposed. It passed in the House. Fortunately, over on the other side of the aisle, a number of folks stood and joined all the Republicans and said: No, that is not the way to do it. We should pay for that.

We are going to see a highway bill coming through here pretty soon. That bill is going to add potentially \$150 billion of new debt to the deficit.

The most egregious example of this problem of expanding the deficit and the debt on our children and leaving our children in a situation where no child has a dime is the situation that is coming down the pike on the health care bill. The House of Representatives leadership on the Democratic side has proposed a bill that, when fully implemented—in the first 10 years, it is not fully implemented so the costs are underestimated—is going to cost \$2.4 trillion of new spending. It will take health care spending up to 22 percent of the gross national product. We will be spending more than a fifth of this country's wealth on health care as a result of the House bill.

The practical implications of that are staggering, not only to our economy but to this government. To grow this government by \$2.4 trillion is going to put us in a situation where we will basically have a government that is piling more debt on top of debt we already can afford.

It is alleged that this is paid for. It is paid for in the first 10 years, if you use the most rosy assumptions, because they start the pay-for years on year 1, and they don't start the expenditures

until year 4. So in a 10-year period they have 6 years of expenditures matched against 10 years of income. But when you get it fully implemented, it is not paid for. There is a huge gap. The pay-for assumes that you are going to take \$4- to \$500 billion out of Medicare and move it over to a new entitlement. You will take \$4- to \$500 billion of new tax increases and pay for this new entitlement. We can't afford that. If we are going to adjust Medicare spending by \$½ trillion, which is what the House is proposing, that money should go to making Medicare solvent. It should not go to creating a brand new entitlement which is going to weight down even further the ability of the Federal Government to pay its bills. Yet that is the proposal. If you are going to dramatically increase taxes, as the bill suggests, by \$½ trillion, that money should also go to address the deficit and the debt. It should not go to expanding the size of government.

The fundamental problem with this health care bill, as it left the House and the Senate Finance and HELP Committees, is that it grows the government at a dramatic rate and uses resources which should be used to get the deficit under control or to make Medicare more solvent. It uses those resources to expand a brand new entitlement. We know, because we have seen it in all sorts of initiatives, that when you put a new program on the books, you inevitably, especially an entitlement program, underestimate the cost, and you equally overestimate revenues. Inevitably, the majority of that cost is financed through deficit spending and is added to the debt. You just have to look at our history to know that is true.

As we go forward from this point, I hope we will think a little bit about addressing what most Americans who voted last night were thinking about, at least when they went home to do their own budgets, and that is the deficit and debt, and that we won't put on the books a brandnew entitlement that will cost us \$2.4 trillion when fully implemented and which will dramatically aggravate our ability to pay for debt we already know is coming down the road to make Medicare more solvent, which we know is a big issue and will increase the size of the government. When this bill is fully implemented, if it were passed in its present form, the Federal Government would grow from 20 percent of GDP to 23½ percent of GDP. That would be the largest percentage of the economy the Federal Government has taken out of it since World War II. Then it continues to go up. It ends up, after 10 years, at about 26 percent of GDP, if we factor in all the different expenditures which are proposed in other parts of the budget.

It is not sustainable. It is not fair. It is not right. One generation should not do this to another generation. We should not promise new programs we cannot pay for and which will pass on to our kids costs which they will have

to bear in a way which will dramatically affect their quality of life. I hope we will take a little time out and say: Let's see if there isn't a better way to do this. Let's see if we can't do this in a more fiscally responsible way, in a way that doesn't grow the government by trillions of dollars, and which doesn't pass massive new debt on to our children.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mrs. SHAHEEN. Madam President, I agree with my colleague from New Hampshire. We have too many people who are struggling right now in this recession. We have too many people who are unemployed, who need help until they can get back on their feet, find a new job, until the economy starts creating jobs again. That is why I am having so much trouble understanding why it has taken this body so long—4 weeks now—to extend unemployment benefits for those people who are losing their benefits before the end of this year, almost 2 million Americans, and we have been trying to pass an extension of unemployment for the last month.

I rise to speak in support of the Worker Home Ownership and Business Assistance Act, a bill that will extend unemployment benefits 14 weeks for unemployed workers in every State and for an additional 6 weeks in those States with over 8.5 percent unemployment. I am pleased that today the Senate has voted by an overwhelming majority, 97-to-1, to proceed to final passage of this legislation.

This broad, bipartisan vote acknowledges that unemployment affects every community in every State in every part of the country. In fact, this is the third vote we have had now to proceed to this bill. Every vote has passed overwhelmingly with a bipartisan vote. Despite those strong votes in support of an extension, opponents have put up obstacles at every turn to delay passage of the bill. As a result of these delay tactics, approximately 200,000 workers have lost their benefits in the last month.

Hopefully after 4 long weeks, the end is in sight. Soon people like Richard, one of my constituents from Winchester, NH, who called my office yesterday, will get the help he desperately needs. Richard is a single father of three boys. He lost his job as a machinist at Greenfield Tap and Dye plant, a small manufacturing plant in the southwestern part of the State, more than a year ago. Since then he has been using his savings, his unemployment benefits to pay his mortgage, to buy food, to buy gas, and to pay for other necessities. Richard has been out looking for other manufacturing jobs, but no one is willing to hire him until this economy improves.

That is what the Senate has been working on. I disagree respectfully with my colleague from New Hampshire. Much of the effort we have expended in the Senate has been to sup-

port the economy so it does improve, so we can create jobs again.

We are on the cusp of finally passing this legislation to help Richard and his family and millions of other jobless Americans whose benefits will run out, to help them get through the holidays. As I have said many times, when we extend unemployment, we are not only helping those workers whose benefits have been exhausted, we are helping small businesses that provide the goods and services the unemployed are going to need. They are going to go out and spend those unemployment checks on those goods and services so that for every \$1 we spend on unemployment, it turns over \$1.61 in the economy. People collecting unemployment spend their benefits immediately on necessities to keep their families going, which means these dollars get into communities almost as soon as the checks arrive. Economists say that dollar for dollar, extending unemployment benefits is one of the most cost-effective actions we can take to stimulate the economy.

Passing this extension is the right choice for unemployed workers and for communities. I look forward to passing this extension for Richard and for the millions of Americans who are counting on us to act.

I 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.

Mr. BURRIS. 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. BURRIS. Madam President, I ask unanimous consent to speak as in morning business.

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

HEALTH CARE REFORM

Mr. BURRIS. Thank you, Madam President.

Two months ago, I stood on the floor of this Chamber and made a solemn commitment. It is a commitment I have restated almost every day that the Senate has been in session, and I will say it once again today: I will not vote for any health care reform bill that fails to include a strong public option.

Unfortunately, there has been a great deal of misinformation about what the public option is really about and what it would mean to ordinary Americans. So let's cut through the distractions and scare tactics and talk seriously. Let's define exactly what a strong public option means.

I hear people talk about public options and triggers and opt-outs and opt-ins and all kinds of other proposals. Some people throw words around interchangeably. But words are important, and this is not some abstract idea, this is a real set of proposals that will affect real people in real ways. So let's define exactly what we are talking about.

The strong public option is about three things: competition, lower costs, and accountability. That is why a strong public option is essential to achieve real, meaningful reform.

We can all agree that we need to fix our health care system now, but let's also agree to fix it the right way.

First and foremost, a strong public option must create true competition in the health care insurance market. A key problem with health coverage is that consumers do not have any options. In America today, only two industries are not bound by antitrust laws that apply to every other business in this country: health care insurance and Major League Baseball. When every other private enterprise has to compete in the open market for their business, why does big insurance deserve special treatment? In my opinion, they don't. In such a highly concentrated environment, there is no incentive to compete. There is no reason to improve service, expand access, or work with patients and doctors to achieve better health outcomes. In fact, there is every incentive to do just the opposite.

We have seen unprecedented consolidation in the insurance market, and that has led to a lack of competition and choice for American consumers. Over the past 13 years, there have been more than 400 corporate mergers involving health insurers. As a result, 94 percent of our Nation's health markets are now considered "highly concentrated," meaning they are virtual monopolies.

In my home State of Illinois, just two companies control 69 percent of our market. Sadly, Illinois is far from alone. In Alabama, a single company controls almost 90 percent of the market, and in Iowa, Rhode Island, Arkansas, Hawaii, Alaska, Vermont, Wyoming, Maine, and Montana, the two largest insurance companies control at least 80 percent of the market. In fact, there are only three States in the entire country where the largest three companies control less than 50 percent of the insurance market.

This must end. We must restore competition and choice to the health insurance industry. It is time to create a strong public option that will make insurers compete for people's business, just like any other company in America.

A strong public option will give people a choice for the first time in decades. No one would be forced to change their coverage, but if their current provider isn't treating them right, they deserve the opportunity to choose something better and more affordable.

That brings me to my next point. In order to achieve real reform, a public option must be strong enough to significantly lower costs. Every Member of this Senate knows what America pays for insurance. One dollar out of every \$6 we spend in this country goes to pay for health care. Health outcomes are down, but somehow insurance company profits are through the

roof. This does not make sense. Premiums are rising four times faster than wages. In fact, between 2000 and 2007, 10 of the country's top insurance companies increased their profits by an average of 428 percent. There is nothing wrong with making a profit. I think all businesses should make a profit. But there is nothing fair about creating a monopoly and then wringing money out of sick Americans who are counting on them in their hour of need.

Not only are there almost 50 million Americans without health insurance, there is also a massive segment of the population who can't afford what little coverage they have.

The American people deserve the chance to shop around, to compare options and pick plans that are right for themselves and their families or small businesses. If private companies have to compete with a strong public plan, people's premiums will come down, companies will bring costs under control, and this will help save money. But it is not just costs that will improve. Providers will also improve quality of coverage. They will start to focus on patient outcomes rather than profits. As a result, better care will become available to more people.

A strong public option would require some capital to get off the ground, just like any other business, but after that, it would rely on the premiums it collects to remain self-sufficient. It would operate like a not-for-profit insurance company, setting affordable rates based on the actual cost of care, not a desire to give giant bonuses to their executives and pay dividends to their stockholders.

The current system is a drain on the American taxpayer, but a strong public option would not be. It would not be a handout, it would not force anyone to change their current coverage, but it would drive down costs and give people a real choice for the first time in decades. A strong public option would provide a cheaper alternative to private companies and would force those companies to improve their product or risk losing customers.

That brings me to the third goal we must achieve with real health care reform. A public option must be strong enough to bring real accountability to the health insurance industry. For far too long, private insurance providers have been running roughshod over the American public. More often than not, those most in need are the ones who suffer the worst abuse. There is a lot of money to be made off of the poor. I will repeat that statement. There is a lot of money to be made off of the poor. Insurance companies don't seem to mind raking in the cash at their expense. Private insurance companies will drop your coverage for almost any reason. They routinely exploit minor technicalities to avoid paying claims for those who need assistance the most. These companies continue to look at new and innovative ways to deny coverage to sick Americans because they

know these people have nowhere else to turn. A strong public option, coupled with the rest of our insurance reform, will change all of that.

Our reforms would make it illegal to deny coverage because of a preexisting condition. A strong public option would allow people to shop around if they don't like the coverage they have or if they are paying too much. As the system exists today, the health insurance corporations are accountable to their shareholders first and their customers second. A strong public option would reverse that; it would prioritize patients over profit. It would give the American people the chance to hold their companies accountable for the first time in many years.

So that is why I support a strong public option. That is what it would mean for America: competition, cost savings, and accountability. Unless we are able to meet these three conditions in the bill, I will not vote for it. I believe a strong public option is the best way to achieve these goals. In fact, my preference is to have a robust plan that would be tied to Medicare. Whatever form the legislation takes, I will ultimately judge it based on its ability to bring about real competition, lower costs, and restore accountability.

So it is time to make good on the promise first articulated by Teddy Roosevelt almost 100 years ago. It is time to make comprehensive health care reform a reality. After a century of debate, we are faced with the opportunity to accomplish something truly historic. If we do this now and if we do this right, we can make a real difference in the lives of millions of Americans. That is why I will not stop fighting until this fight has been won.

I ask my colleagues to join me to make sure America has access to quality, affordable health care through a system that is competitive, cost-effective, and accountable.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

JOB CREATION

Mr. BINGAMAN. Mr. President, I wish to speak about the need for additional policies to create jobs in our country and about how energy legislation can help to accomplish that goal.

First, let me make a point I made last week on the Senate floor; that is, despite the recent positive economic news, Congress needs to take additional steps if we are going to create the jobs we need in this country. The economy has lost 7.2 million jobs during this recession—1 out of every 20 jobs in the country. In percentage

terms, this is the biggest job loss since the recession in 1948 and 1949.

This chart vividly describes the jobs deficit we are seeing. The heading is: "Not enough job creation to maintain employment at level in January 2001." Let me explain that a little bit. These job losses we have experienced in this recession add to the jobs deficit that has been accumulating over the last 9 years. The country needs—our economy needs—12 million new jobs in order to bring employment back to where it was at the end of the Clinton administration. Economists expect the jobs report—which comes up in 2 days, this Friday—to show even more jobs were lost in October of this year.

We should not, in my view, overlook the positive news about our economy reported last week. The gross domestic product jumped to 3.5 percent in the third quarter, a complete turnaround from the 6.4-percent decline in the first quarter of this year. It is reported that the Recovery Act has created or saved 1 million jobs—640,000 through direct spending alone. The Recovery Act is working, but Congress still needs to take additional action. We need additional policies to create jobs if we are going to prevent this recovery from being a jobless recovery, much like the previous two recoveries we had from recessions.

Let me go to another chart. This chart is entitled "Job losses continued for months after the recessions in 1990–91 and 2001." What the chart shows is the change in the number of jobs during the recessions—the two recessions I have referred to, 1990–91 as one recession and 2001 as another recession. During the months after those recessions ended, the job losses continued. As you can see, the economy continued to shed jobs for 2 months after the 1990–91 recession ended, which is the green line, as you can see. After the 2001 recession, job losses continued for a staggering 18 months—not 2 months but 18 months—at that time.

This is the paradox of the recoveries from the past two recessions. The GDP began to grow, as it now has in our own period, with the results of this last quarter, but the country continued to lose jobs. When jobs finally did return, they returned very slowly.

Let me go to another chart. This chart is entitled "Unemployment rate continued to rise after the recessions in 1990–91 and 2001." This chart shows what happened to the unemployment rate. The unemployment rate rose for 16 months after the 1990–91 recession ended. The unemployment rate rose for 20 months after the 2001 recession ended.

Even 5 years after the 2001 recession ended, more people were out of work than before that recession began. So Congress needs to take steps to ensure that the recovery this time is different.

The tax cuts enacted during the Bush administration were meant to stimulate job growth, but it is apparent now they failed to do so. Those tax cuts

were too blunt an instrument to do the job. They were not focused enough on creating jobs. The \$4 trillion hole they dug in the Federal budget has made it harder for us to recover from the current recession. So the country needs policies that are more targeted on job creation.

Last week, I outlined four ideas Congress should consider: a jobs creation tax credit; second, a manufacturing tax credit; third, emergency bridge loans to homeowners to keep them in their homes; and fourth, additional aid to States.

It should be noted the aid to States that has already been provided has been effective at saving hundreds of thousands of teaching jobs—325,000 of the 640,000 jobs created or saved by the Recovery Act were jobs in education. Congress should consider providing additional aid to States to help close those budget shortfalls which are projected. The cumulative budget shortfalls are projected to total \$175 billion for the States over the next 2 years.

Let me turn now to another action we should take to create jobs. To create jobs, in my view, Congress should go ahead, at the earliest possible time, to enact the American Clean Energy Leadership Act. This is legislation that was reported out of our Energy and Natural Resources Committee in June of this year, where it received bipartisan support. The vote there was 15 in favor of reporting that legislation and 8 members voted against it.

This Energy bill I am referring to is a jobs bill. The Energy bill could create 350,000 to 500,000 jobs over the next decade. It would create jobs by increasing the amount of research and development that is supported by the Department of Energy. It would create jobs by increasing the demand for renewable energy by establishing a renewable electricity standard. It would create jobs by financing the construction of nuclear powerplants through the establishment of a clean energy deployment administration. It would create jobs by promoting energy efficiency retrofits for homes and for commercial buildings. These are jobs that cannot be outsourced. It would create jobs by building new clean energy and improving energy efficiency throughout the manufacturing sector.

Reducing energy usage means reducing the cost of doing business, which will make American businesses more competitive in the global market and allow them to expand and to create jobs in the United States. This is part of what this Energy bill is all about, creating jobs and making the United States more competitive in the global economy.

The Energy bill would position our country to lead in the development of clean energy technologies, which is a rapidly growing industrial segment that I believe will be one of the most important sectors of industry in the 21st century. It will also make our economy stronger by enabling busi-

nesses to flourish in other areas of the economy.

Before elaborating on some of the provisions in that bill, let me give a concrete example of how forward-thinking energy legislation has the effect of creating jobs for middle-class Americans. In September of this year, the Department of Energy awarded Fisker Automotive a \$529 million loan through a program that was created by the Energy Independence and Security Act of 2007. This last week, Fisker announced it will be reopen a previously owned General Motors plant in Delaware that has been shut down, and it will use that plant to produce a plug-in hybrid car. The new Fisker plant will employ 2,000 people and indirectly create another 3,000 jobs in the surrounding area. So not only will consumers benefit from the increased choices they will have in energy-efficient automobiles, but American workers will benefit from increased clean energy jobs. Similar good news stories can be told about new or retooled factories in Michigan, Indiana, and Tennessee as well.

The American Clean Energy Leadership Act I have been referring to would provide more loans of this kind by creating this clean energy deployment administration—or CEDA. CEDA will be an independent agency within the Department of Energy with a mission to support the financing of low-carbon energy projects. For example, CEDA could provide loans and loan guarantees or other credit enhancements to enable the construction of powerplants that produce renewable energy or factories that make wind turbines or other components. CEDA will also create financial mechanisms to allow affordable financing for energy efficiency retrofits and distributed generation in entire communities. This new agency will give special focus to high-risk, high-reward technologies that are otherwise difficult to finance.

Additional financing is critical at this time, when credit markets are still very tight and private investors are reluctant to take on even low-risk commercial projects. In the first quarter of 2009, investments in renewable energy totaled only \$500 million, just one-tenth of the \$5 billion invested in the same period the year before. Even when financial markets recover, banks are leery of the risk associated with new technologies. Without CEDA—which we are creating in this legislation—to fill the gap, we run the risk of these investments continuing to be made overseas, where market conditions are better for innovative clean energy technologies.

CEDA initially will be capitalized under the legislation at \$10 billion in appropriated funds that can conservatively support Federal lending of approximately \$100 billion.

Combined with funds from private partners, a reasonable estimate would lead to \$20 billion worth of clean energy projects.

CEDA could potentially be scaled up in the future, enabling it to create even more jobs.

The energy bill would also establish a Renewable Electricity Standard, or RES, for the entire country. This policy would require electricity companies to get 15 percent of their power from renewable resources by 2021, with an exemption for small-scale utility companies. By increasing the demand for clean energy, the Renewable Electricity Standard will promote the construction of new wind farms, solar power plants, and geothermal plants. A variety of other clean technologies will also qualify, technologies such as hydro, biomass, and ocean power. Constructing these plants and manufacturing the components needed could create 100,000 to 125,000 jobs by 2025.

In addition to the Renewable Electricity Standard, the energy bill includes policies to strengthen the Nation's electricity transmission grid and increase the production of renewable energy on public lands. These policies would complement the Renewable Electricity Standard.

Improving energy efficiency is a cost-effective way to reduce the energy costs of homeowners and improve the competitiveness of American businesses. The energy bill has programs targeted both at the manufacturing sector and at residential and commercial buildings.

For residential and commercial buildings, the bill creates a grant program that states could use to fund retrofit programs for residential and commercial buildings. A home energy retrofit finance program would also be created. States could use this program to set up revolving finance funds to help homeowners pay for energy efficiency improvements. This support would be in addition to the support available through CEDA.

The residential and commercial energy efficiency programs in the energy bill could create tens of thousands of jobs. Overall, energy retrofits is potentially a large job creator. Rebuilding America estimates that retrofitting 50 million homes over the next 10 years would create 625,000 jobs that could be sustained during that period. The programs in the energy bill would accomplish part of that goal.

The bill also includes programs to increase the energy efficiency of American manufacturers. Energy Department financing will help small and large manufacturers upgrade to energy efficient production equipment and processes. Public/private partnerships will map out and develop the technologies needed by specific industries to reduce their energy intensity. The American Council for an Energy-Efficient Economy estimates these energy efficiency programs would at a minimum create 15,000 to 20,000 jobs by 2020.

But more important than this estimate is the competitive edge American manufacturers would gain by increasing their energy efficiency. This is a

key step to revitalizing the manufacturing sector and ensuring it remains strong in the future.

Nearly everyone agrees that research and development is vital to creating jobs and to the competitiveness of the United States. The energy bill would nearly double the authorization for the Office of Science in the Energy Department, to over \$8 billion in 2013. At that funding level, the Office of Science could support over 27,000 Ph.D.-level researchers across the United States. The authorization would also double for applied energy research to \$6.5 billion, research focused nuclear energy, fossil fuels, and energy efficiency. Other countries in Asia are well ahead of the United States creating research, development, and deployment roadmaps for clean energy technologies. With additional resources, this research will make American industries competitive in a carbon constrained economy.

All told, using both the specific estimates that have been made for policies in the American Clean Energy Leadership Act, and a midpoint estimate for jobs resulting from the retrofit provisions of the bill, the act could create up to 500,000 jobs over the next decade if it is enacted and funded.

This is just a part of the job creation potential in the energy sector. The National Commission on Energy Policy estimates that the country will need 400,000 new jobs in the electricity sector alone. If indirect jobs are included, the number of new jobs created could total 1 to 1.5 million. Similarly, the Center for American Progress has estimated the job-growth potential if both the public and private sectors combined were to invest \$150 billion per year in clean energy. That is the level of investment that the center estimates would be mobilized by a comprehensive set of policies that include both what Congress has already enacted as part of the American Reinvestment and Recovery Act and a full suite of policies surrounding a cap-and-trade system for regulating greenhouse gases. In that larger context, the Center for American Progress has concluded that there is the potential to increase the number of permanent jobs in the economy related to clean energy by a net amount of 1.7 million.

The energy bill is a downpayment on reaching that target, and has significant potential to create jobs in the near term. It would strengthen the competitiveness of American businesses through energy efficiency improvements and investments in research and development. And it would position the United States to be the global leader in the development of clean energy technologies. I urge my colleagues to support this legislation when it does come to the floor for consideration.

The jobs we can create as we transition to a clean energy economy are not the total answer to our job needs in the coming years. But they are an important part of the answer.

I urge my colleagues to support this legislation not only for what it will do to meet our energy needs and reduce greenhouse gas emissions, but for what it will do to create jobs and put our economy on a growth track in future years.

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

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

HEALTH CARE REFORM

Mr. CORKER. Mr. President, I know there has been a lot of discussion throughout our country and probably some here on the Senate floor regarding the elections that took place last night and what that means. I think most of it has been centered around politics.

I wish to suggest something. I think that much of what the country is in some degree of upheaval about is the policies we are discussing here on the Senate floor and the things that are moving through committees. Obviously the major issue of the day is health care, health care reform.

We have a bill over in the House, we have one that can essentially be on the Senate floor in the very near future. I would like to sort of create a picture, if I could, for my friends on the other side of the aisle.

As I look at the bill, the health care bill that seems to be coming together, that I think again will be put together soon, I know, No. 1, there is a lot of hesitation. I know our majority leader is having difficulty finding 60 votes to actually move the bill ahead. What I wish to mention to my friends on the other side of the aisle is this: If Republicans had put forth a health care bill that took \$400 to \$500 billion out of Medicare to leverage another program that was not used to make Medicare, which is insolvent, more solvent; if Republicans had put forth a bill that created an unfunded mandate for States by making States raise their Medicaid levels—in other words, we are mandating that in my State alone it is going to cost \$735 million; and if Republicans had put forth a bill that we knew was going to raise premiums—in our State it is going to raise premiums by 60 percent over the next 5 years based on an independent study; if Republicans had put forth a bill that had the exact same building blocks as the bill that has been put together through our Finance Committee, that is now being merged with the HELP Committee bill, I do not believe there would be a single Democratic vote for that bill. I absolutely do not believe that if Republicans put forth exactly the bill we have been discussing here in the Senate, I do not think there would be one Democratic vote for that bill.

What I am suggesting is that I know there is a lot of unease on the other side of the aisle regarding this bill. There is tremendous unease on our side.

I do not think we have a single Republican today who feels in any way good about the legislation that has been discussed. A lot of times we as parties make a lot of mistakes by “doing one for the Gipper,” through supporting our President. Republicans have done that in the past where sometimes we get behind a policy that maybe we were uneasy with, but our President, our leader, wanted a particular policy to be brought forth.

My sense is that is exactly what is happening right now with my friends on the other side of the aisle and our sitting President; that is, for political victory people are seeking this health care reform. But I believe, again, if Republicans offered exactly this same bill with the same fundamental funding mechanisms, there would not be a single Democratic vote.

For that reason, there has been a message sent to this body by the recent elections that have taken place. People across the country are concerned about the policies this health care bill we have been discussing puts forth. I say to my friends on the other side of the aisle: Let's stop what we are doing right now. I know there is a lot of unease. Let's get this right. I am one of those Republicans who would like to see health insurance reform. I campaigned on that when I ran for the Senate in Tennessee. I was commissioner of finance for our State in the middle 1990s and dealt with many of the issues of people in our State not having health insurance. I would like to see us do the right thing. I would like to see us have a policy that will stand the test of time.

I say to my friends on the other side of the aisle: Let's throw this bill aside. You wouldn't vote for this bill if we offered it. You should not vote for it just because your leadership and your President want to see it happen. Let's step back and do something that will stand the test of time.

I hope my colleagues on the other side, who I know are incredibly uneasy about this legislation that has very poor building blocks, I hope they will listen. I hope together we can step back, and I hope we will put in place some policies that, again, will benefit Americans and stand the test of time.

I suggest the absence of a quorum.

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

The assistant bill clerk proceeded to call the roll.

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

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

Mr. HATCH. Mr. President, this afternoon I wish to share my insights about health care reform efforts in the

U.S. Congress and how beneficiaries who currently participate in the Medicare Advantage Program, Medicare Part C, would be impacted.

When I think of health care reform, I envision legislation that reduces health costs and improves affordable access to coverage. Unfortunately, the bills reported by the Senate HELP and Finance Committees do not achieve either of those goals. As a Senator from Utah, I have cast many tough votes throughout my service. Regarding health care reform, I have pushed for a strong bipartisan vote. Unfortunately, it is obvious that Senate and House floor debates on this issue will be another largely partisan exercise.

This summer I participated in more than a month of debate and partisan votes in the HELP Committee and 2 weeks of the same in the Finance Committee. Unfortunately, however, it appears those many hours of debate were all for naught.

It is important to note that the bills the members of the Senate HELP and Finance Committees spent hours considering will not be the legislation debated on the Senate floor. In fact, we have yet to see a bill that will be considered on the Senate floor.

I certainly hope Members of the Senate will have the opportunity—at least 72 hours—to review not only the entire bill but also the final Congressional Budget Office cost estimate before considering any such bill on the floor. This bill affects every American and every American business. Therefore, I believe there should be a comprehensive public review before it is even considered.

Let me take a few minutes to talk about the specifics of how Medicare will be impacted by the health care reform proposals before Congress.

The President has consistently pledged not to “mess” with Medicare. Again, this is another pledge that is not honored through the Senate health reform bills I have reviewed. The Senate Finance Committee bill reduces Medicare by over \$400 billion—according to CBO, \$117 billion comes out of the Medicare Advantage Program. I offered an amendment during the Finance Committee markup to protect extra benefits currently enjoyed by Medicare Advantage beneficiaries. Unfortunately, that amendment was defeated.

Bottom line, the President’s pledge assuring Americans they would not lose benefits was not met by the Finance Committee bill. Here is how supporters of the Finance bill justified it: The extra benefits that would be cut—such as vision care, dental care, reduced hospital deductibles, lower copayments, and premiums—were not statutory benefits offered in the Medicare fee-for-service program; therefore, those extra benefits do not count. I believe there is no logic to that position.

Let me quote what our President said last Thursday about this important promise:

The first thing I want to make clear is that if you are happy with the insurance plan

that you have right now, if the costs you’re paying and the benefits you’re getting are what you want them to be, then you can keep offering that same plan. Nobody will make you change it.

Quite frankly, when a promise such as that is made assuring Americans they will not lose their benefits, that promise should be extended to Medicare Advantage beneficiaries. Congress is either going to protect existing benefits or not. It is that simple. However, under the bill reported by the Senate Finance Committee, if you are a beneficiary participating in Medicare Advantage, that promise simply does not apply to you.

I am a staunch supporter of the Medicare Advantage Program. I served on the Medicare Modernization Act House-Senate conference committee in 2003, which created the program. Medicare Advantage works. Medicare+Choice and its predecessors did not.

I know it works. I represent a State where Medicare managed care plans could not exist due to low reimbursement rates. To address that concern, Congress included language, which was signed into law, establishing a payment floor for rural areas. But it was not enough. In fact, in Utah, all the Medicare+Choice plans eventually left because they were operating in the red. This happened after promises were made that Medicare+Choice plans would be reimbursed fairly and that all Medicare beneficiaries would have access to these plans.

So during the Medicare Modernization Act conference, we fixed the problem. First, we renamed the program to Medicare Advantage. Second, we increased reimbursement rates so all Medicare beneficiaries, regardless of where they lived—be it in Fillmore, UT, or New York City—had choice in coverage. We did not want beneficiaries stuck with a one-size-fits-all government plan.

Today, Medicare Advantage works. Every Medicare beneficiary has access to a Medicare Advantage plan. Close to 90 percent of Medicare beneficiaries participating in the program are satisfied with their health coverage. But that would all change should the health care reform legislation currently being considered becomes law.

Choice in coverage has made a difference in the lives of over 10 million individuals nationwide. The extra benefits I mentioned earlier are being portrayed as gym memberships as opposed to lower premiums, copayments, and deductibles. To be clear, the SilverSneakers Program is one that has made a difference in the lives of many seniors because it encourages them to get out of their homes and remain active. It has been helpful to those with serious weight issues and has been invaluable to women suffering from osteoporosis and joint problems.

Additionally, these beneficiaries receive other services, such as coordinated chronic care management, dental coverage, vision care, and hearing

aids. Medicare Advantage is better for seniors than traditional Medicare because beneficiaries have a choice in coverage instead of a one-size-fits-all health plan.

Another important point is, the House bill will affect Medicare Advantage enrollees differently than the bill reported by the Senate Finance Committee. The Senate bill includes competitive bidding in the Medicare Advantage Program. My analysis of competitive bidding is that some States will be hit harder than others, especially if there is not a competitive market. I worry about what happens if only one plan submits a bid. While CBO believes Medicare beneficiaries will continue to enroll in the Medicare Advantage Program should competitive bidding be implemented, fewer beneficiaries will enroll in the future.

In the House health reform bill, Medicare Advantage plans will be paid at 100 percent of the Medicare fee-for-service rate, which is fine for Miami beneficiaries but will kill Medicare Advantage plans in rural parts of the country. Those beneficiaries living in States such as Utah, Montana, South Dakota, and North Dakota could be in serious jeopardy because it is possible Medicare Advantage plans serving that part of the country could pull out due to low reimbursement rates.

CMS actuaries have estimated that more than 6 million Medicare Advantage enrollees would be forced out of the program under the House bill, leaving only 4.7 million in Medicare Advantage by 2014. This does not fulfill the President’s goal that you can keep what you have. I believe it is unwise for Congress to take such a risk because, in the end, the Medicare beneficiaries will suffer the consequences.

I also wish to touch on the recent CMS guidance on how Medicare Advantage plans may communicate with their beneficiaries. It is gratifying to know HHS will now allow plans to communicate with beneficiaries once prior authorization is received from the plan enrollee.

To be frank, I was outraged by the actions taken by CMS in September. To me, there is a fine line between freedom of speech and government interference. I feel CMS may have crossed the line when it sent Medicare Advantage companies correspondence on this issue. While the new guidance is an improvement, I am still concerned about the beneficiary opt-in requirement.

Another issue that needs to be discussed is the removal of the open enrollment period for Medicare Advantage beneficiaries. Prior to 2006, beneficiaries could enroll and disenroll from Medicare Advantage plans at any time. This open marketplace allowed beneficiaries to find the plan best suited for them. The Medicare Modernization Act included a transition to enrollment periods for Medicare Advantage plans to help beneficiaries become comfortable with the program and to ensure that the selected plan was the right plan for them.

Today, there are two enrollment periods for most beneficiaries. First, the annual election period takes place between November 15 and December 31 each year. Changes take effect on January 1 of the following year. During this time, beneficiaries may change prescription drug plans, change Medicare Advantage plans, return to traditional Medicare or enroll in a Medicare Advantage plan for the first time.

Second, there is an open enrollment period from January 1 to March 31 each year. One Medicare Advantage-related selection may be made during this timeframe, such as enrolling in a new plan, changing plans or disenrolling from a plan. Coverage is then locked in until the following December 31 for most beneficiaries.

The House health reform bill essentially eliminates the Open Enrollment Period for Medicare beneficiaries starting in 2011. In addition, the House bill proposes moving the annual election period up 2 weeks, from November 1 to December 15, thus creating a 2-week processing period for enrollment—right around the holidays—before the January 1 effective date. The Senate bill also moves up the annual election period. It would take place from October 15 through December 7.

The Senate bill does not eliminate the open enrollment period. However, it is important to note that while beneficiaries may disenroll from Medicare Advantage plans during the open enrollment period, they are not allowed to reenroll in another Medicare Advantage plan. Therefore, the only choice available to these beneficiaries under the Senate bill appears to be traditional Medicare.

I feel like little has been said about the dramatic impact these changes will have on Medicare beneficiaries. The primary focus has been the reductions to the program. When we wrote the Medicare Advantage provisions in 2003, we viewed the open enrollment period as an important consumer protection for those who need flexibility when choosing health coverage.

I am worried about the impact these little known changes will have on Medicare beneficiaries. I fear it could lead to a lot of confusion among seniors, especially when they are choosing their health care plans.

Another issue that troubles me is the fee on health insurance plans included in the Senate Finance Committee bill. The Joint Committee on Taxation, JCT, estimates that this provision will save \$60 billion over the next 10 years—\$60 billion that comes from the health insurance industry. It is no secret that these fees will be passed on to consumers, including Medicare Advantage enrollees through premium increases and the reduction of health care choices. Most seniors are on a fixed income and are least capable of absorbing the added cost of this burden. I strongly oppose this fee and will continue to fight against it when the Senate debates health care reform.

Finally, let me speak for a moment about the Nelson grandfathering amendment that was included in the Senate Finance Committee bill. While many Florida Medicare Advantage beneficiaries will not lose their benefits due to this amendment, that provision does little to help Medicare Advantage beneficiaries living in rural parts of our country.

In fact, the grandfathering amendment approved during the Finance Committee markup only helps Utah beneficiaries living in two—just two—counties. What happens to Medicare Advantage beneficiaries who live in rural areas? I must conclude they will not be as lucky as the Floridian seniors. In my opinion, it does not make sense to only grandfather the Medicare Advantage plans of certain seniors living in certain States.

Before I conclude, I would like to take a few minutes to discuss issues associated with abortion coverage and conscience clause protections for medical providers.

I am concerned about the bills before both the House and the Senate. I believe it is a real possibility Federal dollars will be used to finance elective abortions through both the Federal subsidies to purchase health coverage and the new public plan created through the legislation; that is, Federal taxpayers' dollars.

During both the HELP Committee and Finance Committee markups, we were told over and over again the health reform bill would not cover elective abortions. We were assured Federal dollars would not finance abortions and that the Hyde-like language would apply. More specifically, the Finance health bill attempts to segregate Federal dollars given to individuals to purchase health plans through the State exchanges. The reason these Federal funds would be segregated, we were told, is so Federal taxpayers' dollars would supposedly not pay for abortion coverage.

Let me be clear. The provision included in both the Finance and HELP bills is not the way the Hyde language works today. For example, the Medicaid Program does not segregate dollars it receives either from the State or the Federal Government. Any Federal or State money received by the Medicaid Program simply does not pay for elective abortions. There is no separation of funds. Should a person want abortion coverage, that coverage is paid for separately, either by private dollars or State-only money outside the Medicaid Program.

I think the way this needs to be resolved is simple: Hyde language, which, I wish to remind my colleagues, has been included in every appropriations bill that funds the Department of Health and Human Services since 1976, needs to be included in the legislation. The Hyde provision is a specific prohibition on the use of any public funds for elective abortions and is enforced through strict accountability.

In addition, I am very worried about the government plan option that is included in both the House and the Senate health reform bills. The government option is, of course, a Federal program, and therefore all of the money it spends is Federal funds. If the public or government option pays for abortions, then that is, without a doubt, Federal funding using taxpayer dollars for abortion. Again, today Federal dollars may not be used to fund elective abortions. I believe the language in the House and the Senate bills as currently written would include the coverage of elective abortions through this government public plan. This must be addressed immediately. It is not fair to force people who are totally opposed to elective abortions, either for religious reasons, moral reasons, or whatever, to have their taxpayer dollars used to pay for these types of abortions.

I also do not understand why it is necessary to require all State exchanges to offer at least one plan with abortion coverage. I view that as a mandate to cover elective abortions, and I wish to point out that today there is not one Federal health plan that has such a requirement.

In addition, I strongly support including protections in this legislation to ensure health care providers are not required to perform abortions if they are opposed to abortions. It is unfair that these providers who strongly oppose abortion should be forced to perform this type of procedure. Why would we force Catholic hospitals, Catholic doctors and nurses, and other people of similar religious beliefs on abortion to participate in something they believe is inherently evil and sinful and wrong? It does not make sense. We have always protected the right of conscience. These bills do not.

It is also extremely important that State laws regulating abortion, such as those requiring parental consent or involvement or prohibiting late-term abortions, for example, are protected and not preempted through this legislation. To me, it is unclear whether the current health care bills before Congress offer these protections.

Before I conclude, I wish to read a letter from the esteemed former Surgeon General, C. Everett Koop, dated November 2, 2009.

Mr. President, Dr. C. Everett Koop is one of the alltime great Surgeons General of the United States. Liberals and conservatives, moderates and Independents, Democrats and Republicans would acknowledge that. Here is what he says:

Dear Majority Leader Reid and Madam Speaker:

As the former Surgeon General of the United States, two terms, from 1981 to 1989, I am writing to express my deep personal concerns about the direction of the health care reform bills currently being considered by the United States Congress. More specifically, I am troubled about the possibility of Federal dollars being used to pay for elective abortions and Americans being forced to subsidize them. In addition, I firmly believe

that strong protections must be included in this legislation so that health care providers are not forced to participate in abortions against their will. Polls have recently shown an increasing number of participants opposed to abortion.

It is essential that a Hyde-like abortion funding restriction provision (like the amendment included in the annual appropriations bill for the Department of Health and Human Services since 1976) be included in any health care bill that is signed into law.

He goes on to say:

I believe that including this legislative language is necessary to ensure that elective abortions are not financed either directly through a public plan or indirectly through Federal subsidies provided to purchase health insurance through State exchanges. I also find it troubling that the legislation requires all State exchanges to offer at least one health plan that includes abortion coverage—no other Federal health plan has that specific requirement today.

As a physician, I also want to ensure that laws and regulations remain intact, allowing health care providers to exercise their consciences and not be forced to provide services to which they have religious or moral objections. Congress has a long history of protecting the conscience of health care providers, first passing the Church Amendment in 1973.

Finally, I believe that it must be made clear through this legislation that State laws are protected and not preempted through this legislation, especially those that prohibit abortion coverage. Since 2004, additional conscience protections were included in the annual appropriations legislation for the Department of Health and Human Services to include health care entities such as hospitals, provider-sponsored organizations, health maintenance organizations (HMOs), health insurance plans, or any other kind of health care facility, organization or plan. Today, virtually all States have conscience law protections for medical providers.

From my first days as Surgeon General until today, I have always been honest and straightforward with the American people. Therefore, before this legislation becomes law, I believe that the important issues outlined above must be addressed so that it is consistent with current laws regarding abortion coverage conscience protection. I would appreciate your serious consideration of these matters before this legislation is debated and approved by the Senate and the House of Representatives.

Sincerely yours,

C. Everett Koop, M.D., ScD.

U.S. Surgeon General (1981–1989)

I believe Dr. Koop's letter says it all.

Again, both the Medicare Advantage Program and pro-life related issues are matters that I believe must be carefully addressed in this health care legislation. Medicare Advantage beneficiaries should be able to continue to be covered by the plan of their choice without losing benefits, and the legislation needs to have specific and clear provisions stating that no taxpayer dollars should be used to finance elective abortions. In addition, individual State pro-life laws must be protected. Mandates that require abortion coverage should not be included in this bill. Finally, health care providers should not be forced to perform abortions against their will.

I appreciate the opportunity to share my thoughts with my colleagues on these two very important issues.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CARPER. Mr. President, do I need to ask for unanimous consent to speak as in morning business?

The ACTING PRESIDENT pro tempore. Yes.

Mr. CARPER. I so request.

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

Mr. CARPER. Mr. President, I go home almost every night. It is a lot easier to go home to Delaware than it is to Oregon every night, as the Presiding Officer knows. I love it because I get to really live among the people I represent. I get up in the morning, go to the Y, work out, jump on the 7:18 train, and come on down here and go to work with all of my colleagues and the staff. Almost everybody at home wants to talk about, among other things, health care, and they want to find out what we are doing and what we are not doing.

During the August recess, I did something I had never done before in terms of meeting with constituents. We did a couple of telephone townhall meetings. I don't know if the Presiding Officer has done those, but I had never done them before. I have done a lot of traditional townhall meetings, but I went ahead and did one. Senator CORKER from Tennessee told me he did a telephone townhall meeting in Tennessee, and he said it went well and he thought I might want to consider it as well.

I said: How many people were on the call?

He said: Fourteen hundred.

That is a lot of people.

Sure enough, we scheduled not one but two of them, one in August and the other in early September before Labor Day.

When we had the first telephone town meeting, it was over after an hour or an hour and a half. I asked my staff: Any idea how many people were on the call? They had 1,400 in Tennessee, a big State. In little Delaware, I thought maybe we might have 200, I don't know. They told me I had 4,000 people. Four thousand people. It really shocked me a lot.

About a week later, we had our second telephone townhall meeting, and this was done in conjunction with AARP. It was not for the whole State, just AARP members in Delaware. So I knew we wouldn't have as many people, but I thought we could have quite a few. When the second telephone

townhall meeting was over, done in conjunction with AARP, I said: How many people were on the call? They said 6,000—6,000 people. Little Delaware, to have 4,000 one time and a week later have 6,000 people in a telephone townhall meeting—I was blown away.

People were very polite, they asked good questions, and I tried to give them good responses. We had hundreds of people who stayed on the line at the end of the conference call, if you will, to ask more questions. We will do some more of those in the future, and we will do traditional townhall meetings as well. But what I drew from that is there are a whole lot of people who just had questions they wanted to have answered. They were just confused and in some cases misinformed, and they wanted to have some straight talk—what we used to call it in the Navy—just the straight skinny, the straight truth, just tell us the story. We have tried to do that in the time since then.

About two or three weekends ago, I was getting gas for my minivan not far from my house in Delaware, and I was standing there pumping the gas into my Chrysler Town and Country minivan—listen to this: 236,000 miles, and they say they don't build cars like they used to. We make them better now.

Anyway, this lady pulled up on the other side and said: Senator CARPER—just the person I have been looking for.

Sometimes when people say that, you think, maybe I should get back in the minivan and drive away while I can still escape.

I said: What would you like to talk about?

She said: Let's talk about health care.

Pretty much it was: Why can't I have the kind of health care that you have, the same health insurance for my family through my small business that I run.

She said: We are paying about \$24,000, \$25,000 a year. What are you paying?

She wasn't belligerent or rude or anything.

I said: Well, as it turns out, we are paying about half that.

In my family, it is standard BlueCross BlueShield, and we have—the secret to what we do, as the Presiding Officer knows, is we created here, long before we came along, a very large purchasing pool that includes all Federal employees, all Federal retirees and dependents. In all, it makes a huge purchasing pool of 8 million people in all. We have the Federal Office of Personnel Management that gets a whole bunch of private health insurance companies to come in and offer their products to us, and we can choose from among those private plans. Because there are so many of us, a lot of interest comes from wanting to offer the product to us. It helps drive down the cost because of the competition. With 8 million people in a purchasing pool, you can actually get pretty low administrative costs. It turns out our administrative costs are 3 percent of premiums, which is very low.

My guess is, the lady I was talking to that day at the service station—I know she wasn't getting insurance through her small business. She was a realtor. I know she wasn't getting it for 3 cents' administrative costs on the dollar per premiums—probably not 23 cents, maybe 33 cents.

She said: Why can't we have the kind of health insurance you have?

Actually, I like that. I would be happy to open it up and allow you and others in our State—small businesspeople, families, or individuals who don't have coverage or who do—to buy your health insurance as part of a large purchasing pool. We will make it even bigger, and as a result, maybe we will get better prices.

As it turned out, some of my colleagues on the left here in the Senate and some of my colleagues on the right aren't crazy about that idea. Folks on the left here say: If we do that, it will sort of take the place of the public option; that will be the public option. Folks on the right say: Well, that is too much like the public option. So both sides are kind of against doing that. I still think it is a good idea.

What we are going to do is we are going to take the idea of a large purchasing pool and we are going to allow every State to create its own purchasing pool. We call them an exchange. We exchange. Each State can have its own exchange.

Every State can enter into interstate compacts with other States and create compacts with other States. For example, I don't know if Delaware would create an interstate compact with the State of the Presiding Officer because it is on the other side of America. We may want to do it with New Jersey or Pennsylvania or Maryland. We might want to do it with Idaho or other States out West. What is interesting about the interstate compacts is that States can create, under what has been reported out of the Finance Committee on which I serve, interstate compacts between two or more States, and insurance can be sold in another State, which would introduce competition, and that doesn't exist in a bunch of States.

In some States, just one or two insurance companies rule the roost and pretty much offer all the insurance. It is not very good for competition or affordability.

So what I want to do is make sure States have options to introduce competition. They can create interstate compacts across State lines, create regional exchanges and a larger purchasing pool, which would drive down costs. Some of my colleagues want States to start health care cooperatives, such as in Washington State, where there is an outfit called Group Health. The Presiding Officer is probably familiar with that. Some States might want to do that. They seem to like that idea in Washington. Maybe that will work.

Some States have their own public plans. I think Minnesota is one. States

could set up their own public plan. That would be listed on the exchange as an option. States might want to open the State employees health benefit plan for State employees and pensioners and their dependents. That can be an option on the exchange.

The Senate will probably be prepared to offer a tax credit to lower income folks. They can start with a low income and phase it out as the income goes higher. That is an effort to help folks who need help in affording health insurance. They can let States choose from that menu when there are problems with lack of competition.

What do we do then? Are we going to have a national public plan in which everybody has to participate? Are we going to have a level playing field? Senator SCHUMER has put a fair amount of time and interest into exploring that. Are we going to have a national public plan with a level playing field, where the national plan doesn't have an advantage over those in the private sector? Should the States be able to opt out of this national plan? That is the proposal I think Senator REID submitted to CBO to try to score and see what it would cost.

Should States have a right to opt into the national plan? There are a variety of ideas. I think a number of centrists I have talked to are interested, at the end of the day—if we have States where there is an affordability standard, and it is clear that affordability standard in 1, 10, 20, or 30 States is not being met, there is lack of affordability and competition—should there be some other option? I think parties are open to that.

There is probably a fair amount of concern over a couple of aspects of a public plan. One, who is going to run it? The government or the Secretary of Health and Human Services or the Department of Health and Human Services? Should it be funded by the Federal Government beyond the startup? I think if we will work around the idea that States need to meet some affordability standard, and for those that don't, there might be the opportunity to create another option for those States, maybe an option involving a national nonprofit board, and without government funding—at least not beyond the beginning of the startup, I think there is a center of gravity there that might provide a path forward for some of my colleagues, particularly the moderates.

In terms of government-run, government-funded, I think that can be addressed by having a national nonprofit board appointed by the President and confirmed by the Senate. They would have to retain funding after the startup and create their own reserve fund so that if the plan runs afoul or gets into financial difficulty, they would have a reserve fund to be able to meet that. I just wanted to lay that out. That is a place where we might find common ground.

There has been discussion in the last hour about cutting Medicare. I am not interested in that. I don't know any Democrat or Republican who is interested in doing that. The legislation I am most familiar with, reported out of the Finance Committee, doesn't cut Medicare benefits. In fact, we add some benefits. One is, under Medicare, people only get one lifetime only physical—just one—when they sign up for Medicare. If they don't take advantage of it then, they don't get it. Most people try to get an annual physical.

One of the changes that we make in our legislation that I hope will be in whatever we finally pass is that every year, a Medicare patient would be eligible for a physical. That is good preventive medicine. You can catch problems early rather than wait until it is too late.

Some people are familiar with the Medicare prescription drug program. They know when people exceed \$2,500, up to about \$5,500, for the most part, if their drug costs are in that range, almost all of the costs are borne by the senior citizens unless they are very low income. Then Medicare picks it up.

One of the principles in our legislation that I hope will be available is that the pharmaceutical industry said they are going to put up about \$80 billion, a lot of which will be used for filling the doughnut hole to cut in half people's out-of-pocket expenses, when they would otherwise be called upon to pay for prescription drugs. We want to make sure people, No. 1—if there are pharmaceutical companies out there that will help—can find out about it, use it, and they can afford it. In the legislation reported out of our committee, I think we dramatically increase the likelihood that people will be helped by the pharmaceutical industry.

In terms of reducing spending out of Medicare, we can go out and identify—not just identify waste, fraud, and abuse, but identify it and quantify it, and we can go out and get the money back. We call that postaudit cost recovery. Last year, about \$700 million was recovered in 1 year in these postaudit cost recoveries in just three States. What we need to do this year, and what we are going to do, is go to all 50 States and do postaudit cost recovery for Medicare. The money will go back to the trust fund. If we can gather \$700 million in just three States, we can do a lot more than that in all 50 States. Those are the kinds of things we are going to do.

If folks were going to simply cut Medicare services and benefits, I am not aware of that in the legislation. I don't think that is the case.

I have one or two other points, and I will close. I had the opportunity to visit a place called the Cleveland Clinic in Cleveland, OH, a month or two ago. I went to find out how are they able to provide better health care and better outcomes for less money and to see if there is a lesson we can take from

them and from the Mayo Clinic and from Geisinger up in Pennsylvania—what lessons can we take from those places—all nonprofits—where all the doctors are on salary, where they focus on primary care and prevention and wellness, and where they focus on coordinating care among physicians and other providers within their units, and where the medical malpractice coverage is paid for by the Mayo Clinic and the Cleveland Clinic, not the individual physicians, and where all the patients have electronic health records.

If you look at all those nonprofits I have mentioned, including the Mayo Clinic, Cleveland Clinic, Geisinger, and Kaiser in California, they are all pretty much the same. I think one of the things we sought to do in our legislation is infuse that delivery system, change that and infuse that into our system for health care and, frankly, learn from what works—look to see what works and act on that.

Lastly, we will have the opportunity, after the legislation is merged together and the products from several committees, including the HELP Committee—but after the products of the two principal committees in the Senate have been merged and that has been submitted by our majority leader to the CBO, they will come back and say whether the legislation increases the budget deficit and whether the legislation can be expected to rein in the growth of health care costs. We will find out the answers to the questions, hopefully, in a week or two.

The President said, and I have heard others say:

I am not going to sign legislation that increase the deficit by a dime, now or later.

I have said that I am not going to vote for legislation that increases the budget deficit now or later. The version of the health bill that we reported out of the Finance Committee over the next 10 years will reduce the deficit by \$80 billion and the second 10 years by \$400 billion to \$800 billion. That is what we need to do.

At the end of the day, I think it is paramount for us to extend coverage to people who don't have it—40 million plus. About 14,000 people who woke up today with health insurance will not wake up tomorrow and have it. We pay way more for health insurance than anybody else, without better results. Some are going out of business. GM and Chrysler, who had a presence in my State, are bankrupt, and a lot of their trouble was because of enormous growth in health care costs.

One of the most important things we can do in health care reform this year is rein in the growth in health care costs. The idea that health care costs continue to go up two or three times the rate of inflation is not acceptable. The idea that we pay 1½ times more for health coverage than any other nation in the world is not sustainable. The idea that we don't get better results—actually, we get worse results—is unacceptable also.

Lastly, a lot of times we say: What responsibility do people have for their own health? Is there some way we can get people to take better care of themselves? As a population, we are overweight and, in many cases, obese. We have high blood pressure, and we have high levels of cholesterol. People suffer from hypertension. We smoke too much, and we eat the wrong foods, and too much of the wrong foods. We don't exercise. There are a couple of companies around the country where they have employee-provided health insurance to sort of self-insure. Some are encouraging us to allow them to do more in terms of reducing the premiums of people who basically do the right things. We have all heard about the company called Safeway, a grocery store chain headquartered in California. There are other companies, such as Pitney-Bowes and Delta, that have figured that out, and they have started to invite their employees to voluntarily enter into programs to stop smoking. If they do that, they can earn premium reductions. If they lose weight, they can reduce their premiums.

One of our colleagues, Senator ENSIGN, and I offered legislation, adopted in the HELP and Finance Committees, that says that individuals can reduce premiums by as much as 30 percent if they are doing things that will help reduce their exposure and costs to their company through the health plan. For example, at Safeway, if people stop smoking, they reduce their premiums by \$400. If people lose 10 percent of their body mass, if they are overweight, there will be roughly another \$400 reduction in their premium.

The idea is not just for people to say: I know I am overweight, and I need to exercise. So they get a gym membership, but then they stop going. Or they will walk every other day and maybe on weekends, or they will go on a diet and stay on it for a while, or they will stop smoking and then they start smoking again. That is kind of human nature, with all these temptations. Unfortunately, a lot of them lead to worse health outcomes for individuals. We want people to take better care of themselves. That should be in this legislation.

Lastly, at the Cleveland Clinic, they talked to us about defensive medicine, the fee-for-service delivery system where we incentivize doctors to do more of everything—more visits, procedures, tests, more of this and that because when they do those things—they—No. 1, may provide a better health outcome; No. 2, they make more money; and, No. 3, they reduce the likelihood that they will be successfully sued.

We don't have jurisdiction in the Finance Committee over medical malpractice. That is under the jurisdiction of the States. What we do want to do when we come to the Senate floor, my colleagues, both Democrats and Republicans, is to robustly test what is being done in States to, No. 1, reduce the in-

cidence of illness with defensive medicine, reduce the incidence of medical malpractice lawsuits, and do so in a way that will encourage better outcomes; to take good ideas like what works in a company in Michigan or the idea of health courts, the idea of safe harbors where doctors who provide medicine basically under best medical practices and best practiced guidelines, maybe give them a safe harbor from lawsuits.

We can test a couple of these caps—a \$250,000 cap or maybe a sliding scale cap on noneconomic. Ohio goes from \$250,000 to \$1 million. We can test those and see do they work? The certification programs, such as in Delaware, if my doctor performs a procedure on me, and I am not happy with the outcome, I have to go through a panel of knowledgeable people. If they say I don't have a case, basically I don't do it.

Those are the kinds of things we want to have the opportunity to explore, find out what is working in the States and other States to learn from it. Those are the kinds of things we will have a chance to debate on this floor in the next couple of weeks and in the end hopefully provide better insurance, a better outcome for less money, and use the savings to extend coverage to people who do not have it. That is what we are trying to do.

I thank my colleague from Arizona for his patience and for allowing me to finish my statement.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I always enjoy hearing the words of wisdom of my friend and colleague from Delaware.

30TH ANNIVERSARY OF THE HOSTAGE CRISIS IN IRAN

Mr. MCCAIN. Mr. President, today we mark a painful anniversary for our country—the day, 30 years ago, when America's Embassy in Iran was violently seized and an institution of diplomacy became a prison for dozens of peaceful servants of this Nation. For 444 days, the United States and the world watched and feared for the safety of our citizens. Eight brave Americans lost their lives trying to rescue our diplomats. And after so many days of dread, anguish, and heartbreak, we all felt a great weight lifted when our fellow citizens were returned home safely to their friends and families.

Today we express our deepest gratitude to those Americans taken hostage in Iran 30 years ago and to those who died to save them. They all gave more for our country than should be asked of any public servant, and we thank them for it.

Today, however, we are also mindful that the pain and suffering that began on November 4, 1979, did not end after only 444 days. For the people of Iran, that hardship continued for 30 more years, and it continues to this day.

Iran is a great nation, and the Iranian people are the stewards of a proud and accomplished civilization.

Throughout their nation's history, Iranians have made spectacular contributions to the arts and sciences, to literature and learning. These achievements have not only benefited Iran, they have added to the development and enrichment of all mankind. So it is with profound sadness that we think today of all the potential of the Iranian people that has been suppressed and squandered over the past 30 years by the rulers in Tehran.

I know that the Iranian Government is singing the praises of their revolution today. But Iranians are not fools. They know what the real legacy of the past 30 years is. Iranians know that the government in Tehran has ruined their nation's economy and kept them isolated from the promise of trading and engaging with the world.

Iranians are right to ask how much better off they would be if all of the money—the billions and billions of dollars—that Iran's rulers have spent sponsoring terrorist groups, tyrannizing their people, and building weapons to threaten the world were instead devoted to creating jobs, educating young people, and caring for the sick.

Iranians are right to wonder why a country so blessed with natural resources cannot meet the basic needs of so many of its own citizens. And yet corrupt members of the ruling elite are stuffing the wealth of their nation into their own pockets.

The rulers in Iran seized power 30 years ago, promising justice and better lives for all. But now they throw innocent Iranians in prison without proper trials. They mistreat and torture Iranians in jail. They beat and murder Iranians in the streets for trying to speak freely and exercise their basic human rights.

The world watched in horror as Iran's rulers inflicted all of this abuse and more upon peaceful Iranian protesters after the flawed elections last June. But the world also watched in awe as courageous Iranians risked everything for freedom and justice.

We Americans reflect with sympathy on Iran's continuing struggle for human dignity and human rights. Our country seeks a relationship of peace and prosperity with Iran, and it is incredibly unfortunate that the Iranian Government seems determined to keep the relationship between our two countries mired in the past by funding and arming violent groups that threaten our citizens and our allies, by building a nuclear weapons program in violation of Iran's own agreements and multiple U.N. Security Council resolutions, and by spurning repeated American efforts to reach out respectfully to resolve our differences in peace. The United States of America has no eternal enemies. We can overcome even the most painful parts of our own history, as we are doing now with countries such as Vietnam.

So today, on this solemn anniversary of the hostage crisis in Iran, we honor our fellow Americans whose lives were

forever altered by that tragic day. But we also look forward to a new day, a better day when the long nightmare of the Iranian people is over and when our two nations share a relationship of mutual security, mutual respect, and mutual advantage.

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

The PRESIDING OFFICER (Mr. BURRIS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DODD. Mr. President, I want to spend a few minutes, if I can, to express my thanks first to Majority Leader REID and the leadership team for all they have done to bring us to a final vote later this evening on the effort to extend unemployment insurance to jobless Americans as well as to provide tax credits for homebuyers and allow more businesses to utilize the net operating loss carry back. I thank the leadership for it.

I want to also thank Senator BAUCUS, the chairman of the Finance Committee, who was responsible for putting this all together, and his staff who worked very hard. I presume they did so in conjunction with Senator GRASSLEY, the ranking member of that committee. I know it took some time. I regret it took as long as it did to get the extension of unemployment insurance.

As I am sure Members have heard over the last few weeks, every day we delayed in providing some relief to people who have lost their jobs through no fault of their own, 7,000 people were losing their unemployment insurance. Again, all of us know people within our communities, our neighborhoods, and our States who have lost their jobs as a result of the tremendous downturn in our economy. These people are trying to pay mortgages, literally put food on the table and provide for their families. Unemployment insurance has been absolutely critical over the years. This is not the first time, obviously, we have had an extension. It has traditionally been a bipartisan effort. Republican and Democratic administrations have agreed to provide these extensions. This one, unfortunately, took too long, in my view, to put in place, given the depth of this recession, given the fact that so many people have now fallen outside of the employment picture.

I know the numbers people talked about are anywhere from 8 to 15 percent unemployment rates, depending upon where you live. I don't think those numbers are anywhere near close to reflecting what is going on. If you asked me candidly what the unemployment rate is in this country, I think it hovers closer to 20 percent since an awful lot of people are so discouraged they have stopped looking because the economy has been that bad. So this extension of benefits is absolutely essential.

But extending unemployment benefits means in effect there is simply not enough job creation in the economy. That gets me to the second part of this bill and that is the homebuyer's tax credit.

I see my friend from Georgia who has arrived on the floor. It is perfect timing, because I was about to talk about him. He was the principal author a number of months ago of the first-time home buyer tax credit that was included as part of the Recovery Act. That provision authored by JOHNNY ISAKSON of Georgia which I was pleased to support has been used by almost 2 million people.

That provision is about to run out by the end of this month. As a result of his efforts these past few weeks—and I am pleased once more to be his partner in this effort—we have been able to extend that benefit to the first-time home buyer. But we have done something beyond that, which JOHNNY ISAKSON has talked about over the many weeks he and I have talked and that is to expand it to the move-up buyer. That is that person who literally moves up from the house they are in to that new house. That family may have grown—a couple of additional children—and they are able to move up into that next category. This bill now provides not only the benefit to the first-time home buyer but to that move-up home buyer as well. 70 percent of existing homeowners today can potentially qualify for this move-up buyer credit. That is going to be a tremendous benefit, in my view.

The credit is still \$8,000 for the first-time home buyer, but now move-up buyers can claim a credit up to \$6,500. You have to have an income, if you are a single person, of \$125,000 or less; if you are joint filers, \$225,000 or less. There is a cap on the home price of \$800,000 or less. Move-up buyers have to have lived in their current home for at least 5 years. And all home buyers, first-time or move-up, have to be prepared to stay in their new home for 3 years. This credit cannot be used by investors. We also included a lot of anti-fraud provisions.

Again, I am confident my friend from Georgia has made this point: The first-time buyer traditionally is someone who has saved just enough to get into that first home. As I think Senator ISAKSON said, they are probably sleeping on futons and eating a lot of Lean Cuisine or other things just to survive in that new house. They are so excited to be in there, and sacrificed tremendously to get into that first home they dreamed about having.

The move-up buyer is more inclined and capable of buying that furniture, maybe building a porch, putting a garage on, a new roof on the house and generally making improvements. So the ripple effect economically from that move-up buyer is going to be a real benefit. The first-time home buyer obviously helps, but being able to actually make those kinds of investments I

think is going to be help create jobs in this country. It is not going to solve all our problems, but it is going to help get people working again: the home builders, employees at home improvement and hardware stores, landscapers, contractors, people in the real estate business, those kinds of jobs that can make a difference. So I am pleased we are extending unemployment insurance, but I am also very pleased we are doing this on the homebuyer tax credit because it does provide some economic lift in the country at a time when we desperately need to restore confidence and optimism.

We have a way to go, obviously, before we start feeling that level of confidence and optimism that was present before the current downturn. But in most recessions our country has been in, real estate has been at the heart of it, and the recoveries from our recessions have been led by the real estate sector of our economy. If this recession is typical of other recessions, real estate will help our economy to come out of this downturn. It is not the only factor but it is a major factor in recovery. This extension will run to next spring, at a critical time of real estate sales in our Nation.

I can't begin to thank my colleague from Georgia enough for his tireless efforts in this arena. This is how it ought to be, by the way. This is the way we are supposed to do business around here, where we come together, listen to each other's ideas, and then try to work it so our colleagues will appreciate the effort that has been made and try to make a difference in our country.

I thank my friend from Georgia for his leadership once again on this issue. But for him, I don't think this would have happened. You can't always say that about every bill. A lot of people were involved in this issue. But I would say to my colleagues, had it not been for Senator JOHNNY ISAKSON of Georgia, I don't think we would be where we are today. On behalf of my constituents in the State of Connecticut, your first-time home buyer provision, which I was pleased to join in, will likely help 10,000 home owners in my State. I don't know what the number will be as a result of this provision, but it is going to make a difference to families in Connecticut, so we thank the Senator from Georgia.

Mr. ISAKSON. Will the Senator yield?

Mr. DODD. I yield.

Mr. ISAKSON. Mr. President, first, I thank the Senator from Connecticut for his many kind words. But as I said earlier today in a speech—and this is important for everybody to know—had it not been for his willingness to call the hearing 3 weeks ago in the Senate and bring in the professionals from around the country, including the head of HUD, Shaun Donovan, to talk about the application of this credit and its extension, I don't think the information necessary to bring us to this point

would have happened. So the Congress and the people who take advantage of this are in no small measure indebted to Senator DODD for that leadership and, I might add, to Senator BAUCUS who helped us define the pay-for. This bill, including the UI, the loss carryback, and housing tax credit, has a net plus against the deficit, not a cost to the country. That is extremely important. We couldn't have done that without Senator BAUCUS.

Quite frankly, Majority Leader HARRY REID helped us to make this happen as only he could do as majority leader of the Senate. While I appreciate very much the kind words of the Senator, it is true this has been a team effort and the captain of the team has been the chairman of the Banking Committee who brought about the hearing and helped it happen. I thank the Senator from Connecticut for that and tell the Senate we are about to do something meaningful for the U.S. economy, meaningful for the U.S. homeowners. This bill in the end is a jobs bill.

My last point to the Senator from Connecticut that people also need to know is this is the last extension. The benefit of tax credits is when they have a finality, when they have a sunset, when there is a sense of urgency to take advantage. Now is the time. With that type of momentum, the U.S. economy will come back because housing, which led us into it, will help lead us out of it.

I am grateful to the Senator for his kind remarks.

Mr. DODD. I thank my colleague and, as I said earlier, I thank Senator REID and Senator BAUCUS and their staffs as well for allowing us to come to this moment. It is a good day for our country.

I thank my colleague again, and I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

HEALTH CARE REFORM

Mr. GRASSLEY. Mr. President, over the past few days, this Senator and several other Senators have been coming to the floor, talking about various aspects of the health care reform bills the majority has brought forward so far. Today I want to review the impact of these bills on Medicare beneficiaries.

First, this is the Senate Finance Committee bill. It would cut Medicare by about \$470 billion over 10 years. The House version takes an even bigger bite out of Medicare. In that bill, Medicare is cut by about \$540 billion. That is more, obviously, than \$½ trillion. Cuts of this magnitude are sure to hurt Medicare providers and threaten beneficiaries' access to care.

Take a look at the cuts in these reform bills. It shows why there is genuine concern that health care for Medicare beneficiaries will suffer greatly because of health care reform. The proposed legislation permanently cuts all annual Medicare provider updates. Permanently, or another way to say it, cuts them forever.

In addition, some providers, such as hospitals, home health agencies, and hospices, would face additional cuts over the next 10 years. These permanent cuts are supposed to reduce Medicare payments to account for increases in productivity by health care providers.

Supporters of those productivity adjustments believe Medicare generally overpays providers. I wish they would ask providers in my State of Iowa. And they say this would happen because today's Medicare payments do not take into account productivity increases that might reduce the cost of providing care to beneficiaries.

However, this proposal for productivity adjustments is an extremely blunt instrument that will threaten beneficiary access to care. It is flawed in at least two ways. First, the productivity measure used to cut provider payments in the bill does not represent productivity for specific types of providers, such as nursing homes. I mean, you would think that if Medicare is going to reduce your payments to account for increases in productivity, it would at least measure your specific productivity, but that is not the case. Instead, these reform bills would make the payment cuts based on measures of productivity for the entire economy. So if productivity in the economy grows because let's say computer chips or any other products are made more efficiently, then health care providers see their payments go down. Where is the connection?

But there is a second major problem. This other problem is that the productivity adjustment actually punishes providers for increases in productivity. This policy says that when a provider is more productive, Medicare is going to take it all—100 percent of the productivity increase. The provider does not even get to keep half of the financial benefit for that increase in productivity. Where is the reward? Confiscating the entire productivity increase removes all of the incentives for providers to improve their productivity in the first place. This is a typical government policy. If you do better, the government wants its share. But here, the government not only takes its share, it takes all of it.

These cuts are sure to impact health care for seniors. But I don't want you to take my word for it, so I am going to go to one of those nonpartisan people in government. There are a lot of nonpartisan, very professional people in government. But now I refer to the Chief Actuary of the U.S. Department of Health and Human Services. He recently identified this threat to beneficiary access to care. He confirmed

this in an October 21 memorandum analyzing the House bill. The House bill and the Senate Finance bill both propose the same types of permanent Medicare productivity cuts.

Here we have a chart referring to the Chief Actuary. Here is what Medicare's own Chief Actuary had to say about these productivity cuts. In reference to those cuts, he wrote that:

The estimated savings . . . may be unrealistic.

In their own analysis of the House bill, Medicare's own Chief Actuary says:

It is doubtful that many could improve their own productivity to the degree achieved by the economy at large.

They go on to say:

We are not aware of any empirical evidence demonstrating the medical community's ability to achieve productivity improvements equal to those of the overall economy.

In fact, the Chief Actuary's conclusion is that it would be difficult for providers to even remain profitable over time as Medicare payments fail to keep up with the costs of caring for beneficiaries.

So let's go back to this chart again. Ultimately, here is their conclusion: Providers that rely on Medicare might end their participation in Medicare, "possibly jeopardizing access to care for beneficiaries."

Medicare's Chief Actuary confirms what I have been hearing from providers back in my State of Iowa about these permanent productivity payment cuts.

Those providers are doing everything they can to be efficient and to be innovative. They are doing everything they can to get the biggest bang out of every Medicare dollar they can. But assuming the level of productivity assumed in these bills would be like getting blood out of a stone.

These health reform bills will make it even harder for them to keep their doors open. Look at providers such as nursing homes and hospices. They provide labor-intensive services. There are few gadgets or processes in these settings that will increase productivity. Nothing in these settings replaces staff being at their bedside and providing care.

So it is very incorrect to assume these providers will achieve levels of productivity like the rest of the economy, justifying those cuts that these bills anticipate.

Let's look at other providers affected by these productivity adjustments, like ambulances. The Finance Committee bill would permanently cut payments for ambulance services beginning in 2011. It would do this in spite of the fact that Congress enacts payment increases to ambulances year after year. In fact, the Senate Finance bill extends the existing add-on payments for ambulance services for another 2 years, until 2012, and then you know what, it turns right around and cuts them.

I have no quarrel with providing additional payments for ambulance serv-

ices because without them many ambulance providers would not survive. Well, what about this slight of hand? What is the impact? The bill proposes that we cut ambulance payments while we vote to increase them. It is kind of like, I voted to cut before I voted to increase.

There is another proposal in the Senate bill that cuts Medicare, and now I am talking about the Medicare Commission.

The pending insolvency of Medicare is a very serious problem, and Congress needs to stop kicking the can down the road when it comes to shoring up Medicare. We are nearing the end of that road.

This Medicare Commission is fatally flawed, and the risk of unintended consequences that will hurt seniors outweighs any benefits it might have. Not only will it be harder to find a doctor or hospital that will see Medicare patients, you can also forget President Obama's promise about keeping what you have.

After all the promises about not cutting Medicare benefits, Congressional Democrats and the White House are using the Medicare Commission to take aim at the popular Medicare prescription drug benefits and the Medicare Advantage Program. Under the Finance Committee bill, this new Medicare Commission would be given explicit authority to cut Federal subsidies for Medicare prescription drug premiums. Think about that. Today, that Federal subsidy pays for about 75 percent of the premium for Medicare prescription drug coverage for seniors, but the Finance bill says: Cut that subsidy. It says: Raise Part D premiums for our seniors. That is right.

But again, do not take my word for it. On October 13, during the Finance Committee health reform markup, the Director of the Congressional Budget Office, CBO, was asked whether reducing the Part D subsidy would raise premiums. So chart 2 here is what Dr. Elmendorf, the Director of CBO, said: "Yes . . . [reduced subsidies] would raise the costs to beneficiaries." So this was clear confirmation that if the Medicare Commission cuts payments to Medicare drug benefits, it will cause Part D premiums for seniors and the disabled to go up.

At a time when the country is facing record unemployment and Americans are struggling to keep up with increasing prescription drug costs, these provisions will make these lifesaving prescription drugs more expensive for beneficiaries. These are the kinds of things that get buried in a 2,000-page bill. When the other side does not understand why the American people are concerned about these huge bills, those are some of the reasons.

These health reform bills also propose to cut up to \$170 billion from Medicare Advantage. In my home State of Iowa, these cuts will cause about a 25-percent cut in the amount of money going to extra benefits for 63,000 sen-

iors who are enrolled in Medicare Advantage. That means fewer low-income Iowans will be getting the eyeglasses, hearing aids, and chronic care management they have come to rely upon.

Some health care providers, such as hospitals, got a special deal. They are exempted from the Medicare Commission's payment cuts. That means other providers and programs, such as drug benefits for seniors and Medicare Advantage, will be bearing the brunt of payment cuts.

The Medicare Commission would also become a permanent program that Congress would, for practical purposes, be unable to undo. By making the Commission a permanent program, it becomes part of the baseline in the budget over the next decade, so it just goes on forever, sort of like the Energizer bunny—it will just keep cutting and cutting and cutting. If Congress ever wants to shut off those cuts, then it will have to offset the cost when of terminating this commission. That will make it effectively impossible, and the damage will have been done.

These Medicare cuts will also only make things worse for beneficiaries in rural areas. Seniors in rural areas already face health care access problems. Medicare generally pays rural providers less than those in urban areas. Cuts of this magnitude will make it much harder for rural Medicare providers to care for beneficiaries.

But believe it or not, it only gets worse. My colleagues on the other side of the aisle intend to create a government-run health plan. If this government plan pays providers based on already low Medicare rates, it is only going to make this whole situation with access and keeping hospitals open much worse.

These Medicare cuts are achieved at the expense of health care access and quality. These Medicare cuts turn a blind eye to threats to health care quality and access. There are no fail-safes in these bills that kick in automatically if these drastic cuts cause limited provider access or worse quality of care. Instead, Congress will have to step in.

The Congressional Budget Office has already projected that these Medicare cuts keep increasing by—can you believe it?—the cuts will keep increasing 10 to 15 percent each year over the next decade, so 15 percent even beyond the year 2019. And provisions such as these productivity adjustments and the Medicare Commission would drive the increased cuts to the program.

So this will give you an idea of the damage these bills will do to health care, particularly for seniors. This is an example of the challenge Congress will face in the next decade if these bills become law. And this is just what we know about these bills we see. Who knows what is being cooked up behind closed doors right now.

Once again, it is time to back up this process. It is headed in the wrong direction. A bill of this magnitude should

be done on a bipartisan basis with broad support. We can get it done right, if we work together. These bills have massive Medicare cuts. They will do permanent damage to our health care system—higher prescription drug premiums for seniors, increased costs, jeopardized access for beneficiaries. These bills are taking us in the wrong direction.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

THE ECONOMY

Mr. DORGAN. Mr. President, a couple weeks ago, I was on an airplane. The passenger sitting next to me had on a pair of sweatpants and looked pretty relaxed. I asked him where he was going. He said: I am dressed this way because I am going to Thailand, then going to Singapore, and then going to China. He said: I have a 24-hour flight ahead of me so I dressed pretty casually. I said: What are you going to do in Thailand, Singapore, and China? He said: I work for a company, and we have a lot of smaller companies that provide parts to us. We want those smaller companies to move those parts jobs to Thailand and Singapore and China so it costs us less to purchase parts. I am going to these three countries in order to see if we can offshore these jobs from companies we purchase from.

I was thinking about that as I sat there talking to him. I was thinking, there are likely hundreds of employees someplace going to work today not knowing he is on an airplane going over to Asia to see if he can get rid of their jobs and move them to Asia so they can pay just a fraction of the price.

So it goes, day after day after day. It happened to be someone I sat next to on an airplane. This is about jobs then. It is about American jobs. I am thinking, as we are talking, we have lost 7.6 million jobs since the recession began; 7.6 million people had to come home and tell their family: I have lost my job, not because I am a bad worker, I lost my job because they are cutting back. Most of that is because of the recession. But going into the recession and even now coming out of the recession, when we still have most of those folks looking for work, we still have people getting on airplanes, finding ways to move American jobs overseas.

When you think about where we are and what our agenda needs to be in the Congress and in the country, jobs have to be right at the top. How do you put people back to work? How do you get the economic engine started? How do you stop the hemorrhaging of jobs to China, where you can find somebody to work for 50 cents an hour, working 12 or 14 hours a day, 7 days a week. The agenda has to have jobs and economic recovery right at the top, putting people back to work, getting the economic engine started.

Our agenda, of course, includes health care and climate change. I am

the first to attest to the importance of both. Health care is a very important subject. The relentless climb of increasing costs year after year after year means families take a look at their bill and wonder: How on Earth can I pay the bill—it is 10, 12, 14 percent higher than last year—in order to provide insurance for my family? I can't drop the insurance. Yet I can't afford to pay for it either. Businesses—small, medium, and large—are trying to figure out how to pay the increased cost. That is certainly important.

Climate change and global warming are both important, no question about that. We are going to have a lower carbon future, and we need to find ways to address it.

But the most important agenda, while standing in a very deep economic hole, the deepest hole since the Great Depression of the 1930s, the most important part of that agenda is trying to put people back to work, restarting the economic engine and putting people back to work with good jobs that pay well. That is what makes everything else possible. It is the menu and the success that has lifted so many people out of poverty, expanded the middle class in a manner that almost no one else was able to do. It is the way we succeed in this country, economic expansion and opportunity for the American worker.

While I think health care and climate change are important, my agenda is to put jobs right at the top, to try to understand we are in the deepest recession—or have been—since the Great Depression. The third quarter numbers of this year suggest there has been economic growth. But economic growth of GDP does not relate to people going back onto payrolls. For example, 263,000 people lost their jobs last month. That relates to the 7.6 million people total who have lost their jobs since the recession began.

The first priority is to start the economic engine, do the things that put together the policies that begin to start this big American economic engine again, get the economy back on track and create those jobs again.

I have indicated often that I taught a bit of economics in college. When I would teach the supply-and-demand curve and all the other things one teaches in economics, I used to say, by far, much more important than anything else in this book is to understand the American economy expands as a result of confidence. When people are confident about the future and they feel that confidence, they do the things that manifest confidence. They buy a suit, a car, a house. They take a trip. In other words, they are confident about their future. They are feeling good. They do the things that expand the economy. That is all about confidence. When they are confident and do the things that expand the economy, people work. The economy begins to hum along and the country does very well.

When they are not confident about the future, exactly the opposite happens. We have economic contraction. People don't buy the suit, the car, the home. They don't take a trip. We contract the economy. Confidence is at the root of progress. The question is, Standing in this deep economic hole, how do we restore confidence? How do we do that?

This President has only been in office 10 months. He inherited the biggest economic mess anybody has inherited since the Great Depression. That is a fact. We have a lot of people who want to blame the new administration for all the economic ills of the country. This President inherited the biggest economic mess any President has ever inherited since the 1930s. What do we do to restore confidence and what do we do to address this issue of the economy?

In my judgment, we do three things. One is financial reform. It seems to me the financial system went completely awry, and we had a carnival of greed, an atmosphere of anything goes, unbelievable gambling going on—they could have put a casino table in the lobby of some of the biggest banks in the country—the development of new financial engineering, things such as credit default swaps and CDOs, you name it. These folks steered this country's economy right into the ditch. If that is the case—and I believe it is—the first step to restore confidence is to reform the financial system to say this cannot happen again. We will not allow it. We have to fix it.

Fifteen years ago, I wrote the cover story for the Washington monthly magazine called *Very Risky Business*, in which I described even then that FDIC-insured financial institutions—financial institutions guaranteed by the Federal Government and the taxpayer, therefore—were trading on their own proprietary accounts and derivatives. I said then they might as well put a keno pit in the lobby of the bank. Fifteen years later, of course, the whole thing collapsed. The center poll broke, and the tent collapsed over all of it. Financial reform has to be the first step in developing some confidence in the American people that this will not happen again.

We need regulations. I know regulation is a four-letter word to some. It is not to me. If ever there was a demonstration that we need regulations, it is this carnival of greed that happened in the last decade or so, where we had regulators come to town who said: I intend to be woefully blind. I know I will get paid by the Federal Government. I know I am supposed to be a regulator, but I want to boast about not being able to watch. I want the market system to be whatever it is.

The fact is, this should demonstrate to us we need regulators who will keep a watchful eye on the market system so they can call the fouls. We need referees. That is what regulators are for. When someone commits a foul that injures the free market system, they

need to blow the whistle. We need effective regulatory authority. That is No. 1.

No. 2, deal with the issues we know are inappropriate. Never should an FDIC-insured institution be trading on unbelievably risky instruments on their own proprietary accounts. It is still going on today. We have to fix that.

No. 3, the issue of too big to fail. Have we not learned we can't have institutions that grow too big to fail without it being no-fault capitalism? I hear folks come and crow about the issue of the market system and free market capitalism. The fact is, when we have institutions that grow too big to fail, it means, when they steer the country into the ditch and they are about to go belly up, the American taxpayer is told: It is time for you to take some action. We intend to have you be a backstop for the biggest financial institutions in the country. We know they pay big bonuses. We know there are tens and tens of billions of dollars of bonuses being paid for failure, but we don't want you to pay attention to that, the fact that they lost a lot of money and paid big bonuses. We still want you to bail them out because they are too big to be allowed to fail.

This country should no longer allow that. At the very least, we have to address this question of too big to fail. That is no-fault capitalism, and it should not be allowed to continue to exist. Financial reform is essential to restore confidence by the American people. That has to lead the list.

Second, the issue of fiscal policy and deficits. It is not irrelevant to understand we are running very large budget deficits that are unsustainable. It is relevant for this administration to point out that when you have a steep economic downturn, the deep recession we have experienced, you have a dramatic loss of revenue coming into the Federal Government, hundreds of billions in lost revenue. You have a very substantial amount of increased expenditures because there are economic stabilizers, such as unemployment compensation and other things, that when times are tough, they kick in and it costs more. So you have less revenue and higher cost. The fact is, this administration inherited this unbelievable fiscal policy of deciding let's cut taxes for the highest income Americans and then we will go to war and not ask anybody to pay for one penny of it. We will charge it all. We will charge all of it for 8 years.

This country is in a big hole. The fact is, we can't allow that to be a sustainable policy. We have to change it. The President knows it, so does the Congress.

If we are going to restore confidence by the American people in what we are doing, there needs to be a plan to address these very large budget deficits. We cannot continue to provide a level of government the American people are either unwilling or unable to pay for.

That is a fact. In my judgment, with respect to this agenda of No. 1, financial reform; No. 2, addressing fiscal policy and deficits, we must develop together a plan to tame these Federal budget deficits and get this fiscal policy back on track. That is a fact.

While I am talking about it, let me also say budget deficits are unsustainable, especially in the out-years. I understand you run big deficits in the middle of the deepest recession. Your revenue is down, expenditures are up. I am talking about in the out-years. This is unsustainable, and we must come together on a plan to address it.

The other side of the deficit issue is the trade deficit. Trade deficits are unbelievable. We also have to respond to the trade deficits. That relates to what I had described about the fellow on the airplane going to move American jobs overseas. I have talked about this on the floor, but this chart shows the trade deficits we face. You can make a case on budget deficits that that is something we want to repay to ourselves. You can't make that case with trade deficits. These are moneys we will have to repay to other countries. Last year we had an \$800 billion merchandise trade deficit. This is an avalanche of red ink that will have to be repaid. It weakens the country. This gets worse every single year.

The most important part of that is the trade deficit with China. Nearly one-third of this trade deficit is with China. This deficit increases year after year after year after year.

I have told forever on the floor—and I will again, ever so briefly—the story of Huffy bicycles. The first book I wrote, I wrote extensively about these products: Huffy bicycles; the little red wagons, the Radio Flyer; the Etch A Sketch—gone to China. They are all made in China. Huffy bicycles were made in Ohio.

All those folks who made Huffy bicycles and were proud of their jobs then lost their jobs. They all got fired. This bicycle still exists. You can still buy it. It is made in China. The brand is owned by the Chinese, and from \$11 an hour in Ohio that was paid to workers making the bicycle—\$11 an hour—this job went to China, where they have paid them 30 cents an hour, and have worked them 12 to 14 hours a day, 7 days a week. The question is this: Should Americans be asked to compete with that? Can they compete with that? The answer is: No, of course not.

If I might show a couple other points about what causes these trade deficits. As shown on this chart, 98 percent of the cars driven in South Korea are made in South Korea. Everybody understands why that is. South Korea wants it that way. They do not want American cars in South Korea, so virtually all the cars in South Korea are made in South Korea.

As shown on this chart, here is our bilateral automobile trade with South Korea. Last year, they sent us 730,000 cars to be sold in the United States. We

were able to sell them 4,000 cars. Think of that: 730,000 Korean cars put on ships to be sold in the United States, and we were able to get 4,200 American cars into South Korea. It is going to be much worse with China, by the way.

My point is very simply, we have these giant trade deficits growing and growing and growing, combined with a fiscal policy deficit that is record high, and this is unsustainable. It is unsustainable. So we have to deal with financial reform, and we have to deal with deficits—fiscal policy deficits and trade deficits.

Then, finally, the issue is jobs. When I talk about restoring the economic strength of this country, it means talking about: How do you put people back to work? It is interesting to me that the Wall Street firms are reporting record profits, they are going to pay record bonuses, and so they have healed. They are all fine. It is just those 7.6 million people who lost their jobs. They are still out there looking for work, and they ought to be plenty angry about what is going on. So the question is, How do we create jobs and keep jobs here? I want to talk about that for a moment.

It seems to me the issue of job creation—my colleagues Senators WARNER and CORKER have an idea that I have embraced that makes a lot of sense, and that is, job creation in most cases is a result of small and medium-sized businesses that have an idea and are running a business and putting people to work on Main Streets, and yet they are the very ones that cannot get lending. You need lending when you are in business. You need loan funds to finance your inventory and to expand, and so on. The very people who cannot get business loans are the very ones who would be creating the jobs.

So this Congress, without my vote, voted for \$700 billion in TARP funds to provide a pillow and some aspirin and some soft landing for some big financial firms in the country that ran the country's economy into the ditch. My colleagues suggest—and I agree—that we probably ought to convert just a portion of that—just a portion of that—to create a mechanism by which we would have a bank of small business loans that would be available to small and medium-sized businesses.

There is no excuse not to use some of those funds for the right purpose. If you believe they were appropriated for the wrong purpose—that is to help out the biggest firms that steered us into the ditch—how about helping out Main Street businesses that would create some jobs?

Second, I think we ought to finally consider—and we have talked about it for a long while—creating an infrastructure investment bank, and over a period of 30 years float the bonds that allow you to rebuild the infrastructure in this country that will put massive numbers of people back to work. We can do that. If you create it the right way with an infrastructure investment

bank, you are not going to blow a hole in the Federal budget deficit, but you are going to put a lot of people back to work.

The issue that has been used previously during chronic eras of unemployment, which I think we should consider, is the issue of the new jobs tax credit. We did that in 1977 and 1978. The new jobs tax credit, it was reported, provided up to 2.1 million new jobs in this country. I think we ought to consider that.

Finally, we ought to end the disincentive for creating jobs by getting rid of these pernicious tax breaks that say: If you fire your workers and lock your plant and ship the whole thing overseas, we will give you a big fat tax break. Yes, that exists in tax law today. We cannot get it changed. It is outrageous, in my judgment. So let's provide some incentives for people to hire employees in this country and end the disincentives by getting rid of tax breaks for those companies that ship their jobs out of the country.

There is a lot to do. I have described some big issues that, for me, would represent the top of the agenda. I know that is not the agenda we are on at the moment, and I understand that the play gets called, and we all run toward the same goalposts. But the facts is, this country, in my judgment, will not have the kind of economic recovery we need unless we put at the top of the agenda, as we move forward, the issue of financial reform, which my colleagues are working on in the Banking Committee. It is urgent we get that done. In my judgment, that should have been at the front of the agenda: the issue of fiscal policy, deficits and trade policy deficits and, finally, the issue of jobs.

I want to mention that there is one additional issue that has been kicked around, and that is climate change. As I said when I started this presentation, I do not think climate change is irrelevant at all. I think it is important. For me, it would not lead the set of issues that would require us first to put the economy back on track.

But with respect to the issue of climate change and energy, part of having confidence in the future is also having some energy security. Energy security and national security, in my judgment, go together in many ways. Because if tomorrow, God forbid, we had an interruption in the pipeline of oil that comes to this country, our economy would be flat on its back. About one-fourth of the 85 million barrels of oil that are taken out of this planet every day, has to come into this country. We have a prodigious appetite for energy. But the problem is, 70 percent of our nation's oil comes from other countries. Seventy percent of the oil we use comes from other countries.

We have a real energy security issue and we need to work hard to be less dependent on other countries—some of who do not like us very much—for the oil we need to run this American economy.

We wrote a bill about 4 months ago in the Senate Energy and Natural Resources Committee, a bill that deals with all of the energy policies that would make America more energy secure and provide greater national security as a result. The Senate Energy Committee's bill, in my judgment, should be on the floor of the Senate before the climate change bill. It does all the things in the matter of policy, that you would do to address climate change.

The Senate Energy Committee's legislation maximizes the use of renewable energy, so you can produce electricity where the wind blows, and the Sun shines, and move it through a modern transmission system to the load centers where the energy is needed. The Senate Energy Committee's bill does the building retrofits and efficiencies, which are the lowest hanging fruit in energy. For the first time in history, it establishes a renewable electricity standard of 15 percent. It opens up the Eastern Gulf for offshore oil and natural gas production.

The Senate Energy Committee's legislation does all of the things you would do to take significant steps toward addressing climate change. The bill maximizes the production of renewable energy—it moves in exactly the right direction. Retrofitting buildings—it does exactly the right thing. The increase in the renewable electricity standard is exactly the right policy.

So I would say to those who are pushing very hard that we need to have climate change on the floor of the Senate. The fact is, it is much more important, in terms of public policy to move this country in the right direction, to bring the Senate Energy and Natural Resources Committee's bill on the floor. The Senate Energy Committee's bill includes a whole series of investments to make coal development, which is the most abundant resource in this country, more compatible with our need to address a lower carbon future.

Carbon capture and sequestration from coal development is very important. Carbon capture, beneficial use all of these investments require money, and we put some of that money in the Senate Energy Committee's bill so we can continue to use that resource as well.

The Senate Energy Committee's bill makes sense and, in my judgment, it ought to have a priority to come to the floor of the Senate after financial reform and deficits and jobs. Because all of that, I think, is necessary to address the very serious economic questions that face Americans.

Let me conclude by saying, I mentioned a few moments ago that we have these very large Federal budget deficits, and I think it would be useful to say that while there are expenditure cuts we should make—and there are plenty I have suggested; I think we should tighten our belts—there are other ways to begin to reduce the Fed-

eral budget deficit; and that is, to ask those who are not paying their fair share to pay some.

I want to describe that by showing a chart. This is a chart from a company that is part of their financial report. But I am doing this only to say this is a just a representation of many companies. But this one says: The United States Government is this company's largest single customer. The government operates in segments and supplies nuclear power systems, and so on. We are active in government-sponsored operations and research.

All right. So who is this company? This is a company that decided, in filing with the Securities and Exchange Commission, to say:

[The company] is a Panamanian corporation that has earned all of its income outside of Panama.

It is not really a Panamanian corporation. Well, it is legally now. But it used to be an American corporation that decided to do what is called an inversion; that means disavowing your U.S. citizenship and saying, as a corporation: I don't want to be an American citizen anymore. I want to be a citizen of Panama. So that is what this company did.

All right. We decided some while ago, if you want to decide not to be an American citizen, as a company, then do not tell us you want to keep doing business with the American Government. The only reason you want to invert and get rid of your American citizenship is to avoid paying U.S. taxes. So we say, if you do not want to pay U.S. taxes—do you know what?—you ought not get business from the Federal Government.

Well, this company did not like that so much. This company has 2007 revenues that were sheltered now because they inverted to Panama—2007 revenues—of \$2.6 billion.

It has taken the government a little longer than it should have to shut off these companies that inverted from doing business with the Federal Government. But now we have an understanding that one of the Federal agencies quietly approached the Appropriations Committee and asked to insert a clause in an appropriations bill which says that the contracting ban, which I have described, can only be administered consistent with U.S. international trade agreements. That was done because there is discussion of a trade agreement with Panama, and so with respect to the trade agreement with Panama, the contracting ban would be limited to not affect this company that inverted to Panama.

Isn't that interesting. Actually, we have people in government trying to help the company get Federal business once again, despite the fact that this company moved away to Panama as a legal address in order to avoid paying U.S. taxes. And it is not just this company.

Some long while ago, probably 2 years ago, I brought to the floor of the

Senate—and many of my colleagues have since used this—this picture. When you talk about everybody paying their fair share, this is a picture of a little four-story building on Church Street in the Cayman Islands. It is called the Ugland House. This is actually the original chart I used about 2 years ago. There was some enterprising reporting by a reporter named Evans from Bloomberg. Mr. Evans from Bloomberg actually did the reporting on this.

This little white building on Church Street in the Cayman Islands was home to 12,748 corporations. They are not there. That is just a legal address, a figment created by lawyers, to say, if you run your mail through a mailbox in this building, you can avoid paying U.S. taxes.

Isn't that wonderful? I think it is unpatriotic. It is going on all the time. By the way, since I first used this chart, my understanding is, there are now not 12,000 corporations using this address; there are 18,000 corporations. Isn't that unbelievable?

My point is, when you talk about the need for fiscal policy reform—yes, let's cut some spending; let's tighten our belts—let's also ask some interests who decided they want all the benefits that America has to offer but they do not want to pay taxes, let's ask them to become tax-paying citizens, corporate tax-paying citizens once again. There is a lot to do, and I am convinced we can do it if we have the priorities straight.

Yesterday, it was interesting to me to hear that Warren Buffett purchased the Burlington Northern Railroad.

Berkshire Hathaway, the company owned by Warren Buffett, purchased Burlington Northern Railroad. He said he is betting on America. I know Warren Buffett. I have known him for years. I like him. He is a good guy. In fact, he is one of the smartest investors perhaps in the history of our country. He is betting on America. That is probably a pretty good bet. I don't know the details of his purchase of this railroad company, but it is probably a pretty good bet to bet on this country.

I mentioned previously that we had Warren Buffett to speak to our caucus some while ago and somebody asked him the question: What do you think the economy will be like in 6 months?

Warren Buffett said: I don't have the foggiest idea. That is not the way I think. I don't know what is going to happen 6 months from now or 16 months from now, but I will tell you this: I know what the economy is going to be like 6 years from now. It is going to be great.

He said: America always pulls itself up. Look at the couple hundred years of history, at the creativeness, the inventiveness, the ambition of the American people. It is just innate in the soul of the American people and its culture to just keep moving forward.

He said: This country is going to do fine. I don't know whether it is going

to be 7 or 10 or 15 months or 5 years, but, he said, I believe this country is going to do well.

So I kind of smiled yesterday when I saw that he had purchased a railroad and said: I am betting on America.

I think this Congress should bet on America too, but America needs some help from this Congress. America needs a lot of help to deal with the issues I have just described. I believe we can do that, but it is not going to happen unless we have some cooperation. We have gotten cooperation on nothing. By the way, just for interest's sake, we are now in this lengthy period, and we have had to burn 30 hours postcloture in 2 days, ripening cloture on everything, even on noncontroversial things, because there are people who don't want this institution to work. It doesn't make any sense to me. There ought not be two teams here; we all ought to be pulling for the same team.

Mr. President, I yield the floor.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mrs. McCASKILL. Mr. President, I rise to state my support for the extension of unemployment benefits that was included in H.R. 3548. Recent reports on gross domestic product by the Bureau of Economic Analysis indicate that we are out of the recession. However, unemployment is a lagging indicator, and we will need to see more GDP growth before employers start hiring again. In the meantime, families in Missouri and across the country are hurting. The unemployment rate in Missouri is 9.5 percent. American Airlines announced just last week that it would close its maintenance facility in Kansas City, and 490 workers are losing their jobs.

I believe we have a responsibility and an obligation to help good, hard working Americans who are struggling in these difficult times. To that end, the extension of unemployment benefits will provide a vital lifeline to people struggling to find work through one of the most severe recessions in our lifetime, and I fully support it.

I also strongly support inclusion in this bill of the provisions from the Service Members Homeownership Tax Act, which I introduced. These provisions will ensure that our troops deployed overseas this year and next will not be penalized for their service when they seek to buy their first homes. You cannot shop for a house while you are hunting al-Qaida in Afghanistan or supporting a diplomatic mission to NATO Allies, so it is only fair that service members have additional time to take advantage of the first-time homebuyer tax credit. This bill will give members of the armed, intelligence, and foreign services who were stationed abroad in 2009 or 2010 an additional year to qualify. It will also eliminate the "recapture" requirement for servicemembers. Unlike other recipients, they will not have to pay the credit back if they move within 3

years, as long as the relocation is service-related. Finally, Housing Assistance Program benefits that were expanded in the Recovery Act will be exempt from taxation. These temporary benefits are helping cushion the financial blow to military families who are forced to sell their homes in the current, depressed market. Families who are reassigned or are relocating to seek treatment for service-related injuries are some of the biggest beneficiaries of the program. I would note that the cost of extending the first-time homebuyer tax credit for servicemembers will be less than one percent of a full extension of the credit, and that the cost was fully offset in the bill I introduced.

Unfortunately, H.R. 3548 went further than only taking care of our men and women in uniform. It also contains a fiscally irresponsible extension and expansion of the first-time homebuyer tax credit for many other Americans. I do not support this extension.

Congress created the first-time homebuyer credit last year as a timely, targeted, and temporary response to the housing crisis, designed to reduce excess housing inventories by encouraging home purchases. Judging from home sales over the past few months, the credit has helped stabilize the housing market. However, the Treasury Inspector General for Tax Administration has found serious instances of fraud within the program, and economists have suggested that extending the credit is not the most effective way of addressing the remaining problems in the housing market. Now that we are out of crisis, it is time to let the first-time homebuyer credit expire. We simply cannot continue to expand one-time programs from the stimulus and ever expect to return to a state of fiscal responsibility. If we say it is a one-time program, it should be a one-time program.

In conclusion, I applaud the important, commonsense steps we have taken for Americans looking for work and for military families. I am disappointed that a broad extension of the first-time homebuyer credit was included in this legislation. I would not have supported an extension of the credit independently. However, the positive elements of this bill outweigh the negative, and I support the overall bill.

Mr. GRASSLEY. Mr. President, I would like to take a moment to express my concern about a provision included in the unemployment compensation bill before the Senate.

The provision I am concerned about deals with a reversal of a sound international tax policy reform. Back in 2004, Congress passed and President Bush signed a major bipartisan business tax reform bill. The centerpiece proposal in the international tax reform area was a restoration of the Finance Committee position from the 1986 Tax Reform Act on the treatment of interest for the purposes of the foreign tax credit.

This reform, known as World Wide Interest Apportionment, was due to take effect at the beginning of 2009, but its implementation was delayed for 2 years in order to pay for housing legislation enacted in July of 2008. I expressed my concerns at the time about delaying sound international tax policy in order to fund new spending priorities. However, my view lost out and the delay of this provision was used as an offset.

Now, here we are again, in need of revenue offset in order to fund other priorities. The proposal in the bill before us delays this important reform an additional 7 years, until December 31, 2017. I support the main provisions of the bill intended to provide relief to those struggling to find work by extending unemployment benefits and to provide a lift to the economy by extending the homebuyer tax credit and the expanded net operating loss carryback period for small businesses.

My opposition to this revenue offset rests in the bad tax policy this proposal represents. The interest allocation reform would, if allowed to take effect, lower the chance of double tax that arises under current law from the artificial overallocation of interest expense to foreign income, even when the debt is incurred to fund domestic investment. The current rules actually penalize domestic manufacturers that compete in global markets by making it more likely they will be double-taxed on their foreign income.

Several companies have spoken to my staff about the negative ramifications this delay will have on them. Some of these companies are just starting to grow their businesses beyond the U.S. borders. The delay of this important international reform will make it more costly for these companies to expand into these markets. If these companies cannot grow beyond the domestic economy, they will be unable to compete in the global marketplace.

Mr. President, I ask unanimous consent that a letter I received from John Deere explaining their concern about delaying the implementation of this provision be printed in the RECORD.

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

DEERE & COMPANY,
Moline, IL, October 22, 2009.

Hon. CHARLES GRASSLEY,
Senate Finance Committee,
Washington, DC.

DEAR SENATOR GRASSLEY: Deere and Company would like to reemphasize to you the importance of worldwide interest allocation and our strong desire that implementation of this provision not be further delayed by using the provision as a "pay for" for other issues. Further continued delays in implementing this provision will make U.S. companies less competitive with our foreign competitors.

We ask that you find a different offset to fund H.R. 3548, the Supplemental Appropriations, and oppose using the Reid-Baucus proposed delay of the interest allocation rules to offset other tax policy. U.S. based employers like Deere believe implementing World

Wide Interest Allocation is critically important international tax law.

THOMAS K. JARRETT,
Vice President, Tax.

Mr. HARKIN. Mr. President, I want to speak in support of extending the unemployment insurance program, to provide up to 20 weeks of additional unemployment insurance benefits for out-of-work Americans and their families.

American workers are facing tough times. During the last recession, our country lost millions of good jobs—jobs that have never been replaced. And the downturn of the past 2 years, brought on by the subprime mortgage disaster and skyrocketing oil costs, has created a perfect storm leading to severe unemployment, with official unemployment approaching 10 percent. Today, 15.1 million Americans are out of work, and more than a third of them have been out of a job for 6 months or more. Unfortunately, the jobless rates jumps closer to 20 percent when you take into account the millions more who have given up looking for work, or can only find part-time work when they need full-time incomes.

In recent weeks we have seen signs that our economy is starting to turn the corner, with growth in consumer spending, improved home sales and expansion in some manufacturing industries. Thanks to the Recovery Act, we have also been able to keep teachers in the classroom, and get construction workers started on new jobs because this administration and this Congress made significant investments that saved or created these and hundreds of thousands of other jobs. But we know that achieving a full economic recovery won't happen overnight. As our economy gradually improves, American families will still need help to get by.

The recession has meant hardship for many thousands of families in my home state. Des Moines' nine food banks have seen a significant increase in demand. And organizations like the Salvation Army are also seeing a surge of requests for assistance with utilities, food, and clothing.

When a family member is out of work, times are particularly tough. One survey found that 70 percent of families with a person out of work reported having cut back spending on food and groceries. That is why it is important that we act now to extend unemployment insurance benefits.

The unemployment insurance program provides a vital safety net during times of economic hardship. Workers have paid into the system through their hard work, so when they are out of a job they deserve support to see them through tough times. These benefits are fundamental to helping families meet basic necessities—to provide a roof over their heads, to put food on the table, or to keep the heat on. A recent survey found that 90 percent of people receiving unemployment benefits used them for just such necessities.

With over one-third of unemployed Americans out of a job for more than

half a year, unemployment benefits have been a lifeline for these families. The critical nature of these benefits has enabled us to pass previous extensions with bipartisan support. Earlier this year we provided additional weeks of unemployment assistance and a small increase in workers' weekly benefits. Yet 400,000 workers ran out of benefits last month and another 200,000 exhausted their unemployment by the end of October. Over 30,000 Iowans have run out of State benefits since June.

Running out of unemployment support means even tougher times for Americans who are already strapped—and so I hope my colleagues will join me in supporting and quickly passing this extension of unemployment benefits.

The amendment before us will provide critical help to working families as our economy gets going again. Nationwide, it provides 14 additional weeks of benefits for workers who have run out of safety net support. In States where unemployment is at or above 8.5 percent, workers are eligible for 20 additional weeks of benefits. This amendment will provide much needed help to 1.9 million people across the country, including 31,000 in Iowa.

This help can't come too soon for hardworking men and women who are trying to hang on for better times ahead; people like Kimberly Anders, from West Des Moines, IA. She writes:

As an older person, I feel lost in the face of not being able to find a job, especially after I've worked hard my whole life and never once relied on any state or federal aid . . . now my unemployment is about to run out, and my hope with it . . .

Unemployment benefits help Michelle Paulson from Huxley, IA, who is trying to train for a new career while caring for her family. A mother of two, Michelle went back to community college after she was laid off by a window manufacturer last August. As the lagging economy continues to take its toll on Iowans, Michelle is pursuing a degree in advanced manufacturing. Unemployment benefits provide Michelle the safety net to meet basic needs for her family while building her own workforce skills.

The American people are counting on us to help them. It is time to act now.

Passing this amendment now will give people like Kimberly Anders and Michelle Paulson the immediate help they need. What's more, it will benefit them and all American workers in the long run by helping to get our economy back on track. That is because unemployment benefits provide a major, immediate boost to the economy. Economists calculate that every \$1 invested in the unemployment insurance safety net generates \$1.63 in economic activity. Unemployed households spend these dollars on immediate needs—to pay the rent or a medical bill, buy groceries and school supplies, or repair the family car—all economic activities that quickly inject dollars into our communities.

An extension of unemployment benefits gives workers and their families the support they need while people continue to look for work. And it provides a needed stimulus to the rest of our economy. I urge my colleagues to support this amendment and pass it without delay.

Mr. LEVIN. Mr. President, the measure we have before us is vital to the three-quarters of a million people in Michigan who are unemployed. It is vital to the 15.1 million Americans who are unemployed. It will keep them in their homes. It will keep their children fed and clothed.

It is also vital to the millions of American workers who remain employed, but are plagued by fear that they too will lose their job. Previous extensions of unemployment insurance benefits have played an underappreciated role in helping us avoid even greater economic collapse. There are businesses still open, neighborhoods still filled with families instead of foreclosed homes, wheels of commerce still turning because of the economic fuel these extensions have provided. This extension, too, means help not just for those facing a loss of benefits but for entire communities.

I am also pleased that this legislation extends the homebuyer tax credit which had been set to expire on November 30, 2009. This credit, which has helped pull the real-estate market from the depths of decline, will now be available until April 30, 2010. This legislation expands eligible recipients to tax payers who have owned their homes for more than 5 years. The credit will also provide additional relief to members of the military by eliminating the recapture requirement of the credit if they are forced to sell their home as a result of an official extension of duty.

So I am glad that we are ready to approve this legislation. I wish it had come sooner. During the debate and delay here in Washington, 7,000 unemployed Americans each day saw their unemployment benefits expire. By mid-October, 44,000 Michigan workers had exhausted their benefits, and that number will more than double by the end of the year if we do not act. The anxiety caused by our delays has been a tremendous hardship for families facing the loss of their benefits hardship made painfully clear by the calls and letters to my office from Michiganders desperate for any word on when Congress would act.

For a family battered by the loss of a job, fearing the loss of a home, wondering if life will ever be the same, facing such uncertainty requires genuine courage to hold onto hope. This extension of unemployment benefits is one important way we can help alleviate fear and help preserve that hope that is essential to persevere until times get better.

Mr. DURBIN. Mr. President, I ask unanimous consent that immediately after the adoption of this unanimous consent request, all postcloture time be yielded back, and the bill, as amend-

ed, be read a third time, that no points of order be in order, and the Senate then proceed to vote on passage of H.R. 3548; that upon passage, the Senate then proceed to executive session to consider Calendar No. 331, the nomination of Tara Jeanne O'Toole; and that once the nomination is reported, the Senate proceed to vote on confirmation of the nomination, with any statements relating to the nomination appearing at the appropriate place in the RECORD, as if read; that upon confirmation, the motion to reconsider be considered made and laid upon the table; that the President be immediately notified of the Senate's action and the Senate then resume legislative session; that on Thursday, November 5, after a period of morning business, the Senate consider the motion to proceed to the motion to reconsider the vote by which cloture was not invoked on the committee-reported substitute amendment to H.R. 2847, the Commerce-Justice-Science Appropriations Act; that the motion to proceed be agreed to and the motion to reconsider be agreed to; and that prior to the vote on the motion to invoke cloture on the substitute amendment, there be 40 minutes of debate, equally divided and controlled as follows: 20 minutes under the control of Senator VITTER and 20 minutes total for Senators MIKULSKI and SHELBY; that upon the use or yielding back of that time, the Senate proceed to vote on the motion to invoke cloture on the substitute amendment; further, that upon disposition of H.R. 2847, the Senate then proceed to the consideration of Calendar No. 106, H.R. 3082, the Military Construction/Veterans Affairs Appropriations Act; that immediately after the bill is reported, Senator JOHNSON or his designee be recognized to call up the substitute amendment, which is the text of S. 1407, the Senate committee-reported bill.

Mr. President, I wish to inform my colleagues that the unanimous consent request I just made has been cleared by both sides.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment in the nature of a substitute was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass?

Mr. DURBIN. 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 proceeded to call the roll.

Mr. DURBIN. I announce that the Senator from West Virginia (Mr. BYRD) and the Senator from Missouri (Mrs. MCCASKILL) are necessarily absent.

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

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

[Rollcall Vote No. 334 Leg.]

YEAS—98

Akaka	Enzi	Menendez
Alexander	Feingold	Merkley
Barrasso	Feinstein	Mikulski
Baucus	Franken	Murkowski
Bayh	Gillibrand	Murray
Begich	Graham	Nelson (NE)
Bennet	Grassley	Nelson (FL)
Bennett	Gregg	Pryor
Bingaman	Hagan	Reed
Bond	Harkin	Reid
Boxer	Hatch	Risch
Brown	Hutchison	Roberts
Brownback	Inhofe	Rockefeller
Bunning	Inouye	Sanders
Burr	Isakson	Schumer
Burris	Johanns	Sessions
Cantwell	Johnson	Shaheen
Cardin	Kaufman	Shelby
Carper	Kerry	Snowe
Casey	Kirk	Specter
Chambliss	Klobuchar	Stabenow
Coburn	Kohl	Tester
Cochran	Kyl	Thune
Collins	Landrieu	Udall (CO)
Conrad	Lautenberg	Udall (NM)
Corker	Leahy	Vitter
Cornyn	LeMieux	Voinovich
Crapo	Levin	Warner
DeMint	Lieberman	Webb
Dodd	Lincoln	Whitehouse
Dorgan	Lugar	Wicker
Durbin	McCain	Wyden
Ensign	McConnell	

NOT VOTING—2

Byrd McCaskill

The bill (H.R. 3548), as amended, was passed, as follows:

H.R. 3548

Resolved, That the bill from the House of Representatives (H.R. 3548) entitled “An Act to amend the Supplemental Appropriations Act, 2008 to provide for the temporary availability of certain additional emergency unemployment compensation, and for other purposes.”, do pass with the following amendment:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Worker, Homeownership, and Business Assistance Act of 2009”.

SEC. 2. REVISIONS TO SECOND-TIER BENEFITS.

(a) *IN GENERAL.*—Section 4002(c) of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking “If” and all that follows through “paragraph (2))” and inserting “At the time that the amount established in an individual’s account under subsection (b)(1) is exhausted”;

(B) in subparagraph (A), by striking “50 percent” and inserting “54 percent”; and

(C) in subparagraph (B), by striking “13” and inserting “14”;

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(b) *EFFECTIVE DATE.*—The amendments made by this section shall apply as if included in the enactment of the Supplemental Appropriations Act, 2008, except that no amount shall be payable by virtue of such amendments with respect to any week of unemployment commencing before the date of the enactment of this Act.

SEC. 3. THIRD-TIER EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) *IN GENERAL.*—Section 4002 of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note) is amended by adding at the end the following new subsection:

“(d) *THIRD-TIER EMERGENCY UNEMPLOYMENT COMPENSATION.*—

“(1) *IN GENERAL.*—If, at the time that the amount added to an individual’s account under

subsection (c)(1) (hereinafter 'second-tier emergency unemployment compensation') is exhausted or at any time thereafter, such individual's State is in an extended benefit period (as determined under paragraph (2)), such account shall be further augmented by an amount (hereinafter 'third-tier emergency unemployment compensation') equal to the lesser of—

"(A) 50 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under the State law; or

"(B) 13 times the individual's average weekly benefit amount (as determined under subsection (b)(2)) for the benefit year.

"(2) EXTENDED BENEFIT PERIOD.—For purposes of paragraph (1), a State shall be considered to be in an extended benefit period, as of any given time, if—

"(A) such a period would then be in effect for such State under such Act if section 203(d) of such Act—

"(i) were applied by substituting '4' for '5' each place it appears; and

"(ii) did not include the requirement under paragraph (1)(A) thereof; or

"(B) such a period would then be in effect for such State under such Act if—

"(i) section 203(f) of such Act were applied to such State (regardless of whether the State by law had provided for such application); and

"(ii) such section 203(f)—

"(I) were applied by substituting '6.0' for '6.5' in paragraph (1)(A)(i) thereof; and

"(II) did not include the requirement under paragraph (1)(A)(ii) thereof.

"(3) LIMITATION.—The account of an individual may be augmented not more than once under this subsection."

(b) CONFORMING AMENDMENT TO NON-AUGMENTATION RULE.—Section 4007(b)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note) is amended—

(1) by striking "then section 4002(c)" and inserting "then subsections (c) and (d) of section 4002"; and

(2) by striking "paragraph (2) of such section)" and inserting "paragraph (2) of such subsection (c) or (d) (as the case may be))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the enactment of the Supplemental Appropriations Act, 2008, except that no amount shall be payable by virtue of such amendments with respect to any week of unemployment commencing before the date of the enactment of this Act.

SEC. 4. FOURTH-TIER EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Section 4002 of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note), as amended by section 3(a), is amended by adding at the end the following new subsection:

"(e) FOURTH-TIER EMERGENCY UNEMPLOYMENT COMPENSATION.—

"(1) IN GENERAL.—If, at the time that the amount added to an individual's account under subsection (d)(1) (third-tier emergency unemployment compensation) is exhausted or at any time thereafter, such individual's State is in an extended benefit period (as determined under paragraph (2)), such account shall be further augmented by an amount (hereinafter 'fourth-tier emergency unemployment compensation') equal to the lesser of—

"(A) 24 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual during the individual's benefit year under the State law; or

"(B) 6 times the individual's average weekly benefit amount (as determined under subsection (b)(2)) for the benefit year.

"(2) EXTENDED BENEFIT PERIOD.—For purposes of paragraph (1), a State shall be considered to be in an extended benefit period, as of any given time, if—

"(A) such a period would then be in effect for such State under such Act if section 203(d) of such Act—

"(i) were applied by substituting '6' for '5' each place it appears; and

"(ii) did not include the requirement under paragraph (1)(A) thereof; or

"(B) such a period would then be in effect for such State under such Act if—

"(i) section 203(f) of such Act were applied to such State (regardless of whether the State by law had provided for such application); and

"(ii) such section 203(f)—

"(I) were applied by substituting '8.5' for '6.5' in paragraph (1)(A)(i) thereof; and

"(II) did not include the requirement under paragraph (1)(A)(ii) thereof.

"(3) LIMITATION.—The account of an individual may be augmented not more than once under this subsection."

(b) CONFORMING AMENDMENT TO NON-AUGMENTATION RULE.—Section 4007(b)(2) of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note), as amended by section 3(b), is amended—

(1) by striking "(and (d))" and inserting "(, (d), and (e) of section 4002"; and

(2) by striking "(or (d))" and inserting "(, (d), or (e) (as the case may be))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply as if included in the enactment of the Supplemental Appropriations Act, 2008, except that no amount shall be payable by virtue of such amendments with respect to any week of unemployment commencing before the date of the enactment of this Act.

SEC. 5. COORDINATION.

Section 4002 of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26 U.S.C. 3304 note), as amended by section 4, is amended by adding at the end the following new subsection:

"(f) COORDINATION RULES.—

"(1) COORDINATION WITH EXTENDED COMPENSATION.—Notwithstanding an election under section 4001(e) by a State to provide for the payment of emergency unemployment compensation prior to extended compensation, such State may pay extended compensation to an otherwise eligible individual prior to any emergency unemployment compensation under subsection (c), (d), or (e) (by reason of the amendments made by sections 2, 3, and 4 of the Worker, Homeownership, and Business Assistance Act of 2009), if such individual claimed extended compensation for at least 1 week of unemployment after the exhaustion of emergency unemployment compensation under subsection (b) (as such subsection was in effect on the day before the date of the enactment of this subsection).

"(2) COORDINATION WITH TIERS II, III, AND IV.—If a State determines that implementation of the increased entitlement to second-tier emergency unemployment compensation by reason of the amendments made by section 2 of the Worker, Homeownership, and Business Assistance Act of 2009 would unduly delay the prompt payment of emergency unemployment compensation under this title by reason of the amendments made by such Act, such State may elect to pay third-tier emergency unemployment compensation prior to the payment of such increased second-tier emergency unemployment compensation until such time as such State determines that such increased second-tier emergency unemployment compensation may be paid without such undue delay. If a State makes the election under the preceding sentence, then, for purposes of determining whether an account may be augmented for fourth-tier emergency unemployment compensation under subsection (e), such State shall treat the date of exhaustion of such increased second-tier emergency unemployment compensation as the date of exhaustion of third-tier emergency unemployment compensation, if such date is later than the date of exhaustion of the third-tier emergency unemployment compensation."

SEC. 6. TRANSFER OF FUNDS.

Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110-252; 26

U.S.C. 3304 note) is amended by striking "Act;" and inserting "Act and sections 2, 3, and 4 of the Worker, Homeownership, and Business Assistance Act of 2009;"

SEC. 7. EXPANSION OF MODERNIZATION GRANTS FOR UNEMPLOYMENT RESULTING FROM COMPELLING FAMILY REASON.

(a) IN GENERAL.—Clause (i) of section 903(f)(3)(B) of the Social Security Act (42 U.S.C. 1103(f)(3)(B)) is amended to read as follows:

"(i) One or both of the following offenses as selected by the State, but in making such selection, the resulting change in the State law shall not supercede any other provision of law relating to unemployment insurance to the extent that such other provision provides broader access to unemployment benefits for victims of such selected offense or offenses:

"(I) Domestic violence, verified by such reasonable and confidential documentation as the State law may require, which causes the individual reasonably to believe that such individual's continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family (as defined by the Secretary of Labor); and

"(II) Sexual assault, verified by such reasonable and confidential documentation as the State law may require, which causes the individual reasonably to believe that such individual's continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family (as defined by the Secretary of Labor)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to State applications submitted on and after January 1, 2010.

SEC. 8. TREATMENT OF ADDITIONAL REGULAR COMPENSATION.

The monthly equivalent of any additional compensation paid by reason of section 2002 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111-5 (26 U.S.C. 3304 note; 123 Stat. 438) shall be disregarded after the date of the enactment of this Act in considering the amount of income and assets of an individual for purposes of determining such individual's eligibility for, or amount of, benefits under the Supplemental Nutrition Assistance Program (SNAP).

SEC. 9. ADDITIONAL EXTENDED UNEMPLOYMENT BENEFITS UNDER THE RAILROAD UNEMPLOYMENT INSURANCE ACT.

(a) BENEFITS.—Section 2(c)(2)(D) of the Railroad Unemployment Insurance Act, as added by section 2006 of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), is amended—

(1) in clause (iii)—

(A) by striking "June 30, 2009" and inserting "June 30, 2010"; and

(B) by striking "December 31, 2009" and inserting "December 31, 2010"; and

(2) by adding at the end of clause (iv) the following: "In addition to the amount appropriated by the preceding sentence, out of any funds in the Treasury not otherwise appropriated, there are appropriated \$175,000,000 to cover the cost of additional extended unemployment benefits provided under this subparagraph, to remain available until expended."

(b) ADMINISTRATIVE EXPENSES.—Section 2006 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5; 123 Stat. 445) is amended by adding at the end of subsection (b) the following: "In addition to funds appropriated by the preceding sentence, out of any funds in the Treasury not otherwise appropriated, there are appropriated to the Railroad Retirement Board \$807,000 to cover the administrative expenses associated with the payment of additional extended unemployment benefits under section 2(c)(2)(D) of the Railroad Unemployment Insurance Act, to remain available until expended."

SEC. 10. 0.2 PERCENT FUTA SURTAX.

(a) IN GENERAL.—Section 3301 of the Internal Revenue Code of 1986 (relating to rate of tax) is amended—

(1) by striking “through 2009” in paragraph (1) and inserting “through 2010 and the first 6 months of calendar year 2011”,

(2) by striking “calendar year 2010” in paragraph (2) and inserting “the remainder of calendar year 2011”, and

(3) by inserting “(or portion of the calendar year)” after “during the calendar year”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid after December 31, 2009.

SEC. 11. EXTENSION AND MODIFICATION OF FIRST-TIME HOMEBUYER TAX CREDIT.

(a) EXTENSION OF APPLICATION PERIOD.—

(1) IN GENERAL.—Subsection (h) of section 36 of the Internal Revenue Code of 1986 is amended—

(A) by striking “December 1, 2009” and inserting “May 1, 2010”,

(B) by striking “SECTION.—This section” and inserting “SECTION.—

“(1) IN GENERAL.—This section”, and

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

“(2) EXCEPTION IN CASE OF BINDING CONTRACT.—In the case of any taxpayer who enters into a written binding contract before May 1, 2010, to close on the purchase of a principal residence before July 1, 2010, paragraph (1) shall be applied by substituting ‘July 1, 2010’ for ‘May 1, 2010’.”.

(2) WAIVER OF RECAPTURE.—

(A) IN GENERAL.—Subparagraph (D) of section 36(f)(4) of such Code is amended by striking “, and before December 1, 2009”.

(B) CONFORMING AMENDMENT.—The heading of such subparagraph (D) is amended by inserting “AND 2010” after “2009”.

(3) ELECTION TO TREAT PURCHASE IN PRIOR YEAR.—Subsection (g) of section 36 of such Code is amended to read as follows:

“(g) ELECTION TO TREAT PURCHASE IN PRIOR YEAR.—In the case of a purchase of a principal residence after December 31, 2008, a taxpayer may elect to treat such purchase as made on December 31 of the calendar year preceding such purchase for purposes of this section (other than subsections (c), (f)(4)(D), and (h)).”.

(b) SPECIAL RULE FOR LONG-TIME RESIDENTS OF SAME PRINCIPAL RESIDENCE.—Subsection (c) of section 36 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) EXCEPTION FOR LONG-TIME RESIDENTS OF SAME PRINCIPAL RESIDENCE.—In the case of an individual (and, if married, such individual's spouse) who has owned and used the same residence as such individual's principal residence for any 5-consecutive-year period during the 8-year period ending on the date of the purchase of a subsequent principal residence, such individual shall be treated as a first-time homebuyer for purposes of this section with respect to the purchase of such subsequent residence.”.

(c) MODIFICATION OF DOLLAR AND INCOME LIMITATIONS.—

(1) DOLLAR LIMITATION.—Subsection (b)(1) of section 36 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) SPECIAL RULE FOR LONG-TIME RESIDENTS OF SAME PRINCIPAL RESIDENCE.—In the case of a taxpayer to whom a credit under subsection (a) is allowed by reason of subsection (c)(6), subparagraphs (A), (B), and (C) shall be applied by substituting ‘\$6,500’ for ‘\$8,000’ and ‘\$3,250’ for ‘\$4,000’.”.

(2) INCOME LIMITATION.—Subsection (b)(2)(A)(i)(II) of section 36 of such Code is amended by striking “\$75,000 (\$150,000)” and inserting “\$125,000 (\$225,000)”.

(d) LIMITATION ON PURCHASE PRICE OF RESIDENCE.—Subsection (b) of section 36 of the In-

ternal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(3) LIMITATION BASED ON PURCHASE PRICE.—No credit shall be allowed under subsection (a) for the purchase of any residence if the purchase price of such residence exceeds \$800,000.”.

(e) WAIVER OF RECAPTURE OF FIRST-TIME HOMEBUYER CREDIT FOR INDIVIDUALS ON QUALIFIED OFFICIAL EXTENDED DUTY.—Paragraph (4) of section 36(f) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(E) SPECIAL RULE FOR MEMBERS OF THE ARMED FORCES, ETC.—

“(i) IN GENERAL.—In the case of the disposition of a principal residence by an individual (or a cessation referred to in paragraph (2)) after December 31, 2008, in connection with Government orders received by such individual, or such individual's spouse, for qualified official extended duty service—

“(I) paragraph (2) and subsection (d)(2) shall not apply to such disposition (or cessation), and

“(II) if such residence was acquired before January 1, 2009, paragraph (1) shall not apply to the taxable year in which such disposition (or cessation) occurs or any subsequent taxable year.

“(ii) QUALIFIED OFFICIAL EXTENDED DUTY SERVICE.—For purposes of this section, the term ‘qualified official extended duty service’ means service on qualified official extended duty as—

“(I) a member of the uniformed services,

“(II) a member of the Foreign Service of the United States, or

“(III) an employee of the intelligence community.

“(iii) DEFINITIONS.—Any term used in this subparagraph which is also used in paragraph (9) of section 121(d) shall have the same meaning as when used in such paragraph.”.

(f) EXTENSION OF FIRST-TIME HOMEBUYER CREDIT FOR INDIVIDUALS ON QUALIFIED OFFICIAL EXTENDED DUTY OUTSIDE THE UNITED STATES.—

(1) IN GENERAL.—Subsection (h) of section 36 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by adding at the end the following:

“(3) SPECIAL RULE FOR INDIVIDUALS ON QUALIFIED OFFICIAL EXTENDED DUTY OUTSIDE THE UNITED STATES.—In the case of any individual who serves on qualified official extended duty service (as defined in section 121(d)(9)(C)(i)) outside the United States for at least 90 days during the period beginning after December 31, 2008, and ending before May 1, 2010, and, if married, such individual's spouse—

“(A) paragraphs (1) and (2) shall each be applied by substituting ‘May 1, 2011’ for ‘May 1, 2010’, and

“(B) paragraph (2) shall be applied by substituting ‘July 1, 2011’ for ‘July 1, 2010’.”.

(g) DEPENDENTS INELIGIBLE FOR CREDIT.—Subsection (d) of section 36 of the Internal Revenue Code of 1986 is amended by striking “or” at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting “, or”, and by adding at the end the following new paragraph:

“(3) a deduction under section 151 with respect to such taxpayer is allowable to another taxpayer for such taxable year.”.

(h) IRS MATHEMATICAL ERROR AUTHORITY.—Paragraph (2) of section 6213(g) of the Internal Revenue Code of 1986 is amended—

(1) by striking “and” at the end of subparagraph (M),

(2) by striking the period at the end of subparagraph (N) and inserting “, and”, and

(3) by inserting after subparagraph (N) the following new subparagraph:

“(O) an omission of any increase required under section 36(f) with respect to the recapture of a credit allowed under section 36.”.

(i) COORDINATION WITH FIRST-TIME HOMEBUYER CREDIT FOR DISTRICT OF COLUMBIA.—Paragraph (4) of section 1400C(e) of the Internal

Revenue Code of 1986 is amended by striking “and before December 1, 2009,”.

(j) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (b), (c), (d), and (g) shall apply to residences purchased after the date of the enactment of this Act.

(2) EXTENSIONS.—The amendments made by subsections (a), (f), and (i) shall apply to residences purchased after November 30, 2009.

(3) WAIVER OF RECAPTURE.—The amendment made by subsection (e) shall apply to dispositions and cessations after December 31, 2008.

(4) MATHEMATICAL ERROR AUTHORITY.—The amendments made by subsection (h) shall apply to returns for taxable years ending on or after April 9, 2008.

SEC. 12. PROVISIONS TO ENHANCE THE ADMINISTRATION OF THE FIRST-TIME HOMEBUYER TAX CREDIT.

(a) AGE LIMITATION.—

(1) IN GENERAL.—Subsection (b) of section 36 of the Internal Revenue Code of 1986, as amended by this Act, is amended by adding at the end the following new paragraph:

“(4) AGE LIMITATION.—No credit shall be allowed under subsection (a) with respect to the purchase of any residence unless the taxpayer has attained age 18 as of the date of such purchase. In the case of any taxpayer who is married (within the meaning of section 7703), the taxpayer shall be treated as meeting the age requirement of the preceding sentence if the taxpayer or the taxpayer's spouse meets such age requirement.”.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 36 of such Code, as amended by this Act, is amended by inserting “(b)(4),” before “(c)”.

(b) DOCUMENTATION REQUIREMENT.—Subsection (d) of section 36 of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking “or” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, or”, and by adding at the end the following new paragraph:

“(4) the taxpayer fails to attach to the return of tax for such taxable year a properly executed copy of the settlement statement used to complete such purchase.”.

(c) RESTRICTION ON MARRIED INDIVIDUAL ACQUIRING RESIDENCE FROM FAMILY OF SPOUSE.—Clause (i) of section 36(c)(3)(A) of the Internal Revenue Code of 1986 is amended by inserting “(or, if married, such individual's spouse)” after “person acquiring such property”.

(d) CERTAIN ERRORS WITH RESPECT TO THE FIRST-TIME HOMEBUYER TAX CREDIT TREATED AS MATHEMATICAL OR CLERICAL ERRORS.—Paragraph (2) of section 6213(g) of the Internal Revenue Code of 1986, as amended by this Act, is amended by striking “and” at the end of subparagraph (N), by striking the period at the end of subparagraph (O) and inserting “, and”, and by inserting after subparagraph (O) the following new subparagraph:

“(P) an entry on a return claiming the credit under section 36 if—

“(i) the Secretary obtains information from the person issuing the TIN of the taxpayer that indicates that the taxpayer does not meet the age requirement of section 36(b)(4),

“(ii) information provided to the Secretary by the taxpayer on an income tax return for at least one of the 2 preceding taxable years is inconsistent with eligibility for such credit, or

“(iii) the taxpayer fails to attach to the return the form described in section 36(d)(4).”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to purchases after the date of the enactment of this Act.

(2) DOCUMENTATION REQUIREMENT.—The amendments made by subsection (b) shall apply to returns for taxable years ending after the date of the enactment of this Act.

(3) TREATMENT AS MATHEMATICAL AND CLERICAL ERRORS.—The amendments made by subsection (d) shall apply to returns for taxable years ending on or after April 9, 2008.

SEC. 13. 5-YEAR CARRYBACK OF OPERATING LOSSES.

(a) IN GENERAL.—Subparagraph (H) of section 172(b)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

“(H) CARRYBACK FOR 2008 OR 2009 NET OPERATING LOSSES.—

“(i) IN GENERAL.—In the case of an applicable net operating loss with respect to which the taxpayer has elected the application of this subparagraph—

“(I) subparagraph (A)(i) shall be applied by substituting any whole number elected by the taxpayer which is more than 2 and less than 6 for ‘2’;

“(II) subparagraph (E)(ii) shall be applied by substituting the whole number which is one less than the whole number substituted under subclause (I) for ‘2’; and

“(III) subparagraph (F) shall not apply.

“(ii) APPLICABLE NET OPERATING LOSS.—For purposes of this subparagraph, the term ‘applicable net operating loss’ means the taxpayer’s net operating loss for a taxable year ending after December 31, 2007, and beginning before January 1, 2010.

“(iii) ELECTION.—

“(I) IN GENERAL.—Any election under this subparagraph may be made only with respect to 1 taxable year.

“(II) PROCEDURE.—Any election under this subparagraph shall be made in such manner as may be prescribed by the Secretary, and shall be made by the due date (including extension of time) for filing the return for the taxpayer’s last taxable year beginning in 2009. Any such election, once made, shall be irrevocable.

“(iv) LIMITATION ON AMOUNT OF LOSS CARRYBACK TO 5TH PRECEDING TAXABLE YEAR.—

“(I) IN GENERAL.—The amount of any net operating loss which may be carried back to the 5th taxable year preceding the taxable year of such loss under clause (i) shall not exceed 50 percent of the taxpayer’s taxable income (computed without regard to the net operating loss for the loss year or any taxable year thereafter) for such preceding taxable year.

“(II) CARRYBACKS AND CARRYOVERS TO OTHER TAXABLE YEARS.—Appropriate adjustments in the application of the second sentence of paragraph (2) shall be made to take into account the limitation of subclause (I).

“(III) EXCEPTION FOR 2008 ELECTIONS BY SMALL BUSINESSES.—Subclause (I) shall not apply to any loss of an eligible small business with respect to any election made under this subparagraph as in effect on the day before the date of the enactment of the Worker, Homeownership, and Business Assistance Act of 2009.

“(v) SPECIAL RULES FOR SMALL BUSINESS.—

“(I) IN GENERAL.—In the case of an eligible small business which made or makes an election under this subparagraph as in effect on the day before the date of the enactment of the Worker, Homeownership, and Business Assistance Act of 2009, clause (iii)(I) shall be applied by substituting ‘2 taxable years’ for ‘1 taxable year’.

“(II) ELIGIBLE SMALL BUSINESS.—For purposes of this subparagraph, the term ‘eligible small business’ has the meaning given such term by subparagraph (F)(iii), except that in applying such subparagraph, section 448(c) shall be applied by substituting ‘\$15,000,000’ for ‘\$5,000,000’ each place it appears.”.

(b) ALTERNATIVE TAX NET OPERATING LOSS DEDUCTION.—Subclause (I) of section 56(d)(1)(A)(ii) of the Internal Revenue Code of 1986 is amended to read as follows:

“(I) the amount of such deduction attributable to an applicable net operating loss with respect to which an election is made under section 172(b)(1)(H), or”.

(c) LOSS FROM OPERATIONS OF LIFE INSURANCE COMPANIES.—Subsection (b) of section 810

of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) CARRYBACK FOR 2008 OR 2009 LOSSES.—

“(A) IN GENERAL.—In the case of an applicable loss from operations with respect to which the taxpayer has elected the application of this paragraph, paragraph (1)(A) shall be applied by substituting any whole number elected by the taxpayer which is more than 3 and less than 6 for ‘3’.

“(B) APPLICABLE LOSS FROM OPERATIONS.—For purposes of this paragraph, the term ‘applicable loss from operations’ means the taxpayer’s loss from operations for a taxable year ending after December 31, 2007, and beginning before January 1, 2010.

“(C) ELECTION.—

“(i) IN GENERAL.—Any election under this paragraph may be made only with respect to 1 taxable year.

“(ii) PROCEDURE.—Any election under this paragraph shall be made in such manner as may be prescribed by the Secretary, and shall be made by the due date (including extension of time) for filing the return for the taxpayer’s last taxable year beginning in 2009. Any such election, once made, shall be irrevocable.

“(D) LIMITATION ON AMOUNT OF LOSS CARRYBACK TO 5TH PRECEDING TAXABLE YEAR.—

“(i) IN GENERAL.—The amount of any loss from operations which may be carried back to the 5th taxable year preceding the taxable year of such loss under subparagraph (A) shall not exceed 50 percent of the taxpayer’s taxable income (computed without regard to the loss from operations for the loss year or any taxable year thereafter) for such preceding taxable year.

“(ii) CARRYBACKS AND CARRYOVERS TO OTHER TAXABLE YEARS.—Appropriate adjustments in the application of the second sentence of paragraph (2) shall be made to take into account the limitation of clause (i).”.

(d) ANTI-ABUSE RULES.—The Secretary of the Treasury or the Secretary’s designee shall prescribe such rules as are necessary to prevent the abuse of the purposes of the amendments made by this section, including anti-stuffing rules, anti-churning rules (including rules relating to sale-leasebacks), and rules similar to the rules under section 1091 of the Internal Revenue Code of 1986 relating to losses from wash sales.

(e) EFFECTIVE DATES.—

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

(2) ALTERNATIVE TAX NET OPERATING LOSS DEDUCTION.—The amendment made by subsection (b) shall apply to taxable years ending after December 31, 2002.

(3) LOSS FROM OPERATIONS OF LIFE INSURANCE COMPANIES.—The amendment made by subsection (d) shall apply to losses from operations arising in taxable years ending after December 31, 2007.

(4) TRANSITIONAL RULE.—In the case of any net operating loss (or, in the case of a life insurance company, any loss from operations) for a taxable year ending before the date of the enactment of this Act—

(A) any election made under section 172(b)(3) or 810(b)(3) of the Internal Revenue Code of 1986 with respect to such loss may (notwithstanding such section) be revoked before the due date (including extension of time) for filing the return for the taxpayer’s last taxable year beginning in 2009, and

(B) any application under section 6411(a) of such Code with respect to such loss shall be treated as timely filed if filed before such due date.

(f) EXCEPTION FOR TARP RECIPIENTS.—The amendments made by this section shall not apply to—

(1) any taxpayer if—

(A) the Federal Government acquired before the date of the enactment of this Act an equity

interest in the taxpayer pursuant to the Emergency Economic Stabilization Act of 2008,

(B) the Federal Government acquired before such date of enactment any warrant (or other right) to acquire any equity interest with respect to the taxpayer pursuant to the Emergency Economic Stabilization Act of 2008, or

(C) such taxpayer receives after such date of enactment funds from the Federal Government in exchange for an interest described in subparagraph (A) or (B) pursuant to a program established under title I of division A of the Emergency Economic Stabilization Act of 2008 (unless such taxpayer is a financial institution (as defined in section 3 of such Act) and the funds are received pursuant to a program established by the Secretary of the Treasury for the stated purpose of increasing the availability of credit to small businesses using funding made available under such Act), or

(2) the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, and

(3) any taxpayer which at any time in 2008 or 2009 was or is a member of the same affiliated group (as defined in section 1504 of the Internal Revenue Code of 1986, determined without regard to subsection (b) thereof) as a taxpayer described in paragraph (1) or (2).

SEC. 14. EXCLUSION FROM GROSS INCOME OF QUALIFIED MILITARY BASE REALIGNMENT AND CLOSURE FRINGE.

(a) IN GENERAL.—Subsection (n) of section 132 of the Internal Revenue Code of 1986 is amended—

(1) in subparagraph (1) by striking “this subsection) to offset the adverse effects on housing values as a result of a military base realignment or closure” and inserting “the American Recovery and Reinvestment Tax Act of 2009”); and

(2) in subparagraph (2) by striking “clause (1) of”.

(b) EFFECTIVE DATE.—The amendments made by this act shall apply to payments made after February 17, 2009.

SEC. 15. DELAY IN APPLICATION OF WORLDWIDE ALLOCATION OF INTEREST.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) of the Internal Revenue Code of 1986 are each amended by striking “December 31, 2010” and inserting “December 31, 2017”.

(b) CONFORMING AMENDMENT.—Section 864(f) of the Internal Revenue Code of 1986 is amended by striking paragraph (7).

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 16. INCREASE IN PENALTY FOR FAILURE TO FILE A PARTNERSHIP OR S CORPORATION RETURN.

(a) IN GENERAL.—Sections 6698(b)(1) and 6699(b)(1) of the Internal Revenue Code of 1986 are each amended by striking “\$89” and inserting “\$195”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for taxable years beginning after December 31, 2009.

SEC. 17. CERTAIN TAX RETURN PREPARERS REQUIRED TO FILE RETURNS ELECTRONICALLY.

(a) IN GENERAL.—Subsection (e) of section 6011 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR TAX RETURN PREPARERS.—

“(A) IN GENERAL.—The Secretary shall require than any individual income tax return prepared by a tax return preparer be filed on magnetic media if—

“(i) such return is filed by such tax return preparer, and

“(ii) such tax return preparer is a specified tax return preparer for the calendar year during which such return is filed.

“(B) SPECIFIED TAX RETURN PREPARER.—For purposes of this paragraph, the term ‘specified tax return preparer’ means, with respect to any

calendar year, any tax return preparer unless such preparer reasonably expects to file 10 or fewer individual income tax returns during such calendar year.

“(C) **INDIVIDUAL INCOME TAX RETURN.**—For purposes of this paragraph, the term ‘individual income tax return’ means any return of the tax imposed by subtitle A on individuals, estates, or trusts.”.

(b) **CONFORMING AMENDMENT.**—Paragraph (1) of section 6011(e) of the Internal Revenue Code of 1986 is amended by striking “The Secretary may not” and inserting “Except as provided in paragraph (3), the Secretary may not”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to returns filed after December 31, 2010.

SEC. 18. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under paragraph (1) of section 202(b) of the Corporate Estimated Tax Shift Act of 2009 in effect on the date of the enactment of this Act is increased by 33.0 percentage points.

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

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

The motion to lay on the table was agreed to.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

• Mr. BYRD. Mr. President, it is a moral responsibility for a great nation to help provide for its citizens when they are in dire economic circumstances. There are more than 30,000 workers in West Virginia who have exhausted their regular unemployment benefits, and thousands of them have already received their final payment of emergency unemployment benefits. These workers and their families are relying on this unemployment extension bill to survive. Later this year, many more unemployed workers will be counting on the Congress to take action to extend provisions contained in the stimulus bill, in order to be able to purchase health insurance. Congress must not fail them.

I am very pleased that the Senate has passed this unemployment extension measure, which provides a lifeline for families who are barely hanging on.●

EXECUTIVE SESSION

NOMINATION OF TARA JEANNE O'TOOLE TO BE UNDER SECRETARY FOR SCIENCE AND TECHNOLOGY

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the following nomination, which the clerk will report.

The legislative clerk read the nomination of Tara Jeanne O'Toole, of Maryland, to be Under Secretary for Science and Technology, Department of Homeland Security.

Mr. MCCAIN. Mr. President, I understand the Senate is proceeding to the consideration of the nomination of Dr. Tara O'Toole to serve as Under Secretary for the Science and Technology

Directorate at the Department of Homeland Security. This nomination has not been available for consideration until now because I was waiting for Dr. O'Toole to answer the nearly two dozen questions I submitted to her during the past month. As of Monday, she has answered each question.

While I continue to have concerns about this nominee failing to disclose her activities as strategic director for the Alliance for Biosecurity, I will not hold up consideration of her nomination. A September 8, 2009 article in the Washington Times referred to the Alliance as a “lobbying group funded by the pharmaceutical industry.”

Specifically, the article stated, “The alliance has spent more than \$500,000 lobbying Congress and federal agencies—including Homeland Security—since 2005, congressional records show. However, Homeland Security officials said Dr. O'Toole need not disclose her ties to the group on her government ethics form because the alliance is not incorporated . . . Analysts say the lack of disclosure reflects a potential loophole in the policies for the Obama administration, which has boasted about its efforts to make government more transparent.”

The article continued:

They also question lobbying laws that allow such a group to spend hundreds of thousands of dollars without the public knowing exactly how much money each of the companies that belongs to the group contributes, though such arrangements are permitted under the law . . . Ethics rules require nominees to report any paid or unpaid positions held outside of government, including but not limited to those of “officer, trustee, general partner, representative, employee or any consultant of any corporation, firm, partnership or other business enterprise.” Dr. O'Toole signed a letter on behalf of the group sent to the White House as recently as March.

I put forward numerous questions to Dr. O'Toole about her “stealth lobbying” on behalf of the Alliance. She repeatedly answered that her “activities did not constitute lobbying.” I also asked numerous questions about her involvement in securing an earmark for the Center for BioSecurity at the University of Pittsburgh Medical Center. She provided answers to the questions and stated that although she provided a statement for the media in support of the earmark, she did not provide any assistance in lobbying Congress for the earmark.

Elections have consequences, and while she would not have been the nominee I would have chosen for this position, she is the President's choice.

I ask unanimous consent that the September 8, 2009, Washington Times article be printed in the RECORD.

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

[From the Washington Times, Sept. 8, 2009]

OBAMA NOMINEE OMITTED TIES TO BIOTECH

(By Jim McElhatton)

President Obama's nominee at the Department of Homeland Security overseeing bio-

terrorism defense has served as a key adviser for a lobbying group funded by the pharmaceutical industry that has asked the government to spend more money for anthrax vaccines and biodefense research.

But Dr. Tara O'Toole, whose confirmation as undersecretary of science and technology is pending, never reported her involvement with the lobbying group called the Alliance for Biosecurity in a recent government ethics filing.

The alliance has spent more than \$500,000 lobbying Congress and federal agencies—including Homeland Security—since 2005, congressional records show.

However, Homeland Security officials said Dr. O'Toole need not disclose her ties to the group on her government ethics form because the alliance is not incorporated: “There's no legal existence so she wouldn't have to disclose it,” said Robert Coyle, an ethics official for the Department of Homeland Security.

Analysts say the lack of disclosure reflects a potential loophole in the policies for the Obama administration, which has boasted about its efforts to make government more transparent. They also question lobbying laws that allow such a group to spend hundreds of thousands of dollars without the public knowing exactly how much money each of the companies that belongs to the group contributes, though such arrangements are permitted under the law.

“You're not allowing the public to know the full background of this nominee,” said Judy Nadler, a senior fellow at the Markkula Center for Applied Ethics at Santa Clara University in California. “It shouldn't matter whether it's incorporated or not.”

Craig Holman, legislative director of the nonpartisan watchdog group Public Citizen, said the lack of disclosure “definitely and clearly runs counter to the intent of the law.”

Ethics rules require nominees to report any paid or unpaid positions held outside of government, including but not limited to those of “officer, trustee, general partner, representative, employee or any consultant of any corporation, firm, partnership or other business enterprise. . . .” Dr. O'Toole signed a letter on behalf of the group sent to the White House as recently as March.

Dr. O'Toole declined to comment for this article. Her office referred questions to Mr. Coyle at Homeland Security and to officials for the Alliance for Biosecurity, who said the group is in “full compliance” with lobbying rules and noted that there were no financial ties between the Center for Biosecurity, where Dr. O'Toole is chief executive, and the lobbying group she help found.

In written testimony to Congress, Dr. O'Toole said the alliance was “created to protect the Center for Biosecurity's status as an honest broker between the biopharma companies and the U.S. government.”

As undersecretary of science and technology, one of Dr. O'Toole's responsibilities would involve overseeing the department's chemical and biological division, which is in charge of making sure the nation is prepared to defend itself against chemical and biological attacks.

Dr. O'Toole was nominated less than four years after the alliance was formed in 2005. She has served as the group's unpaid strategic director and has signed her name on more than a dozen letters sent to Congress and federal agencies.

The group's letters to policymakers often seek more money for research and vaccines. She signed the letters as the group's strategic director, in addition to listing her full-time paid job as director of the Center for Biosecurity, which is affiliated with the University of Pittsburgh.