distributed by 2010 and, instead, we are at the 15 percent mark. That is simply not good enough when important use of this money is planned on by vulnerable States such as Louisiana.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

TAX ON BONUSES RECEIVED FROM CERTAIN TARP RECIPIENTS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 1586, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1586) to impose an additional tax on bonuses received from certain TARP recipients.

Pending:

Rockefeller amendment No. 3452, in the nature of a substitute.

Sessions/McCaskill amendment No. 3452 (to amendment No. 3452), to reduce the deficit by establishing discretionary spending caps.

Lieberman amendment No. 3456 (to amendment No. 3452), to reauthorize the DC opportunity scholarship program.

AMENDMENT NO. 3458 TO AMENDMENT NO. 3452

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. VITTER. Madam President, I ask unanimous consent to set aside any pending business and to call up Vitter amendment No. 3458.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. VITTER] proposes an amendment numbered 3458 to amendment No. 3452.

Mr. VITTER. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To clarify application requirements relating to the coastal impact assistance program)

At the end of title VII, add the following:

SEC. 7___. COASTAL IMPACT ASSISTANCE PROGRAM AMENDMENTS.

Section 31 of the Outer Continental Shelf Lands Act (43 U.S.C. 1356a) is amended—

(1) in subsection (c), by adding at the end the following:

''(5) APPLICATION REQUIREMENTS; AVAILABILITY OF FUNDING.—On approval of a plan by the Secretary under this section, the producing State shall—

''(A) not be subject to any additional application or other requirements (other than notifying the Secretary of which projects are being carried out under the plan) to receive the payments; and

''(B) be immediately eligible to receive payments under this section.''; and

(2) by adding at the end the following:

''(e) FUNDING.—

''(1) ENVIRONMENTAL REQUIREMENTS.—A project funded under this section that does not involve wetlands shall not be subject to environmental review requirements under Federal law.

''(2) COST-SHARING REQUIREMENTS.—Any amounts made available to producing States under this section may be used to meet the cost-sharing requirements of other Federal grant programs, including grant programs that support coastal wetland protection and restoration.''.

Mr. VITTER. I have already discussed my amendment.

I yield the floor.

AMENDMENT NO. 3454 TO AMENDMENT NO. 3452

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. DEMINT. Madam President, I ask unanimous consent to temporarily set aside the pending amendment so I may call up my amendment No. 3454, which is at the desk.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. DEMINT] proposes an amendment numbered 3454 to amendment No. 3452. Mr. DEMINT. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish an earmark moratorium for fiscal years 2010 and 2011)

At the appropriate place, insert the following:

SEC. _____. FISCAL YEARS 2010 AND 2011 EARMARK MORATORIUM.

(a) BILLS AND JOINT RESOLUTIONS.—

(1) POINT OF ORDER.—It shall not be in order to—

(A) consider a bill or joint resolution reported by any committee that includes an earmark, limited tax benefit, or limited tariff benefit; or

(B) a Senate bill or joint resolution not reported by committee that includes an earmark, limited tax benefit, or limited tariff benefit.

(2) RETURN TO THE CALENDAR.—If a point of order is sustained under this subsection, the bill or joint resolution shall be returned to the calendar until compliance with this subsection has been achieved.

(b) CONFERENCE REPORT.—

(1) POINT OF ORDER.—It shall not be in order to vote on the adoption of a report of a committee of conference if the report includes an earmark, limited tax benefit, or limited tariff benefit.

(2) RETURN TO THE CALENDAR.—If a point of order is sustained under this subsection, the conference report shall be returned to the calendar.

(c) FLOOR AMENDMENT.—It shall not be in order to consider an amendment to a bill or joint resolution if the amendment contains an earmark, limited tax benefit, or limited tariff benefit.

(d) AMENDMENT BETWEEN THE HOUSES.—

(1) IN GENERAL.—It shall not be in order to consider an amendment between the Houses if that amendment includes an earmark, limited tax benefit, or limited tariff benefit.

(2) RETURN TO THE CALENDAR.—If a point of order is sustained under this subsection, the amendment between the Houses shall be returned to the calendar until compliance with this subsection has been achieved.

(e) WAIVER.—Any Senator may move to waive any or all points of order under this section by an affirmative vote of two-thirds of the Members, duly chosen and sworn.

(f) DEFINITIONS.—For the purpose of this section—

(1) the term ''earmark'' means a provision or report language included primarily at the request of a Senator or Member of the House of Representatives providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality or Congressional district, other than through a statutory or administrative formula-driven or competitive award process;

(2) the term ''limited tax benefit'' means any revenue provision that—

(A) provides a Federal tax deduction, credit, exclusion, or preference to a particular beneficiary or limited group of beneficiaries under the Internal Revenue Code of 1986; and

(B) contains eligibility criteria that are not uniform in application with respect to potential beneficiaries of such provision; and

(3) the term ''limited tariff benefit'' means a provision modifying the Harmonized Tariff Schedule of the United States in a manner that benefits 10 or fewer entities.

(g) FISCAL YEARS 2010 AND 2011.—The point of order under this section shall only apply to legislation providing or authorizing discretionary budget authority, credit authority or other spending authority, providing a federal tax deduction, credit, or exclusion, or modifying the Harmonized Tariff Schedule in fiscal years 2010 and 2011.

(h) APPLICATION.—This rule shall not apply to any authorization of appropriations to a Federal entity if such authorization is not specifically targeted to a State, locality or congressional district.

Mr. DEMINT. Madam President, my amendment is cosponsored by Senators MCCAIN, GRAHAM, COBURN, GRASSLEY, LEMIEUX, and FEINGOLD. An identical bill has 16 cosponsors, including Senators BURR, CHAMBLISS, CORNYN, CRAPO, ENSIGN, ISAKSON, JOHANNS, KYL, MCCASKILL, RISCH, SESSIONS, and a number of others.

This is an amendment for a 1-year moratorium on earmarks. The fact that we are even having this debate shows how out of touch Congress is with the American people. I have had a chance over the last week to speak to thousands of Americans in several States, and all you have to do to get them on their feet cheering is say: The time for excuses and explanations is over. It is time to end the practice of earmarking. And people will stand up, people of both parties. They understand earmarks are the most offensive form of government spending. They are wasteful porkbarrel projects delivered by lawmakers to curry favor with small constituencies back home and special interest groups. We have heard the excuses for years. But it is time to end this practice.

I have introduced this bill before. At the time President Obama was running for President of the United States, he flew back to Washington to vote on it. He cosponsored the bill with me. He essentially said: The era of earmarks is over. I think we will see, as I talk a little bit more, that is the opposite of what is true.

We have all heard of the crazy earmarks that have been brought up—the infamous ''bridge to nowhere.'' We have things that sound so ridiculous that people do not even believe it is true—the tattoo removal earmark, the Totally Teen Zone earmark, and the midnight basketball earmark. You go through the list and you say, how does this make sense in light of the fact that the same people who are asking for these earmarks come onto this floor, onto the House floor, and in the White House and say: Our debt is unsustainable. It is a crisis. We cannot continue to spend and borrow and create debt. Yet I need $1 million for tattoo removal or a bridge to nowhere or a local museum.

The American people are onto us. They know it makes absolutely no sense for us to focus so much time and energy on parochial earmarks for our press releases rather than working on the issues of our country, the general welfare of our Nation.

All of these projects add up. Last year alone, according to the Congressional Research Service, President Obama—who said he would not sign bills with earmarks—signed bills with 11,320 earmarks, totaling $32 billion for the last fiscal year. That is an increase from the $28.8 billion in earmarks in fiscal year 2008 and the $30 billion in earmarks in fiscal year 2009. Big and small, these earmarks are adding up and are causing our budget to balloon out of control, and they are saddling our children with an overwhelming debt.

Beyond just the inherit wastefulness of earmarks themselves is the effect they have on spending. Quite simply, they grease the skids for the wasteful spending that is bankrupting our country—the ''Cornhusker kickback'' being a case study at the top of the list right now.

Fortunately, it seems we are making some progress, some headway in putting an end to the favor factory we call earmarks here in Washington. Just this week, Roll Call reported that Speaker PELOSI is considering an earmark moratorium. Additionally, just this morning, the House Republican Conference unilaterally declared a moratorium on earmarks. This is an exciting first step, and I commend the Republican leadership in the House and all of their Members for taking a stand on behalf of the American people on this issue that is so clear and obvious to everyone except many here in Washington.

It is time for the Senate to lead and demand that we stop this wasteful earmark spending. Keep in mind, I am not asking that we end the practice forever but to take a 1-year timeout while we try to figure out how to create a system that is within the scope of the Constitution, within the general welfare of our country, and does not turn this Federal Government into some kind of sponsorship of many local projects.

My amendment will do just that. It is very simple. It puts an end to earmarking by prohibiting the consideration of any bill, joint resolution, conference report, or message between the Houses that contains earmarks. And we use the same definition currently in the Senate rules of what an earmark is. We require a two-thirds supermajority to waive the rules. So if there is some kind of emergency where we have to designate spending, we can do it if there is a consensus here.

President Obama, as I said, highlighted the need for this amendment when he cosponsored the identical language in 2008. He rightly stated:

> We can no longer accept a process that doles out earmarks based on a member of Congress' seniority, rather than the merit of the project.

Despite his support and election, the problem has not gotten any better. Citizens Against Government Waste, in their 2009 Pig Book, pointed out:

> While the number of specific projects declined by 12.5 percent, from 11,610 in fiscal year 2008 to 10,160 in fiscal year 2009, the total tax dollars spent to fund them increased by 14 percent, from $17.2 billion to $19.6 billion.

A lot of my colleagues will say: JIM, you are making a big deal out of nothing. Really $20 billion or $30 billion is such a small part of our budget that you shouldn't make an issue of it. But this is like saying an engine is a small part of a train. If you want to look at what is pulling through the bad policy and the overspending, all you have to do is look at earmarks.

So we continue the same type of wasteful projects since President Obama spoke these words, and we need to stop it. And we can stop it. My amendment will put these kinds of things to an end—at least for a year while we look at it. What will immediately happen if we do this? We hear the argument here: If we do not designate spending here in Congress, the executive branch will. But the first thing we would do, if we turned off our own earmark spigot, is every appropriations bill would require that the administration only spend money according to nonpreferential formulas or to merit-based competitive grants. We could bring an end to earmarking in the executive branch as well as in Congress and focus the attention on the Federal Government on true national interests rather than what we have now, which is nearly 535 Congressmen and Senators who think it is their job to come to Washington to get money for their States and congressional districts. If you want to know what happens if we allow that to happen, you can look at what is going to be at the end of this year: $14 trillion in debt—when people see the Federal Government as a cow to milk rather than having a constitutional oath we need to keep.

The time for excuses is over. Enough is enough. We are not here to get money for our States; we are here to fulfill our oath of office to protect and defend the Constitution that would not allow money for local bridges and local roads and local museums. All of these are good projects, and many of them are very necessary, but that is not the purpose of the Federal Government.

Again, I commend the Republican leadership in the House for taking a bold stand against the practice of earmarks. I challenge my colleagues, Republicans and Democrats, to vote for this bill President Obama cosponsored and many here voted for so we can show America we are listening, we understand that perception is reality, and the corruption that takes place, the vote-buying with earmarks—the ''Cornhusker kickback'' and ''Louisiana purchase'' and all this we have heard about—that we are going to end at least for 1 year while we prove to the American people we can break this addiction to spending.

So, again, the amendment number is 3454. I encourage my colleagues to support this amendment.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. Madam President, yesterday we made good progress on the bill that is the underlying bill, which is FAA reauthorization. It is in the interest of the traveling public that we start on the glidepath to passing this bill. We need to make progress on amendments. But I have to ask my colleagues on both sides of the aisle if they would be very careful about offering amendments that are not germane to this bill. The FAA reauthorization is not a legislative vehicle that can carry a lot of highly controversial provisions.

The previous FAA reauthorization expired in 2007. Since then, we have passed 11 short-term extensions and we will be drafting the 12th in the next 2 weeks because the current extension expires at the end of this month. While another extension is likely inevitable, we have to go to the final bill and see if we have the opportunity to pass a final bill in the next 2 weeks.

The repeated use of short-term FAA extensions does not provide the long-term stability and funding predictability we should be giving to our airports, the traveling public, and the airlines that are looking at what we are going to be doing with airports. We have to have a predictable roadmap if we are going to have a sound fiscal investment in our aviation infrastructure and, in turn, aviation safety.

Senator DORGAN mentioned earlier today the many safety provisions that are in this bill in response to the Colgan Buffalo, NY, accident that happened last year, and they are very good provisions.

There are some common themes we can all support throughout our country in this bill. It would improve safety—

safety of airlines, safety of pilots, safety of our traveling public, and especially in the area of human factors that have long been a challenge for this industry. The bill would modernize our antiquated air traffic control system and move us one step closer to an efficient and effective use of our national airspace. We are not up with many of the other countries around the world in the modernization of our air traffic control system. We are back in the 1960s in our technology. This bill would move us toward the satellite-based system that is much more reliable, much more efficient, and we need to move forward on it. But, again, since 2007 we have not been able to have a stabilized approach because we have been doing these short-term extensions. The bill would provide infrastructure funds for our vast national airport system, along with streamlining the approval process for airport projects. The bill would improve rural access to aviation and the economic opportunities that go along with air service. The bill would provide the foundation for robust consumer protections and the disclosure of industry practices.

I support most of the amendments I have heard being offered; I just do not support them on this bill. I hope we will take those up and have the ability to truly argue about those amendments and pass them, if possible. I just hope we will not jeopardize, once again, a permanent FAA reauthorization that is in the interest of every American who travels on airlines and who thinks it is important that we have airports for not only people moving but product moving. Our commerce depends on a good aviation system.

I am going to urge my colleagues on both sides of the aisle to let us go to cloture on this bill, let us assure that the traveling public is going to be able to at least have a bill that will move us one step toward this.

This bill is not an easy bill. My colleague, the distinguished chairman of the committee, knows we have hammered out a lot of differences already. But we have differences with the House on this bill as well. The Senate is in pretty much agreement on the fundamentals of what is in this bill on both sides of the aisle. And my colleague, Senator DEMINT, who just offered an amendment, is actually the ranking member of the Subcommittee on Aviation, so he knows this bill is a good bill that has been hammered out, and it will be the Senate position.

But extraneous amendments, regardless of our view on the amendment's substance, will kill this bill. I think it is in our best interests, and certainly our responsibility, to put this bill forward for the interests of the traveling public.

I urge my colleagues to work with us to have the ability for their amendments to come up and be debated and voted on. I am going to support everything I have heard so far. But I hope we will keep this bill on aviation—on aviation security, on airport infrastructure, on modernization of our air traffic control system—because that is what our job is and that is what this bill is about.

I hope our colleagues will come forward with their aviation-related amendments, of which there are several that are certainly worthy of our discussion, and let's move through those. But I hope we will limit the extraneous amendments and try to move this bill in an expeditious and commonsense way.

Thank you, Madam President. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROCKEFELLER. Madam President, just one word on what my distinguished colleague Senator HUTCHISON said.

I completely and totally agree. This is kind of a feast, I guess, for some who want to bring all their frustrations about government and put them into the aviation authorization bill, but it is so frustrating because we have been working on this for so long. There have been 11 delays on this when we were not able to go forward with anything. If they keep doing what they are doing with extraneous amendments, we have no hope for this bill.

What they need to consider is that as they take down our bill, which is important for the Nation, they will take down their amendments, should they prevail, as well. So that doesn't make any sense.

I am so proud, as always, of the Senator from Texas and her work to try to get rid of extraneous amendments, discourage those, and to work on Federal aviation. This is very important work.

I know the Senator from Kansas wishes to speak, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mr. ROBERTS. Madam President, I rise today to join my colleagues in support of this bipartisan agreement. Yes, there is a bipartisan agreement in regard to this bill. It can be done. It has been reached by the Senate Finance and Commerce Committees on the reauthorization of the Federal Aviation Administration and Airport and Airway Trust Fund; i.e., the Rockefeller substitute amendment No. 3452.

I thank Chairman ROCKEFELLER for his leadership. He is right; we need to move this bill. He referred to the 11 times it has been delayed. I have been working on this bill for 4 years. I know he has been working very hard, very diligently, and we do have a workable compromise. I think it represents the true meaning of that word. It shows what is possible when we roll up our sleeves and go to work together. So special thanks to Chairman BAUCUS and Ranking Member GRASSLEY and to Senator ROCKEFELLER and all of his staff and all of Senator BAUCUS's staff, everybody's people who have been working on this.

In 2006, at my invitation, then-Secretary of Transportation Mary Peters joined me and Congressman TIAHRT from the fourth district of Kansas, local officials, all sorts of representatives from the aviation businesses in Wichita, for a roundtable discussion about the importance of aviation to Kansas and to the country. We then toured Cessna's manufacturing lines to see firsthand an example of the great work of Kansans who build 50 percent of the world's general aviation aircraft. Reauthorizing the FAA and the Airport Airway Trust Fund is not only a top national priority to, obviously me, Senator BROWNBACK, and the Kansas delegation, but a top Kansas priority.

We tried to pass this bill 2 years ago, and at that time 40,000 employees were in Wichita and the surrounding counties and they made their living building planes, manufacturing parts, and servicing aviation. Now, unfortunately, after delay and delay and delay due to the rough economic climate and conditions, that number has dropped to just over 25,000. That is a tremendous decrease with an awful lot of hurt for a lot of families in Kansas.

Kansas is home to nearly 3,200 aviation and manufacturing businesses, including Cessna, Hawker-Beechcraft, Bombardier-Learjet, Boeing, Spirit, AeroSystems, Garmin, and Honeywell, to name a few. However, aviation isn't simply an economic engine in Kansas; it is part of our history, our way of life and, most importantly, part of our future. It is an example of our entrepreneurial spirit.

Throughout this debate, I wish to point out that general aviation has been called to increase its contribution to the Airport and Airway Trust Fund to help pay for what everybody knows needs to happen: the modernization of our air traffic control system. All along the way, general aviation has stepped to the plate and agreed to help pay for the necessary increases to move our aviation infrastructure into next-generation technology.

I cannot recall a time when any industry has come to me and said, We want to help and we are willing to support an increase—65 percent, by the way—in our taxes to do so, but that is exactly what the general aviation community did. Their only request has been that they be able to pay through the current efficient and effective tax structure, the fuel tax. So the agreement reached between the Finance and the Commerce Committees respects this request and allows the general aviation community to be part of the modernization solution without creating a new bureaucracy or any additional redtape. This raises an additional $113 million dedicated to updating the air traffic control technology that will increase safety and decrease congestion. At the same time, our commercial airlines and passengers are held harmless from tax increases.

So, again, I am pleased this agreement recognizes the value of both commercial aviation and general aviation to our Nation's transportation system.

I realize there have been strong feelings on both sides of this debate for a considerable number of years.

My goals as we drafted the bill were very clear: First, ensure that our air traffic control system is upgraded and remains safe for all passengers and aircraft. Secondly, protect the general aviation community and Kansas jobs which would have been threatened by a new user fee.

This legislation represents the best of a bipartisan compromise and a real effort to make our skies safer. I am very proud to be a part of this compromise, as are tens of thousands of workers employed in Kansas in aviation manufacturing.

Our State has always been and remains the air capital of the world, and under this agreement it will continue. I thank my colleagues for helping us to reach a compromise that will maintain our world standing.

I am very hopeful the Senate will continue to work in this spirit of bipartisanship on this bill. Yesterday Senator BROWNBACK in his remarks, Senator ROCKEFELLER in his remarks just a while ago, and Senator HUTCHISON made these same comments. We need to move quickly to a conference committee and eventually have this bill signed into law before the current program expires. I know when a train moves, everybody wants to put their car on the train. However, let's try to keep extraneous amendments—I don't mind Senators at all talking about their concerns, whether it be education, gay marriage, or earmarks; and I would expect we would hear a lot of speeches on earmarks—but we need to keep this bill the way it is and move this bill. Then there will be another train or I will have Kansas general aviation provide an aircraft for a more speedy amendment to go over to the House if that is the case.

So let's try to keep our extraneous amendments if we can, despite our strong feelings, off this bill, and let's get something done. It has been languishing here for over 4 years and probably longer than that.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROCKEFELLER. Madam President, I thank the Senator from Kansas for his very cogent remarks. Kansas probably is the airplane center of the country, if not the world. The point he makes is that it is bipartisan and that we have been working on it a long time.

Anybody can come down and offer extraneous amendments. We don't preclude that in our system. It is possible under the Senate rules. It is also possible under the Senate rules to make extraneous amendments unacceptable and unactionable. I think what we want to do is try to avoid some of those processes. I know the leaders on both sides are trying to figure out a way to deal with this problem of extraneous amendments. If it has to do with aviation, we are all for it. If people simply want to talk about subjects they care about but not offer amendments, that is fine. If people want to offer aviation amendments, please come forward. Those are important.

This is a 3- to 4-year effort we have been on, trying to do an aviation bill. The Presiding Officer certainly understands the consequences of aviation delays and all the rest of it. It is something we have to do as a country and we cannot dally. This is not the Senate acting in its finest tradition. We have a chance to change that, and I hope the Members will cooperate in that effort.

I thank the Chair and note the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

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

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

Mr. GREGG. Without my losing the floor, does the Senator wish to speak after I speak?

Mr. FEINGOLD. Madam President, I ask unanimous consent that after the remarks of Senator GREGG, I be recognized.

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

FISCAL POLICIES

Mr. GREGG. Madam President, I rise to discuss the issue of fiscal policies, which we talk a little bit about around here but on which we are not focusing, in my opinion, with the intensity we should, and the fact we are now seeing in Europe the meltdown of a major nation-state's financial situation, Greece. Greece has become a precursor for many other industrialized nations in this world which are finding themselves grossly overextended in the amount of debt they put on their books. As a result, in the situation of Greece, they are incapable of repaying their national debt, or what is known as their sovereign debt.

Fortunately, the European Community has rallied around and has tried to stabilize the situation. But the fact that the situation may be being stabilized should not allow us to take much solace because this is not a unique problem to Greece.

As we look at the debt levels of a large number of nations in the industrialized West, especially, many of them are in serious trouble. Many are grossly overextended. We have seen, obviously, pressures on Ireland, Spain, Portugal, the United Kingdom, Italy, and, of course, Greece is so overextended that it was about to default potentially.

What does this mean for us as a nation? Unfortunately, we are on the same track. People talk in terms of default and overextension and too much debt and their eyes sort of glaze over.

What does that mean? Essentially, it means we as a nation see a fundamental drop in our standard of living. If our debt gets to a certain point, we basically as a nation, in order to pay for that debt, have to reduce the standard of living of our people.

What is that point? There is general consensus that a public debt; that is, debt owned by other countries and by the people of the nation who is running it up, a public debt that amounts to about 35 percent or 40 percent of your gross domestic product—what you are producing as a nation—is a very good status. But as that moves up by running deficits—and, remember, we are running a $1.6 trillion deficit this year, and under the President's budget we will be running over $1 trillion in deficits over the next 10 years—as that debt goes up—which means you are basically borrowing money and borrowing it from Americans, but mostly now from other countries, especially the Chinese and Saudi Arabia—it starts to cross certain thresholds. The next most significant threshold is to have a debt-to-public-production ratio of about 60 percent. That gets serious.

In fact, that is such a high debt-to-public-production ratio that in Europe you can't even join the European Union if you have a debt situation that big. Well, unfortunately, later this year, because of all the debt we have put on the books in the last 3 years, we are going to pass the 60-percent threshold as a nation. Then you start moving into waters which are more than uncharted and choppy, they are dangerous. You start to move into the waters that Greece finds itself in. Because when your public debt gets up around 70, 80, 90 percent of your gross domestic product, you have trouble paying it back without doing some very horrible things to your people—things such as massive inflation or massive tax increases, both of which cost Americans jobs and reduces their savings and their ability to live a better lifestyle.

Under the President's budget, as proposed, and under the scenario which is clearly in front of us—it is like a railroad track that is almost impossible to get off unless we do something very significant—we hit 80 percent within 6 years, or approximately 80 percent. So we are basically where Greece is 6, 7, 8 years from now, and the implications for us as a society are catastrophic.

What are we doing about this? Not a lot. In fact, we are aggravating it every day. Just yesterday, we passed another bill, or the day before, that spent $100 billion—$100 billion that wasn't paid for. It went to the debt. Last week, we passed another bill that alleged to spend $10 billion, but buried in it were some parliamentary games which actually meant it spent another $100 billion that wasn't paid for in highway funds.

So $200 billion in 2 weeks. And the week before that, we did another bill that spent $15 billion unpaid for. Not only are we not addressing this problem, but we are fundamentally aggravating the problem. Now the House has this Senate health care bill over there. What are the fiscal implications of that? It grows the Federal Government by $2.5 trillion—$2.5 trillion.

It is claimed the bill is paid for. But how is it paid for? It alleges it is going to reduce Medicare spending by $500 billion. But rather than using that money to make Medicare more solvent, it takes that money and creates two new entitlements—or expands one and creates another one. We know from our history that entitlements are never fully paid for. Then it takes money from a fund, which is supposed to be an insurance fund, and it spends that money—long-term care insurance. So that when those insurance IOUs come up to be paid, there isn't going to be any money to pay them. It is called the CLASS Act. It is a classic game of pyramid accounting. In fact, if you did it in the private sector you would go to jail.

So that is the course we are on—a massive expansion in our debt, leading us to a situation where our capacity to pay that debt will be virtually impossible to accomplish without huge negative implications for the standard of living of our children and our grandchildren, and even our generation, quite honestly. It is going to arrive pretty soon. In fact, today, there was a CNBC question put out: Should you continue to invest in American debt in light of what we are headed toward? How do you avoid the impending meltdown?

As people start to sense this coming at us, the cost of selling our debt is going to become extraordinarily expensive, because people will have to price in either massive inflation or an economic cost through reduction in productivity due to massive taxes, which will reduce our capacity to repay this debt in any sort of reasonable way. This is a serious problem, and yet we do not seem to be willing to face up to it.

There is something else we need to focus on. Not only is it the sovereign nations of the world that have this debt problem, it is our States. Think about this for a moment. California's debt problem is so severe they are represented as being close to potential default. What is the implication of that for us as a country if one of our States were to default on their debt? The domino effect would be extraordinary. Do we have enough gas in our tanks, so to say, to come in and resolve this from the Federal level? I doubt it. We have used up most of our running room. If we go into a fiscal cardiac arrest, which is approximately what we are going to do—it is exactly what we are going to do, a fiscal cardiac arrest—4 or 5 years from now, and we reach for the defibrillators, there isn't going to be any power. There won't be any power to activate them because we have used up all our resources already. We have spent it. We can't borrow any more, and we certainly don't want to inflate our way out of it. It will be severe, and the arrest may become terminal for certain parts of our economy and certain people's lifestyles—basically, regular Americans living on Main Street. So the issue is out there and it is pretty clear.

Greece is a precursor, California is an example, and our own profligate attitude here in the Congress about it is not helping the problem at all. You don't have to listen to me on this. Mohamed El-Erian, who is a senior member of a group known as PIMCO, the largest bond dealer in the world and one of the leading authorities on debt and the purchase and selling of debt in the world, wrote a very thoughtful article, and this article hits the nail on the head about the threat we confront as a nation for our failure to face up to this debt situation now and allowing it to erode and continue to grow.

Madam President, I ask unanimous consent to have printed in the RECORD the article I just referred to.

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

HOW TO HANDLE THE SOVEREIGN DEBT EXPLOSION

(By Mohamed El-Erian)

Every once in a while, the world is faced with a major economic development that is ill-understood at first and dismissed as of limited relevance, and which then catches governments, companies and households unawares.

We have seen a few examples of this over the past 10 years. They include the emergence of China as a main influence on growth, prices, employment and wealth dynamics around the world. I would also include the dramatic over-extension, and subsequent spectacular collapse, of housing and shadow banks in the finance-driven economies of the US and UK.

Today, we should all be paying attention to a new theme: the simultaneous and significant deterioration in the public finances of many advanced economies. At present this is being viewed primarily—and excessively—through the narrow prism of Greece. Down the road, it will be recognised for what it is: a significant regime shift in advanced economies with consequential and long-lasting effects. To stay ahead of the process, we should keep the following six points in mind.

First, at the most basic level, what we are experiencing is best characterised as the latest in a series of disruptions to balance sheets. In 2008–09, governments had to step in to counter the simultaneous implosion in housing, finance and consumption. The world now has to deal with the consequences of how this was done.

US sovereign indebtedness has surged by a previously unthinkable 20 percentage points of gross domestic product in less than two years. Even under a favourable growth scenario, the debt-to-GDP ratio is projected to continue to increase over the next 10 years from its much higher base.

Many metrics speak to the generalised nature of the disruption to public finances. My favourite comes from Willem Buiter, Citi's chief economist. More than 40 per cent of global GDP now resides in jurisdictions (overwhelmingly in the advanced economies) running fiscal deficits of 10 per cent of GDP or more. For much of the past 30 years, this fluctuated in the 0–5 per cent range and was dominated by emerging economies.

Second, the shock to public finances is undermining the analytical relevance of conventional classifications. Consider the old notion of a big divide between advanced and emerging economies. A growing number of the former now have significantly poorer economic and financial prospects, and greater vulnerabilities, than a growing number of the latter.

Third, the issue is not whether governments in advanced economies will adjust; they will. The operational questions relate to the nature of the adjustment (orderly versus disorderly), timing and collateral impact.

Governments naturally aspire to overcome bad debt dynamics through the orderly (and relatively painless) combination of growth and a willingness on the part of the private sector to maintain and extend holdings of government debt. Such an outcome, however, faces considerable headwinds in a world of unusually high unemployment, muted growth dynamics, persistently large deficits and regulatory uncertainty.

Countries will thus be forced to make difficult decisions relating to higher taxation and lower spending. If these do not materialise on a timely basis, the universe of likely outcomes will expand to include inflating out of excessive debt and, in the extreme, default and confiscation.

Fourth, governments can impose solutions on other sectors in the domestic economy. They do so by preempting and diverting resources. This is particularly relevant when there is limited scope for the cross-border migration of activities, which is the case today given the generalised nature of the public finance shock.

Fifth, the international dimension will complicate the internal fiscal adjustment facing advanced economies. The effectiveness of any fiscal consolidation is not only a function of a government's willingness and ability to implement measures over the medium term. It is also influenced by what other countries decide to do.

These five points all support the view that the shock to balance sheets is highly relevant to a wide range of sectors and markets. Yet for now, the inclination is to dismiss the shock as isolated, temporary and reversible.

This leads to the sixth and final point. We should expect (rather than be surprised by) damaging recognition lags in both the public and private sectors. Playbooks are not readily available when it comes to new systemic themes. This leads many to revert to backward-looking analytical models, the thrust of which is essentially to assume away the relevance of the new systemic phenomena.

There is a further complication. Timely recognition is necessary but not sufficient. It must be followed by the correct response. Here, history suggests that it is not easy for companies and governments to overcome the tyranny of backward-looking internal commitments.

Where does all this leave us? Our sense is that the importance of the shock to public finances in advanced economies is not yet sufficiently appreciated and understood. Yet, with time, it will prove to be highly consequential. The sooner this is recognised, the greater the probability of being able to stay ahead of the disruptions rather than be hurt by them.

Mr. GREGG. It is time for us to act. It is time to, first, stop spending. That is the bottom line. It is like a diet. The only way you can lose some weight is to actually stop eating the wrong way. We have to stop spending, and then we have to come up with some pretty aggressive ideas addressing the very systemic problems we have as a country relative to the growth of our debt, so that if we do them now it will have less negative impact on people than if we have to do them in a crisis situation.

Madam President, I yield the floor.

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

AMENDMENT NO. 3470 TO AMENDMENT NO. 3452

Mr. FEINGOLD. Madam President, I ask unanimous consent that the pending amendment be set aside so I may call up amendment No. 3470.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. COBURN, and Mr. BROWN of Ohio, proposes an amendment numbered 3470 to amendment No. 3452.

Mr. FEINGOLD. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide for the rescission of unused transportation earmarks and to establish a general reporting requirement for any unused earmarks)

At the end, insert the following:

TITLE _____—RESCISSION OF UNUSED TRANSPORTATION EARMARKS AND GENERAL REPORTING REQUIREMENT

SEC. __01. DEFINITION.

In this title, the term ''earmark'' means the following:

(1) A congressionally directed spending item, as defined in Rule XLIV of the Standing Rules of the Senate.

(2) A congressional earmark, as defined for purposes of Rule XXI of the Rules of the House of Representatives.

SEC. __02. RESCISSION.

Any earmark of funds provided for the Department of Transportation with more than 90 percent of the appropriated amount remaining available for obligation at the end of the 9th fiscal year following the fiscal year in which the earmark was made available is rescinded effective at the end of that 9th fiscal year, except that the Secretary of Transportation may delay any such rescission if the Secretary determines that an additional obligation of the earmark is likely to occur during the following 12-month period.

SEC. __03. AGENCY WIDE IDENTIFICATION AND REPORTS.

(a) AGENCY IDENTIFICATION.—Each Federal agency shall identify and report every project that is an earmark with an unobligated balance at the end of each fiscal year to the Director of OMB.

(b) ANNUAL REPORT.—The Director of OMB shall submit to Congress and publically post on the website of OMB an annual report that includes—

(1) a listing and accounting for earmarks with unobligated balances summarized by agency including the amount of the original earmark, amount of the unobligated balance, the year when the funding expires, if applicable, and recommendations and justifications for whether each earmark should be rescinded or retained in the next fiscal year;

(2) the number of rescissions resulting from this title and the annual savings resulting from this title for the previous fiscal year; and

(3) a listing and accounting for earmarks provided for the Department of Transportation scheduled to be rescinded at the end of the current fiscal year.

Mr. FEINGOLD. Madam President, I rise today to offer an amendment, along with Senators COBURN and SHERROD BROWN, to make a small but necessary step toward addressing the growing problem of Federal deficits. This is the second time in as many weeks that we are offering this amendment, and I hope we will be able to have a vote and get it accepted on the FAA reauthorization bill. The underlying bill we are considering reauthorizes many vitally important programs, including investments in our aviation infrastructure and the long overdue modernization of air traffic control. While I support many of these investments, I think it is also critically important that we take a close look at where our spending can be cut as we try to address the looming deficit.

Of course, my amendment won't come close to solving this whole looming problem, but it will make a dent as we try to get our financial house in order and make the tough choices to avoid burdening future generations with debt. There is no single or easy solution to the massive deficits we face, but one thing we should be doing is taking a hard look at the Federal budget for wasteful or unnecessary spending. Hard-working American families have to make these kinds of decisions every week to make ends meet, whether skipping dinners out, making do with old clothes instead of buying new ones, or finding new ways to trim their grocery bill. People are looking at everything in their household budget to cut back in tough times, and the Congress should be doing the same things, looking to save the taxpayers' money everywhere we can.

What I am trying to do here is a proposal to get rid of old, unwanted transportation earmarks that would save about $600 million right away and perhaps a few billion dollars over time. It won't eliminate the Federal deficit on its own, but it is real money, in places such as Racine or Fond du Lac, WI, where I recently held townhall meetings. It is one step on a path that is going to have to involve many additional cuts.

I have put together a number of proposals for where we should begin tightening our belt, including the one for this amendment, in a piece of legislation I introduced last fall called the Control Spending Now Act. The combined bill would cut the Federal deficit by about $1½ trillion over 10 years.

This amendment, my bipartisan amendment here with Senators COBURN and BROWN of Ohio, would build off of a proposal put forward in President George W. Bush's fiscal year 2009 budget proposal to rescind $626 million in highway earmarks that were over a decade old and still had less than 10 percent of the funding utilized. When Transportation Weekly did an analysis of these earmarks at the time, they found that over 60 percent of the funding—$389 million—was in 152 earmarks that had no funding spent or obligated from them. These clearly are either unwanted or a low priority for the designated recipients.

This is nothing against transportation funding either, of course. I fully realize the need for reinvestment in our crumbling infrastructure and its potential for job creation in hard-hit segments such as construction. But hundreds of millions of dollars sitting in an account untouched at the Department of Transportation does nothing to address our infrastructure needs or put people back to work.

I have tried to build on President Bush's concept a little and my amendment expands this rescission to all transportation earmarks that are over 10 years old with unobligated balances of more than 90 percent. At a hearing before the Budget Committee 2 weeks ago, I asked Transportation Secretary Ray LaHood about these unwanted and unspent earmarks, and whether he supported my proposal to rescind them. Secretary LaHood responded:

The answer is yes, we are supportive of your proposal, and we have identified significant millions of dollars worth of earmarks.

So at the suggestion of the chairman of the Environment and Public Works Committee, we have also included a provision to allow the Secretary of Transportation to delay a rescission if the project is expected to be obligated within the next 12 months. I know there are sometimes extenuating circumstances and delays that pop up, and this seemed like a good way to deal with these situations while still ensuring that the intention to eliminate unwanted and low-priority projects was retained. I also hope this will help alleviate concerns and ensure that the potential for extenuating circumstances is not used as a reason to somehow oppose our amendment.

It is unclear exactly how many hundreds of millions or even billions of dollars would be saved by this proposal being expanded to other transportation earmarks in addition to the previous estimate of $626 million that would be rescinded from unwanted highway earmarks in the first year. This proposal would also be permanent, so there would likely be additional savings as the unwanted earmarks in the most recent highway bill reach their 10-year anniversary.

I think this is a very modest proposal, going after the lowest of the low-hanging fruit and would support going even further and make it cover all Federal agencies. But with the uncertainty about how many of these unwanted and unspent earmarks there might be across the whole Federal Government, our amendment instead requires an annual report by the OMB to collect information from each agency and include recommendations on whether these other unobligated earmarks should be rescinded.

As you can see, this is a proposal with bipartisan support both in the Senate and from the past administration and this current administration. This shouldn't be a hard decision and I hope we have strong support here in the Senate. This is simply about instituting a good government principle of returning unused funds to the Treasury, and it shouldn't be controversial. If we can't agree to take old earmarks that no one wants and use the money to pay down the deficit, then how are we ever going to get our fiscal house in order?

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I ask unanimous consent that at the conclusion of the remarks of Senators ENSIGN and BROWN of Ohio, the Senate then stand in recess until 2 p.m. today.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UNEMPLOYMENT AND FORECLOSURES

Mr. ENSIGN. Madam President, first, let me start by complimenting the Senator from Wisconsin for addressing the spending going on in Washington, DC. I applaud his efforts. He understands this is a modest effort, but we have to start someplace. For my whole 10 years in the Senate, I have been talking about spending and getting our debt under control, not passing debt on to our children across America. This is a huge debt burden we are passing on to them. I applaud the efforts, even though they are small. Anything we can do around here to address the deficits and the debt I think is very important.

I want to talk about unemployment and foreclosures, especially how they are affecting Nevada and the overall economy. I think everybody admits the our economy is hurting. There are people all over the country in need of employment. Many are hurting because of foreclosures or potential foreclosures on their houses.

In new unemployment numbers just released, Nevada has a 13-percent unemployment rate, with Clark County, where Las Vegas is located, now at almost a record high of 13.8 percent; Washoe County, which is where Reno is, a 13.5-percent unemployment rate. The Review Journal, the largest paper in Nevada, pointed out this week that the salary and job outlook for Nevadans is going from bad to worse. Wages are declining across industries in our State, and experts recently told the paper if we were to count discouraged workers who have given up looking for employment and part-time employees who wish to work full time, the real unemployment rate in Nevada would actually hover somewhere around 25 percent.

In fact, if we were to count those who are self-employed—for instance, if you are a realtor and you are not selling homes, you may still be classified as employed but you are effectively unemployed. If we counted all the self-employed people who are not counted in the normal unemployment rates, these numbers would even be higher.

Housing in Nevada is still hurting severely. We are leading the Nation in home foreclosures and there does not seem to be a solution to this problem coming out of Congress. Instead, Congress has gone off on a wayward path in trying to muscle through health care reform when the immediate focus of this institution should be on the millions of Americans who have lost their jobs, are at risk of losing their homes, or even worse—both.

In fact, nearly 5 million Americans have lost their jobs during the time Congress has shifted its focus away from the economy onto health care. I will point out, however, if you live in the Washington, DC, area you are actually OK. There have been 100,000 new jobs created in this city in the last year. These are government jobs; not private sector jobs, government jobs. This is a direct result of a massive expansion of the Federal Government.

I do not believe that growing the Federal Government and creating jobs in Washington does anything to help the unemployment in Nevada or around the rest of the country. Health care reform proposals that the majority is trying to push through both Houses are not designed to incentivize job creation at a time when we need a lifeline. Instead, their bills will be job killers.

The National Federation of Independent Business, which is the largest organization that represents small businesses in America, believes their health care reform proposals will actually cost millions of jobs in small businesses over the next 4 years. It also will greatly add to the Nation's debt when we are already borrowing from future generations, as the Senator from Wisconsin just talked about.

It is time for Congress to shift our focus back to creating jobs, and do it in a responsible way by reducing wasteful government spending and thinking about the future of our country. One spending bill after another that comes before this Senate is not going to solve the economic problems our country is facing. It is actually just going to make the situation worse over the next several years because as we borrow more money, inflation and interest rates will increase.

There are concerns about the strength of the dollar in the world. Adding to our debt intensifies those worries. We all, as Republicans and as Democrats—really, as Americans—ought to be concerned about what this debt is going to do to the future of our country.

We need real solutions to our economic problems. We need to get the country back on track. To do that, we need to get control of out-of-control spending, especially wasteful spending.

Job creation needs to be our number one focus, and we cannot incentivize job creation when our Nation is buried in debt. This means we are all going to have to start taking some difficult votes to reverse the wild spending spree we are on. Here in Washington it is much easier to get reelected if you are giving money away to people. It is much more difficult politically to take votes that actually cut spending because for every government program that is out, there is a constituency that lobbies to keep that gravy train coming from the Federal Government.

Last week we had two options in the Senate. We had the option to pay for the extension of unemployment insurance benefits with unspent stimulus funds, money we have already taken out of the pockets of taxpayers, or we had the option of adding more debt to the credit card of this Nation. I voted to extend unemployment insurance without having American families foot yet another government bill. Unfortunately, the majority party did not pass this bill. Instead, they voted to continue adding to our Nation's debt. Over $100 billion was added to our Nation's debt just yesterday by this Senate.

By the way, $100 billion used to be a lot of money around this place. It is tossed around like it is almost nothing now. $100 billion is a huge amount of money. It passed and hardly got any notice around the country. That is what we added to our deficit and our debt yesterday.

I stress again that job creation needs to be our number one focus, but we cannot begin to incentivize job creation just by adding more debt. I have been focused on introducing legislation that will help create jobs in Nevada while not increasing the debt—for example, the recent passage of my legislation with Senator DORGAN, called the Travel Promotion Act. This will incentivize tourists from across the world to come to the United States and visit our world-class destinations. This will spur job growth across Nevada and our entire Nation. These will not be government jobs; these will be private sector jobs. These jobs will not be paid for by the American taxpayer; these will be jobs that will be a lifeline for our economy.

Legislation like the Travel Promotion Act illustrates that we need to get past the idea that government spending creates jobs and showcases that we need to institute policies that incentivize the private sector to create jobs. We can do this by lowering taxes on small businesses. They are the engine of our economy. We can start creating employment opportunities throughout the United States. These private sector jobs will help get our country back on the road to recovery and will not add to the financial burden of the United States.

The majority party seems to believe the only way to spur job creation is to pass spending bill after spending bill. As we have witnessed over the past year, this does not seem to be working. But this has not lessened the resolve of those across the aisle. This week, House Education and Labor Committee Chairman George Miller announced that he will unveil a jobs bill—that is what he called it, a jobs bill—aimed to save or create a lot of jobs in local governments. It is a $100 billion bill—another $100 billion.

The problem with this is these jobs are going to be paid for by the Community Development Block Grant Program, which, in simple English, means we are adding to the debt. This is money the taxpayers are going to have to pay for in the future—borrowing once again from our children and adding to our Nation's credit card debt. This is not a solution to create jobs in the long run.

The Federal Government spending money on legislation whose only connection to job creation is putting the phrase in the title of the bill is not working. In the short term, will it save some local government jobs? No question, in Nevada it probably would. But Nevada is making tough choices right now. They are actually looking where there is waste. They are looking how they can make government more efficient. We are not doing that at the Federal level. We are actually discouraging it by sending more and more money to the States. But at the Federal Government level we are certainly not looking for any efficiencies because all we continue to do is spend more and more money, add more and more government agencies, more and more government programs.

We should be tightening our belts like every family, every business, local government, and State government are doing across the country. That is one of the reasons many of us have cosponsored legislation for a balanced budget amendment. If we were required to balance the budget we would be required to take those tough votes. That is why we get elected, to do something, to make a positive difference for our country. Adding to our debt is not that positive difference. We need to think about the future of our country instead of just getting reelected by being able to give money away to some of our constituents.

I will conclude with this: Job number one needs to be about creating jobs in a responsible way—not government jobs, private sector jobs. We need to stop adding to the deficit, get government spending under control, and cut taxes for small businesses so that entrepreneurs across this country can create jobs. These are what the priorities of this body should be.

I yield the floor.

Mr. BROWN of Ohio. Madam President, I ask unanimous consent to address the Senate for about 10 minutes under morning business.

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

THE DEFICIT

Mr. BROWN of Ohio. Madam President, I came to the floor to talk about a young woman in Cincinnati, OH, but I guess I am just amazed at the amnesia in this body. I hear colleagues on the other side of the aisle say Democrats vote for spending to keep that gravy train going; that Democrats believe that job creation is always the government; that Republicans believe we have to get spending under control and how politically unpopular it is to vote to cut spending. I hear these things over and over, and I hate cliches but, you know the Yogi Berra line: ''It's deja vu all over again.''

I was in the House of Representatives for the first 6 years of this decade, and I saw what happened. What happened was my colleagues on the other side of the aisle—when one bird flies off the telephone wire, they all fly off the telephone wire—voting on issue after issue to bankrupt this country and to drive our economy into the ditch. In 2001, tax cuts for the rich, George Bush's tax cuts which went overwhelmingly to the richest taxpayers and, as the Presiding Officer from North Carolina knows, using reconciliation to drive these tax cuts through in 2001, 2003, 2005, bringing Vice President Cheney in so they not only used reconciliation, they had to bring the Vice President in, who is almost never here, as the Presiding Officer knows, to vote in passing that with 51 votes.

We had a surplus in those days. We had a surplus, and they took that surplus and they enacted tax cuts for the wealthy. Then they started the war with Iraq but did not pay for it. I disagreed with going to war. I voted against it. But at least we should have paid for it. They didn't pay for the war in Iraq and still have not.

Then they did this huge, tens of billions of dollars in giveaways to the drug companies and insurance companies, all in the way of privatization of Medicare.

So when I hear them preaching to me about Democrats want to spend money on unemployment compensation, or Democrats want to spend money on health care—such as COBRA, for those people who have lost their health insurance—or Democrats want to spend money on reimbursing doctors at a fairer rate for Medicare, they attack us for doing that yet they took a budget surplus and ran this economy into the ground by deregulating Wall Street, by cutting taxes on the richest people in this country, by turning the surplus into deficits to the tune of hundreds and hundreds of billions of dollars.

We had projected in 2000 a budget surplus—projected—of $1 trillion. One trillion dollars is 1,000 billion dollars. We now have a projection of $1 trillion in budget deficit. They come here and they preach that Democrats should quit spending money on unemployment compensation because all these workers, they do not want to work, they want to receive their unemployment benefits.

Well, what somebody needs to explain to them, and perhaps my friends on the other side of the aisle do not know anybody who is exactly getting unemployment compensation because they spend too much time with people similar to us, wearing suits and hanging around places such as this and not enough time in places in Charlotte and Dayton and Winston-Salem and Cleveland, with people who have lost their jobs and talking about it.

But it is not unemployment welfare, as they would like to say it is, it is unemployment insurance. That means when you are employed, you pay into a fund, and when you lose your job you get money out of that fund. It is called insurance, unemployment insurance. They should remember that.

REMEMBERING ESME KENNEY

Madam President, I would like to commemorate the life of Esme Louise Kenney of Cincinnati, OH, whose life was tragically cut short 1 year ago this past Sunday.

Esme was a bright, inquisitive, and spirited young girl with many talents and a limitless imagination and a boundless love for life.

She was an artist, a musician, an avid reader, an expressive writer, and a budding water-skier.

The beloved daughter of Tom Kenney and Lisa Siders-Kenney, the caring sister of Brian, Meghan and Frances, and a loyal and loving friend to so many, Esme touched many hearts in her short time with us.

From all accounts, Esme's compassion and enthusiasm always warmed the room and lifted the spirits of everyone she met. Her loving brother described her as a real ''people person,'' one who loved meeting people, talking with them, learning about them, and sharing her life with them.

For all of those whose days were brightened by Esme's radiant joy and love of life, this week marks an anniversary filled with sorrow and heartache.

One year ago, Esme's life was taken from her under tragic and horrifying circumstances.

The 13-year-old left the house one day to go for a jog, and would never return.

One man's rage and delusion resulted in the brutal and senseless murder of an innocent, virtuous, and loving child.

Perhaps most disturbing is the fact that Anthony Kirkland, the confessed murderer, was already a convicted killer and registered sex offender when he committed this atrocity. He had served 16 years in prison for the sadistic assault and murder of another young woman.

My wife Connie and I extend our deepest sympathy to Esme's family, friends, and community during this unthinkably difficult time. We lost Esme a year ago, but I know she will be part of our lives always.

The recurrence of these horrible acts underscores the urgent need to review our criminal justice system, and that is why I join the Kenney family in support of legislation introduced by my colleague, Senator WEBB: S. 174, the National Criminal Justice Commission Act of 2009.

This bill would establish the National Criminal Justice Commission to undertake a comprehensive review of the current system and submit a report to Congress and the President that outlines findings and recommendations for changes in criminal justice policies.

Such action is vital to keeping our children safe. We must not be complacent in the face of such inconceivably violent and destructive acts as the crime that took Esme from us.

RECESS

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

Thereupon the Senate, at 12:34 p.m., recessed until 2 p.m. and reassembled when called to order by the Presiding Officer (Mr. BURRIS).

TAX ON BONUSES RECEIVED FROM CERTAIN TARP RECIPIENTS—Continued

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

(The remarks of Mr. JOHANNS pertaining to the submission of S. Res. 452 are located in today's RECORD under ''Submitted Resolutions.'')

The PRESIDING OFFICER. The Senator from Utah is recognized.

HEALTH CARE REFORM

Mr. HATCH. Mr. President, I rise, joined by my friend, the distinguished Senator from South Dakota and chairman of the Senate Republican Policy Committee, to discuss the health care legislation being considered in Congress. The current debate is primarily about process. But before addressing that, I wish to remind everyone that in the end, this is about the substance of the legislation that Washington liberals want to impose upon the country by any means necessary.

This legislation is bad, both for what it represents and for what it would do. It represents a massive Federal Government takeover of the health care system. The health care and health insurance systems could be significantly improved with policies that respect individual choice, that embrace our system of federalism, in which the States can tailor solutions to their own needs and demographics. It could. But Washington liberals have rejected that path.

What would this legislation do? As I have argued in the past, this legislation would bust the limits the Constitution places on Federal Government power. Liberty itself depends on those limits, it always has and it always will. Those limits mean Congress may exercise only the powers listed in the Constitution. None of those powers authorizes Congress to take such unprecedented steps as requiring that individuals spend their own money to purchase a particular good or service, such as health insurance, or face a financial penalty. This legislation would unnecessarily take this country into unchartered political and legal territory.

We just heard from the Congressional Budget Office that President Obama's policies will add a staggering $8.5 trillion—that is trillion with a ''t''—to our already sky-high national debt.

This is before passage of the health care tax-and-spend bill that would cost another $2.5 trillion. Claims that this boondoggle will lower the deficit result from some pretty impressive accounting tricks. This legislation, for example, would start taking money from Americans immediately but would not provide any benefits to them for years. How about that as a neat way to lower a bill's supposed cost?

What do Americans get for all these trillions of dollars? They would be required to buy health insurance, but only 7 percent of Americans would receive any government subsidy to do so. Washington liberals say this bill cuts taxes, but 93 percent of all Americans would not be eligible for any tax benefit. Contrary to President Obama's explicit pledge, one-quarter of Americans making under $200,000 per year would see their taxes go up. Middle-class American families paying higher taxes will outnumber those receiving any government subsidy by more than 3 to 1.

And after the higher taxes, increased government control, greater regulation, and paltry help in buying health insurance, this legislation would not control health care costs, which is the main reason for the concern about health insurance in the first place.

It does nothing to rein in the junk lawsuits that drive up costs and drive doctors out of medicine. Instead, this legislation would cut $500 billion from Medicare to pay for a massive new government entitlement system that would include 159 new boards and other bureaucratic entities.

Last month, the White House released an 11-page document titled ''The President's Proposal.'' Calling it that, I suppose, was to make it appear to be a meaningful step in a genuine negotiation. It is nothing of the kind. One of the most obvious changes suggested in this document was elimination of the Medicaid subsidy that the Senate bill gave to only one State. That was for political rather than policy reasons. And I cannot forget to mention that this 11-page document's suggested changes would add at least $75 billion more to the cost of the Senate bill. That is around $7 billion a page. But it offered nothing to change the real defects in this legislation.

For these and so many other reasons, this legislation is the wrong way to address the challenges we face in health care and health insurance.

Let me turn to my friend from South Dakota, Senator THUNE. Now that we have been debating these issues for the better part of a year, what do the American people think of these liberal Washingtonian proposals and how did we get where we are today?

Mr. THUNE. I say to the Senator from Utah that he has made, over the course of the last year, many compelling arguments about the substance of this legislation and just now summarized what some of those are. The reason the American people have rejected this legislation is because they understand the substance of it. As the Senator pointed out, it has tax increases, Medicare cuts, and premium increases for most Americans. They figured that out a long time ago. That is why, if you look at the public opinion surveys that have been done with regard to the bill itself and to the process by which it got where it is, the American people reject it.

The reconciliation process, which has been talked about as a way in which to ultimately pass this through the House and then through the Senate, there have been polls that have asked the American public what they think of using reconciliation to enact health care reform.

The Gallup poll from February 25: 52 percent of Americans oppose the use of reconciliation. Last week's Rasmussen Report poll shows that 53 percent of Americans are opposed to the health care plan. Perhaps the most telling poll is a CNN poll from February 24—if you can believe this—that says 48 percent of Americans want Congress to start working on a new bill, and 25 percent of Americans want Congress to stop working on health care. Added together, that is 73 percent of the American public that wants Congress to either stop working on health care altogether or start over.

I am not among those who think we ought to stop working on this. This is a big, important issue to the American people. They want us to do it. But they want us to get it right. What is being proposed by our colleagues on the other side and what so far has been rammed through on a very partisan basis is a $2.5 trillion expansion of the Federal Government that expands the health care entitlement but does very little to reform health care in this county or to address the underlying drivers of health care costs in this country.

So the Senator from Utah is absolutely right in describing why the American people are so opposed to this legislation; that is, because they understand it. They know what it does. They are concerned about the cost of their health care insurance in this country. They are concerned as well about those who do not have health care, and we have come up with solutions we think make sense to cover those who do not have coverage. But I think it is pretty clear where the American people come down on this issue.

Incidentally, I think that is also what many of these elections we have had recently are about. If you look at