

the biodiesel tax credit. Without this credit, most of the biodiesel plants in this country will simply be forced to shut down, thus idling important domestic fuels production capacity as well as putting as many as 20,000 employees out of work. We can't let that happen. And, if for any reason the credit was not made retroactive, bankruptcy would in a good number of instances be a quick result.

I do appreciate the efforts by the chairman and ranking member to move forward with this badly needed legislation at the first opportunity.

Ms. STABENOW. Madam President, as we work toward economic recovery, it is imperative that we act quickly to extend critical tax provisions scheduled to expire this year that promote research and development, spur community development, support the deployment of alternative vehicles and fuels, and provide certainty for businesses and families.

Knowing these tax provisions are in place allows Americans to plan for the upcoming year. The longer we wait to pass this legislation, the more uncertainty we place on businesses during a time when they are starting to recover. Many of these tax provisions encourage investment, the development of new technologies, and business growth, which allow our companies to be competitive in a global marketplace.

Delaying the extension of the research credit could put more than 100,000 jobs and billions of dollars in economic activity and Treasury revenue expected in 2010 in jeopardy, according to estimates from TechAmerica. If the credit is renewed, the association estimates that 120,000 jobs would be generated and/or sustained, there would be an additional \$16 billion in additional research and development and other economic activity and \$13 billion in Federal tax revenue over the course of 2010. However, for every day that the credit is left expired, there is the potential to lose 331 jobs, \$45 million in economic activity, and \$37 million in tax revenue.

Another important tax provision set to expire this year allows businesses to write off the expenses of cleaning up brownfields, industrial land that would otherwise continue to be a blight on our communities and harm our environment. In my home State of Michigan, these credits will be needed more than ever to address the brownfields that have been left behind as a result of the restructuring of the automotive industry. Revitalization of these brownfields will be critically important to communities throughout the State and the Midwest.

It is also imperative that we restore the estate tax retroactively to January 1, 2010. I am extremely disappointed that an extension was blocked and that the estate tax will be allowed to expire in 2010. Contrary to Republicans' claims, more heirs of farm and business estates will be hit with a tax increase than if we extended the estate tax at

current levels. If the 2009 rules are retroactively applied, then only approximately 6,000 estates would pay the estate tax each year; however, if the estate tax expires, then it is estimated that 61,000 estates could be hit with the capital gains tax. It is critical that we extend the estate tax under the 2009 parameters to protect small businesses and family-owned farms, continue the incentive that the estate tax provides for charitable giving, and provide certainty for the heirs of farm and business estates.

During one of the most challenging economic times our country has faced, dragging our feet on these tax extensions could have a substantial impact on our Nation's businesses and families at a time when we should be doing all we can to help them succeed. I look forward to working with Chairman BAUCUS and Ranking Member GRASSLEY to retroactively extend expiring tax credits expeditiously when we return next year.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Madam President, there was a report released recently by the Chief Actuary, Rick Foster. I hope this report will once and for all put an end to any serious consideration of the CLASS Act. The CLASS Act is going to be in the bill, if this bill passes Congress. But it should not be in it, and we should have had a long discussion on this provision because it is simply fiscally unsustainable.

The information the Chief Actuary's letter provides is ample evidence of why the CLASS part of this bill cannot work. Quoting from page 13 of the Chief Actuary's letter:

We estimate that an initial average premium level of about \$240 per month would be required to adequately fund CLASS program costs for this level of enrollment, antiselection, and premium inadequacy for students and low income participants.

So who would enroll in the CLASS program? An American making 300 percent of poverty has a gross income of \$32,490. If the CLASS premium is, as the Chief Actuary predicts, \$240 per month—that is \$2,880 per year—and an individual at 300 percent of poverty would have to commit 8.9 percent of their income to join the program. That is simply not possible, nor is it plausible to argue that young, healthy persons will commit almost 9 percent of their income to long-term care insurance policy.

The people who will enroll then are those who have real expectations of using the long-term care benefit. People who join the CLASS program with the expectation of needing the benefit become the Bernie Madoffs of the CLASS Act Ponzi scheme.

An individual becomes eligible for the CLASS program after paying premiums for just 5 years. If a person pays premiums of \$2,880 per year for 5 years, they would have paid a total of \$14,400 in premiums for that program. That person can then begin collecting a benefit of \$1,500 per month. In 10 months, the person will have recouped their 5 years' worth of premiums.

This simple explanation should make it crystal clear why the CLASS Act is a fiscal disaster waiting to happen, not based on our determination but based on the determination of the Chief Actuary. The premium will be too expensive to entice young, healthy people to participate. The benefit payout is very enticing for people who know they will need the benefit. Healthy people do not participate; sicker people will. This adverse selection problem will send the program into the classic insurance death spiral.

The Chief Actuary concluded on page 14 of his report with this one sentence:

There is a very serious risk that the problem of adverse selection would make the CLASS program unsustainable.

If the CLASS Act becomes law, the Federal taxpayers are at very serious risk of paying a price to clean up the fiscal disaster when the CLASS Act fails.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. 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. BAUCUS. Madam President, this chart shows very graphically—this is data put together by the Joint Committee on Tax, combining all the various provisions in the bill. Basically, it shows that in 2015—that is the bar on the far left—there will be a \$26.8 billion net tax cut for individuals—net tax cut. Two years later in 2017—that is the middle vertical bar—there is a net tax cut of \$40 billion for all Americans—a net tax cut. Not for all Americans. Some will not get it, but most Americans by far will. Then, of course, 2 years later in 2019, there is a net tax cut of \$40.8 billion.

I wanted to make it clear that there is a net tax cut in this bill, according to Joint Tax. This is the distribution over 3 different years—2015, 2017, and 2019. That is information prepared by the Joint Committee on Tax. I want Americans to know there are tax cuts in this bill, and they are very significant.

Madam President, I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:30 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:30 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

SERVICE MEMBERS HOME OWNERSHIP TAX ACT—Continued

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I have control of the Democratic block of time, and I yield 25 minutes to the good Senator from Rhode Island.

Mr. REED. Mr. President, I thank the chairman for yielding me the time and also thank him for his great effort on this legislation.

It is a profound privilege to have the opportunity to serve the people of Rhode Island and in that capacity to support the legislation before us. This effort has been decades in the making. Every year that passes without health insurance reform has made the task more difficult and, the need for reform, more essential.

Rhode Islanders have seen their health care costs double in just the last decade. In 2000, the average employer-sponsored family health insurance policy cost about \$6,700. In 2008, the same plan cost nearly \$12,700. Without reform, by 2016, that family will pay over \$24,000 in premiums, consuming 45 percent of their projected median income. Such a course is unsustainable by the families of Rhode Island.

Soaring health care costs are hurting family budgets, small businesses, and the national economy. In 1980, Americans spent \$253 billion on medical bills. Today, we are paying \$2.5 trillion on medical bills. That pressure is pushing Medicare toward collapse and 750,000 Americans into bankruptcy each year.

This legislation will help contain health costs, extend insurance to millions, and give health consumers more protection against discriminatory insurance practices. By shifting the balance of power from insurance companies to consumers, we will make health care more affordable for individuals and businesses and provide families with greater health care access and stability.

This bill is fiscally responsible. It is fully paid for. We trimmed wasteful programmatic spending and imposed new fees on drugmakers, reined in entitlement spending, and imposed taxes on things such as tanning beds, which lead to health care costs. But we also provided every American family with greater health care stability and extended affordable health insurance to 30 million more of our fellow citizens.

The nonpartisan, independent Congressional Budget Office—the CBO—estimates this bill will reduce the deficit by \$132 billion over the next decade and \$1.2 trillion over the following 10 years.

We need urgent action. The delay tactics and the procedural obstacles employed by the other side are hurting our fellow citizens. Every day, 14,000 more Americans lose their health cov-

erage, and every day we remain here delaying this measure, 14,000 more Americans will lose their coverage. We have to, I think, reverse that trend and begin to fix our broken health care system.

Since 1999, Rhode Island's uninsured population has nearly doubled, growing from 6.1 percent to 11.8 percent in 2008, and it has soared up to about 15 percent today in the wake of unprecedented economic issues. But while some of us have made this debate about trying to fix a broken health care system, others have made it clear their real intention was to use this issue to "break President Obama" and make health reform his "Waterloo." Partisanship must not come before providing access to life-saving health care to children, families, and seniors.

I also don't understand how some party loyalists who spent the past 8 years helping George W. Bush drive our economy into the ground and inflate the deficit to record levels are now obstructing every reasonable effort to fix these problems. How could they help George W. Bush double our national deficit, running it up more in 8 years than all 42 Presidents before him, and then turn around and claim President Obama isn't doing enough to control it?

How could they say this \$800 billion insurance reform bill—which is fully paid for and reduces costs to consumers—is too expensive, but the \$1.2 trillion prescription drug bill they passed—which was financed through deficit spending and amounted, in many respects, to a giveaway to drug companies—was somehow good policy?

How can they rail against health care reform right after overseeing the largest expansion of our government in decades? How will they change their approach when, through hard work, we do, in fact, extend coverage and reduce cost and begin to deal with the deficit that has to be dealt with in the years ahead?

Health insurance reform hasn't always been this partisan. Indeed, many Republicans have said they support a great deal of what is in this bill but, for whatever reason, they refuse to support it. Indeed, by my count, this bill increases competition, which Republicans said they wanted. Indeed, by my count, this bill lowers cost, which Republicans said they wanted. Indeed, by my count, this bill does not contain a public option. I regret that, but that is the position I think most of the Republicans—not all—supported. And, indeed, this bill provides Americans with tax credits to purchase insurance, which Republicans said they wanted.

So the bill we will pass seeks to tear down the inefficiencies in the current system, curb the cost, and reduce the waste and abuse Rhode Islanders and Americans experience every day.

It is our responsibility to enact meaningful health reform. Just saying no may be a powerful political weapon, but this country is built on hope and a better future, not fear.

Health insurance reform will offer Rhode Islanders access to stable and affordable health insurance coverage. Here are some of the changes that will happen immediately with the enactment of this bill:

Insurance coverage for the uninsured with preexisting conditions will be provided through a high-risk pool within 6 months of this bill being signed into law. In my State, one plan already acts as the insurer of last resort and provides coverage for those who have preexisting conditions. This bill will support their efforts. And, all insurers will be prevented from denying coverage to children immediately due to a preexisting condition.

There will be no lifetime limits on coverage for all new policies. This means no one will exhaust their coverage plan, no matter how sick they become.

There will be restrictions on annual limits for all new policies. Insurance companies will have more difficulty denying care in the middle of treatment.

All new policies sold will cover children up to the age of 26. This is particularly helpful since graduates from college often—particularly in this economy—have a hard time finding employment with health care benefits.

Insurers will no longer be able to rescind coverage upon illness—when treatments, checkups, screenings, and medication are absolutely critical.

Insurance companies will be required to cover—free of charge—preventive care for new policyholders.

Beginning next year, in 2011, small businesses will be eligible for a tax credit to purchase insurance for employees.

Then, in 2014, after allowing the States a time to design and develop and prepare themselves, our bill will extend affordable coverage to over 30 million uninsured Americans through a new health insurance exchange which promises to expand choice, increase competition, and rein in cost.

Rhode Islanders without a job will be able to purchase insurance on a newly established and government-regulated health insurance market. Many will receive Federal support for the purchase of coverage.

Rhode Islanders employed by a company that does not provide insurance—or inadequate insurance—will be able to purchase insurance on this new market exchange.

Small business owners will be able to easily compare the cost of insurance coverage offered by a multitude of plans through a new health insurance exchange, and it will allow small business owners to pick the coverage that fits the needs and budget of their employees.

Rhode Islanders on Medicare will no longer have to pay out of pocket for important preventive services and no longer spend portions of the year in the so-called doughnut hole without paid drug coverage.

Low-income adults, without children, will have access to Medicaid, which