This bill makes it clear: no more government bailouts. It gives the regulators the authority they need to intervene a lot earlier and, if necessary, to restructure the institution or to break it apart or to have it merge or to close it down. It does not involve public funds. We will have a regulatory structure.

Today, we see institutions that call themselves banks that are not regulated under banking statutes. We find insurance companies that claim they are insurance companies but they do things other than insurance and get themselves into trouble, and there is no regulatory consistency. That will change with the bill Senator DODD has brought to the floor.

This bill puts consumers in control of information in plain English, by a strong consumer provision within the bill. This is absolutely necessary. We know today that consumers and small businesses are being victimized under the current financial structure. Consumers have been victimized by predatory lending. Small businesses have been victimized by banks that won't make loans to small businesses. We need a strong consumer presence. Senator DODD, in his bill, has brought out an independent consumer agency.

What this bill provides is tough regulation, the framework in which we can intervene earlier in order to protect the economy, no government bailout, and a way in which consumer issues can be handled independently to protect consumers.

Why not move forward? I am puzzled. I listened to my colleagues who oppose bringing this bill forward speak on the floor. I still don't understand their argument. If we move forward, amendments are in order. Amendments that are germane will have to be considered, will have to be voted on. Those are the rules of the Senate. For us to move the bill off the floor, we will need at least 60 votes. We know that. It should not take it. It should be an up-or-down vote. But we know from the prior record that the minority will insist upon 60 votes. We should be willing, on an important issue such as this, to vote up or down on amendments and final passage, but they will still have that right. So they are not jeopardizing the ability of the minority to block final consideration of the bill.

What they are doing is blocking debate on the bill. The only thing I can think of is that they would prefer to work out their issues behind closed doors rather than on the floor of the Senate. The reason is kind of self-evident: If you are trying to weaken the regulatory framework and you don't want your fingerprints on it, it would be easier to do that outside of the spotlight of the Chamber. If you are trying to diminish the consumer protections in the bill, you certainly would rather have that in a bill brought to the floor than having to offer an amendment to change it. I can only presume from the delay that the opposition is not to negotiate in good faith; the opposition is to avoid the public knowing the changes they are seeking in the bill or to weaken this bill or, even worse, in the hopes that major sections of this bill will be deleted or struck. That is not what the process should be about.

We need to move forward with Wall Street reform. We all know how our economy was brought to near the brink of destruction. We know how many millions of Americans have been adversely affected by what happened on Wall Street. People of Maryland, the people of the Nation are saying: Let's reform Wall Street. Let's make sure the reckless gambling doesn't take place in the future. Let's make sure too big to fail ends. Let's make sure those who are responsible are held accountable. The Dodd bill is a very good start to the process.

Debating the issue is what we should be doing in the Senate. The delay is aimed at preventing the public from knowing what is going on or, even worse, weakening this bill or making sure it doesn't pass.

I urge my colleagues to reconsider. Let's move forward and debate the Wall Street reform bill. Let's get on with the people's business first, our Nation's security first, our Nation's economic growth first. Let's bring this bill to the floor for immediate debate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SANDERS. Madam President, since the beginning of the financial crisis, the Federal Reserve, the Fed, has provided over $2 trillion in taxpayer-backed loans and other financial assistance to some of the largest financial institutions and corporations in the world. Let me repeat that: over $2 trillion—with a ''t''—$2 trillion.

Over a year ago, as a member of the Budget Committee, I asked Ben Bernanke, the Chairman of the Fed, a very simple question—very simple question; it could not be simpler—and the question, in so many words, was: Mr. Bernanke, you lent out $2 trillion. Who got that money? Who received the money? What were the terms of those loans?

Mr. Bernanke's answer was: No; I am not going to tell you, Senator SANDERS. I am not going to tell the Budget Committee, and I am not going to tell the American people.

I think that is outrageous. I think when $2 trillion of taxpayers' money is placed at risk, the American people have a right to know. How many debates have we had on the floor of the Senate about legislation dealing with $5 million, $30 million, with feverish debate—whether it is a good idea or a bad idea—and now you are looking at trillions of dollars of taxpayer money being placed at risk, and we do not know who received that. That, to me, is an outrage and that, to me, is unacceptable.

On that very day, after Ben Bernanke denied the American people the right to know who received those loans, I introduced legislation requiring the Fed to put that information on their Web site.

The Presiding Officer knows as well as I do, millions of lives have been ruined by the greed, the recklessness, and the illegal behavior of Wall Street. While the Fed was providing secret loans, at virtually no interest, to some of the largest financial institutions in this country, millions of Americans were losing their jobs, their homes, their life savings, their ability to send their kids to college—as a direct result of the same Wall Street firms the Fed was propping up.

So you have a situation where all over this country families are suffering, small- and medium-sized businesses are in desperate need of affordable loans. Yet you have the Fed providing trillions of dollars to the people who caused the recession and to some of the wealthiest and most powerful CEOs in the country.

The very least we can do for the American people is to tell them, to give them the information as to who got bailed out by the Fed. I do not think that is too much to ask. We have to explore whether there were conflicts of interest. How does it work when financial institutions get huge amounts of zero or near zero interest loans? Who sits on the committee? Are there conflicts of interest?

We have to know, for example, what I believe to be the case: that some of those financial institutions that received billions in zero or near zero interest loans may have invested that money in T-bills, in Treasury bonds, earning 3 or 4 percent interest. What kind of scam is that? You get zero interest loans from the Fed, and you invest in government-backed T bonds at 3 or 4 percent interest. That is an incredible scam. Did some of those financial institutions do that? I suspect they did. But we do not know what they did with that money and we have a right to find out.

Let us be very clear: The money put at risk does not belong to the Fed. It belongs to the American people. The American people have a right to know where their taxpayer dollars are going. Therefore, during the debate on financial reform, I will be offering an amendment to audit the Federal Reserve and to require that the Fed release all the details regarding the more than $2 trillion in virtually zero interest loans the Fed has provided to large financial institutions since the beginning of the economic crisis.

We talk a lot around here about the need for bipartisanship or tripartisanship. I am an Independent.

Well, this amendment does that. I do not know that there is any amendment out there that has more bipartisan support. This amendment is being cosponsored by Senators FEINGOLD, LEAHY, WYDEN, DORGAN, and BOXER; Democrats. It is being cosponsored by Senators DEMINT, MCCAIN, GRASSLEY, VITTER, BROWNBACK, GRAHAM, RISCH, and WICKER; Republicans. But, quite significantly, on the base bill I introduced, from which this amendment comes, this legislation is being supported by 32 cosponsors; that is, 22 Republicans and 10 Democrats, and they run the gamut from some of the most conservative Members of the Senate to some of the most progressive.

The Senators who are supporting the base bill are Senators BARRASSO, BENNETT, BOXER, BROWNBACK, BURR, CARDIN, CHAMBLISS, COBURN, COCHRAN, CORNYN, CRAPO, DEMINT, DORGAN, FEINGOLD, GRAHAM, GRASSLEY, HARKIN, HATCH, HUTCHISON, INHOFE, ISAKSON, LANDRIEU, LEAHY, LINCOLN, MCCAIN, MURKOWSKI, RISCH, THUNE, VITTER, WEBB, WICKER, and WYDEN.

That is a very broad cross-section of the Senate, from some of the most conservative to some of the most progressive Members on the base bill, who say it is absurd that the Fed could lend out trillions of dollars without the American people knowing who has received that money.

Let me tell you what our amendment would do, and it is pretty simple. No. 1, it would require the nonpartisan Government Accountability Office, the GAO, to conduct an independent and comprehensive audit of the Fed within 1 year. Secondly, it would require the Fed to disclose the names of the financial institutions that received over $2 trillion in virtually zero interest loans since the start of the recession. That is it. That is the whole amendment. Pretty simple. I would hope and expect we would have widespread bipartisan support for this amendment when it gets to the floor.

This amendment also has widespread community support from organizations all over this country. It has the support of Americans for Financial Reform—a coalition of over 250 consumer, employee, investor, community, and civil rights groups, including the AFL–CIO and the AARP.

I should also mention that increasing transparency at the Fed is obviously something the American people want to see, and poll after poll suggests that.

This amendment is similar to the Federal Reserve Transparency Act that was introduced in the House by Congressman RON PAUL and now has 320 bipartisan cosponsors. That is a lot. There are 435 Members of the House, and 320 are on the House bill. A version of that bill passed the House Financial Services Committee by a vote of 43 to 28 and was incorporated into the financial reform bill that passed the House last December. So not only do we have widespread bipartisan support in the Senate, that same type of support exists in the House.

Last year, the Speaker of the House, NANCY PELOSI, said Congress should ask the Fed to put this information ''on the Internet like they've done with the recovery package and the budget.'' That is exactly what this amendment would do. Interestingly enough, not only do we have widespread bipartisan support in the Congress, not only has the House moved vigorously on this issue already, but, importantly, the courts have ruled in support of what we are trying to do.

Bloomberg News has been very aggressive on this issue, and they have won court decisions requiring the Fed to release this information to the public. But despite widespread congressional support, despite two court decisions, the Fed continues to resist the transparency which our country desperately needs.

As long as the Fed is allowed to keep the information on their loans secret, we may never know the true financial condition of the banking system. This has resulted in a whole myriad of problems, and I think it is time we brought some sunshine to the goings on of the Fed.

Let me conclude by saying this: The American people are outraged, regardless of their political views, by the behavior of Wall Street. They have seen the greed of Wall Street lead us into a recession in which millions of jobs have been lost, homes have been lost, savings have been lost, families have been destroyed, and they want to make sure we do everything we can to make sure what caused this terrible recession never happens again.

I think one of the most important things we can do in terms of Wall Street reform is to bring transparency to the Fed. So this is an incredibly simple amendment. This is an amendment that has grassroots support. This is an amendment that has support from the most progressive and conservative Members of the Congress.

When I bring up this amendment, I certainly hope we can get a great deal of support from Members of the Senate.

Mr. DURBIN. Madam President, will the Senator from Vermont yield for a question?

Mr. SANDERS. I am very pleased to yield to my friend from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I would like to ask the Senator from Vermont, through the Chair, about another issue in this bill relative to the interest rates that are being charged across America. I would like to ask the Senator from Vermont if he would tell me his take or evaluation of the provision in this bill which exempts usury laws and interest rates from the consideration of the Consumer Financial Protection Agency.

I know the Presiding Officer has an interest in some exploitation that is occurring in her State of North Carolina—frankly, in my State of Illinois, and probably across this Nation—by the so-called payday loan and title loan operations, where average people who are struggling economically go in for high-interest loans that are then rolled over, time and time and time again, until they lose whatever security has been offered for the loan and, frankly, find themselves even deeper in debt.

I would like to ask the Senator from Vermont, whom I have discussed this with on many occasions, his thoughts about consumer financial protections and the interest rates being charged across this Nation.

Mr. SANDERS. I thank my friend from Illinois for raising that question. I wish to congratulate him because our colleagues should know he has been a leader on this issue for many years and has already achieved some significant success.

My memory is, we had payday lenders that, if you can believe this, were charging men and women in the U.S. Armed Forces—who, in many cases, do not have a lot of money, who are trying to take care of their families—outrageously high interest rates on check cashing and payday loans. The Senator from Illinois led the effort successfully to put a cap on that, and I thank him very much for doing that. That is a start.

But, clearly, as the Senator from Illinois indicates, we have to go further. Here is the story. Just a couple weeks ago, there was a rally, right here on Capitol Hill, led by religious groups—religious groups—who said it is immoral and unacceptable that in the United States of America we are now seeing usury and loan sharking taking place by some of the largest financial institutions in this country. So we are not just talking, I would say to my friend from Illinois, about an economic issue; we are talking about a basically moral issue. If one reads the Bible, the Old Testament, the New Testament, the Koran, every major religion on this planet has said that usury is immoral; that if you are desperate and you need money, I cannot charge you outrageously high interest rates. That is immoral and the wrong thing to do. Yet in this country today, as a result of a Supreme Court decision some years ago, we have millions of Americans who are paying 25, 30, 35, 40 percent interest rates. This is not from loan shark gangsters on a street corner in Chicago; this is from some of the largest, most distinguished financial institutions in the world. We have to put an end to that.

I would tell my friend from Illinois that the legislation we have offered would put a cap of 15 percent, except under extraordinary circumstances, on the interest rates banks can charge the American people. We came up with this idea because this is what credit unions in this country have been doing for several decades, and they have been doing it successfully.

Mr. DURBIN. Madam President, I wish to ask through the Chair again—first, I wish to give credit where it is due. The original amendment we

talked about that protects military families was offered by Senator Jim Talent of Missouri, and I supported it and everyone supported it because we found men and women in the military trained to defend our country who signed up for these payday loans and quick loans, and they became so deeply mired in debt they were forced to leave military service. So we said as a matter of national security, we can't sacrifice well-trained men and women who can keep us safe as a nation to loan sharks who have these storefront operations in my hometown of Springfield and in your hometown in Vermont and all across the Nation.

I would say to the Senator from Vermont—and he and I have joked about this a little bit—I tried to come up with a number to say this will be the maximum interest rate that can be charged. I went to a mutual friend whom I respect and said: What is a number that no one can argue with? She said 36 percent. When I mentioned that number to people back in Illinois and other places, they were aghast. They said: We don't want to pay 36 percent for anything. I said: I don't either. But this is like a ceiling.

Well, it turned out it is a little more confusing than illuminating. I happen to think the Senator from Vermont is certainly right with the cap he is suggesting.

Now, is it not true, I ask the Senator from Vermont, as this rollcall vote reflects, if the Republican Senators in this Chamber continue this filibuster against this financial reform bill, this Wall Street reform bill, this consumer financial protection bill, we can't even engage in this debate, let alone this amendment, to try to protect families across America from being preyed upon by these outrageous reptilian credit operations?

Mr. SANDERS. The Senator from Illinois is, of course, absolutely right. The point the Senator from Illinois is making, which makes eminent sense, is if our friends disagree, if our friends want to offer an amendment, if the Republicans want to alter the bill, that is their right. That is what the Senate is about. But we can't proceed or go forward in putting a cap on the outrageous interest rates financial institutions are charging the American people—the loan sharking—unless we get this bill going. We can't talk about Fed transparency unless we get this bill going.

So I certainly agree with my friend from Illinois. People have a right to disagree, but the American people are disgusted and frustrated with what is going on on Wall Street. They want action. So to simply have our Republican friends saying: No, no, no, we are not going forward, doesn't make any sense to me.

Mr. DURBIN. Madam President, I would ask the Senator from Vermont through the Chair, as informative and as entertaining as our presentations are on the floor, the fact is, 98 chairs are empty on the Senate floor, chairs that could be filled with Members of the Senate from both political parties debating the issues we are talking about; actually voting on amendments, proposing changes in the law to ultimately work with the House and send it to the President to solve some of the problems of our Nation. But as long as we are facing—and we have had three filibuster votes so far this week with more to follow—as long as we are facing this Republican filibuster where not one single Republican Senator will break with the Republican caucus or the Wall Street position that opposes any reform, we can't even bring this bill to the floor for debate so we can address the biggest economic and financial challenge America has faced in decades.

Mr. SANDERS. Madam President, my friend from Illinois is exactly right. Let me just add to it. We have the House of Representatives that voted to go forward. We have the President of the United States who wants to go forward. We have 57, or whatever the number is, Senators who wish to go forward. Now is the time to go forward.

I would add to what my friend from Illinois has just said. Let's be very clear about this. Last year, in 2009, as I understand it, our friends on Wall Street who are doing everything they can to make sure Congress does nothing to reform the way they do business—that is what they want; let's be clear about it—do you know what they spent last year? I would tell my friend from Illinois that my understanding is they spent $300 million on lobbying and campaign contributions.

I know my friend from Illinois knows that we can't walk around the Capitol without bumping in to one or another lobbyist representing Wall Street. Why are they here? Why are they representing hedge fund managers who make billions of dollars in a year? They want to be able to continue to do the exact same things they have done in the past which has led to this terrible recession.

So let's not be naive. There are huge amounts of money flooding Capitol Hill right now, and the goal is, no matter what anybody may say: Let's do no Wall Street reform.

Mr. DURBIN. I thank the Senator from Vermont for yielding for questions. I yield the floor and unless someone——

Mr. SANDERS. Madam President, I wish to thank the Senator from Illinois for his continued efforts on Wall Street reform and the excellent work he has done.

Mr. DURBIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BURRIS. Madam President, we just witnessed a few moments ago the third attempt to try to do something about financial reform legislation in this body, and for the third time, it went down. I am an old baseball player. I played a lot of baseball in my young days, and there is a rule in baseball that says three strikes and you are out. Well, we have had three tries at this financial reform, and I will tell my distinguished colleagues on the other side of the aisle: We are not out. We are just beginning to fight under the circumstances we are confronted with because we are fighting on behalf of the American people.

Earlier this week, our distinguished majority leader called for a vote to open the debate on major financial reform. We have seen well-designed proposals from the Senator from Connecticut, Chairman DODD. This bill reflects the priorities articulated by President Obama and supported by an overwhelming majority of the American people. It will end the so-called ''too big to fail'' and prevent massive banks from making risky decisions that threaten the entire American economy. It will eliminate the need for government bailouts, and it will institute commonsense regulations so companies cannot create investments that are designed to fail and then bet against them.

In short, this legislation is a good starting point. As a matter of fact, we have heard Chairman DODD say time and time again we have to get it on the Senate floor so we can improve this legislation. I know I am supportive of a couple of amendments that would be beneficial to improve the legislation. It may not be the complete Wall Street reform package in its final form, but it contains a number of good provisions, and it is worth debating. So I am asking my colleagues, let's stop debating to debate.

The majority leader scheduled a vote to bring this bill to the floor so Members of both parties could offer amendments and make improvements. This was not a vote on the legislation itself. Leader REID was not asking the Senate to pass the bill without debate or without amendment. He simply wanted to start the process. He wanted to begin deliberations on the floor of this Chamber in front of C–SPAN cameras and in front of the American people. But when the roll was called and my colleagues and I came to the Chamber, every single one of my Republican friends voted to block the debate, plus one of ours.

So we will try again, I hope, this afternoon, if not tomorrow, but we are not playing baseball on the floor of the Senate. This is not the all-American game, but it is the all-American future.

There was a second vote to start debate—to move ahead this process and take up the consideration of financial reform. But for a third time, my Republican friends stood in the way. They know they will have plenty of opportunity to try and defeat the bill once it

is on the Senate floor, but they decided to drag their feet anyway.

We have seen this kind of thing before. This is the same Republican playbook we saw with health care reform, the same obstructionism, the same tired politics. In the past, they have been able to use this strategy to score political points. This time, I would respectfully suggest that my Republican friends have miscalculated. The issue of health care reform was complicated, so when it came time for debate, it was easy to distract and delay and to spread misinformation.

It was easy to muddy the waters so they could gain traction and delay President Obama's agenda. When the health care debate was over, good policy won out over good politics, and we passed the bill—but not before my friends on the other side had scored some political points.

This time it is different. Financial reform itself is very complex. That is why it is so easy for big banks to take advantage of consumers. That is why it is difficult to apply the kind of oversight we should have seen in the years leading up to the recent collapse.

The issue itself is hard. This time around, the tactics of distraction and delay will not work. That is because Americans are smarter than that. They know who the bad guys are.

About 2 years ago, Lehman brothers was one of the first dominoes to fall. Next came Bernie Madoff. Then a handful of other Ponzi schemes came crashing down. Most recently—just yesterday—we witnessed Goldman Sachs, one of the largest and most respected firms on Wall Street, was charged with fraud.

When it comes to financial reform, we know where the problem lies. My Republican friends can try to distract and obstruct all they want, but they will not succeed in confusing the American people. Ordinary folks have had their pocketbooks bled dry by this financial crisis. They have seen their hard-earned savings disappear and their future become dramatically less secure, and they know exactly who to blame.

For far too long, Wall Street banks have been subject to relaxed oversight. As a result, the focus of their business has changed. It stopped being about lending money to businesses, making smart investments, and encouraging free enterprise. When I was in the banking business, that is what we did. I was at the biggest bank in Illinois, the seventh largest bank in America, where we worked with companies, made loans, collected interest, and took the people's deposits in and paid them interest. And we kept the economy going.

Instead, Wall Street has basically turned into a casino. Look at the derivatives market. Here you essentially have an object that is being traded that has no value of its own. It has no ties to the actual economy. There is no product, no business idea, and no actual investment. It is just a high-stakes bet.

Without intelligent risk management, capital standards, and basic rules of the road, these bets have the potential to undermine the strength of our entire economy. Wall Street is a casino gone wild, and they are gambling with our money not theirs. They are making money off of our money.

The American people know this. They can see through the distractions and political posturing. They recognize the need to reform Wall Street so we can end bailouts, put commonsense rules in place, and make sure we never experience this kind of economic crisis ever again.

I am not sure what my Republican friends hope to gain by blocking our debate on this bill. They say they want to improve it, but that is exactly what we would be able to do once it is on the floor. Maybe they believe they can water down our reform package by dragging out this process. Maybe they would like the chance to hold some more Wall Street fundraisers before they have to take a vote on the legislation itself. Maybe they simply don't have an alternative plan, and they know they cannot win this argument on the floor of the Senate, with the eyes of the Nation on them.

I am not sure what they hope to gain by stalling financial reform. I urge my distinguished colleagues on the other side to please let us move ahead with this process. I urge them to set aside these political tactics and bring their ideas to the table so we can strengthen this bill and make sure our economic future is safe.

I call upon them to join us in debating, amending, and improving this important legislation rather than dragging their feet on a bill that has so much public support.

When we pass this into law, after extensive discussion, it will be a victory for the American people. If my Republican friends join us in this effort, it can be a victory for both political parties, as well. We will all benefit. The American people will benefit.

This legislation deserves to be debated in open session. I ask my Republican friends to let us move ahead. But if they will not, and they continue to delay and obstruct, then I challenge them to come to the floor and explain. I challenge any one of my distinguished colleagues on the other side of the aisle to walk into the Senate Chamber today and seek recognition from the Chair. I challenge them to stand before the American people and tell them why American families should be asked to fund Wall Street's recklessness and greed.

I want them to explain that, Mr. President. I believe we need to end these practices. I believe we need to take up the issue of financial reform without delay. If my friends on the other side disagree, it is their privilege to do so. But I believe they owe the American people an explanation. I am pretty sure it will be very difficult to explain to them why they are holding up this important piece of legislation.

Mr. President, I yield the floor.

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

Mr. BOND. Mr. President, I am delighted to join in this debate, and I invite my friends on the other side to listen to what the people in communities in our home States are saying, who don't spend time soliciting funds on Wall Street.

Let's be very clear: We all agree we need to hold Wall Street accountable for the havoc wreaked on Main Street. We all agree we need to enact reform to prevent another financial crisis. Where we disagree on is what the responsible reform looks like. I have real concerns that, in its current form, the Democrats' bill, written with the White House, is a massive government overreach that will punish Main Street, hurt families, and cost jobs by stifling small businesses and entrepreneurs.

To sum it up, Democrats want to treat Main Street, our community banks, our farm lenders, and our auto dealers like they were Goldman Sachs or others on Wall Street. We Republicans want to ensure we fix Wall Street, without crippling Main Street. The only way to do that is to force the Democrats to listen to the concerns of Main Street, to open this up and make it a bipartisan process. It has not been, and it isn't going to be until we get some discussion and real substantive changes in what I view as a very dangerous bill to the economic climate and health of our country, our States, our communities, and the creation of jobs.

Today, let me share with you some of the concerns I have heard from Main Street. Like families in every community and every State, small businesses were the victims. They weren't the perpetrators of the financial crisis caused, among other places, on Wall Street.

Small businesses were not responsible for the financial crisis and should not be treated as if they were. But that is exactly what this bill does. This 1,400-page bill reaches far beyond Wall Street and will impose new costs and onerous new regulations on small businesses to fix a problem they were not responsible for causing. In short, this bill would change the way every American does business.

We are not just talking about changing the way Wall Street banks do business, but also how every community banker, local dentist, farm lender, and auto dealer does business. I urge my colleagues to take time away from the floor and listen to the people at home. They have a very different message than that which we are hearing from our friends on the other side of the aisle.

These concerns are not just Republican concerns. I hope my colleagues on the other side of the aisle are also hearing from their constituents back home about disturbing provisions in the Democrats' proposal and have begun to agree with Senate Republicans that there is a lot of work to be

done before we bring this 1,400-page monstrosity to the floor.

Don't misunderstand me. Like the nearly two-thirds of all Americans who favor some sort of reform of Wall Street, so do I and my Republican colleagues. But we need responsible and bipartisan reform that all Americans and businesses can be proud of. I want to work with my friends on the other side to ensure that the concerns I have heard from Missourians—1,000 miles away from Wall Street—are addressed as the process moves forward.

First, I continue to be stumped that any real form of our financial system could ignore Fannie Mae and Freddie Mac, which were significant—if not the majority—contributors to the financial crisis. But that is what this bill does. That is a mistake, and so is leaving out the rating agencies who gave triple-A ratings to bad paper that was foisted on the system.

Fannie Mae and Freddie Mac—these government-sponsored GSEs—contributed to the financial meltdown by buying high-risk loans made to people who could not afford them. In addition to the cost to taxpayers, these irresponsible actions turned the American dream into the American nightmare for too many families who faced foreclosure, lost their homes, which devastated entire neighborhoods and communities as the property values diminished, as well as the credit rating of the families displaced.

Responsible reform must address the GSEs. Responsible reform would put an end to the taxpayer-funded bailout of Fannie and Freddie and refocus them on promoting affordable housing.

Next, it is critical that in reforming Wall Street, we are not punishing Main Street. Instead, we should be protecting small business startups that are so critical to job creation.

Unfortunately, this bill will kill small business startups. While title IX of the Dodd bill has been little noticed, it would have devastating consequences. Specifically, this provision would kill small business startups by delaying and limiting the availability of private investor seed capital, which is essential for the survival and growth of these startups.

Through new, burdensome regulation by the SEC, innovators and entrepreneurs would be subject to registering with the Commission for a 4-month review before they could get out and start soliciting money. This tying up of vital venture capital dollars needed for immediate use by small businesses would cripple their startup efforts. This is not a measure that will protect people from Wall Street. This is not a measure needed because venture capitalists and small startup entrepreneurs and innovators were causing the crisis. No, they are part of the solution of the jobless problems we have now.

This provision is an overreach by the Federal Government, which would shut down the job creation that Main Street provides, which this country desperately needs. Raising the net worth threshold for those who can invest in these venture capital firms to $2.3 million from the existing $1 million, and raising the annual household income threshold to $450,000, as the Dodd bill proposes to do, would disqualify two-thirds of the current accredited investors, according to the Wall Street Journal, who otherwise would help fund small startups in our communities. These are the people whom these innovators and entrepreneurs have to go to, and this will make it impossible for them to get the money they need. Therefore, some woman, some man with a great idea is much less likely in your hometown to be able to get the funds she or he needs to start a business.

I believe strongly—and I have always said and will continue to say—that small businesses and the startup companies are the backbone of our country. I understand the critical role these so-called angel investors can play in the creation and development of new companies, small or large. Let me tell you about my position. Right now, in Missouri, I have been working to help build an agri-biotech corridor across the State. In Missouri, we have the potential to foster a whole new industry in advanced agricultural research and biotechnology. This agriculture research and biotech industry is our best opportunity to stimulate and create high-paying skilled jobs in rural Missouri, rural America, and in the cities as well.

The stimulus these biotech companies are spurring in Missouri is also happening in other States across the Nation. According to the Kauffman Foundation, located in Kansas City, between 1980 and 2005, companies less than 5 years old accounted for all—all—net job growth in the United States. As a matter of fact, the same study showed that in 2008, angel investors provided roughly $19 billion in more than 55,000 companies. You are going to put an end to that with this bill?

Let us go back and think about it before we bring this monstrosity to the floor. The new bill, if enacted, would deny immediate access to capital. If enacted, it would say to innovators and entrepreneurs: You are too small to succeed, too small to survive. That is far different from what this bill was promised and promoted as doing—stopping too big to fail. Yes, I am going to see in my communities and you are going to see in your communities too small to survive. That is not where we should be going.

Killing small business startups and jobs on Main Street is not the only unintended consequence of the Democrats' current proposal that has come to light. Caught up in the Democrats' fervor to pass a bill—any bill—without careful consideration, are members of the U.S. military and their families. Last week, I heard from active-duty and retired military members who fear this bill would hurt their financial security. You see, under the Democrats' bill, United Services Automobile Association—USAA, a financial and insurance provider for members of the U.S. military and their families—would, after an 87-year track record, no longer be able to manage their own portfolio.

Also as a result of the Dodd bill, this company that serves our military and veterans would have their ability to offer certain competitive products to servicemembers and their families jeopardized and their ability to return money to servicemembers and their families limited by this massive expansion of government authority. This must be fixed. I would urge my colleagues to listen to the military and veterans and their families in your States. See what they think.

Unfortunately, the unintended consequences of this bill keep piling up. The next major concern I have heard from Missouri community banks that provide critical lending to families and small businesses is the creation of the so-called Consumer Financial Protection Bureau—CFPB. This massive new government bureaucracy has unprecedented authority and enforcement powers to impose mandates on any entities that extend credit. We are not just talking about big Wall Street banks here but also your community banker, your local dentist. Dentists are telling me that if they offer credit, they would be regulated. Farm lenders would find it very difficult for them to be able to operate to make their farm loans and to be able to hedge the risk that they normally do. Auto dealers can sell cars only through the benefit of private sector financing. As a result, there will be no choice but to pass the costs on for this financing, if they can get it, to the consumers—the very people this bill is supposed to protect. And it may cut some of them out of getting credit altogether.

The National Federation of Independent Businesses, a strong voice for small businesses, voiced their serious concern over the creation of this new bureaucracy. I am sure you all have received it, but if you have not, I would urge you to check your mail, because the letter from the NFIB to Congress says:

> These small businesses had nothing to do with the Wall Street meltdown and should not be faced with onerous new and duplicative regulations because of a problem they did not cause. Further, as the most recent NFIB Small Business Economic Trends survey shows, small businesses continue to struggle with lost sales, and such regulations could make these problems worse—stifling any small business recovery.

In other words, they are saying: We do this and small businesses are going to be even less likely to be able to create jobs. We have already put too much debt on the Federal books. We are threatening to increase their taxes by a tremendous amount, and now we see regulations that are going to interfere with their normal credit operations. That is a cause for concern.

This very high unemployment the stimulus bill didn't touch, other than getting more people working for the Federal Government. It was supposed to bring our unemployment rate down to 8 percent, but it is going to continue to fail and fail miserably if we stifle the ability of small businesses to create jobs.

The only way to ensure that the CFPB does not unintentionally hurt Main Street but still protects consumers is to narrow the scope and authority with clear language outlining exactly who this new regulator will regulate and what it will do. Instead of unlimited authority, this new regulator should focus on the shadow banking entities operating outside of the regulatory framework and preying on vulnerable people. The banks and the savings and loans that issue loans are regulated by government regulators. Are the people who are making these large loans, such as home loans, regulated? In a lot of areas they are not. CFPB could look at those.

I proposed 2 years ago a mortgage origination commission to make sure everybody originating mortgages was regulated by some appropriate State agency. Well, we haven't done it. We also need to ensure that we are not empowering, through this new government agency regulator, the same organizations which pushed home ownership at any cost onto families who could not afford to repay their loans. This is one of the key problems we had. People who couldn't afford homes were told that they could get them with no downpayment, even if they had bad credit. If they didn't have the money to have a home, they were told they could have a home anyhow. These are the people who saw their American dream turn into the American nightmare. These are the people whose houses were foreclosed, their families thrown out, their communities devastated, and ultimately the entire network of not only America's financial system but the world's financial system brought down by this bad paper.

Surely, my colleagues would not want to vote for a bill that creates a new government bureaucracy without knowing exactly what the bureaucracy is empowered to do and if it will take on the real bad actors who got us into this mess. This CFPB is a perfect example of how the ''one size fits all'' of this hurried legislation will have unintended consequences for those who did not contribute to the financial meltdown. Treating community banks like Goldman Sachs is a mistake, and one we cannot afford to make.

If we are aware of these unintended consequences now, why won't we correct them now? Why do my colleagues want to bring these unintended consequences in the bill closer to being codified into law on the Senate floor? If you want to have some real consumer protection, I purchased several homes, as we have moved around recently, and I can tell you that the best thing we can do for consumer protection is to repeal all the laws that require a stack of paper that high that you are supposed to sign saying you have read it. Have consumer protection with a very simple one- or two-page form. I have talked about that before. That is simple consumer protection. Let people know, for people who are not adequately informed on financial situations.

The one thing we found out when I joined with the chairman of the Banking Committee, Senator DODD, in pushing home foreclosure counseling, as we worked with agencies that were counseling people who were losing their homes through foreclosure, is these agencies were crying out and saying: We need financial counseling for these people before they get into homes. That is the best way to avoid foreclosure. Let us go back to that. It sounds simple, but it happens to be the thing that would work.

I doubt my Democratic colleagues intend to pass a bill that will hurt families every time they turn on the light switch or try to heat their home, but that is what this bill in its current form will do, once again, trying to go for the easy one-size-fits-all approach to entities that it does not fit in any way. The $592 trillion over-the-counter derivatives market needs stronger rules of transparency on the things that are run through Wall Street. Some of these derivatives traded in this market played a significant role in the recent crisis, through products such as credit default swaps.

I have called these derivatives computer game derivatives. They were so complex. They were something somebody thought up and ran through a computer. You know what. Our regulators fell down on the job. They didn't look at these derivatives. They were not transparent. They were not regulated. Some of that is the fault of the regulators, who are now scrambling to come in and file suits. They are supposed to regulate and make sure that these products that are complicated are fully transparent and related to reality and go to those who are at least sophisticated. You can't guarantee that they win or lose, but at least know what they are; make sure they are clearly understood by everybody; get the rating agencies to judge them independently, not as captured entities for the people who issue them and will pay the rating agency if they get the rating they want.

But there is an important distinction between the computer game derivatives or the very sophisticated derivatives that are traded on Wall Street. You can make good financial arguments for them, so long as they are traded on an exchange—the Wall Street derivatives, so long as somebody is looking at them to make sure there is some integrity in them. But not all derivative contracts pose systemic risk. As a matter of fact, commercial contracts initiated by energy companies, utilities, and the agricultural industry are used to manage risks associated with their daily commercial operation, from cost fluctuations in materials and commodities to foreign currencies used in international business. These end users, these commodity hedgers, make up less than 3 percent of the market.

I don't know of any farmer or any farm agency or any utility who caused the crisis on Wall Street by entering into a long-term supply-and-purchase contract. There is no reason to make this be traded on an exchange when you have an ongoing partner; no reason to acquire collateral to be posted. The end users, as they are called, do so in order to plan for future pricing so they can provide the least expensive goods or services to the consumer as possible. Costly margin requirements for the end users will be directly passed on to their families. Guess who pays for that? That is us. That is us. Because all Americans will see their costs go up whenever they turn on their lights, put food on their table, and use any form of transportation—whether it be cars, trucks, buses, or airplanes. This is a problem that must be fixed.

For the purpose of my time on the floor, I won't go into each and every problem I have heard about in the bill. I have only been given minutes to speak rather than hours. But the current concerns I have outlined are critical. The unintended consequences on which I have shined a light must be stopped. Americans do not want another massive flawed bill that will kill more jobs, make it harder to get a home or car loan, or make it more expensive to heat their homes.

Yes, Americans are rightfully angry and frustrated about the bad actors on Wall Street who caused the financial crisis, costing many Americans their jobs and even their homes. Americans are rightfully angry and frustrated about the trillions of dollars the government has committed to rescuing the financial industry when so many of them are still struggling to pay their bills. These are the people from whom I am hearing. I agree with the majority of Americans who believe it is unfair for bad actors who caused this financial crisis to get bailed out with their tax dollars—with our tax dollars—when there is no bailout for families who lost their savings or jobs. I agree with the majority of Americans who are rightly skeptical of the Democrats' bill and the rush the majority wants to pass it in. It is no surprise that my constituents are skeptical. After all, it is the few bad actors on Wall Street who caused the financial crisis who are now cheerleading this so-called reform bill.

I was stunned when I read that the head of the investment bank Goldman Sachs, Mr. Blankfein, said, ''The biggest beneficiary of reform is Wall Street itself.'' The head of Goldman Sachs said that the biggest beneficiary of this reform bill is Wall Street. Did you hear that, everybody who has been looking at Goldman Sachs? I also understand that Citigroup now supports

this measure. They are huge Wall Street players who have had access to the White House and the majority leaders of both Houses to push for all the good things this bill does for them. They are the ones who have been in there. They are the major contributors. Look where the money goes. If you want to say: OK, who is looking for contributions, look at that and see what is in the bill.

This bill clobbers Main Street and it glances off of Wall Street. Instead of helping Wall Street, I want to ensure a bill is passed that will protect Main Street. While Wall Street may be cheering this bill, I am here to ensure this bill represents Main Street concerns. What I am hearing from Main Street, they are concerned, and it doesn't address their concerns, it puts more burdens on them. I urge you, I ask you to listen to the folks at home.

We need to hold Wall Street accountable for the havoc wreaked on Main Street and enact reform to prevent another financial crisis. This bill is too large, too costly for consumers, and will kill job creation at a time when working Americans need to be left to do what they do best; that is, succeed.

My friends on the other side of the aisle can hold vote after vote, but until this bill fixes the problems and I can be sure it is not just Goldman Sachs, Citigroup, and the rest of Wall Street that will benefit, I will continue to force Democrats to listen to the concerns of Main Street America.

I urge my colleagues to turn up the hearing and turn down the volume and listen to what the people in your States are saying.

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

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

The assistant editor of the Daily Digest proceeded to call the roll.

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

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

Mr. REED. Mr. President, yesterday we and the nation heard from Goldman Sachs executives indicating they had no regrets about the financial crisis, a crisis that has left 8.5 million people without jobs and stripped billions of dollars of retirement savings from working Americans. In fact, the Pew Institute released a study that indicates the financial crisis and recession have already cost U.S. households $100,000, on average, in lost wealth and income. That is a huge blow to the families who are struggling to pay for their retirement, to pay for their children's education, and provide a better life for themselves and their children.

We have seen, in the last five quarters, because of this financial crisis associated with and connected with the recession, $648 billion less in gross domestic product than was projected initially—$648 billion of productive enterprises. The cost of this crisis is something we all should not only recognize but commit to preventing in the future. We also should calculate the cost not just in terms of gross domestic product and how well executives on Wall Street are doing, who are doing pretty well, but how well the average family in this country is doing, and how well they will do in the future. We must consider how much in terms of their wealth has been diminished, if not lost, in rebuilding our economy.

One of the major functions of any financial sector in any part of the world is to efficiently allocate capital to grow domestic product—not to reduce it—to invest in productive enterprise and employ people. The financial sector shouldn't undercut companies or force them to lay off workers. All of this, in the last few months, I think has represented a failure in that basic function of making sure capital is accumulated and then efficiently allocated to productive means.

So Wall Street, I think, has a lot to regret about their role, and we have a lot to do to improve the situation, to ensure the regulatory structure is in place, and to set clear rules for the conduct of financial business that will protect families, protect consumers, and protect the taxpayers.

This is the third time our colleagues on the other side have blocked such efforts to begin the discussion. We recognize this is a complex topic, with many different parts: credit rating agencies, capital requirements, financial institutions, derivatives. You can go on and on and on. So anyone who implies they have all the wisdom, I think, will find themselves sadly mistaken. But we have to get on with this bill because unless we bring the bill to the floor, we cannot begin to, in the open, talk about those policy issues that people can disagree on—people have different approaches—and ultimately resolve this and create a better regulatory structure and a stronger foundation for our economy.

But in the last several days, this has been, again, ''say no and the problem might go away.'' Well, if they continue to say no, the problem will get worse. We are looking across the globe today at a crisis in Europe because of Greek sovereign debt. It is spiraling. Already, Spanish debt has been downgraded. If we think we are immune from these global currents, both good and bad, we are mistaken. If we do not put in a stronger structure of regulation, the next crisis might not be starting on Wall Street, but the impact on Main Street could be the same, and it could be just as devastating.

We have to look forward. We have to move on. The notion that we have all the time in the world and we can sort of nonchalantly go about our business—or in some cases, if it is a political judgment that it is better to resist—is not serving the people of this Nation well.

We recognize there are principle differences. Let's resolve them, as we do on the floor through debate, through discussion, and through a vote, and let's move on. We have a lot of work to do. The underlying bill Senator DODD has brought to the floor already incorporates so many of these disparate views, and I think in a very sensible way.

Let me, for the record, recall that legislation like this has been pending for months and months and months. The Presiding Officer will recall—because he participated with me in the first markup last November—Senator DODD brought a bill to the committee, opened it up to amendment, and it was quite clear there was going to be no serious discussion. In fact, our colleagues on the other side said: We need more time. We want to participate with you. I think it was done with great sincerity. Senator DODD entertained those proposals for months. From November until a few weeks ago, we were working collaboratively and creatively to try to bridge our gaps and bring a bill to the floor.

Well, finally—and somewhat in exacerbation—Senator DODD concluded this was leading nowhere, except to more delay, if not denial of the great problem we face. So we had a committee markup. Again, it was an opportunity for our colleagues on the other side to bring forth their proposals, their ideas, in a markup in which we would be able to consider their views, vote on them, and then move that bill to the floor. But it was a perfunctory session. They had concluded that, no, they were not quite yet ready to offer their proposals, their ideas, and to engage in the business of legislation.

So now the bill is before us, months after we started this process, months after we have entertained and incorporated proposals that have been made by our colleagues because they are very good proposals. It was Senator CORKER and Senator WARNER—who have done an outstanding job—who structured the whole issue of resolution, that there would be an upfront fund so that financial institutions—not taxpayers—would pay for the failure of a financial institution.

Yet when that bill was brought to the floor—or we attempted to do it—that provision, that bipartisan provision was singled out for, shall we say, criticism, if not ridicule, as a perpetual bailout bill. That was a misrepresentation of the bill and it, frankly, contradicted the whole effort, the whole bipartisan effort to come up with something that both sides could support.

But this bill incorporates so many different ideas and aspects that have been shared. In fact, it was interesting, in the lead up to this floor consideration, so many times on both sides of the aisle, people would say, routinely: well, we agree on 80 percent of the bill. I think if you have 80 percent of the bill agreed to, at least conceptually, you are probably ready to bring the bill up for debate and to vote. Yet again, the Republican side refuses to do that.

They are, I think, assuming, I guess, they have a lot of time. But as you look around the globe, at the crises in Europe, at the stock market falling dramatically yesterday because of Europe, I think we have to move aggressively to protect American families, and that means getting the bill on the floor and voting for it.

This bill will make changes that are urgently necessary. Again, the issue of too big to fail—through the extraordinary effort, painstaking effort, the hours of discussions by Senator WARNER and Senator CORKER, there was a proposal for resolution that effectively ends too big to fail. In fact, Sheila Bair, who is the Chairwoman of the FDIC and was appointed by President Bush, says it virtually eliminates the possibility of a taxpayer bailout. So that is part of it. Strengthening consumer protection. There has been, I think, an unfortunate generalization that consumer protections are bad for business. Frankly, we should have discovered in the last several months that good consumer protections are very good for business. Many of those consumer laws—which would have protected people seeking mortgages—which were ignored or exempted would have, I think, improved dramatically the mortgage situation. It would have improved business. It would have made that overriding issue of efficient allocation of capital much easier.

But when you have very little protections for consumers, they are at the mercy of people who will exploit them for a quick buck. And that is what happened. Mortgages were given to people who were not qualified. Why? Because no one was watching out for them. But not only that, the individual issuing the mortgage did not have, as they say, any skin in the game because they simply sent it in to the big securitization process. Someone got a fee for securitizing it. Someone wrapped it up into a big mortgage-backed security. Someone else wrapped it up into a collateralized debt obligation, which is a collection of securities. Then someone else wrapped that up into a synthetic collateralized debt obligation and sold it off. Not a lot of efficient allocation of capital for productive means, but a lot of fees for investment bankers, securitizers, and mortgage brokers. At the very beginning, good consumer protections would have been an effective way to mitigate some of that damage. They are in this bill.

We are attempting to eliminate huge gaps and loopholes in financial regulation. Our regulatory scheme has grown up over many years, in fact, through the life of this country. So we have a national bank authority that was created in the 1860s. We have an Office of Thrift Supervision that was created many years later because of thrift institutions. We have the FDIC, which was created in the 1930s by Franklin Roosevelt as a result of the Depression and the need to insure deposits. We have the Federal Reserve System that monitors local banks and large banks that was created in the Wilson administration.

All of them have a little different piece of the action, and all of them have been routinely used in what is termed regulatory arbitrage, to move to the most favorable position for your business, which may not be favorable to the overall economy. Some of the big mortgage lenders that ultimately collapsed started off being regulated by the Office of the Comptroller of the Currency, and then they decided they would have a better deal at OTS. Frankly, if they had an opportunity—if they were still with us—they would be looking elsewhere. Hit and run, I think, was probably the business plan. We have to stop that.

This bill takes a strong step forward, consolidating that supervision, by consolidating the Office of the Comptroller of the Currency and the Office of Thrift Supervision, by limiting the supervision of the Federal Reserve over a countless number of small banks, and concentrating their efforts at the big institutions, where their expertise and their focus should make a difference.

This is a huge improvement over what the present system is. Yet our colleagues are not recognizing the need to improve and the need to move forward. We have been engaged, through Senator LINCOLN and Senator DODD, with derivatives legislation, which, for the first time, recognizes and regulates those derivatives. There was a great debate here in the 1990s, and through that debate derivatives were left unregulated. Today we have to recognize we have to put them back under regulatory supervision.

The legislation creates the steps, the architecture, which will go a long way to prevent some of the problems we have seen. It requires reporting all derivative transactions to a data repository which the regulators will have access to so they can see firsthand in real time what is happening out there. Is there a big buildup in Greek debt? Are there huge positions in credit default swaps on Greek bonds? They can quickly get a macro sense of what is happening.

Then, with limited exceptions, all derivatives have to be cleared on a clearing platform. That takes away the bilateral nature of transactions. Someone says: I will sell you insurance on this interest rate for a fee. You give me the fee, et cetera. That is bilateral. If one of these parties is unable to carry out its obligations, the transaction fails. In a clearing platform, there is a central party that assumes the risk of one of the parties failing. It is a mutualization, really, of risk, and it is a step forward.

But we have to step even farther than that. We have to push as many of these trades onto a trading platform, not just clearing it and holding collateral, but actually pricing it. Because of the complexity of some of these products, unless there is a market, no one knows the real value. On a trading platform, there is a market value and people can value it because basically if someone will buy it, that is the value. So we have to do that. This legislation goes a long way to doing that.

With respect to credit rating agencies, one of the great failures is the credit rating agencies. As to all of these exotic mortgage products that collapsed in value, most of them were rated investment grade—AA, AAA, according to whatever the rating is—and yet they failed. Part of it was because of the way credit rating agencies operate.

Senator LEVIN conducted recently some very good hearings on this issue. The familiarity between the investment bank that is bringing the product to the street and the raters, the interconnectedness, the failure to have the appropriate checks on the models that raters were using, an independent risk analysis within the rating agency that is going to look at these models not for the benefit of who is paying for it but for the propriety and correctness of the model. That is in the legislation.

We have done something else too: We have inserted language that would allow someone who has invested their savings through a pension plan or other method to go to court and make the case that they should find out what happened within the rating agency with respect to the poorly rated investment that caused them to lose their savings. Today, these cases are routinely dismissed before anyone can question the rating agency. Our legislation would allow them to get beyond the pleadings stage. But it would also give the rating agencies an affirmative defense. They would have to factually check their models. They would have to actually look at some of these mortgages. Frankly, this might be 20/20 hindsight, but if someone drove out to one of those counties in Florida where there were all of these exotic mortgages but no one seemed to be living there and the communities were deteriorating, I think they would pretty quickly check their rating. That appears not to have been done.

For the first time, hedge funds are regulated. They would have to register with the SEC and be subject to registration, notifying the SEC of the size of their pool and other basic information.

Well, we have had months of opportunities to share additional thoughts and work together to amend the bill in committee, which was not done, but, more importantly, to begin today—in fact, we should have begun last week—this issue of finally passing a Senate bill that responds to the crisis we saw; that builds a stronger foundation of financial expansion; that protects consumers and taxpayers as well as leads to the increase in the wealth of families, not to the dramatic decrease and decline we have witnessed because of some of these forces at work today in the marketplace on Wall Street, which still have to be addressed.

There will be parts of the proposals that come up that will be an attempt to weaken some of these provisions, particularly with respect to consumer protection. Again, I think it flows from the false logic that if it is good for consumers, it is bad for business. Actually, I always thought, in smalltown business, the customer is always right. You believed the customer, made sure you provided value for your product, and made sure he or she would come back because they were happy and satisfied. Apparently, that old-fashioned rule has been tossed out, but I think that old-fashioned rule has to be reestablished.

We have seen, as a way to deflect attention from the need to reform and the need to move this legislation, misrepresentations about the bill. I mentioned one: It is a bailout bill. Well, I think that has been dropped because it was transparently misleading. Indeed, this bailout mechanism was a bipartisan product of two of our distinguished colleagues, Senator WARNER and Senator CORKER. Now we are at the old standby: It is going to hurt business. I will tell my colleagues what has hurt business, and that is the behavior on Wall Street.

I can recall that several years ago there was a study by the McKinsey Company that said that if we did not loosen further the already, I think, lax rules, we would lose all the securities business; all of Wall Street would go to England or other places; we would lose thousands of jobs. Guess what. They have lost, unfortunately, thousands of jobs there. And it wasn't because regulation was too stringent; it was because it was too lax.

Again, if there is any case to be made for what hurts business, it is irrational allocation of capital; lax rules with respect to consumers; a market driven not by value but by compensation, not by long-term growth but by short-term profit. That is what has cost every family in America $100,000.

So if we move purposely and with the input of our colleagues, which we have already accepted, we can establish a framework where business will begin to grow again. So I reject the argument that what we are doing will hurt business. In fact, I think this uncertainty of whether we will have this reform or that reform continues to, at least to a degree, impede capital formation and to impede investments in the country. When there are clear rules of the road, then the economy will again begin to pick up, as it is beginning to pick up for other reasons.

If we don't take up this bill, work on it, and pass good legislation, who wins? Well, I will tell my colleagues who wins. It is the big banks that have survived this crisis today, that are reporting record profits. What are they making their money on? Giving loans to small business men and women across America? Investing in municipalities? No. They are making huge profits in trading—betting, in some respects, on how the economy is going to do. Well, we need a situation in which capital is dedicated to growth and to investment and productivity.

The speculators will continue to reap billions of dollars of profits. I am sure there are several clever people who are doing quite well over the demise of sovereign wealth in Greece, who have taken short positions on Greek bonds and are making a lot of money. That is not helping us, it is not helping the country, and indeed it is not helping our trading partners across the globe. That, unchecked, will continue.

The opaque and unregulated market that I just referred to in derivatives, a $600 trillion notional market. When you talk to people about clearing of derivatives, it is not billions, no; it is trillions of dollars. That market is unregulated, and if it goes the wrong way quickly, the consequences can be devastating. We have seen that with the mortgage crisis.

So we have to move. We have to move at every level, not just the big banks, but we have to provide appropriate regulation for people in terms of the mortgage industry so those abuses in mortgages will be corrected. We have to go ahead and look at payday lenders who are charging 900 percent interest, who are stripping people of their hard-won resources. We have to look at the credit card companies. We have passed legislation, but we have to look at what they are doing. If those people—the payday lenders and the mortgage brokers—can continue to operate with impunity, the bankers win. Who loses? Well, consumers lose—paying the excessive rates, seeing their homes devalued, all of that.

I think we have to stand up and start the work of legislating. The status quo is no longer affordable, and I think the notion that we will never see another crisis is undercut by looking around. If there are not today some steady hands at the tiller in Europe in terms of the European community and their financial arrangements, the cascading effect of Greece to Spain to Ireland, et cetera, could be another problem we have to deal with.

We have lots of work to do, and the longer we delay, the more we are neglecting the real needs of our constituents. I urge that on the next vote we get down to business.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

Mr. NELSON of Florida. Mr. President, I ask unanimous consent to speak on the motion to proceed for up to 30 minutes.

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

Mr. NELSON of Florida. Mr. President, we have now voted three times—once on Monday, the second time on Tuesday, and a third time today—merely trying to get to the Wall Street financial reform bill. Each time we have been blocked from being able to proceed because we can't muster 60 votes to cut off the debate to get to the bill.

The Republican leadership remains united in opposition to bringing up the bill, at a time in which we have just seen a display of extraordinarily intense, shall we say, arrogance on the part of executives at a major Wall Street firm in the way they conducted themselves in front of Senator CARL LEVIN's investigation subcommittee yesterday in a hearing. It is rather extraordinary that the Republican leadership is not letting us come up with the bill so we can get it out here, debate it, and amend it.

This Senator has a number of amendments that I would like to offer in order to, as we say, perfect the Banking Committee's bill. But we can't even get to that.

I don't know what the thinking of the Republican leadership is that they would do this, especially in light of the fact that the American people want some changes with the way investments are handled on Wall Street. They want to see some movement. They want to see some action. So when we attempt to bring up a comprehensive bill to reform Wall Street and the reckless practices that nearly brought down the global economy, we are prevented from having a free and open debate on the bill and we are prevented from perfecting that bill by adopting amendments.

I guess the Republican leadership's alternative to this, since we can't do it out here in the normal legislative process, is to do this in the backroom, behind closed doors, outside of the sunshine. They want to have a deal cut before it comes to the floor in order to avoid an open and free debate to reform the financial system.

Why do they want to do this? Well, it seems to me common sense would tell us it is because they want to water down the bill. They want to water it down to the point where Wall Street—where we are trying to tighten the screws in order to better regulate them and prevent another near financial meltdown such as we had—will sign off on a final compromise, and that is why they are blocking the motion to proceed to get to the bill.

Does this tactic sound familiar? It is the exact kind of backroom wheeling and dealing the American people have come to resent. The only difference between now and decades ago is that in the old days those deals were cut in smoke-filled backrooms. At least now there is not a lot of tobacco that is being consumed in those backrooms. But what is similar is that the special interests are still calling the shots.

So my plea is that we break this filibuster. Let's get a bill in front of the

Senate so it can be in the full light and the glare of the headlights and the cameras. Let's get it in front of the American people and then let's let the legislative process work its will as we amend the bill.

Listen to some of the arguments the Republican leadership, over and over and over, has used. They have said the Banking Committee bill guarantees future bailouts. Well, that is not true. It might be a good sound bite, but it is simply untrue. The Banking Committee bill puts an end to the promise of future bailouts.

The Republican leadership attacks the $50 billion resolution fund created in the bill. This Senator is not convinced we need that fund, and I am certainly not convinced it is going to survive the debate on the floor, but we ought to have some honest debate about that particular provision. The fund is paid for in the Banking Committee bill directly from the coffers of the largest banks. The fund acts, in the way it is devised by the Banking Committee, as a buffer to protect taxpayers so that if there is another breakup, another potential meltdown, the fund is there—already funded by the banks—so the taxpayers don't have to go in and do the rescue operation such as we have done in the past.

Under the Banking Committee bill, the fund can only be used to liquidate a financial institution, to break it up. In short, it is a funeral tax. It is a funeral tax on the largest banks, not the taxpayers. The $50 billion fund in that Banking Committee bill only gets tapped to pay for their funeral expenses.

So here we are. The American people hear the Republican leadership talking about all this, and it is a red herring. The American people want action, and here we are stuck in procedural gridlock. Guess who the only real winners are. As we sit here, trying to break a filibuster on Monday, again Tuesday, and again today, shortly after noon, the only winners are the Wall Street bankers who have mastered the art of using the broken financial regulatory system to almost bring down the country's finances by deceiving investors and, ultimately, in order to save our system, milking the American taxpayer.

One of the major beneficiaries of the current system is the credit rating agencies. This is a subject matter the Senator from Minnesota—who now sits in the Presiding Officer's chair—has some familiarity with and on which he will be offering an amendment. This Senator is going to join him in that amendment. Credit rating agencies—something that normally is down in the weeds because it is so complicated—are private companies that assess the creditworthiness of various types of debt instruments, such as bonds and mortgage-backed securities, as well as the issuers—rating the issuers of those instruments.

They typically assign a letter grade that is designed to convey the risk of default, and there are three major credit rating agencies on Wall Street: There is Moody's, there is Standard & Poor's, and there is Fitch Ratings. For most of the last century, the rating agencies were paid by investors who subscribed to their services. Why did they do that? Because it made sense. Investors were the ones who were investing their money and they were the consumers of the ratings. They wanted the best information regarding the risk that they would have in that investment.

Well, unfortunately, in the 1970s, all this changed and the business model flipped. The rating agencies began charging the issuers of the bonds, not the people who were seeking to know if it was a good credit risk in order to invest their money. It was reversed. It was the very issuers of the credit, rather than the investors, who were charging for their services. So beginning in the 1970s, rating agencies began to be paid by the very same people who had a vested interest in receiving a high investment grade.

Think about that. The very issuers of the bonds who wanted people to invest their money in these bonds needed a high credit rating on that bond in order to get people to invest. If they could be rated at AAA, as opposed to B, people were much more willing to put their money into this instrument.

Well, talk about a conflict of interest. Now the issuers of the bonds, who have an interest in a high AAA rating, go out and hire the services of the credit rating agencies.

Did you ever hear the old adage, ''He who pays the piper calls the tune''? Well, those who were going to pay the piper were going to call what that tune was. Do you think if you are paying the bill to the credit rating agency that you have a better chance of getting a AAA rating than a lower rating? Of course you do. That is a walking conflict of interest.

How could we allow this unavoidable conflict of interest to exist and allow it to exist since the 1970s is unfathomable and unbelievable. Yet that is the way it is. Credit rating agencies failed miserably in the runup to the financial crisis, and it sure looks like—looking backward—they put profits ahead of professionalism. They failed to detect the severe deterioration in lending standards that began in the late 1990s. They failed to review all available information about the loans on which the securities they were rating were based. The conflict of interest in their business model gave the rating agencies an enormous incentive to overlook problems in mortgage-backed security markets.

In 2006, Congress passed the Credit Rating Agency Reform Act. I put that in quotes, the Credit Rating Agency ''Reform'' Act. The bill was written in the Senate by the Republican leadership, and it had the full sign-off of the credit rating industry. Here is what the bill did—2006. It standardized the process for registering rating agencies, and it gave the SEC some new oversight powers over rating agencies. At the same time, however, this so-called reform act prohibited the SEC from regulating ''the substance of credit ratings or the procedures and methodologies by which any rating agency determines credit ratings.'' It gutted the ability to double-check credit rating agencies.

Furthermore, to add insult to injury, the act also clarified that it creates no private right of action. So if a party invested in a particular financial instrument because that credit rating was high, and it turned out to be a dog and they lost lots of money, they had no private right of action through the courts.

No wonder the industry supported that legislation back in 2006. The bill, written by the Republican leadership, took away any power of Federal regulators that they might have had to crack down on the baseless credit ratings that were fueling the boom in subprime lending. To make matters worse, the bill made it clear it was not empowering the private sector to hold the credit rating agencies liable for their ratings.

The bill we hope one day, at some hour, to get to the floor so we can start working on it does some important things to improve credit rating agencies. It requires these agencies to disclose their methodologies and their ratings track record. Wouldn't you think you would want to know their track record if you are going to invest a lot of money based on their triple-A rating? It requires agencies to consider information in their ratings that comes from outside sources. But when it comes to addressing the fundamental conflict of interest in the credit rating agency business model, this bill coming out on the Senate floor falls short.

It would require the rating agencies to separate ratings activities from their sales and marketing activities, and that is like saying my left arm has no idea what my right arm is doing. In reality, it is the brain in your head that controls both the right arm and the left arm, and no one is proposing to chop off the head. So we have to deal with this conflict of interest, and we are going to. Here is what we are going to do.

We are going to do this with the help of the Presiding Officer of the Senate. We are going to offer an amendment that would establish a clearinghouse to randomly assign rating assignments with rating issuers. As simple as that, we can end the conflict of interest in the credit rating industry if, randomly, it is going to be assigned among companies that rate issuers of financial instruments.

Second, this Senator is going to offer an amendment to require the rating agencies to monitor, to review, and to update their credit ratings after the initial issuance of their credit rating so it does not become stale. They are going to have to continue to look at it,

to review it, to update it, and to publish it. The rating agency should not be able to walk away from a rating after it has been issued. It is going to be fresh. The rating agencies ought to conduct continued surveillance of these securities and update them along the line.

The credit rating agency reform is just one of the many areas the Senate needs to debate. But as long as the Republican leadership continues to prevent the bill from coming to the floor, this broken system remains in place. The Wall Street bankers win and the American public loses.

Let me give some other examples. Remember the name ''AIG''? It was this Goliath organization that started out as an insurance company. It became this huge financial institution. The core product of this company was its insurance. It was deemed too big to fail at the time of the near meltdown of our financial system. This was back in the fall of 2008.

It was deemed that when we passed the Troubled Assets Relief Program, TARP, that money had to go into this big, Goliath organization, all the way to the tune of about $80 billion of taxpayer money, as I last recall. It may be a lot more than that.

Guess what this did. They had already issued, in effect, an insurance policy that had a fancy name. It was called a credit default swap. It was an insurance policy against some of the companies if their investments went bad. That is not bad. But what happened was, when the American taxpayer dollars went in to save AIG, AIG took those taxpayer dollars and turned around and paid off those insurance policies, 100 cents on the dollar. Is that fair, when folks like some of these folks who have been in the news recently, such as Goldman Sachs, got paid off to the tune of $13 billion instead of going in and negotiating a lower payoff since it was taxpayer money? We ought to change that, and I think we will if we can ever get to the bill, if the Republican leadership will ever allow us to get to the bill.

Let's take another example. What about the same insurance policies called credit default swaps? Let's say the same set of circumstances with AIG occurred, but AIG had not been bailed out by the American taxpayer and instead had gone into bankruptcy. AIG, in this hypothetical example, had a lot of creditors that would get in line under the bankruptcy law to get whatever they could. But, oh, no; these insurance policies called credit default swaps would be exempt from the bankruptcy laws. They would get paid off in full first instead of having to get in line with all the other creditors under the bankruptcy law.

That is not right. This Senator is going to have an amendment to the Banking Committee's bill to correct that. There is no reason those insurance policies should be at the head of the line of everybody else in the case of bankruptcy.

Are we pleased about the executive compensation of some of these folks who have nearly caused the financial collapse of our country? When taxpayer money, through the TARP system, was bailing out these institutions—whether it was directly, such as into AIG, or directly into a place such as Bank of America, or whether it was indirectly coming through these credit default swaps that were getting paid off 100 cents on the dollar that I just described, through the conduit of AIG—what was happening to the compensation of those executives? Were they still getting bonuses? Were they still getting high salaries? Were they having to tighten up their belts when, in fact, their financial institutions were kept alive by the American taxpayer bailing them out?

No, we didn't see that tightening of the belt. We did not see any evidence of humility. We didn't see any evidence of appreciation. But, instead, we saw arrogance displayed through huge bonuses that were being given with a total disregard for the American people's sacrifice, of putting their hard-earned taxpayer dollars in to save those financial institutions.

Mr. President, I think you will see once we get out here on the floor that we are, in fact, going to get a number of amendments, including the amendment of this Senator, on a limitation—not on executive compensation but a limitation on the ability to deduct from their tax liability excessive executive compensation, and a tie of that excessive executive compensation to, in fact, performance for that company that pays their salary. We are going to see that. Sooner or later, we, in fact, are going to get to the bill, even though the Republican leadership continues to try to obstruct and delay because sooner or later the American people are going to have their way. They clearly want Wall Street financial reform.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I rise today to speak on the financial regulatory reform, and particularly the effect of the Dodd proposal that came out of the Banking Committee on which I sit, that we have been voting on cloture on for this whole week.

I heard Senators from the other side talk about delay; the Republicans are delaying this bill. I have heard them for the last week say it is because we are siding with Wall Street, Republicans are siding with Wall Street.

That is odd to me because it is the Wall Street big banks that are for this bill. It is Citigroup, it is Goldman Sachs that are in support of this bill. They are publicly supporting the bill.

It is the community banks that are flooding my office and the offices of my colleagues. It is the community banks that had nothing to do with the financial meltdown that are hugely concerned with this bill.

That is the issue. The groups that are opposing Dodd's bill are the National Federation of Independent Businesses, the small businesses of our country; the U.S. Chamber of Commerce; Americans for Tax Reform; the Americans for Limited Government; Freedom Works; the National Taxpayer Union; the United States Automobile Association.

We have had auto dealers in our offices all week who are very concerned about not being able to get credit from the little banks and the ability to finance the buying of automobiles. It is the Military Officers Association that has concerns with this bill; the National Council of Farmer Cooperatives; the Farm Credit Council; the National Association of Home Builders; the Fertilizer Institute.

This is a bill that is going to affect our economy. So many of the groups I have named are the groups that are providing jobs in our country that we want to encourage to create more jobs, not discourage in a time such as this. So, yes, Republicans have been trying to have input on this bill. There has not been any Republican input at all. If we have learned one thing as Republicans, it is that we know what it is like to be completely shut out. We were completely shut out of the health care debate. We had amendments offered day after day after day. Oh, the process worked. Not one Republican amendment was passed. Not one. Neither was there one Republican vote in the House or Senate on the health care bill. So we have had that experience. So this time, because we see the dangers in the Dodd bill to our economy and the small businesses and the small banks, we are saying we are not going to let this bill go to the floor if we have the power to stop it until there is Republican input.

The biggest failure in the bill is that it still allows taxpayer bailouts. That is wrong. That is why Republicans are voting not to bring it up yet, because we are trying to change the language in the bill before it comes to the floor to assure that the taxpayers will not have the responsibility to bail out big financial institutions that took gambles with other peoples' money. That is the holdup.

This bill is not a bill that is favored by community and little banks. It is favored by the big banks. It is favored by Goldman Sachs and Citigroup. So let's be clear about that. As we consider the bill before us, the Dodd bill, it should focus on the gaps and holes in regulations that led to our nation's financial crisis from which we have not yet recovered, because there are still millions of people who are unemployed because of the financial crisis.

We must end too big to fail. We must end taxpayer bailouts. That is not done in this bill, and that is why Republicans are saying: Stop this bill from coming to the floor until it does at least that one major thing; that is, to be clear, that we stop too big to fail in this country.

Putting the big banks in one level of operation and scrutiny and one level of access to the Fed, which this bill does, the Fed keeps its scrutiny of every bank company holding company of $50 billion or more in assets. That is it. All of the other banks in our system throughout our country are not allowed access to the Federal Reserve. They cannot be members of the Federal Reserve under the Dodd bill. That is the major reason I am not supporting this bill.

In fact, I have an amendment, if this bill comes to the floor, I am going to offer that says the law today will prevail, that is, that community banks may join the Fed, the State-chartered banks may join the Fed, because if you do not do that, you are going to give the impression that the $50-billion-and-above banks are in one category, that they are going to be taxpayer protected. That means they are going to be able to give lower rates in competition with the community banks because it will be perceived that the risk is less.

That is not what we ought to be doing. So I am going to offer an amendment to the Dodd bill which would eliminate that part of the Dodd bill that takes away Fed access to the community banks. The other reason it is important is that we have regional Fed banks. The reason it was set up that way is so that throughout the country the Federal Reserve would be able to make monetary policy with input, with input from Kansas City, and Dallas, and Houston, and San Antonio, and Los Angeles, and San Francisco, and San Diego, and Minnesota, and Wisconsin.

That was the concept of the regional Fed bank. Let me give you an example. The Federal Reserve Bank of Dallas is headed by Richard Fisher, who came to see me last week. He said: I would go from regulating about $70 billion in bank assets, with all the community bank members that we have in the Dallas Regional Fed, to 3.

If the Fed is going to listen in Washington, when they are making the monetary policy, to the Kansas City Fed chief who completely agrees that we need to keep access for State and community banks to the Fed, for their information, as well as the level playing field. So that will be my amendment.

Community banks did not cause the financial meltdown. In fact, they provided lending and depository services to families and small businesses across Texas and across our country. Even in the hard times they were mostly the ones that helped small business get their inventory loans and the help they needed for liquidity.

A lot of people I talked to in my home State, when I visit the small businesses and the community, felt as though nobody was lending. The big banks certainly were not. So the community banks are continuing to make credit available, much more than the big banks, so businesses and consumers can invest and create jobs that will lift our Nation into a recovery.

Do not talk to me about recovery when it is still a jobless—that is an oxymoron—a jobless recovery. There are millions of people out there unemployed. Is that a recovery? No. ''Jobless recovery'' should be out of our lexicon. That is wrong. If we are going to build jobs in this country, it is going to be through small businesses. The big businesses are not hiring. Do you know why the stock market is up right now? It is because the big businesses are not hiring. They have lowered their costs. Yes, they are more profitable because they are working with fewer people. I do not considering that a success. I think we have to save our community banks. This bill before us is going to hurt them. That is why we are holding it up.

I wish I could say that is the only part of the bill that hurts community banks, but there is another part. It is the Consumer Financial Protection Bureau that is created in the Dodd bill that will add a new layer of regulations and a new agency issuing new regulations that will affect those same community banks that are already fully regulated.

We have seen the effect of poor and predatory lending standards in this financial meltdown. We need reform in that area. Americans should understand all the terms of a transaction, and they need to be creditworthy. Subprime loans to people who are not creditworthy are not healthy for our economy. We have learned that for sure. We do not need a new bureaucracy housed in the Fed but without Fed oversight, which is sort of a non sequitur. But that is the way it is in this bill, which I hope we can change. Community banks are already regulated. They have all of the regulations, either State bank regulation or by the FDIC insuring them, requiring reserves. They are doing their job.

The new agency would remove safety and soundness from consumer protection and have unlimited and unchecked rule-writing authority. The legislation does include an exemption which would allow a community bank with less than $10 billion in assets to retain examination from its prudential regulators, or the regulators they have now.

But the exemption is false because community banks will still be subject to the new agency's new rules, pricing, and prohibitions, all of which will only serve to curtail consumer credit options.

Enhancing consumer protections should instead focus on leveraging the experience of agencies that are already in place, such as the Federal Trade Commission. I am the ranking Republican on the Commerce Committee. I see the work the FTC is doing on a daily basis to stop unfair and deceptive practices that prey on consumers of financial products and services offered by nonbank entities such as mortgage loan services.

As an example, in 2009 alone, the FTC and the States, working together closely, brought more than 200 cases against firms that peddled phony mortgage modification and foreclosure rescue scams. Rather than focusing on too big to fail or the practices of large banks, the Dodd bill overreaches and threatens the authority of the FTC to protect consumers of nonbank financial products, as it has for many years.

The FTC wrote a letter to me as ranking member of Commerce, and our chairman, Jay Rockefeller, and asked for assistance with preserving their consumer protection and enforcement authority. I am working now with Chairman ROCKEFELLER. He is very focused on this. I can tell you he is very focused, because I talked to him on the telephone yesterday several times, including at 8 o'clock last night, because he is so concerned that we are not going to fix this bill to make sure the FTC is not shut off from what it already does, what it already has in place, with a new overlay of a new agency that does not have the experience, that does not now exist, and would need startup time and more taxpayer dollars.

Instead, Senator ROCKEFELLER will have an amendment, and I will cosponsor it, that will keep the FTC exactly where it is now with the enforcement actions against companies that offer nonbank financial products. I hope Senator DODD will work with us on that amendment. In fact, I am going to expand it even beyond that and say: We should put all of the nonbank regulation into the FTC instead of this new agency that will be another bureaucracy that will be confusing in many instances to the banks which are already regulated.

I hope we can do something in this bill that is right in the regulatory area, and particularly the area that contributed to the financial meltdown, such as the nonbank financial institutions, not the banks. The community banks did not have a part in this financial meltdown. I hope we can fix this bill when it comes to the floor.

It appears that the chairman of the Banking Committee and the ranking Republican, Senator DODD and Senator SHELBY, have come to an agreement on the language that will tighten and close the loophole in too big to fail. We are going to hear exactly what that language is in a few minutes in our Republican caucus. That will be very good for us to be able to then come to the floor, if the Democrats will allow Republicans to have some input into this bill on the other issues, such as Federal Trade Commission jurisdiction, the new consumer agency that I think is overreach and overkill, and most certainly to keep community banks without a competitive disadvantage against the big banks. I want a level playing field because I don't want the community banks to suffer in this country. They are the lifeblood of the heartland, and they are in peril with this bill.

I am somewhat frustrated at hearing some of the speeches in the last week that have railed against Republicans for holding up this bill. Sometimes ''no'' is the right answer because if we bring a bill to the floor with no ability to amend it and we don't fix too big to fail, then once again, like the health care reform bill that was jammed through the Senate and the House with no Republican support and no input, we will be doing it to our economy and our financial institutions. I hope we will not do that again.

I hope that we will have a bill we can all agree closes the loopholes on too big to fail so that taxpayers will not be on the hook again for big financial institutions that bet with other people's money on fancy derivatives and all of the hedges that don't make sense; that we protect the hedges that do make sense, that are used by the end user to keep a budget in place rather than passing big price hikes on to consumers in oil and commodities. That is what derivatives are supposed to be for, and we don't need to stop that. We just need to know what is in those big derivatives so that people will have the information and so will the regulators.

We can do this job right. This should not be political. Democrats and Republicans aren't going to get an advantage for passing a financial regulation bill because most people are not going to know how it will affect them until it is passed and in place. Why don't we do it right? Let's bring the bill to the floor with some key parts that are agreed to, and then let's start having amendments. I am not saying every Republican amendment should pass, but I think it should have a fair hearing. And I think some of them should pass if this bill is going to pass the test of a true bipartisan bill that will have more than just a partisan vote out of the Senate.

I thank the Chair for listening—not that it was his choice, but I appreciate it anyway.

I hope we will do the right thing on this bill. It will affect our financial communities, every community in Texas, and especially small businesses and community banks that are going to be the reason we recover, if we do this right.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

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

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

Mr. GRASSLEY. I ask unanimous consent to speak for 12 minutes as in morning business.

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

GENERAL MOTORS AND TARP

Mr. GRASSLEY. Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks some letters to which I will refer.

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

(See exhibit 1.)

Mr. GRASSLEY. Mr. President, last Thursday, I wrote Secretary Geithner asking why the Treasury Department allowed General Motors to use TARP money from a Treasury escrow account to repay its multibillion-dollar TARP taxpayer loan. This afternoon, I received a response from Treasury. I would like to say a few words about the reply and the questions that remain unanswered.

Last week, Treasury and GM announced with press releases and nationwide TV commercials that GM had repaid its TARP loans ''in full, with interest, ahead of schedule, because more customers are buying [GM vehicles].''

However, the hype does not match the reality. Taxpayers have not been repaid in full—far from it. Many billions of TARP dollars remain invested by Treasury in GM, and much of it will never be repaid. The Congressional Budget Office estimates that taxpayers will lose around $30 billion on GM.

In addition, the payment that occurred last week did not come from revenue GM earned by selling cars, despite what was claimed. Instead, Treasury allowed GM to use funds in a separate escrow account to pay its TARP debt. The Treasury Department's response to me today makes a point of saying that GM ''owns'' the money in the escrow account, as if that somehow justifies all the hoopla about GM's so-called ''repayment.''

Well, let's look at how GM came to ''own'' those escrow funds in the first place. The escrow funds were part of the TARP money Treasury paid for GM stock coming out of the bankruptcy. The money was supposed to be used by GM for expenses, as Treasury concedes. Treasury had the power to approve or disapprove GM's use of the money to repay the TARP taxpayer loan. Treasury approved, and GM pretended it was paying the loan back from revenue because business had improved.

Business may have improved, but that is not how they paid the loan. Taking TARP money out of one account to pay back TARP loans in another account is not at all the same as paying off a loan with earnings, as GM's TV commercials imply they have done. That is why I called it ''an elaborate TARP money shuffle'' and nothing in Treasury's reply today changes that.

The public would know nothing about the TARP escrow money being the source of the supposed repayment from simply watching GM's TV commercials or reading Treasury's press release. Treasury's letter today says all these details are public knowledge and nothing new. Well, that may be technically correct, but it wasn't clearly communicated that way to the average citizen. Most Americans don't pore through SEC filings and special inspectors general reports.

The GM commercial also did not mention that GM could have used the TARP escrow funds to repay a $2.5 billion 9 percent loan it received from its union health plan as part of the bankruptcy process. The union loan runs until 2017. The TARP loan was at 7 percent and ran until 2015. What sort of money manager would advise you to pay off a lower interest loan before a higher interest loan? GM and Treasury have still not explained that, and I have asked the TARP watchdog, Special Inspector Neil Barofsky, to get to the bottom of it. And to make matters worse, Treasury has admitted that it let GM take an additional 6.6 billion of TARP dollars out of the escrow fund last week with no strings attached. That money, too, could have been used to repay the high interest union loan.

There are reports that GM also applied to the Department of Energy for a $10 billion 5 percent loan to retool its plants to meet fuel economy standards. GM seems to be using government money to pay back government money, and then asking for more government money at a lower interest rate. It sounds like a plan to refinance GM's government debt with more taxpayer money—not pay it back.

GM had to ask permission from Treasury to use the taxpayers' stock investment to pay off the taxpayers' loan. Treasury's response to my letter says that ''Treasury retained approval rights over GM's use of funds from the escrow account in order to protect the taxpayer.'' Well, why didn't they protect the taxpayer then?

Why would Treasury allow GM to use its equity investment to pay off the loan when it means giving up the legal right to 7 percent rate of return for the taxpayers in exchange for essentially nothing? Since the taxpayer has an equity stake in the company, it's true that future growth of GM could theoretically make taxpayers whole, but taxpayers already had that equity interest before this latest transaction and didn't get any more equity as a result of the transaction.

Another key question is: Why would GM orchestrate a major media campaign to make the public think this all represents some big accomplishment by GM when the truth is that the taxpayers are still on the hook for billions that we may never recover?

Using the taxpayers' stock investment in GM to reduce its debt to the taxpayers is not the same as repaying that debt from money actually earned by selling cars. Treasury's reply today does not explain why it approved this transaction. Maybe it is a step in the right direction, maybe not. But instead of misleading the American people, we should be clear and up front about what happened here.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, April 22, 2010.

Hon. TIMOTHY F. GEITHNER,
Secretary, U.S. Department of the Treasury, Washington, DC.

DEAR SECRETARY GEITHNER: General Motors (GM) yesterday announced that it repaid its TARP loans. I am concerned, however, that this announcement is not what it seems. In fact, it appears to be nothing more than an elaborate TARP money shuffle.

On Tuesday of this week, Mr. Neil Barofsky, the Special Inspector General for TARP, testified before the Senate Finance Committee. During his testimony Mr. Barofsky addressed GM's recent debt repayment activity, and stated that the funds GM is using to repay its TARP debt are not coming from GM earnings. Instead, GM seems to be using TARP funds from an escrow account at Treasury to make the debt repayments. The most recent quarterly report from the Office of the Special Inspector General for TARP says ''The source of funds for these quarterly [debt] payments will be other TARP funds currently held in an escrow account.'' *See*, Office of the Special Inspector General for TARP, Quarterly Report to Congress dated April 20, 2010, page 115.

Furthermore, Exhibit 99.1 of the Form 8K filed by GM with the SEC on November 16, 2009, seems to confirm that the source of funds for GM's debt repayments was a multibillion dollar escrow account at Treasury—not from earnings. In the 8K filing GM acknowledged:

Of the $42.6 billion in cash and marketable securities available to GM as of September, 30, 2009, $17.4 billion came from an escrow account with Treasury,

$6.7 billion of the escrow account available to GM was allocable to the repayment of loans to Treasury,

$5.6 billion in cash would remain in the Treasury escrow account following the repayment by GM of their loans, and

Upon repaying Treasury, any balance of escrow funds would be released to GM.

Therefore, it is unclear how GM and the Administration could have accurately announced yesterday that GM repaid its TARP loans in any meaningful way. In reality, it looks like GM merely used one source of TARP funds to repay another. The taxpayers are still on the hook, and whether TARP funds are ultimately recovered depends entirely on the government's ability to sell GM stock in the future. Treasury has merely exchanged a legal right to repayment for an uncertain hope of sharing in the future growth of GM. A debt-for-equity swap is not a repayment.

I am also troubled by the timing of this latest maneuver. According to Mr. Barofsky, Treasury had supervisory authority over GM's use of these TARP escrow funds. Since GM's exit from bankruptcy court, Treasury had approved the use of the escrow funds for costs such as GM's obligations to its parts supplier Delphi. *See*, Office of the Special Inspector General for TARP, Additional Insight on Use of Troubled Asset Relief Program Fund (SIGTARP–10–004), dated December 10, 2009, at page 6. According to the GM 8K, GM had planned to use the TARP funds in escrow to pay back the TARP loans on a quarterly basis beginning in the fourth quarter of 2009. But following the April 20, 2010, hearing of the Senate Finance Committee, where Treasury's decision to exempt GM from the bank TARP excise tax was questioned and GM's refusal to testify was noted, it is odd that GM suddenly drew down on the TARP escrow and accelerated the repayment of the remaining balance of GM's outstanding TARP loans.

The bottom line seems to be that the TARP loans were ''repaid'' with other TARP funds in a Treasury escrow account. The TARP loans were not repaid from money GM is earning selling cars, as GM and the Administration have claimed in their speeches, press releases and television commercials. When these criticisms were put to GM's Vice Chairman Stephen Girsky in a television interview yesterday, he admitted that the criticisms were valid:

Question: Are you just paying the government back with government money?

Mr. Girsky: Well listen, that is in effect true, but a year ago nobody thought we'd be able to pay this back.

Mr. Girsky then said that GM originally planned to pay the loan over the next five years. So the question is why—other than a desire to justify excluding GM from the administration's TARP tax proposal—would Treasury and GM reduce GM's TARP debt with TARP equity and then mischaracterize it as a repayment from earnings? Accordingly, please explain:

Your department's justification for allowing GM to use funds from the TARP escrow account to repay TARP loans,

The amount of funds remaining in the TARP escrow account at Treasury that may be released to GM, and

The date that you anticipate that the remaining funds in escrow will be released to GM.

Thank you in advance for your cooperation. Please provide the requested information by April 30, 2010. Should you have any questions regarding the contents of this letter please do not hesitate to contact Jason Foster. All formal correspondence should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov.

Sincerely,

CHARLES E. GRASSLEY,
Ranking Member.

DEPARTMENT OF THE TREASURY,
Washington, DC, April 27, 2010.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

Dear SENATOR GRASSLEY: Thank you for your letter dated April 22, 2010 to the Secretary regarding General Motors' (GM) repayment of its loan from the Department of the Treasury. He asked me to respond on his behalf.

Your letter states that the repayment of the loan was made with funds from ''an escrow account at Treasury'' and that it constituted a ''debt-for-equity'' swap. These statements are not accurate.

On April 20, GM repaid the Treasury loan with cash in an escrow account that it owns. The escrow account was created last summer in connection with the restructuring of GM. The money used to fund the escrow account came from a portion of the proceeds of a loan made by both the Treasury and the Canadian government. The escrowed funds were expected to be used for extraordinary expenses, and a portion of the funds were so used. Treasury retained approval rights over GM's use of fluids from the escrow account in order to protect the taxpayer, but the cash was still the property of GM.

In making its April 20 loan repayment, GM determined that it did not need to retain the escrowed funds for expenses. The fact that GM made that determination and repaid the remaining $4.7 billion to the U.S. government now is good news for the company, our investment, and the American people. Consistent with Treasury's goal of recovering funds for the taxpayer and exiting TARP investments as soon as practicable, we approved GM's loan repayment.

It has long been public knowledge that GM would use these specific funds to repay the Treasury and Canadian loans, if it did not otherwise need them for expenses. Under GM's loan agreement with Treasury, any funds in the escrow account on June 30, 2010 had to be used to repay the Treasury and Canadian loans. We have highlighted the repayment requirement in our monthly Section 105(a) reports to Congress. During a meeting last fall, we also informed the staff of the Special Inspector General of TARP (SIGTARP), Neil Barofsky, that we expected GM to use these funds to repay these loans. In fact, according to the SIGTARP Report on the Use of Funds (released on December 10, 2009), ''GM officials stated that it intends to seek release of additional escrow funds to repay its outstanding $6.7 billion loan to Treasury and $1.3 billion loan to the Canadian Government.''

After the full repayment of the Treasury loan, approximately $6.6 billion remained in GM's escrow account. These funds became unrestricted on April 20 and available for GM's general use.

In addition, it is not correct that the timing of the repayment was motivated by concurrent Senate hearings. In fact, GM's Board of Directors approved the loan repayment at its monthly meeting on April 13, 2010.

As is widely known, Treasury continues to hold $2.1 billion in preferred stock and 60.8% of the GM's common equity that it received in the restructuring in July 2009. Treasury will begin selling equity once GM makes an initial public offering.

Thank you again for your attention to this important matter.

Sincerely,

HERBERT M. ALLISON, Jr.,
Assistant Secretary for Financial Stability.

RESERVE NOTICE

U.S. DEPARTMENT OF THE TREASURY,
1500 Pennsylvania Avenue, NW., Washington, DC.

Attention: [XXXXX]
Telecopy: [XXXXX]
Email: [XXXXX]

with a copy to:

The U.S. Department of the Treasury,
1500 Pennsylvania Avenue, NW., Washington, DC.

Attention: Cash Management Officer
Telephone (for borrowing requests): [XXXXX]
Email: [XXXXX]

Reference is made to that certain $7,072,488,605 Second Amended and Restated Secured Credit Agreement dated as of August 12, 2009, as amended, supplemented or modified from time to time (the ''*Credit Agreement*''), among General Motors Holdings LLC, a Delaware limited liability company (the ''*Borrower*''), the Guarantors named therein and The United States Department of the Treasury (the ''*Lender*''). Terms defined in the Credit Agreement and not otherwise defined herein are used herein with the meanings so defined.

In connection with the repayment in full of the outstanding Loans and other Obligations on April 20, 2010 (the ''*Repayment Date*''), the Borrower hereby requests that a Reserve Disbursement in an amount equal to the entire amount of the Reserve Funds (the ''*Disbursement*'') be made as described below.

$4,684,964,350.73 of the proceeds of the Disbursement shall be used to pay the entire outstanding amount of the Loans and other Obligations, including all accrued and unpaid interest on the Loans, on the Repayment Date.

In accordance with Section 4.2(e) of the Credit Agreement, the balance of the proceeds of the Disbursement shall be retained by the Borrower.

The Borrower hereby requests that the proceeds of the Disbursement be made available to it as follows:

A. On the Repayment Date, $4,684,964,350.73 to be wired to:

Bank: [XXXXX]
ABA No: [XXXXX]
Beneficiary: [XXXXX]
Account No.: [XXXXX]

B. On the Repayment Date or on any date thereafter, as shall be determined by the Borrower in its sole discretion, all remaining amount of the Disbursement or a portion thereof, as shall be directed by the Borrower in its sole discretion, are to be wired to:

Bank: [XXXXX]
ABA No: [XXXXX]
Beneficiary: [XXXXX]
Account No.: [XXXXX]
General Motors Holdings LLC

By: [XXXXX]
Dated: April 19, 2010.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

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

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

Ms. KLOBUCHAR. Mr. President, I rise to discuss the very important bill we are very hopeful we can move on today to start the debate on Wall Street reform. I understand there may be an agreement to move forward with this bill. We don't know that yet. If it is true that we have an agreement to start the debate on this bill, then it is very fitting that I go through why this bill is so important. If we don't have an agreement, then it is even more fitting because we know the American people got severely hurt by the crisis on Wall Street, by the fall of many of our financial institutions, and they were not the ones who were supposed to be hurt. So we need to fix this so it doesn't happen again.

Nearly 3 years after the financial system began to melt down, America continues to suffer the effects of the worst economic crisis since the Great Depression. Millions of Americans have lost their jobs, homes, and their retirement savings. Although some key indicators are beginning to move in the right direction, many families, such as those we know in Minnesota, are still struggling, and the economic damage is very slow to heal in their towns.

On Wall Street, however, it seems to be back to business as usual.

Last year, Wall Street's largest firms handed out record bonuses totaling nearly $146 billion, an 18-percent increase from 2008. Meanwhile, overall U.S. per capita income declined 2.6 percent. So it is little surprise that Wall Street financiers are not enthusiastic about reforms that could change the way they do business. In fact, some of them claim Wall Street just has a few potholes that need fixing. Well, I think they need more than that. What Wall Street needs is more stop signs and key intersections and some good traffic cops.

This bill we have is the product of months of bipartisan negotiations. For the first time ever, this bill would create a nine-member financial oversight council chaired by the Treasury Secretary and made up of Federal financial regulators. This council would serve as an early warning system for systemic risk, something that was clearly lacking 3 years ago when these institutions that people were advertising as gold and their investments as gold went tumbling down onto the people of this country.

The domino effect of deeply interconnected financial companies, such as insurance giant AIG, didn't just create economic ripples, they sent a tsunami surging through the entire economy. This financial oversight council will be charged with scanning the system for systemic risks and putting speed bumps in place to ensure we never see a crisis such as this one again. This council will, for the first time, bring the regulators together to form a picture of the entire system, so one regulator will not be dealing with one problem while another is dealing with another with no information being shared. This way there will be one place where they can look at the entire financial system and look for those warning signs of problems.

This bill will also stand at the intersection and make firms slow down by increasing the costs of being large and complex. The most interconnected firms will be required to hold larger levels of capital to minimize their risk to the system if the investments go bad. All we are asking for, so taxpayers don't have to bail out these firms, is that they have significant resources and enough resources on hand in case they face troubled times again. If firms are going to create risk to the system, they need to take some responsibility. We clearly saw in this crisis what a lack of capital can do, how it can bring a firm to the brink, and the downward spiral it can cause when they are unable to attract new investors.

As much as we would like, we simply can't predict how a future crisis might unfold. I believe one of the most important lessons we can take from this crisis is that the American taxpayer should never again be left on the hook for the unconscionable bets of Wall Street. The American taxpayers' money is not meant to be used to play games within a casino, where you can throw their money around and then maybe some of it will come back and some of it will not. We have to make sure this doesn't happen again. Preventing American taxpayers from being forced to bail out financial firms starts with strengthening big financial firms to better withstand stress, looking out for systemic risk, and putting a price on activities that pose a risk to the financial system.

In the event that a firm was to fail, this bill creates a safe way to liquidate failed financial firms that will not leave the taxpayer on the hook. First of all, it updates the Federal Reserve's authority to allow systemwide support but no longer allows it to prop up an individual firm. Second, it requires large, complex financial companies to submit plans for their rapid and orderly shutdown should they start to go under. These plans will help regulators understand the structure of the companies they oversee and serve as a roadmap for shutting them down if the company fails.

Under this plan, most large financial companies are expected to be resolved through the bankruptcy process. Bankruptcy allows those who invest in a firm to better access their risks, and it allows the possibility that a company will emerge again in some way intact. If we have a situation where a firm would not go into bankruptcy and its failure could bring down the whole system, we make the process of resolution as hard as we can on that firm. We start by shutting down the business and throwing out those who caused the mess. This is a very different route than we took in this crisis where we propped up firms and kept them alive because of the risk it was going to pose for the entire financial system. We don't want to be in that position again. The taxpayers don't want to be in that position again.

If a firm chooses our resolution, the Treasury, the FDIC, and the Federal Reserve must first all agree to put a company into the orderly liquidation process. A panel of three bankruptcy judges must then convene and agree within 24 hours that a company is insolvent. At that point, the FDIC would step in and resolve the firm through this orderly process and in a way that doesn't harm the overall system. The cost of resolution would be paid for not by the taxpayer but by a $50 billion fund built up over time—and this is key—paid for by the industry, paid for by the industry, not by the taxpayers.

Finally, I wish to talk about a key portion of the bill that came out of the Agriculture Committee, a committee on which I serve, led by Chairman LINCOLN. The portion of that bill I wish to talk about is the focus on transparency and accountability to the over-the-counter derivatives market.

Bringing transparency and accountability to the over-the-counter derivatives market is essential to our economic system and the American taxpayer and is as important as any other piece of reform we are going to be debating. Reckless trading of unregulated over-the-counter derivatives played a significant role in triggering the financial crisis in the fall of 2008. AIG, using a type of derivative known as a credit default swap, took enormous risks in guaranteeing at least $400 billion worth of other companies' loans, including those of Lehman Brothers. When the financial crisis hit and AIG was unable to make good on its commitments, Treasury and the Federal Reserve were forced to step in to accept untold, unknown risk to the financial system. In

the end, the government put up $180 billion of taxpayer money to save AIG from collapse.

I bring up AIG to point out the dangers of an unregulated, over-the-counter derivatives market. Derivatives, when used properly and backed by sufficient collateral, play a crucial role in our financial and economic systems. We think about airlines that want to hedge their risk with the price of oil. You think about agribusinesses. All over this country that goes on. But this is a whole different issue we are talking about. When irresponsible financial institutions are allowed to make unconscionable bets, hidden from the view of the markets and its regulators, the stability of our entire financial system is threatened.

Right now, the over-the-counter market counts its transactions in the hundreds of trillions of dollars, but under the current system, there are almost no requirements that the most basic terms of these contracts or even their existence be disclosed to regulators or the public. Think about it: Trillions of dollars changing hands and no one even knows what is happening.

The goal of the bill we have today is to finally bring transparency and accountability to these unregulated markets. For the first time, under this bill, all trades will be required to be reported to the regulators and to the public. With this information, regulators will be able to effectively monitor risks to the system and prevent market manipulation and abuse. Transparency will also benefit those who use derivatives to hedge risks, as they will be better equipped to evaluate the market, as price information will finally be made public. By requiring mandatory clearing and trading for standardized derivatives, this bill will greatly reduce the ability of risk to build up to a point that could, once again, burst and threaten the financial stability of our financial system.

I have often said that when Wall Street gets a cold, Main Street gets pneumonia. We can't let this happen again. In this bill, careful consideration has been made to ensure that commercial entities—this was the work done in our Agriculture Committee—to make sure that commercial entities that hedge solely to mitigate their own commercial risk are not brought under requirements meant to address the failures of a market they had no hand in. We think about all the people who didn't have a hand in this problem that got affected. We think even about our small banks in the State of Minnesota. They didn't engage in this kind of risky behavior. I think about them sometimes standing there with their briefcases in the heartland, with those credit default risks swirling around their head that they never used or engaged in, saying: Toto, we are not in Kansas anymore. Because, as we know, some banks in this country had a brain. Some banks didn't go to Oz and think they could go back with the American taxpayers' money. So we have to remember that as we go forward.

But the most important thing is to make sure we put a traffic cop at those intersections, that we put some stop signs at those intersections, that Wall Street isn't allowed to drive down in their Ferraris while the government is following behind in a Model T Ford.

Enacting these reforms is not just important for our financial markets, it is important for ordinary Americans. While very few people outside of those involved in these markets understand or see the impact of derivatives on their daily lives, their misuse contributed to a recession that left millions without jobs, businesses shuttered, and trillions in household savings lost. The legislation we passed out of the Agriculture Committee and that Chairman DODD has worked to incorporate into this bill will bring these dark markets into the light of day and ensure they will never again threaten the stability of this financial system.

It is very important that we bring this before the Senate, that we begin debate on this bill. That is why, as we look at the rumors swirling around that, in fact, there is a deal and that we are going to be able to at least begin the debate on whether to proceed—not debate on the bill—we are still working out the details. We think this is a good bill. We look forward to working with our colleagues on it, but we can't even get to "go," we can't even get to "start" if we can't get this bill on the floor to debate.

So we are looking forward to discussing this bill, debating for the American public and getting it done. The Americans who lost their jobs, their homes and their savings and are scared every day that it is going to happen again because of the recklessness of Wall Street deserve no less.

Thank you. I yield the floor. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I now ask unanimous consent the motion to proceed to S. 3217 be agreed to; and that once the bill is reported tonight, the Senate then proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each, and on Thursday, April 29, following the recognition of the leaders or their designees, the Senate then resume consideration of S. 3217; that after the reporting of the bill and recognition of Senators DODD and SHELBY to make opening statements on the bill, Senator LINCOLN then be recognized to speak for up to 20 minutes; that on Thursday, no amendments or motions be in order prior to the offering of the Dodd-Lincoln substitute amendment; and that once the substitute amendment is offered, it be considered read.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Republican leader.

Mr. MCCONNELL. Mr. President, I want to take a few moments here to thank the distinguished Senator from Alabama who has been our leader on the Banking Committee and an expert on this very complex subject of financial regulation, for his steadfast effort in bringing us to where we are today. As Senate Republicans plus Senator BEN NELSON of Nebraska have demonstrated over the last few days, we believed the bill we started with was not insignificant but that it needed to be improved. Senator SHELBY was given the opportunity, as a result of us staying together, to be empowered to improve the bill that had previously come out of the Banking Committee on a straight party-line vote. So I want to take the opportunity to thank all of my Republican colleagues, plus Senator NELSON of Nebraska, in giving us the opportunity to improve the underlying bill.

I want to thank the Senator from Alabama for his efforts in that regard. I think we have a better starting place than we would have had earlier and we look forward to, as the majority leader indicated, an open amendment process and plenty of opportunities to treat this like the serious comprehensive bill it is. We have many amendments we intend to offer. Our members will be prepared to accept reasonable and short time agreements so we can get these amendments up and voted on, and hopefully have an opportunity to make further improvements in the bill.

I know Senator SHELBY may want to make a few observations.

The PRESIDING OFFICER. The majority leader.

Mr. REID. I will be happy to yield to my friend from Alabama and my friend from Connecticut, but I want to say a few words first. I too have great respect for my friend Senator SHELBY. He and I were neighbors in the Longworth Building many years ago and we have maintained that friendship since. There are times when we disagree on issues but our relationship is one of friendship.

CHRIS DODD has had an extremely difficult year. He has had to legislate on some of the most difficult issues to come before this body, and he has been the one who has been the chairman of that committee and had to do it. In addition to that, his dear friend, his best friend, Senator Kennedy, was ill. He had to take over that committee and do his Banking Committee. It has been a tremendously difficult year for him. He has done it with mastery of the Senate rules and with the ability to articulate his position as well as anyone who has ever served in the Senate. I admire and appreciate him so very much.

We also have a new chairman, Senator LINCOLN, on the Ag Committee. She has done a very good job. She took it over a couple of months ago but stepped into that committee and has done a remarkably good job on an extremely difficult issue dealing with derivatives and things such as that. I admire her work and I appreciate so much the ability of Senator DODD and her to work together. Their staffs worked all weekend, trying to put together this substitute amendment we will offer tomorrow. I am very grateful for their leadership in the conference, the Democratic conference. They do good work all the time.

We have so much to do in the weeks ahead in this work period. But this is the issue we are going to go on. The American people waited long enough for their leaders to get to work cleaning up Wall Street—first on Monday, then on Tuesday, and twice more today. We didn't have to vote today. That is a decision that Senator MCCONNELL and I made—that there was no need to have a vote. There was an agreement to move to the bill and that is what we have been trying to do all week.

Senate Democrats have asked one thing, that we be allowed to debate, we simply be allowed to do our job as legislators and legislate. We believe in this bill to crack down on Wall Street, to protect families' savings and seniors' pensions. We never asked the Senate to unanimously or blindly approve a single policy. We never sought to send this bill directly from the committee room to the President's desk. The only thing we fought for is the opportunity to have that conversation.

After months of bipartisan meetings and negotiations, it is time to move this debate from the sidelines to the playing field, to the Senate floor, which is where it belongs. Senate Republicans have finally agreed to let us begin this debate. I appreciate that and I hope it foreshadows more cooperation to come. I know Republicans have their own suggestions and amendments for improving this bill. So do Democrats. Now that we will be able to begin that process, the American people will finally have the opportunity to watch and weigh those ideas. Nothing has changed from our end since Monday. The only thing that is different is the date. We have always wanted to start the debate on Wall Street reform with an open, bipartisan amendment process.

I will offer the first amendment combining the best parts of the Banking Committee and Agriculture Committee's bills. That will be what we will work from. Obstruction has wasted enough of the American people's time. Now let's do our work and do our utmost to make the American people proud of our efforts. Let's work for them, the American people. Let them know Wall Street needs reforming. Democrats and Republicans all over America believe it, so let's show the American people we will listen to what they say.

There will be no more votes tonight.

The PRESIDING OFFICER. The Republican leader.

Mr. MCCONNELL. Mr. President, let me say again before turning to Senator SHELBY how much we appreciate his leadership on this and how much we appreciate all of our Republican colleagues, plus Senator NELSON, giving him the ability to improve the bill that came out of committee. Much has indeed changed since Monday. I thank Senator SHELBY for his leadership. I also commend Senator DODD for the spirit in which those discussions were commenced.

I see the Senator from Alabama on the floor.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. I will be brief.

First, I thank the Republican leader Senator MCCONNELL for his kind words. Also I thank my friend, the majority leader, Senator REID, for helping bring us where we are today.

But more than that, I commend Senator DODD, the chairman of the Banking Committee, with whom I have worked for years and years. We have worked exceedingly closely on many issues dealing with the Banking Committee. What we are bringing to the floor now is something very complex, very far reaching. The idea that something should be too big to fail is very important to me. Nothing should be too big to fail, in my judgment, in this country.

I commend Senator DODD. In our negotiations, they haven't been all loss—we have reached some assurances in that. He and his staff have made some recommendations that we like. We made some they liked. I think we have made real progress. I know we have to seal it all, but I think Senator DODD is working in good faith on that.

But we have the derivatives title and we have the consumer products deal. We have not been able to resolve those yet. I hope we will on the floor of the Senate. We have moved to a new forum and it is going to be a very important debate in the weeks ahead here because this is very important to the American people.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Let me begin by thanking the majority leader for his work. I thank the minority leader as well. This has been a bit acrimonious over the last 10 days or so as we tried to get to the floor with this bill.

Of course I thank RICHARD SHELBY. He and I, as he points out, have been working together over the last about 37 months during my stewardship of the Banking Committee that I inherited in January of 2007.

I noted the other day there are some 42 measures we brought out of our committee and 37 of them have become the law of the land. This is a good result. We will now be on this bill, which the American people want us to be on. This is an important issue. As I pointed out this morning, we had the headlines, the hearings here yesterday involving mortgage deals and the other headlines about Greece and its debt. Its bonds were sinking, causing economic problems in Europe and potentially here.

These problems are huge. As Senator SHELBY has said and I have said over and over, this is a complex area of law we are talking about and it has to be gotten right. We have had very good conversations on a number of issues, but on this over many weeks, going back, obviously, and clearly we both share, as everyone does in this Chamber, our determination that we never again have institutions that become too big to fail where there is that implicit guarantee that the Federal Government will bail them out.

I am satisfied that our bill does that already, but I appreciate that there are others who would like to see it tighter, who think we can do more to make it better and more workable. I am anxious to hear them.

I know our colleague from California, BARBARA BOXER, has some ideas on this as well that she has raised and I mentioned those with my friend from Alabama. He has raised issues with me that I like as well, and he can help us get there. As he rightly points out, we have not sealed anything but we have had great conversations, as two people of good will can have, that I think will allow us to get there.

We are going to have a very busy couple of weeks coming up now. There are a lot of Members who have very strong feelings about this bill. My job—our job—will be to see to it people have a chance to offer their amendments, to debate them, to go through that process.

I may sound pretty old-fashioned in this regard. I pointed out last night, I first got involved in this Chamber as a young person sitting here in the same outfits as these young people in their blue suits, as a page, watching Lyndon Johnson sitting in that chair where you are, Mr. President, and watching Mike Mansfield in that chair over here and Everett Dirkson in that chair.

I remember sitting there and listening to the debates on civil rights in the early 1960s, when this Chamber, in difficult moments, worked together to achieve great results for our country. I have great reverence for this institution and I want to see it work as our Founders intended, where you have a great, important debate—and this is one—that we work together as American citizens chosen by our respective States to represent them in this great hall. That is what I intend to do as the manager of this bill, to make sure that each and every one of my colleagues—whether they sit on this side of the aisle or that side of the aisle—are all in this Chamber together to try to improve the quality of life for the people who have been so badly hurt, homes

lost, jobs that have evaporated, retirement accounts that disappeared for people. They want to see us work together to get a job done to make a difference for our country and I firmly believe we can do that. I will do my very best, I say to my friend from Alabama, I say to the minority leader, as I said to the majority leader, to act with fairness, to work together to try to resolve matters so we can have a good outcome on this bill.

Obviously we cannot predict that. I know there are some who want to make this a great fight—that this is a great, great issue, maybe, for the day or the week you do it—who wins, who loses. That is a great story. But this is not an athletic contest we are involved in. It is a decision to try to put our country on a far more sound and secure footing than it is today. I look forward to the opportunity to work, as I have, with Senator SHELBY. We are good friends. I admire him immensely. He was chairman of this committee before I was. He understands the job of being a chairman.

I am determined to get this job right. I encourage our colleagues who have ideas and amendments to come forward and share them with us. We are going to set up shop over the weekend to make sure we are there. So we have ideas to consider, accept, maybe modify, make it work right. If that spirit comes forward we can do a good job here and we can leave this Chamber at the end of this Congress, knowing we confronted a serious problem and stepped up to the best of our ability to try to solve it for the people we seek to represent.

Again, I thank the majority leader and the staff and others for their work. I thank Senator SHELBY in his work. This conversation will continue. We have a lot of work to do. It has been very worthwhile and very productive over these last number of weeks and we intend to keep it in that form. I thank the minority leader as well and the Republican Conference. I know it must have been probably a healthy, good, vibrant conversation for the last hour and a half in there. But for those who question whether we can do this, I want this institution to get back again to the idea of listening to each other, debating the issues, taking our votes and putting together the best product we can.

I yield the floor.

RESTORING AMERICAN FINANCIAL STABILITY ACT OF 2010

The PRESIDING OFFICER. Under the previous order, the motion to proceed to S. 3217 is agreed to.

The clerk will report the bill.

The bill clerk read as follows:

A bill (S. 3217) to promote the financial stability of the United States by improving accountability and transparency in the financial system, to end ''too big to fail,'' to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

MORNING BUSINESS

The PRESIDING OFFICER. The Senate will proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes.

The Senator from Washington.

WALL STREET REFORM

Mrs. MURRAY. Mr. President, I thank the Senators from Connecticut and Alabama for all their hard work on this issue. I am delighted that after three votes and 3 full days of pressuring those on the other side of the aisle to allow us to at least begin debating this critical bill, it appears they have relented. Finally, it appears they are willing to listen to not only what Democrats have been saying about the importance of a strong new reform bill for Wall Street but what the American people have been saying.

What we have been saying is it is time to hold Wall Street accountable. It is time to pass strong reforms that cannot be ignored or sidestepped. It is time to end bailouts and give Wall Street the responsibility of cleaning up their own mess. It is time credit card statements are in plain English, in loan terms that are spelled out. It is time for Wall Street to come out of the shadows and into the light of day. It is time for negotiations to come out of the back room and on to the Senate floor. It is time to put an end to obstruction and begin working for American families.

I am glad we are finally now on this bill. For most American families, this debate is not complex; it is simple. It is not about derivatives or credit default swaps. It is about fundamental fairness. It is a debate about when they walk into a bank to sign a mortgage or apply for a credit card or start a retirement plan, are the rules on their side? Are they with the big banks or Wall Street?

For far too long, the financial rules of the road have not favored the American people. Instead, they favored big banks and credit card companies and Wall Street. For too long they have abused those rules. Whether it was gambling with the money in our pension funds or making bets they could never cover or peddling mortgages to people they knew could never pay them, Wall Street made expensive choices that came at the expense of working families. That is exactly the reason we have all fought so hard to move forward now with a strong bill.

It is why we have refused to back down or sit by while it was watered down, and it is why we were ready to stay up all night or vote to move forward with this bill all week long. It is why we have insisted on a bill that includes the strongest protection for consumers ever enacted, an end to taxpayer bailouts, and tools to give individuals the resources they need to make smart financial decisions because each of us knows what the ''anything goes'' rules on Wall Street have meant for our States and our constituents.

Each one of us has talked to people who have been hurt through no fault of their own. We have all seen the tremendous cost of Wall Street's excesses. In my home State of Washington, it has cost us over 150,000 jobs. It has cost small businesses access to credit they need to grow and hire. It has cost workers their retirement accounts they were counting on to carry them through their golden years. It has cost students their college savings that would help launch their careers. It has cost homeowners the value of their most important asset, as neighborhoods have been decimated by foreclosures. It has cost our schoolteachers, our police officers, and our communities.

It has cost young people such as David Corrado of Seattle, whose mother, since he was very young, would take $400 out of her paycheck and put it toward David's education fund. It was a long-term, smart investment she knew would pay off for David's future. When the financial crisis occurred, he lost one-third of his college fund, $10,000.

It has also cost older people such as Edward Diaz, who is also from Washington State. He was not only laid off from his job of 21 years due to the recession, he also lost $100,000 from his 401(k) account. On the verge of retirement, Edward tells me he now scours the classifieds every day searching for any way to get back to work.

In the days ahead, as we debate this bill, those are the people we have to remember constantly. We have to keep them in mind as we work to protect against this happening ever again; the people who, through no fault of their own, paid the price for the risks and irresponsible behavior of Wall Street. There are people in my State and across the country who scrimped and saved and made right decisions and were left holding the bag.

Now is not the time for half measures. The American people are looking to us now for real reform and to put progress before politics. We have to put people before Wall Street.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant editor of the Daily Digest proceeded to call the roll.

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

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

Mrs. BOXER. Mr. President, what is the order?

The PRESIDING OFFICER. The Senate is in morning business, and Senators are able to speak for up to 10 minutes each.

Mrs. BOXER. Mr. President, I ask unanimous consent that I be allowed to