

agreement to dramatically cut our take of water from the Colorado River—we have to have the conveyances to move the water around the State.

Private landowners also receive the benefit of upgraded flood protections and bypasses around key diversion points, so that fish are not diverted along with irrigation supplies. This is a very sensitive, very problematic area. It has taken a lot of work to know how to do this. The Federal Government could not build these flood and bypass measures to benefit third party landowners without the ability to acquire land through eminent domain. That is just a fact.

There is a great need for water projects in my State. If we don't move, I believe California will end up a desert State. We are faced with high wildfire potential, with warming climates, and reduced water. We are in the third year of a drought.

Mr. President, you might be interested in knowing that for the big Central Valley of California, which makes California the No. 1 agricultural producer in America, most of that valley's water allocation from the Central Valley Project for this year is zero, which means fallowing, which means cutting out trees and crops. So we are in a very sensitive situation.

I urge the Senate to vote no on these Coburn amendments. I think it is very easy to come in and second-guess a situation and not know anything about 18 years of litigation and the fact that the Government is going to lose the case and having to try to work out a settlement, which gets the best for all of the parties concerned. I believe we have done it, and it has taken hours and hours of negotiation.

This has been approved by this body once. To remove the bill and the eminent domain authority from the lands bill would be tragic. Again, the Federal Government would have to pick up the costs the State of California is willing to pay under this settlement—\$200 million—and the cost these water contractors are willing to provide—\$200 million—and do the whole job itself, which is going to cost an additional \$400 million.

These amendments are in no way, shape, or form, cost effective, and they will hamstring California's effort to solve what is an egregious problem, and that is an increasingly drying State, which is in drought almost on a perpetual basis and is trying to solve its problems.

On behalf of Senator BOXER and I, I urge a "no" vote on both of these amendments.

Mr. President, I ask unanimous consent that my time not count against the time allocated for the Kirk nomination.

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

Mrs. FEINSTEIN. I thank the Chair.

EXHIBIT 1

STATE CAPITOL,
Sacramento, CA, May 5, 2008.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR FEINSTEIN: As Congress again considers legislation needed to implement the Settlement Agreement reached to restore the San Joaquin River, I write to reiterate my support of your leadership in this matter and to urge Congress to act now to take advantage of this historic opportunity. Restoring the San Joaquin River will provide vital benefits to the environment, to the people of the San Joaquin Valley, and to all Californians. I remain confident that this settlement can be implemented to provide these important benefits while minimizing impacts to the Friant water users and preserving the regional economy.

The state of California has already committed substantial funding to support the settlement effort. In November 2006, California voters approved Proposition 84, the Water Quality, Safety and Supply, Flood Control, Natural Resource Protection Bond, which earmarks \$100 million to support San Joaquin River restoration. Other bond funds are available to provide flood management improvements and to support regional water supply reliability projects. Moreover, I have directed my Administration to pursue all available opportunities to contribute to the dual restoration and water management goals of the Settlement Agreement.

Thank you again for your leadership to secure the passage of the necessary legislation to advance the restoration of the San Joaquin River. Please know that my Administration remains committed to this important effort and we look forward to continuing our work with the federal government on this significant restoration program.

Sincerely,

ARNOLD SCHWARZENEGGER,
Governor.

DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, November 7, 2007.

Hon. NICK J. RAHALL II,
Chairman, Committee on Natural Resources,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Department of Justice (DOJ) strongly supports H.R. 4074, the San Joaquin River Restoration Settlement Act (originally introduced by Congressman Radanovich as H.R. 24). This bill provides necessary authorization and funding to carry out the terms of the San Joaquin River Settlement. The purpose of the settlement is to fully restore the San Joaquin River and to mitigate the impact of water losses on water districts in the Friant Division of the Central Valley Project who have long-term contractual rights and obligations with the Bureau of Reclamation. This settlement not only resolves litigation over the operation of the Bureau of Reclamation's Friant Dam east of Fresno, California, it provides a framework for the restoration of the San Joaquin River and its fishery in a way that protects the sustainability of farming in the Friant Division.

On October 23, 2006, the United States District Court for the Eastern District of California approved this settlement, ending eighteen years of litigation, Natural Resources Defense Council, et al. v. Kirk Rodgers, et al. The Administration previously announced its support for legislation implementing this settlement in testimony before your Committee on March 1, 2007, by Jason Peltier, Principal Deputy Assistant Secretary for Water and Science for the U.S. De-

partment of the Interior. The State of California has pledged its support for the Settlement in the amount of \$200 million.

Enactment of H.R. 4074 is essential to the implementation of this historic, court-approved settlement. Without this legislation, the Secretary of the Interior lacks sufficient authority to implement the actions in the settlement. Implementation of the San Joaquin River Settlement will avoid the high cost and uncertainty that will result from a return to litigation if the settlement is not implemented.

Thank you for the consideration of our views. Please do not hesitate to contact this office if we can be of further assistance in this matter. The Office of Management and Budget has advised that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

BRIAN A. BENCZKOWSKI,
Principal Deputy Assistant,
Attorney General.

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time during the quorum call be charged equally.

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

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BARRASSO. 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. BARRASSO. I ask unanimous consent to speak as in morning business.

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

THE BUDGET

Mr. BARRASSO. Mr. President, today I wish to talk about this administration's proposed budget. I believe the President's proposed budget fails the American people. It fails small businesses, and it fails our economic future.

To me, this budget spends too much on bailouts and on wasteful Government programs. It raises the cost of energy, and it costs American jobs.

The spending in this budget is so massive that independent estimates say they are going to need another quarter million people—250,000 more Federal Washington bureaucratic workers—just to spend all the money.

Middle-class families and small businesses all across this country are taking notice. These are the people who are making the financial sacrifices every day to pay for these huge Government expenses. Yet Washington continues to spend trillions in taxpayers' dollars on bailouts and big Government programs.

This budget spends too much, it taxes too much, and it borrows too much.

This budget contains the largest tax increase in the history of our country. We need to help American industry promote growth and create jobs. I will tell you that raising taxes makes matters worse, especially in an economic downturn.

The President's plan takes money from small businesses and families in my home State of Wyoming. The President's budget will devastate the small businesses of America. The budget even limits itemized deductions for people who give money to charities. This effectively raises our Nation's top tax rate to 42 percent.

Our Treasury Secretary Geithner says the proposed changes in the tax rates would apply to only 2 or 3 percent of small business owners. But the reality is, those tax increases are going to hit hardest those small businesses which create the most jobs in our Nation.

Small businesses created a majority of new jobs in America over the last 10 years. Small businesses are responsible for 70 percent of the job creation in this Nation.

These jobs are being created by businesses similar to those that are now threatened by the administration's proposed tax increases. When we consider that the administration talks about a goal of job creation, why is this administration proposing a budget with costly tax hikes on those very engines that create the jobs in this Nation?

They say: We are going to delay the tax increases until 2010. That doesn't make those tax increases hurt any less. Small business owners plan ahead. They plan well in advance. They will not hire someone today if they know they are going to be forced to lay that person off in less than 2 years.

I want to talk a little bit about electric bills.

Electric bills and the cost of everything manufactured in America is going to skyrocket under this proposed budget. Under the Obama budget, gasoline prices are likely to go up as much as 145 percent.

The President from Duke Energy says the plan could increase energy prices for American households by as much as 40 percent.

People need to know under this plan, anything that emits carbon is going to be more expensive. This means the plastics we use, the cars we drive, the homes we heat—they are all going to be more expensive. Every time you flip the light switch, you are going to be paying much more.

The very building blocks of our Nation will be dramatically taxed. American families will experience a dramatic shift down the economic ladder.

Folks who are struggling to get by in my home State of Wyoming and all across America will fall through the cracks in this budget. It is wrong. It is time this administration leveled with the American people about the hidden details in this budget plan.

The President is proposing we spend scarce resources transferring income rather than promoting growth.

According to the President's climate proposal, taxes on carbon are projected to total over \$78 billion in 2012 and at least \$646 billion over the next 10 years.

Of that money, he proposes to spend \$1 out of every \$5—only \$1 of every \$5—on clean energy technologies. The other \$4 of every \$5 are going to go to bigger Government programs.

According to the President's budget document, his climate change proposal is more expensive than the \$646 billion he has suggested. He is hiding the true cost to the economy of his cap-and-trade scheme.

The President is also abandoning what I call 24-hour power. Under his cap-and-trade scheme, that is power that runs the factories and American homes 24 hours a day, 7 days a week. It is the power we need when renewable energy is not there—when the Sun is not shining or the wind is not blowing. We need all the energy. We need the coal. We need the nuclear. We need the natural gas. We need the hydropower. All are proven and affordable energy solutions. Those are the kinds of things that will help keep electric bills low.

If you eliminate these, you are automatically taxing all Americans with high energy bills—that is what you are doing—and that means making the cost of running a business more expensive. That means heating homes all across America will be much more expensive.

They have done some estimates, and they have estimated that the President's new energy tax will cost every household in America an additional \$250—not each year but \$250 each month.

Frankly, that is a tax increase that most American people cannot afford, and, frankly, I don't understand why the President is asking them to pay it.

In reality, the President's cap-and-trade scheme is another bailout, a trillion-dollar climate bailout.

This budget spends too much, it taxes too much, and it borrows too much.

This budget costs too much in dollars, and it costs too much in jobs. This budget hurts small businesses, and it hurts American families alike.

This budget provides for the largest tax increase in history to fund a trillion-dollar climate bailout. It is unfortunate that we are aiming and targeting small businesses because they are the very foundation of job creation in this country. It is unfortunate that this is the starting point of the debate of how to get our economy moving again.

The American people expect better. The American people demand better. The American people deserve better.

Mr. President, 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. DORGAN. 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. DORGAN. Mr. President, how much time remains on the Democratic side on the nomination for USTR?

The PRESIDING OFFICER. There remains 16 minutes.

Mr. DORGAN. Mr. President, I intend to speak for 10 of the 16 minutes. I will reserve the 6 minutes for others.

Mr. President, we are dealing with the nomination of Mr. Kirk to be trade ambassador, the head of the trade office in our Government. I intend to support his nomination, but I wanted to come to the floor to take the opportunity to say that ambassador after ambassador after ambassador has left that trade office with large and growing trade deficits that I think weaken and undermine our country. And I want to make certain Mr. Kirk and others know what I think is the urgency to address these significant trade deficits.

We are a country that is consuming 3 percent more than we produce. No country can do that for a very long period of time. We are buying more from abroad than we are selling abroad—\$2 billion every single day. We import \$2 billion every day more than we export.

We are facing a very severe financial crisis in this country now. At least one of the causes of that crisis, which is never discussed by anybody, is an unbelievable trade deficit.

Our merchandise trade deficit last year was \$800 billion. You can take a look at what has happened in recent years. These red lines represent the deep hole of trade deficits. That is money we owe to other countries because we are buying more from them than we are selling to them.

Now, I am for trade, and plenty of it, but I insist it be fair, and I also believe there are mutual responsibilities of trading partners. The trade deficit, for example—in the \$800 billion merchandise trade deficit we have—with China is \$256 billion. Think of that: \$256 billion in a year. And we have very serious trade problems with China with respect to the issue of counterfeiting and piracy.

Part of what we are producing in this country these days is intellectual property—computer programming and software, various types of music and movies, and all kinds of inventions. Our intellectual property is being pirated and counterfeited on street corners all across China. And it is not as if China doesn't know how to deal with that. When China held the Olympics, they knew how to deal with their logo. There was an Olympic logo for the Chinese Olympics which belonged to the Government of China. All of a sudden, that had value, and they decided to protect that. People started showing up on street corners in China selling mugs and banners with the Chinese Olympic logo, and they shut them down just like that. They stopped it just like that because that belonged to the Government of China. Well, what about all the intellectual property that is pirated and counterfeited and reverse-engineered in China that is sold on their street corners in violation of everything, which helps result in this \$256 billion trade deficit with China?

That is something our U.S. trade ambassador has to confront.

Let me give an example—and this is just one; I could give a dozen—of part of our problem. We have a trade deficit with South Korea. Ninety-eight percent of the cars on the streets of South Korea are made in South Korea because that is what they want. They do not want foreign cars in South Korea. Our country signed two separate trade deals with Korea in the 1990s, which supposedly meant that Korea would open up their auto market. Those agreements are apparently not worth the paper they were written on. So Korea sent us 770,000 vehicles last year—770,000 Korean-made vehicles. Those are Korean jobs—vehicles made in Korea, sold in the United States. Yet we are able to sell 6,000 American vehicles in Korea. Now, think of that: 770,000 cars coming our way, and we get to sell 6,000 there. Why? Because the Korean Government doesn't want American cars on their roads. They want one-way trade, which I think results in unfairness to our country, lack of jobs in our country, and a growing trade deficit in our country that undermines our economy.

The same is true with respect to China. For example, we negotiated a bilateral trade agreement with China. Only much later did we learn the ingredients of that agreement. China is now creating a significant automobile export industry, and we will begin seeing Chinese cars on American streets in the not too distant future. They are gearing up for a very robust automobile export industry. Here is what our country agreed with in a bilateral agreement with China. We agreed that any American cars sold in China after a phase-in could have a 25-percent tariff imposed by the Chinese. Any Chinese cars sold in America would have a 2½-percent tariff. Think of the absurdity of that. A country with which we have a \$200 billion trade deficit—last year, \$260 billion—and we said: It is okay for you to impose a tariff that is 10 times higher on U.S.-made automobiles sold in your country than we will impose on your automobiles sold in our country. That is the kind of ignorance, in my judgment, and unfair trade provisions that result in our having an \$800 billion merchandise trade deficit.

Now, Warren Buffett has said—and Warren Buffett is a bright guy, and I like him, I have known him for a long while—this is unsustainable. You can't run these kinds of trade deficits year after year. It is unsustainable. Why? Because when we buy \$800 billion more from other countries than we sell to them, it means they end up with our money or a debt, and that debt will be repaid with a lower standard of living in our country.

My point is that the financial crisis in this country is caused by a lot of things, at least one of which is an unbelievable growing trade deficit that has gone on and festered for a long

while, and no administration has done much about it. Oh, the last administration, I think the last time they took action was against Europe, and they announced with big fanfare that they were going to impose tariffs on Roquefort cheese, truffles, and goose liver. That will scare the devil out of some country—Roquefort cheese, truffles, and goose liver. We not only negotiate bad trade agreements, but then we fail to enforce them. And when we do enforce them, we don't enforce them with any vigor.

Mr. President, I know there has been discussion in the last couple of days about trade with Mexico. Mexico had a \$66 billion surplus—or we a deficit with them—last year. We have had a nearly ½ trillion dollar trade deficit with Mexico in the last 10 years alone, and Mexico is accusing us of unfair trade? I am sorry. We have a ½ trillion dollar deficit with Mexico in trade relationship in 10 years, and they believe we are unfair?

The recent action by Mexico against the United States is due to the fact that a large bipartisan majority of both Chambers of Congress objected to a Mexican long-haul trucking pilot program that the Bush Administration wanted to establish. The inspector general of the Transportation Department had said that in Mexico there is no central repository of drivers' records, no central repository of accident reports, and no central repository of vehicle inspections. We don't have an equivalent system. Well, there is nothing in a trade agreement that requires us to diminish safety on our roads. When we have equivalent systems or when we have conditions in both countries that are equivalent, you will hear no complaint from me about any pilot program of this type, but that is not the case today.

Just as an aside, at a hearing I held last year, we were told that one of the rules for the cross-border trucking program was that the drivers who were coming in with the big trucks were going to be required to be fluent in English. One way they would determine whether they were fluent in English is they would hold up a highway sign, such as a stop sign, to the driver and ask him: What is this sign? And if the driver replied, "Alto," which means "stop" in Spanish, they would declare that driver fluent in English. Look, this made no sense at all. Let's make sure we protect the safety on America's roads. I have no problem with cross-border trucking as soon as we have equivalent standards. That is not now the case.

But my larger point with Mexico, as with other countries, is that we have a large and growing trade deficit—\$66 billion last year with Mexico; ½ trillion dollars in 10 years. This country can't continue that. We have to have fair trade with other countries and fair trade agreements. And when we do, it seems to me we should be aggressive in trying to sell worldwide. We are good

at this. We can prevail. We don't have to have an \$800 billion deficit that threatens our country's economy. No one talks about it much, but the fact is, this enormous deficit undermines the strength of the American economy. It sucks jobs out of our country and moves them overseas in search of cheap labor. We can do better than that.

I intend to support Ron Kirk. I think he will be a good choice. However, I hope this trade ambassador understands that while our country stands for trade and our country stands for open markets, we ought to, for a change, also stand for fair trade agreements and we ought to stand for balance in trade and get rid of an \$800 billion-a-year deficit in which we end up owing other countries a substantial amount of our future. It makes no sense to me.

So I am for trade, and plenty of it, but let's try to get it right for a change, to strengthen this country and put this country on the right track.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COBURN. 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. COBURN. Mr. President, I ask unanimous consent to yield back all time on the Kirk nomination.

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

Mr. COBURN. Mr. President, I ask unanimous consent that H.R. 146 be the pending business.

LEGISLATIVE SESSION

REVOLUTIONARY WAR AND WAR OF 1812 BATTLEFIELD PROTECTION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 146, which the clerk will report by title.

The legislative clerk read as follows:

A bill (H.R. 146) to establish a battlefield acquisition grant program for the acquisition and protection of nationally significant battlefields and associated sites of the Revolutionary War and the War of 1812, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bingaman amendment No. 684, in the nature of a substitute;

Coburn amendment No. 680 to amendment No. 684, to ensure that the general public has full access to our national parks and to promote the health and safety of all visitors and employees of the National Park Service;

Coburn amendment No. 679 to amendment No. 684, to provide for the future energy needs of the United States and eliminate restrictions on the development of renewable