There is no question that a difficult job awaits our next Attorney General. He must strengthen the fight against terrorism, he must do more to keep our streets and boardrooms safe from crime, and rebuild the Justice Department to be once again a guardian of the common good. Eric Holder has proven that he has the courage and wisdom to do justice to this critical job.

RESERVATION OF LEADER TIME

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

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of H.R. 1, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1) making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009, and for other purposes.

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

AMENDMENT NO. 98

(Purpose: In the nature of a substitute)

Mr. REID. Mr. President, on behalf of Senators INOUYE and BAUCUS, I call up amendment 98 and ask unanimous consent that once the amendment is offered, no further amendments be in order during today's session of the Senate.

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

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. INOUYE and Mr. BAUCUS, proposes an amendment numbered 98.

(The amendment is printed in the RECORD of Friday, January 20, 2009, under ''Text of Amendments.'')

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

Mr. INOUYE. Mr. President, I rise today in support of H.R. 1, the American Recovery and Reinvestment Act. This bill will create 4 million American jobs, invest in the future of America by rebuilding our roads, bridges and schools, and will give State and local governments the resources they need to deal with surging demand for social services and falling tax revenues.

Further, this measure will provide tax cuts to working families who are struggling every day to cope with this terrible recession.

Today, we face the gravest economic crisis that this Nation has seen since the Great Depression. Our fourth quarter gross domestic product shrank by 3.8 percent, the largest drop since 1982.

A million jobs have been lost in the past 2 months, and this coming Friday we expect to learn that during the month of January, another 600,000 jobs, at a minimum, have been lost.

The American people fully understand the depth and seriousness of our economic problems.

U.S. foreclosures increased by more than 81 percent last year, a record, with over 2.3 million foreclosures. Our States are struggling terribly, facing the prospect of cutting off vital services, including schools and police.

Forty-four States are facing budget shortfalls totaling $90 billion for fiscal year 2009 and $145 billion for fiscal year 2010.

In 2008, U.S. stocks lost roughly $7 trillion in value. In an instant, the life savings of millions of Americans simply disappeared. Our banking system is in grave shape. Last year, 25 banks with $373.6 billion in total assets failed in the U.S.

All the while, the critical needs of our Nation are going unmet. The American Society of Civil Engineers—ASCE—estimates that $2.2 trillion is needed over a 5-year period to bring the Nation's infrastructure to an adequate condition.

How can we grow our economy and provide opportunities for today's working men and women if the basic physical infrastructure that underlies every job in this country is falling apart?

We must invest in our future by making the necessary commitments to ensure that our infrastructure will support our future economic growth.

But today, we face a much more immediate crisis. In Saturday's New York Times, economist Allen Sinai stated:

My sense is that business is slashing hugely and across the board. Everyone is cutting prices, people, capital spending and all kinds of expenses. It is almost a herd instinct.

There is nothing more destructive to economic growth than deflation. It was the defining characteristic of the Great Depression, and it is the single most difficult economic condition to reverse. We cannot allow a deflationary spiral to develop.

Only one institution in the United States, the Federal Government, has the capacity to step into the breach and stop the terrible spiral of increased layoffs leading to decreased spending, in turn leading to more layoffs and so on.

The Federal Government must take aggressive action. We must use all means at our disposal to address this deepening crisis.

Some argue that this is all part of the natural business cycle, that the best course of action is to stand back and let this crisis work itself out. I would remind those who take this position that the Great Depression was also a part of the natural business cycle.

President Hoover refused to take aggressive action, and the results speak for themselves.

It was not until President Roosevelt took office in 1933 and implemented a series of drastic policy reforms that the economy slowly began to improve, and, almost as important, gave the average American reason to believe that there was a light at the end of the tunnel.

We must act boldly, decisively, and with all possible speed, or we will face dire consequences. The American Recovery and Reinvestment Act is the answer. This legislation will not only create jobs now, but will also begin the process of rebuilding the physical infrastructure of America that is the key to future prosperity.

Based on these needs, The American Recovery and Reinvestment Act focuses on the following goals:

First, creating or saving at least 4 million jobs;

Second, investing in America's future by rebuilding our basic infrastructure.

Third, providing for job retraining for those workers who need to learn new skills in order to compete in the global economy today, while at the same time, improving the education of our children and young adults so Americans can remain competitive tomorrow;

Fourth, moving toward energy independence and away from burning fossil fuels that leave us dependent on foreign oil;

Fifth, improving our healthcare system so all Americans can have access to quality treatment;

Sixth, providing tax cuts and other means of assistance to lessen the impact of this crisis on America's working families.

To meet these goals the Finance and Appropriations Committees recommend a total of $888 billion in funding, including $365.6 billion in new appropriations. This is a significant amount of money, but an amount that we believe is wholly necessary to confront the challenges facing our Nation.

My distinguished colleague from Montana will address the tax and mandatory spending issues that we are recommending and I will address the spending programs that were approved by the Appropriations Committee by a vote of 21 to 9.

It would take far too long to describe in detail the hundreds of programs that are included in this bill, but I would like to take a moment to mention some of the more significant investments that we recommend.

We will invest in our future by funding projects that will rebuild and improve our physical and cyber infrastructure. These projects, totaling $142 billion, will create jobs in the near-term, and will provide an improved foundation for future growth by fixing our crumbling roads, bridges, and schools, improving our broadband network, and increasing our ability to conserve energy.

America's tradition of public education is second-to-none, but it has been sadly underfunded in recent years. We all know that for the United States to compete in the 21st century, Americans must be well-educated and capable of adapting to an ever-changing economic environment.

Accordingly, we recommend investing $125 billion in education and training so that the next generation of American workers is ready and able to meet the challenge of global competition. In addition, providing job training to recently laid-off workers in new and expanding fields will help to lower the unemployment rate and will allow today's workers to better compete against foreign competition.

In the area of energy, the American Recovery and Reinvestment Act provides $49 billion in investments in areas critical to the development of clean, efficient, American energy, including modernizing energy transmission, research and development of renewable energy technologies, and modernizing and upgrading government buildings and vehicles.

The current economic crisis has affected all Americans, but none more so than the most vulnerable among us. The $25 billion in spending proposed here will serve to lessen the blow of the current recession, providing immediate relief for children, the poor, and others who may find themselves struggling to put food on the table or a roof over their head.

The bill provides $16 billion in investments in areas critical to immediate and long-term healthcare for millions of Americans. Improved information technology, research facilities, and health and wellness programs will all provide a better foundation for providing quality healthcare to consumers.

We face a critical period in our Nation's history. The next few years will either see us emerge from this crisis with renewed vigor and with an economy that remains the leading engine of global growth, or we may face years of slow growth and an ongoing struggle just to maintain our current standard of living.

Clearly, the goal of this package is to find ways to stimulate the private sector through public sector spending, to jump start the private sector with much needed projects that will create jobs as soon as possible, and that will provide meaningful improvements for our communities.

At the same time, we seek to ensure that the funds that are appropriated in this legislation are spent carefully and with unprecedented transparency. We include $110 million in the bill to increase the resources of agency Inspectors General and the Government Accountability Office.

In addition, this measure would establish a new oversight board within the executive branch which will be charged with oversight of the funding provided in this bill.

Such times as these are only overcome with courageous leadership and a willingness to embrace change, listen to new ideas and take chances. This bill is not perfect. But we must not let our fear of imperfection stop us from taking the bold steps necessary to address this crisis and move America forward.

The time for action is now. The American Recovery and Reinvestment Act of 2009 is the right policy at the right time, and I urge each and every Member of this body to join me in support of creating jobs, supporting our State and local governments, and investing in the future of America.

I yield the floor.

Mr. BAUCUS. Mr. President, I first want to commend my colleagues, Senator INOUYE from Hawaii, the chairman of the Appropriations Committee, who I think has undertaken a masterful job in helping to craft, along with his counterpart, Senator COCHRAN from Mississippi, an economic recovery package that will go a long way toward getting people back to work.

They have done half of the job; the other half was left to the Finance Committee. I think together we have come up with a very good beginning to get Americans back to work and to invest in many of the projects this country needs so desperately.

In 1932, President Franklin Roosevelt said:

> The country needs and . . . the country demands bold, persistent experimentation. . . . [A]bove all, try something. The millions who are in want will not stand idly by silently forever . . . .

Today, the country once again demands bold action. Our country demands bold action to help rebuild a very badly damaged American economy.

Consider the terrible blows to our economy and the problems that we face if we do not act.

Last Friday the Commerce Department reported that from October through December of last year the economy shrank at its fastest pace in a quarter century.

Last year 2.6 million people lost their jobs. If we do not act, 3 to 4 million more people will lose their jobs.

The decline in home prices and the stock market collapse have sharply reduced the net worth of American families. Net worth declined by roughly one-fifth between the middle of 2007 and the fourth quarter of 2008.

CBO projects that the national average home price will fall by another 14 percent between the third quarter of 2008 and the middle of 2010.

Equity wealth has declined by $6 trillion between the end of 2007 and the end of 2008.

The Standard and Poor's 500 stock index fell by almost 45 percent from October 2007 to December 2008.

And the financial crisis has spread around the world.

These are not just numbers. These are families who are hurting. These are mothers and fathers who have lost jobs. These are parents who have seen college savings decimated. These are couples who are struggling to keep their homes.

We need to act. This economic recovery bill will save or create 3 to 4 million jobs. It will position our economy to be more competitive. The measure before us today provides an appropriate response to the conditions that we face.

The Senate Finance Committee worked with the President and Members of the Senate and the House to put together its part of the economic recovery substitute that we are considering this week. The Senate Appropriations Committee took the lead on its part, as well.

We think that the provisions in this substitute represent the best ways to address spending slowdowns and rising unemployment.

And it will be effective. More than 99 percent of the Finance Committee's provisions effects will come in the first 2 years of the bill.

To counteract weak consumer demand and spending slowdowns, we have included several proposals that will put more cash in the pockets of America's taxpayers, seniors, and disabled veterans.

The making work pay tax credit cuts taxes for more than 95 percent of American working families. It gives single taxpayers up to $500 and married taxpayers up to $1,000 this year and next in additional cash that they can use just now.

People will be able to receive the benefit throughout the year through a reduction in the amount of income tax withheld from their paychecks.

Seniors, disabled veterans, other disabled workers, and SSI recipients would receive a one-time payment of $300.

Families with children would also benefit from these proposals. The income threshold to receive the refundable child tax credit would be reduced so that more people would be eligible. The earned income tax credit would be increased for families with three or more children.

An amendment added in the Finance Committee will ensure that the alternative minimum tax will not hit any new taxpayers for 1 more year.

Folks struggling to pay for higher education would get relief. The proposal includes a partially-refundable new tax credit up to $2,500 for the cost of tuition and fees, including books. Section 529 plans would be enhanced by including the cost of computers as a qualifying expense.

This measure would help homeowners who are taking advantage of the first-time homebuyer's credit enacted last year. Under current law, homebuyers have to pay this credit back over 10 years. The substitute before us today would eliminate the repayment obligation, unless the homebuyer sells the home within 36 months of the purchase.

For small businesses, we have included expanded expensing through section 179. This provision helps small businesses quickly recover the cost of certain capital expenses.

For businesses in general, we would increase the years that they can carry back losses and general business credits. This would put cash in the hands of businesses right now.

Businesses would also get a tax incentive through the work opportunity tax credit for hiring unemployed veterans and disadvantaged youth.

The economic downturn has frozen the municipal bond market. This recovery bill includes changes that would help to free up this market, unlocking cash for infrastructure investment.

Banks would be able to inject more capital into projects creating demand for municipal bonds, driving down interest rates. And increasing the small issuer exception would increase the range of municipalities from which banks can buy.

This substitute would also eliminate tax-exempt interest on private activity bonds as a preference item under the alternative minimum tax. This would draw new investors and help stabilize the market.

The legislation would also establish parity for tribal governments on $2 billion of tax-exempt bonds. This important change would allow tribal governments to issue debt for projects on equal footing with other government issuers.

And this substitute would create a new tax-credit bond option. This new bond would give State and local governments a new tool to finance infrastructure projects.

We have also included incentives for energy in this recovery package. These incentives would create green jobs producing the next generation of renewable energy sources, wind, solar, geothermal.

The substitute would extend and modify the renewable energy production tax credit for qualifying facilities.

The substitute includes additional funding for clean renewable energy bonds to finance facilities that generate electricity from renewable resources. And the substitute includes conservation bonds for States to use to reduce greenhouse gas emissions.

Energy experts often cite efficiency as the low-hanging fruit. Efficiency is the easiest way for us to reduce our energy consumption and greenhouse gas emissions.

So we have included incentives for energy efficiency. The substitute would increase the value of the existing credit for energy efficient homes. The substitute would eliminate the limitations on specific energy-efficient property. And the substitute would extend the credits for various types of energy efficient property, for both residential and business.

Two new tax credits would spur our alternative energy and production.

The advanced energy research and development credit would provide an enhanced 20 percent R&D credit for research expenditures incurred in the fields of fuel cells, energy storage, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture and sequestration.

The second energy tax credit is an advanced energy investment credit for facilities engaged in the manufacture of advanced energy property.

This substitute would make sound investments in health information technology, or health I.T. These investments should reduce costs, improve quality, and help patients make better decisions about their health care. Expanding use of health I.T. should make our health care system more efficient, reduce errors, and help bring down costs.

Health I.T. would also provide a platform for standardizing and collecting data to move toward paying for performance, another way to improve efficiency and decrease costs.

Investing in health I.T. will help to put that infrastructure in place, while creating thousands of high-tech jobs.

And reforming health care is the right way to get a handle on entitlement spending.

The economic crisis has also created significant fiscal difficulties for States. At least 45 States will face budget shortfalls. Economists expect those shortfalls to total more than $350 billion over the next 2 years.

These dire circumstances have forced painful choices. Almost half the States have already made or proposed cuts to their Medicaid Programs.

The continued rise in unemployment places a further strain on Medicaid. Decreased revenue coming in means less money to fund Medicaid. And experts warn that every percentage point increase in unemployment adds 1 million people to the Medicaid and CHIP rolls.

Economists tell us that State fiscal relief is an effective means to stimulate the economy. And they also advise that targeted relief to those most in need, not based on circumstances of States' own making but based on true measures of distress, is the best means of distribution.

The substitute before us today would provide much-needed relief to every State through a temporary increase in the Federal share of Medicaid funding. The substitute would also provide additional aid targeted to States facing the most precarious fiscal situations, measured by an increase in unemployment.

These measures will keep States from having to lay off cops or teachers. And keeping those workers on the job will help the economy.

The economic recovery package also supports those who have lost employment and helps them to find new jobs.

While almost all workers pay into the unemployment insurance program, only about half of them qualify for benefits. American workers deserve better. The substitute before us would increase and extend benefits to those currently looking for work.

The substitute before us would help States to cope with the increasing number of families needing temporary assistance. And it would remove the incentive for States to artificially keep their TANF caseloads low.

In addition, the substitute would ensure that families that qualify could continue to receive child support payments that are intended to be spent on children. For those who receive it, child support constitutes about 30 percent of poor families' income.

The substitute before us would also increase the incentive to become employed by extending the transitional medical assistance program under Medicaid for 18 months. TMA allows former TANF recipients to retain Medicaid coverage for one year after they become employed. These workers usually earn too little to afford private coverage.

The substitute before us would also remove barriers to getting Medicaid and CHIP for low-income American Indians and Alaska Natives.

The funds directed toward these programs for vulnerable populations would go into the hands of folks who need it and who will spend it right away. These proposals will increase economic activity, create jobs, and shorten the amount of time that we all spend in this economic crisis.

Another key component of our economic recovery package would help unemployed workers maintain their health coverage.

When workers lose their jobs, they lose more than their paychecks. They often lose their health insurance coverage, as well.

To address this problem, our proposal includes help for unemployed workers to pay for their health care premiums.

Today, most workers who lose their jobs have the right to keep their health insurance for up to 18 months under the COBRA program. But to be eligible for COBRA health benefits, workers must pay all of the premium costs, plus an additional 2 percent for administrative costs. For most folks who have just lost their job, this is simply unaffordable.

Our plan would provide a subsidy to cover up to 65 percent of health premium costs, for up to 9 months.

This premium subsidy is shortterm. It would be available only to unemployed workers while they look for a new job.

For those workers who lose their jobs to international trade, President Kennedy established trade adjustment assistance, or TAA. I have long championed TAA and worked to expand its reach and improve its effectiveness. Today, TAA gives workers the chance to retrain for new jobs, get access to health care, and ultimately get back to work. And that is why the substitute before us today includes a 2-year extension of TAA.

Yet in a time when Americans are doing everything they can to change, adapt, and be flexible in a global economy, TAA should do the same.

We can do more to expand who can benefit from TAA, and we can improve how we get them those benefits. That is why I am working with Senator GRASSLEY, Chairman RANGEL, and Congressman CAMP on a robust expansion of TAA. We hope to include this improved TAA in the economic recovery package before it is enacted.

The package that we are considering this week is our best effort to reach a consensus on an economic recovery bill that can pass the Senate and the House quickly.

The Nation demands action and action now. Let us act quickly to put our economy back on track. Let us act to restore the Nation's financial health. And let us act pass this important legislation this week.

The PRESIDING OFFICER (Mrs. HAGAN). The Senator from Mississippi.

Mr. COCHRAN. Madam President, the bill now before the Senate provides $365 billion in new spending reported by the Appropriations Committee and $522 billion in tax and mandatory spending measures recommended by the Finance Committee. The bill as a whole has a price tag of $887 billion. When the borrowing costs associated with this spending are included, the cost of the package rises well over $1.2 trillion. The President has suggested that even more measures such as this, other requests to stimulate the financial system, may be needed to resuscitate the housing market and reform financial regulatory institutions. We don't know what the cost of all of these measures will be, but it sounds as if we may be asked to enlarge these commitments even further as time goes by.

Proponents of this bill say that the fiscal cost of inaction is also substantial. They argue that failure to enact the bill will lead to lower growth and diminished tax receipts. Yet there is little documentation to back up that claim. Those suggestions have not been described in any detail by administration officials or their economic experts.

In size alone, this measure has few precedents. We are considering this bill in the absence of any formal request or documentation from the executive branch. This bill has been described as President Obama's recovery plan. Yet we have not had an official request from the administration for these funds. I am not one who believes Congress must always wait for the executive branch to lead, but with regard to this bill, we are giving the executive branch immense latitude in the disbursement of the spending it contains. We are doing so without any official request and without any documentation that speaks to the issue of how this spending will stimulate the economy or what the long-term implications of the spending will be. Normally, this kind of information would be contained in an administration budget or supplemental request. For items that are well understood to have a short-term stimulative effect, most of us will feel comfortable debating their merits as part of an emergency measure. But there is a great deal of spending in this bill that is not immediately stimulative.

The majority describes it as investments in our Nation's future. We have the responsibility to be deliberate and consider these items carefully in the context of the President's formal budget request.

The distinguished chairman of the Appropriations Committee, who is my dear friend, made a sincere effort to accommodate priorities expressed by Republican members of the committee and others who are not on the committee and to respond to some of their concerns. He resisted efforts to clutter the bill with controversial policy initiatives that might detract from the focus of the legislation or slow down the progress of the bill. He also insisted on a committee markup of the bill. All of these actions demonstrate his unquestioned sense of fairness.

The fact remains, however, that the Senate is being asked by the administration to take a big leap of faith that the massive spending proposed in this bill will, in fact, stimulate growth of the economy, even though much of the funding will not be spent in the next year or two.

We are all searching for solutions that will help the economy in the short term. Yet we must consider the long-term effects of any so-called stimulative actions we take today. Will the jobs associated with these proposals be created just as the economy is recovering, causing inflationary pressures that may not be welcome 2 years from now? What will be the impacts on Federal borrowing costs of this additional deficit spending, particularly once recovery is underway and we are no longer able to borrow money as cheaply as we are now? And perhaps of greatest concern, is it reasonable to expect stimulus spending to cease after 18 months or 2 years' time? The Federal Government's track record for terminating programs is not very good.

Let me share some of the provisions of this specific legislation. There are well over 20 new spending initiatives and programs that are either being authorized in this bill or being funded for the first time. These programs account for over $230 billion of the appropriated spending in the bill.

The bill allocates $16 billion to build and repair local schools, something which has not before been considered the responsibility of the Federal Government. That is a State and local responsibility.

The bill provides $9 billion to construct broadband infrastructure throughout the country, even as it requires development of a plan to actually spend this money, and the creation of a broadband infrastructure map that might inform development of that plan. Is this putting the cart before the horse or at least maybe putting it alongside the horse?

The bill appropriates $23 billion to create an improved health information technology system, virtually from scratch. This is not a 1- or 2-year project; it is an expensive, long-term program for which there is barely a foundation. Yet we are putting taxpayers on the hook for $23 billion.

The bill invests heavily in science and energy programs. Like many of my colleagues in the Senate, I supported passage of the America COMPETES Act during the last Congress. The goal of that legislation was to ensure that science education in America is of a quality that will sustain our economy in the 21st century. I also supported passage of Energy bills in the last 5 years in the hope that they would enhance our Nation's energy security. Yet I did not support any of these bills with the expectation that their various elements would be immediately funded in their entirety or that they would be funded outside the context of our Federal budget, the regular annual process.

Like most Senators, I assumed we would evaluate the merits of the individual programs as part of the annual budget and appropriations process. Even if this spending may be entirely appropriate, it is reckless to be providing it in the absence of any budgetary context and having done very little due diligence.

Much of the spending will have little stimulative effect. Projected spend-out rates are very slow. The Director of the Congressional Budget Office observed in a January 28 letter to the chairman of the Senate Budget Committee:

> Throughout the federal government, spending for new programs has frequently been slower than expected and rarely been faster.

Is our putting it in this one bill going to change that? What will be the cost of these programs 5 years from now? If we control the overall level of discretionary spending in future years, what programs and priorities will these new initiatives displace? If the spending is entirely additive, what are the impacts of that spending on our national debt or on future tax rates? These questions are difficult to answer without supporting documentation and without having held any hearings.

It seems to me there will be time enough to consider these long-term investments in the regular order and in the context of future Federal budgets.

As former Clinton Budget Director Alice Rivlin recently testified:

> . . . a long-term investment program should not be put together hastily and lumped with an anti-recession package. The elements of the investment program must be carefully planned and will not create many jobs right away.

Yet it is not just these new programs that should concern us. This bill also greatly expands a number of programs such as Head Start, Pell grants, and the Individuals with Disabilities Education Act. These are all programs with merit. I have supported them all, with supporters on both sides of the aisle each year approving bills to extend the authorizations and fund the programs. But the question is, Do they stimulate the economy? How? Is it realistic to expect funding levels for these programs to revert to today's levels once the economy recovers? I think it is safe to expect just the opposite.

The Committee for a Responsible Federal Budget, cochaired by former Congressman Bill Frenzel, my friend, and another of President Clinton's former Budget Directors, Leon Panetta, another friend, recently warned of this danger. Speaking of stimulus recommendations like planting grass on the national mall, the committee said such things are ''a distraction from the bigger risks in this bill.''

More troubling is the number of items in the stimulus plan that are really intended to be permanent new policies rather than temporary items to help boost the economy.

They said:

> While we need deficit spending now, extending out borrowing beyond the economic downturn will make our already-dismal fiscal picture far, far worse.

They go on to say:

> The economy simply can't handle that. There is a very real risk that many of these items will become a permanent part of the budget and unless Congress suddenly shows an uncharacteristic willingness to pay for the new items, the deficit will deteriorate even further.

The committee they chaired went on to say:

> Many of these items may be worthwhile, but an emergency measure is the wrong way to push through permanent changes to the budget. If politicians want to enact long-term spending or tax policies, they should be enacted through the normal legislative process.

I think that is very well put. I think we ought to pay attention to what people like that are saying.

The President's Chief of Staff recently said—probably in jest, maybe in jest—

> You never want a serious crisis to go to waste.

Well, clearly we are seeing the efforts by some—and I am not saying the President's Chief of Staff—to use this stimulus bill to achieve long-term objectives that go beyond addressing our short-term economic policies and problems.

But we agree—I think all Senators agree—the economy is under severe pressure and Congress should take quick but sharply focused action to do those things we are confident will have an immediate stimulative impact on the economy and improve economic prospects. We should address the housing problem that seems to be the central problem in this crisis. We should not, however, rush headlong into fiscal commitments that may haunt us for years to come.

If Federal spending on infrastructure and other programs is truly stimulative, is it not unfortunate Congress has failed to enact 9 of the 12 regular appropriations bills for this fiscal year? These bills account for almost half of all discretionary spending. Yet the agencies and programs supported by those bills have essentially been idling for 4 months under a continuing resolution. This is funding at last year's approved levels of spending; whereas, if enactment had taken place in a timely fashion by this Congress—this Senate and the House of Representatives working together—we would have much of this money that has previously been budgeted and approved by committees, approved by the Congress.

Funding contained in those bills is for projects such as roads, bridges, water projects, Federal buildings, and other activities that might provide jobs now, and they have been held in abeyance under the terms of a continuing resolution, which is continuing this fiscal year to spend at the levels appropriated for spending during the last fiscal year.

That is not something that can be laid at the feet of President Bush. That is the Congress. We hear a lot of criticism of the former President, such as he is the reason for all this. We need to look at ourselves. Congress did not even try to enact the bills. The bicameral leadership made a conscious decision not to engage the former President on spending issues or Outer Continental Shelf oil-and-gas leasing—another example of something that could be labeled ''stimulative.''

Had we enacted those appropriations bills last fall, agencies would already be contracting, hiring, and spending their funding allocations. This week we would be having a debate probably about the merits of supplementing some of those allocations of Federal funds. Instead, we are considering a bill that supplements many existing programs without Members even knowing what the regular appropriations bills contain for those same programs.

In closing, I express my heartfelt thanks and appreciation to the distinguished Senator from Hawaii, the chairman of our Appropriations Committee, for his distinguished leadership and congratulate him on the way he has undertaken to respond to these emergency requests that have been submitted to the committee. He has handled it all in a fair and thoughtful way. It is a pleasure working with him and the other members of our Committee on Appropriations in the Senate.

We, I know, stand ready to continue to work to improve this bill, to listen to suggestions of Senators for changes. It has been an open process, an open, public markup of the bill, an effort to invite suggestions from any member of the committee, and now it is open for amendment. This is no effort to railroad something through here without giving individual Senators the opportunity to carefully consider everything in here, to ask questions of those who maybe were responsible for the inclusion of certain provisions and the like. We are ready to take on these suggestions and consider them carefully to improve this bill over the coming days.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Madam President, as the Senate turns to the economic recovery bill I believe there is a message coming to the Senate from Oregon and every corner of our country. The message is that Americans do not want a bailout. They do not want a handout. What they want is legislation that provides a path out of these very difficult economic times.

I believe that, working together this week, Democrats and Republicans can start building that path. I want to stress that I am especially interested in working with colleagues on the other side of the aisle on this critical legislation.

I serve on the Senate Finance Committee, led by Chairman BAUCUS, and one of the best additions to this bill has been the relief that it provides from the crushing alternative minimum tax. This is a killer tax for middle-class folks. It is something, in my view, that we ought to get rid of permanently and I have proposed doing that as part of comprehensive tax reform. Well, as a result of the bipartisan work on this legislation in the Finance Committee, there is going to be relief from the AMT for hard-hit, middle-class families.

There has also been important bipartisan work on the legislation's approach to infrastructure financing. A member of the Senate Republican leadership, Senator THUNE of South Dakota, has worked with me to craft legislation called Build America Bonds, which uses a tax credit approach to bonds to wring more value from every dollar that's made available for infrastructure. The economic recovery bill includes a tax credit bond provision that is similar to our legislation, although not quite the same, and I will continue to push to improve it.

I believe there are other ideas we are going to focus on, on the floor of the Senate, that will bring Democrats and Republicans together. A number of my colleagues on the other side of the aisle have stressed the need to expand the legislation's support for homeowners and home buyers, to help make sure that people who want to stay in their homes and who are trying to buy a home can get additional relief. I am very pleased that colleagues on both sides of the aisle have come together to work on these kinds of ideas.

For this week, I think there are several key principles that we ought to focus on. One that I feel especially strongly about is rewarding success. Instead of subsidizing failure, this legislation takes an approach that, in fact, rewards success.

A prime example is the extension, for 3 years, of the renewable energy production tax credit. To get this tax credit, energy companies actually have to produce energy. As a result, American taxpayers will get something back for their hard-earned money. That is the kind of accountability that I think the American people have a right to expect.

I think the legislation rewards enterprise, and I am very pleased about the bill's provision to provide enhanced writeoffs under section 179 for small businesses that invest in plants and equipment.

Ultimately, what it comes down to is providing relief for middle-class folks so they can get assistance during these difficult times.

For example, there has been discussion of the bill's supports for health information technology. One big reason that middle-class folks cannot get ahead is that their medical costs gobble up their paychecks and one of the reasons that medical costs have skyrocketed is that there are so many errors in the health care system—errors and inefficiencies, such as duplicative tests. It seems to me that by investing in health information technology, you make a downpayment on a long-term strategy for holding down medical costs and that is extraordinarily important to middle-class folks. So we will be talking about this issue more.

I note the presence of the distinguished chairman of the Appropriations Committee. One of the reasons I am confident we can approach this issue in a bipartisan way is because that is how the chairman of the Appropriations Committee has always worked. That has also been the case with Senator COCHRAN, Chairman BAUCUS, and Senator GRASSLEY.

We are open to the best possible ideas. That is why President Obama, to his credit, has been reaching out. As far as I can tell, he has that phone practically attached to his ear talking to colleagues and saying: Bring us your best ideas. We have tried in the Senate Finance Committee, as Chairman INOUYE has done in the Appropriations Committee, to start incorporating good ideas, whether they come from the Republican side of the aisle or the Democratic side.

I think we can improve this bill even more. But because it rewards success, because it rewards enterprise, because there are already good ideas that both parties support, I would urge colleagues to use this week, working with our chairs and with the Obama administration, to come together—because my view is, as I articulated, that the public does want a path out of these terrible economic times. We have a chance to make it clear that this is not a bailout, that it is not a handout, but rather the start of a path out of this tough economic period.

I hope our colleagues will use this week, under the leadership of the chairman of the Appropriations Committee, Chairman BAUCUS of the Finance Committee, and the ranking minority members, to make sure that by the end of this week we have shown the American people that this important legislation on recovery and investment is moving forward—to deal with the critical needs of those we represent at home.

Madam President, I yield the floor.

Mr. INOUYE. Madam President, as we begin the process of our discussions and debate on legislation to revitalize our Nation's economy, I want to take this opportunity to underscore the points I made on Tuesday of last week as we undertook the markup of the American Recovery and Reinvestment Plan.

As I indicated, it is my belief that we all support the central goals of the legislation, which include the creation of jobs, the rebuilding of America's infrastructure, improving our children's education, moving toward energy independence, improving our health care system, and lessening the burden that this crisis has brought to the most vulnerable among us.

As you well know, beginning in 1987, I served for 19 years as the chairman and vice chairman of the Senate's Committee on Indian Affairs—and in that capacity I came to know a group of American citizens who have clearly been the most vulnerable amongst us—the indigenous, native people of the United States—American Indians, Alaska Natives and Native Hawaiians.

President Obama projects that in the near term, the nationwide unemployment rate could reach 10 percent. But for many of our Nation's First Americans, an unemployment rate of 10 percent in their communities would signal a giant step forward—given average unemployment rates in Indian country that range from 50 to 90 percent.

The infrastructure on many Indian reservations is not only in need of rebuilding—in most parts of Indian country, infrastructure is so sorely lacking or simply nonexistent, that it must be built for the first time. Members of Congress have come to this realization time and again, as we have enacted scores of settlements of Indian land and water claims over the years, and ratified agreements between State and tribal governments—only to find that there is none of the necessary infrastructure that would enable the delivery of water to tribal lands, nor the jobs associated with the establishment of businesses on tribal lands.

In Indian country, another goal that this bill seeks to accomplish—stimulating the private sector through public sector spending—Federal funding has rarely been able to achieve. And that phenomenon is also fundamentally a function of the lack of infrastructure—adequate roads, safe water supplies, access to commercial and transportation corridors, good schools and access to quality health care. These are the critical components if we are ever to successfully encourage private sector investment in Native America through public funding.

There are vast natural resources that remain untapped in Indian country—wind energy, hydropower, solar energy, and other sources of clean, renewable energy—undeveloped in large part because of the lack of infrastructure and lack of access to electric transmission lines The same is true for those things most Americans have come to take for granted—basic connections to the outside world, such telephone service, access to the Internet and broadband services, public health and safety broadcast systems. A transition to digital television isn't a challenge to those who have no electricity.

Safe and affordable housing, running water, potable water, a source of heat—these aren't givens in Indian country as they are elsewhere in America.

So tribal governments have taken matters into their own hands—they have sought to restore their federally recognized status, to reacquire the lands that were lost through the opening of Indian reservations to homesteading and the treaty-making process, and to reconsolidate their traditional tribal land bases, so that in turn, they can develop a geographic base upon which to build and sustain economic growth and the means to effectively serve—through tribal government programs and services—all of those who reside on tribal lands—not just the citizens of their governments.

But our Federal bureaucracies—as well intentioned and well meaning as they may have been—have stood in the way of the tribal governments' efforts to achieve this economic growth and development of Native communities and those communities which surround them, and I believe that the scope of this bill must be inclusive enough to embrace initiatives that are designed to remedy not only centuries-old problems but to fulfill the commitments that we have made in a host of land and water claims settlements, in agreements involving State and tribal governments, and most importantly in our treaties with the Indian nations.

Accordingly I will look forward to working with my colleagues to assure that this bill does not inadvertently place obstacles in the paths of those who seek to become self-sufficient and self-sustaining—those who have faithfully served our country and placed themselves in harm's way in the defense of our country in larger proportions than any other group of Americans—this Nation's First Americans, the Native people of the United States of America.

Madam President, I want to inform the Senate that neither S. 336 as reported to the Senate nor division A of the Inouye-Baucus substitute amendment to H.R. 1, Senate amendment numbered 98, contains any congressional directed spending items as defined in rule XLIV of the Standing Rules of the Senate. I can also inform the Senate that division B of the amendment, prepared by the Committee on Finance, contains no limited tax benefit, limited tariff benefits, or congressional directed spending items as defined in rule XLIV.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

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

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

EXECUTIVE SESSION

NOMINATION OF ERIC H. HOLDER, JR., TO BE ATTORNEY GENERAL

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 assistant legislative clerk read the nomination of Eric H. Holder, Jr., of the District of Columbia, to be Attorney General.

The PRESIDING OFFICER. Under the previous order, there will be 3 hours of debate equally divided and controlled between the Senator from Vermont and the Senator from Pennsylvania or their designees.

The Senator from Vermont is recognized.

Mr. LEAHY. Madam President, I thank the distinguished Presiding Officer and appreciate her being here. We are starting a minute or so late. It is my fault. When I saw my friend from Pennsylvania, the distinguished ranking member, come out, we had to have some discussion of last night's Super Bowl game. It was one of the most spectacular ones. He feels even more spectacular than Senators from some other States—any other State—because his State won.

I think it is also a spectacular day because the Senate is considering President Obama's historic nomination of Eric Holder to be Attorney General of the United States.

The Judiciary Committee voted last week to report Mr. Holder's nomination to the Senate for consideration. That strong, bipartisan 17 to 2 vote in favor was a statement that members from both sides of the aisle recognize that Mr. Holder has the character, integrity and independence to be Attorney General. It is a statement that we all want to restore the integrity and competence of the Justice Department and to restore another critical component—the American people's confidence in Federal law enforcement. The broad support Mr. Holder's nomination has from law enforcement, from advocates for crime victims, from civil rights organizations and from across the political spectrum comes as no surprise to those of us that have known of Eric Holder during his decades of dedicated public service.

After more than 2 months of scrutiny and consideration, I was pleased to see Mr. Holder's nomination gain the support of such a large majority from the Judiciary Committee. I thank all the Democratic members for their thorough consideration of this nomination. In particular, I thank our newly assigned members for following the hearings and participating in our deliberations without missing a step. I thank the Republican members, as well. I had said that Senators could vote for or against the nomination and two Senators determined to vote no, as is their right. With respect to the six Republican members who ended up supporting the nomination, I note that Senator HATCH, a former chairman of the Judiciary Committee, did so early on. Then, in the last days the ranking Republican member of the committee, another former committee chairman, as well as Senator GRASSLEY, Senator SESSIONS, a former U.S. attorney and State attorney general, Senator KYL, the Republican whip, and Senator GRAHAM came to support the Holder nomination. In my three and a half decades in the Senate, I have never seen a nominee as qualified as Eric Holder to serve as the Nation's top law enforcement officer.

The need for new leadership at the Department of Justice is as critical today as it has ever been. Over the last few years, political manipulation from the White House has undercut the Justice Department in its mission, and shaken public confidence in our Federal justice system.

The Judiciary Committee expended a good deal of effort over the last 2 years to uncover scandals at the Department of Justice. Former Attorney General Gonzales and virtually every top-ranking Department official resigned during our inquiry. Likewise, Karl Rove and his White House political deputies resigned.

Before the November election, I co-authored an article with our ranking Republican member. We wrote that the next Attorney General "must be someone who deeply appreciates and respects the work and commitment of the thousands of men and women who work in the branches and divisions of the Justice Department, day in and day out, without regard to politics or ideology, doing their best to enforce the law and promote justice." I have every confidence that Eric Holder is such a person.

Mr. Holder's designation was greeted with delight by the career professionals at the Justice Department because they know him well. They know he is the right person to restore the Department. They know him from his 12 years at the Public Integrity Section, from his time as the U.S. attorney for the District of Columbia, from his tenure on the bench, and from his years as the Deputy Attorney General, the second-highest ranking official at the Department. His confirmation will do a great deal to restore morale and purpose throughout the Department.

It is important that the Department also have the rest of its senior leadership in place without delay. This week, we will hold a hearing for the Deputy Attorney General nominee, and I will soon notice hearings for the other members of the Justice Department leadership team.

I wished we could have moved even more quickly to put the new leadership in place at the Department at a time when we face serious challenges and threats. When President Bush nominated Michael Mukasey in 2007 to the Attorney General's seat vacated by the resignation of Alberto Gonzales, Senator JON KYL said:

> Since the Carter administration, attorney general nominees have been confirmed, on average, in approximately three weeks, with some being confirmed even more quickly. The Senate should immediately move to consider Judge Mukasey's nomination and ensure he is confirmed before Congress recesses for Columbus Day.

Well, it has been more than twice that long since Mr. Holder's designation and three times that long since reports of his impending nomination. Our consideration was delayed because I accommodated requests from the ranking Republican member and committee Republicans and postponed the hearing until January 15 and then they postponed consideration another week through procedural objections.

Mr. Holder spent more than nine hours testifying before the Judiciary Committee at his hearing 2½ weeks ago, answering every question any member of the Judiciary Committee, Republicans and Democrats, chose to ask him. All Senators were accorded such time as they needed in three extended rounds of questioning to ask whatever they chose.

Despite that extended hearing and a second day of hearings with public witnesses that I convened at the request of our Republican members, in the week after the hearings 12 Senators sent Mr. Holder 125 pages of extensive follow up questions. He has answered these questions—more than 400 of them—as well.

I asked for the cooperation of all members to debate and vote on Mr. Holder's nomination on the day after the President's inauguration but instead, as is his right, the ranking Republican member held over the nomination for another week. I was, as I said, extremely disappointed. I did not schedule that markup until I had consulted with the Senator from Pennsylvania first. Indeed, he had assured me that he would not hold the matter over. Yet he joined with the Republican members of this committee in a unanimous request to hold over the nomination. Senator MCCAIN was right last week when he said about the President's Cabinet nominations:

> We shouldn't delay. . . . We had an election, and we also had a remarkable and historic [inauguration], and this nation has come together as it has not for some time."

He concluded that he understood that "the message that the American people are sending us now is they want us to work together and get to work."

Regrettably the Republican members of the Judiciary Committee did not