I said: If you stop our production, we are going to be more dependent upon other countries for our ability to run this machine called America. They are going to have more transportation and a greater possibility of transportation accidents. That is what we are faced with now.

Clearly, I appreciate the two statements that were made by President Obama's old director of the EPA that the endangerment finding is based on the science that we now know is false science. By the way, even though it is not the end of the world that the Murkowski resolution failed, four key lawsuits are filed challenging the law on which they are basing this endangerment finding.

Even if we were to pass any of the cap-and-trade bills, it would not reduce worldwide emissions any. It would only affect the United States. I argue it would increase CO_2 emissions because as we lose jobs in the United States with cap and trade and force a lot of our manufacturers to other countries—they would go to countries such as China, India, and Mexico where they don't even have strong emissions standards.

With that, let's not politicize this any more. If they want to bring up cap and trade, let's do it, and we can defeat it like we have done over the past 10 years.

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

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

The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

OIL AND GAS PRODUCTION

Mr. INHOFE. Mr. President, there doesn't seem to be anybody else here, so I will make one comment about amendments coming up that are closely related to the subject we just discussed. It is Sanders amendment No. 4318. I knew this would happen—that the bill would be used to pass another agenda. Sure enough, that is what is happening.

The Sanders amendment is aimed at stopping oil production altogether. It does three things: It repeals expensing for tangible drilling costs, it repeals percentage depletion for marginal oil and gas wells, and it repeals the manufacturing deduction for oil and gas production.

I predicted the spill in the Gulf of Mexico would be used as an opportunity to shut down domestic oil and gas wells owned and operated by independent oil and gas producers throughout the country. That is what is happening with this amendment.

Repealing expensing of intangible drilling costs eliminates the ability to expense intangible drilling and development costs, called IDC, which would force at least a 25- to 30-percent reduction in drilling budgets, leading to lost jobs, lost production, and higher prices for consumers. We have not talked much about higher prices to the consumers.

With cap and trade—if they were successful in that—we would feel that in a matter of weeks. Despite the rhetoric, IDC expensing is firmly grounded in sound accounting practices and principles, and it has been in the Tax Code since 1913. IDC expensing is similar to expensing by other companies for technology, wages, and fuels which other industries expense for operations. So they are singling out the oil and gas industry, just willfully, to stop them and put them out of business.

Likewise, since 1926, small producers and millions of royalty owners have had the option to utilize percentage depletion to both simplify and account for the decline in the value of minerals produced from a property. It is complicated, but percentage depletion recognizes that oil and gas reservoirs are depleted by production, so it is the amount which small producers can expense to reinvest in production. Percentage depletion is particularly important for the production of America's over 600,000 low-volume marginal wells.

I am particularly interested in this because in my State of Oklahoma we have mostly marginal well production. Marginal wells produce less than 15 barrels a day. It is a smaller type of production. The average marginal well produces barely two barrels a day—we have been talking about millions of barrels in the gulf—yet, cumulatively, they account for nearly 28 percent of domestic production in the lower 48 States.

Since every on-shore natural gas and oil well eventually declines into marginal production, the economic lifespan and corresponding production of nearly all natural gas and oil wells would be reduced through the elimination of percentage depletion.

Finally, Congress has already frozen the manufacturers' tax deduction specifically for only oil and natural gas companies less than 2 years ago. All other domestic manufacturing can deduct income at a higher rate than oil and gas companies. Repealing the entire reduction for oil and gas companies is only targeting oil and gas production, and it shows what the motivation is.

We have to remember a couple of very important points when we seek to target certain industries for tax treatment. First, oil and gas companies employ Americans and fund our communities. Oil and gas companies employ over 9 million people in the United States. Approximately 3 million land and mineral owners from coast to coast are the beneficiaries of monthly checks from the royalties produced on their properties. Many of these individuals are small property owners—very small—and some are just small family farms. In fact, just today the National Association of Royalty Owners ranked this as its No. 1 concern on its Web site. That was today.

They say the Sanders amendment is their No. 1 target. These are not rich people. They are small farm owners and landowners. States annually collect billions of dollars in oil and gas excise and severance taxes that furnish critical funding for roads, schools, and law enforcement. By punishing America's oil and gas industry, this amendment only puts unemployment and State and local funding in peril.

Secondly, punishing our oil and gas industry only makes us more dependent on foreign sources of energy. After President Jimmy Carter imposed a windfall profit tax on the oil and gas industry in 1980, the nonpartisan Congressional Research Service later determined that its results were hugely counterproductive, saying:

> The windfall profit tax reduced domestic oil production between 3 and 6 percent, and increased oil imports from between 8 and 16 percent. . . . This made the U.S. more dependent upon imported oil.

America's natural gas and oil companies are already paying taxes at the highest rates. Figures from the Energy Information Agency indicate that America's major oil producers already pay, on average, more than a 40-percent income tax rate.

The EIA also reported in December of 2009 that, on average, 53 percent of the net incomes of oil and gas companies are paid in taxes compared to 32 percent from others in the manufacturing sector.

Now is not the time to group the entire oil and gas industry together for punishment. Punishing the entire industry in the sledge hammer approach this amendment uses only increases the cost of energy for all Americans, and it makes us more dependent upon foreign countries to run this machine called America, as I often say.

People say they don't want oil, gas, coal, or nuclear. Well, in the final analysis, how do you run the country without it? You can't. If we retard in any way the ability to produce oil and gas, it will make us more dependent upon foreign countries for us to drive this machine called America.

With that, I yield the floor.

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

Mr. REID. Mr. President, would the Chair be kind enough to have the bill reported.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

AMERICAN JOBS AND CLOSING TAX LOOPHOLES ACT OF 2010

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senate will resume consideration of the House message to accompany H.R. 4213, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to concur in the House amendment to the Senate amendment to H.R. 4213, an act to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

Pending:

Baucus motion to concur in the amendment of the House to the amendment of the Senate to the bill, with Baucus amendment No. 4301 (to the amendment of the House to the amendment of the Senate to the bill), in the nature of a substitute.

Franken amendment No. 4311 (to amendment No. 4301), to establish the Office of the Homeowner Advocate for purposes of addressing problems with the Home Affordable Modification Program.

Sanders amendment No. 4318 (to amendment No. 4301), to amend the Internal Revenue Code of 1986 to eliminate big oil and gas company tax loopholes, and to use the resulting increase in revenues to reduce the deficit and to invest in energy efficiency and conservation.

Vitter amendment No. 4312 (to amendment No. 4301), to ensure that any new revenues to the Oil Spill Liability Trust Fund will be used for the purposes of the fund and not used as a budget gimmick to offset deficit spending.

AMENDMENT NO. 4344 TO AMENDMENT NO. 4301

Mr. REID. Mr. President, I have an amendment at the desk, and I ask unanimous consent that the pending amendment be set aside.

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

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 4344 to Amendment No. 4301.

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

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to extend the time for closing on a principal residence eligible for the first-time homebuyer credit)

At the end of part I of subtitle B of title II, insert the following:

SEC. —. FIRST-TIME HOMEBUYER CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 36(h) is amended by striking ''paragraph (1) shall be applied by substituting 'July 1, 2010' '' and inserting ''and who purchases such residence before October 1, 2010, paragraph (1) shall be applied by substituting 'October 1, 2010' ''.

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 36(h)(3) is amended by inserting ''and for 'October 1, 2010' '' after ''for 'July 1, 2010' ''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to residences purchased after June 30, 2010.

(d) OFFSET.—

(1) DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.—

(A) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(ii) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(iii) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(B) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(2) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(A) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(B) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(h) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(C) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to damages paid or incurred after December 31, 2011.

Mr. REID. Mr. President, I will talk briefly on this amendment. It is an important amendment. Last year, in November, we passed the Worker, Home Ownership and Business Assistance Act containing a number of important provisions to support our economy.

First of all, let me say the idea for this came from the Senator from Georgia, JOHN ISAKSON.

It is a great idea. He was a businessman before he came here. This certainly indicates he must have been a good businessman. This credit has been so helpful to our economy, not only in Nevada but around the country.

As part of this bill we passed in November, we expanded and extended the home buyer tax credit. We made the credit available to more individuals and families who purchase a home.

We also extended the credit through April 30 of this year and allowed anybody who signed a binding contract on a home and makes the purchase before July 1 to benefit from that credit.

When this provision became law last November, the housing market was just beginning to recover. But further support was necessary given the importance of the housing industry to the overall economy.

Now we are beginning to see more signs of recovery. Sales have increased since January. Median home prices have increased since November. Still, in States such as Nevada, the housing market is struggling. Across the State a significant percent of mortgages are underwater. That means the amount owed on the mortgage is greater than the value of the home.

The home buyer tax credit is helping to alleviate some of that pressure. Economists estimate that the home buyer tax credit increased demand by about 1 million buyers.

The stories I have been told about people being able to buy their first home are remarkable. Someone who worked for me had a girlfriend who wanted to buy a home. She was finally able to do that. She was so happy. She tried eight different times before she got one for which she qualified.

I was doing a tour of one of the hotels, the cafeteria in the Paris Hotel. It is actually two large rooms where they eat coming off their shifts. I was asked by one of the executives taking me around to come and talk to this man. He was so happy. He had come to this country. He was an immigrant. He had become a citizen. He was so excited because his son was able to buy a home because of this first-time home buyer tax credit. You could not have seen anyone happier than this man. He was proud of his son being able to buy a home.

This tax credit helps to increase the value of homes and, just as important, it adds jobs to the housing industry. This shows the credit is doing what it was designed to do—help stimulate the housing market in a tough economic climate.

There are some home buyers who entered into a binding sales contract by April 30 of this year expecting to receive a credit but will be unable to close by July 1, 2010, through no fault of theirs. There is a huge backlog of people wanting to buy these homes. They should not be prevented from doing this because of the paperwork.

These home buyers are doing everything they can to close by the deadline, but completion of the sale will take longer than some originally expected. One reason is because of the volume of work. The other reason is because some of the financial institutions are very slow, for administrative reasons, especially on sales of bank-owned properties where paperwork can take an inordinate amount of time.

An extension of the date to close the transaction from July 1 of this year to October 1 of this year will give these home buyers who properly secured a binding contract for their new home before April 30 the ability to receive the credit. This will especially help States still struggling to recover from the troubled housing market. These States have higher levels of bank-owned properties.

To remind my colleagues, this extension only applies to those home buyers who are already under a binding contract. This amendment is not an extension of the time to enter into a contract.

To quote my friend, the Senator from Georgia, whose idea this is, this whole concept:

As I tell so many who call me, it is not going to be extended because credits such as that are designed to do what it has done; that is, to bring the marketplace back and hopefully stabilize values and move forward.

We must make sure those home buyers who are already under a binding contract or committed to the purchase of a new home are able to receive the home buyer tax credit. This amendment is necessary to ensure we follow through on the commitment to help the struggling housing market. This extension of time is fully paid for with an offset included in the President's tax compliance proposals. The offset would deny a tax deduction for payments made for punitive damages.

Punitive damages are intended to be just that—punitive. The American taxpayers should not be subsidizing payments intended to be punitive in nature through a tax deduction. These exemplary damages entered should not be something they can write off. This offset is good policy and will help pay for our Nation's ongoing economic recovery. I urge my colleagues to support this amendment.

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

The PRESIDING OFFICER (Mr. KAUFMAN). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, could I ask my friend to yield?

Mr. THUNE. I will be happy to yield to the leader.

Mr. REID. He will have the floor right back. I told the Republican leader earlier today I would file cloture. I am going to do that right now, recognizing this is not in any way going to hinder people offering amendments, but I told the Republican leader I would do that and, frankly, I want to do it now so I will not have to worry about it later.

CLOTURE MOTION

Mr. President, I have a cloture motion at the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to concur in the House amendment to the Senate amendment on H.R. 4213, the American Workers, State, and Business Relief Act of 2010, with an amendment No. 4301.

Harry Reid, Max Baucus, Richard J. Durbin, Roland W. Burris, Benjamin L. Cardin, John D. Rockefeller IV, John F. Kerry, Thomas R. Carper, Jeff Bingaman, Bill Nelson, Tom Harkin, Jack Reed, Jeanne Shaheen, Byron L. Dorgan, Frank R. Lautenberg, Robert P. Casey, Jr., Tom Udall.

Mr. REID. I express my appreciation to my friend from South Dakota.

AMENDMENT NO. 4333 TO AMENDMENT NO. 4301

Mr. THUNE. Mr. President, I ask to call up amendment No. 4333, and ask it be made pending.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. THUNE], for himself, Mr. MCCAIN, Mr. MCCONNELL, Mr. BOND, Mr. COBURN, Mr. ISAKSON, and Mr. ROBERTS, proposes an amendment numbered 4333 to amendment No. 4301.

The amendment is as follows:

(The text of the amendment is printed in the RECORD of June 9, 2010, under "Amendments Submitted.")

Mr. THUNE. Mr. President, the amendment I offer is cosponsored by Senators MCCAIN, MCCONNELL, BOND, COBURN, ISAKSON, and ROBERTS. It is an alternative to the legislation that is under consideration by the Senate today. That is the tax extenders bill that was the subject of some debate last week, that we will continue to do this week, perhaps into next week. I am not sure exactly when it will conclude.

What my amendment does is present an alternative because the amendment under consideration that has been offered up by the Democratic majority here in the Senate adds almost $80 billion to the Federal debt, it raises taxes by $70 billion, and increases spending by $126 billion.

To put that into proper context, it is important to remember that we have a current $13 trillion debt. The amount of publicly held debt is $8.6 trillion, but if you include the amount of debt owed between intergovernmental agencies, intergovernmental debt is $13 trillion that our government owes and is in debt.

What has been proposed by the other side is in direct contradiction of some legislation that we passed here a few months ago that suggested everything we were going to do around here, or almost everything, was going to be paid for. It was called pay-go. We passed the pay-go rules. It was highly touted at the time. There was great fanfare associated with the passage of pay-go rules that would insist when there is new spending or tax cuts that those be offset by some spending cuts or some combination of tax increases that would make sure there was no net impact on the deficit.

What is happening here is the exact opposite of that because what we are seeing happen with the legislation that is before the Senate today is, if in fact this bill were enacted and became law, it ends up being about $200 billion in new debt, debt we have added to the public debt since pay-go has been enacted.

I appreciate the Senator from Nevada, the majority leader, yielding back time so I can continue to speak about this amendment. I understand the process for consideration of this legislation will now be somewhat truncated if in fact cloture is invoked. I suspect it will not be long now we will be having a vote on that. But I hope my colleagues will defeat the motion to invoke cloture until such time as we have had an opportunity to debate many of these important amendments.

Clearly I believe the amendment I am discussing right now is one we need to vote on. I suspect there will be others of my colleagues who will want to offer amendments that I hope we will be able to debate and vote on before this legislation moves forward.

The point I wanted to make is this. Since the enactment of the pay-as-you-go rules here in the Senate, about $200 billion, if the current legislation on the floor today is enacted, will have been added to the Federal debt. That is $200 billion which we hand to our children and grandchildren to pay, notwithstanding what we have said publicly here in the Senate a few months ago, that all these things are going to be paid for and we are now going to be serious here in the Senate and in the Congress about making sure we are not piling more and more debt on future generations. That is completely contradicted by the legislation we will be voting on here in the near future on this tax extenders bill because it does increase the debt by almost $80 billion and, as I said earlier, raises taxes by almost $70 billion.

What I offer is an alternative to that approach. What this alternative does is, rather than increasing and raising taxes, it reduces taxes by $26 billion, it cuts spending by $100 billion, and it reduces the debt by $55 billion. So instead of more spending, more taxes, and more debt in the middle of an economy that is trying to get back on its feet and create jobs, my alternative and the one I will offer on behalf of my colleagues—who, as I mentioned earlier, are cosponsors of this amendment—will in fact reduce spending, reduce taxes, and reduce debt.

I think that is a good deal for the American taxpayer. I think it strikes at the very heart of what we ought to be focused on, which is job creation. We hear the other side talk a lot about job creation, but when it comes time to create jobs, you cannot find many policies coming out of Washington, DC, today that actually are additive when it comes to job creation. In fact, as I said earlier, it is just the opposite. You have a massive new health care entitlement that, when it is fully implemented, will cost $2.5 trillion over 10 years, which in my view will add enormously to the Federal debt because of all the double counting that was used to understate the true cost of that legislation; you had a trillion-dollar stimulus bill passed a year ago which was totally put on the debt for America's future generations; you have now discussion of a new energy tax in the form of some cap-and-trade legislation that could come before the Senate in the next few months—and you just go down the list. At every turn, what this Congress has done in the last several months, in the last year and a half since the new administration came to office, is to increase taxes, to increase spending, to increase debt, and to increase the size and the scope of government. We continue to see this effort to expand government. When we expand government, obviously it takes more revenues to fund that government, create new bureaucracies—which is what we will see with regard to the health care legislation—and in the end takes more and more of those dollars out of the private economy where the real permanent job creation should be occurring.

Instead, what we should be focused on is creating incentives for small businesses to create jobs. Rather than creating more government, expanding the size of government here in Washington, DC, we ought to be looking at what we can do to provide incentives for the economic engine in our economy—and that is our small businesses—to go out there and do what they do best, which is create jobs.

But what you hear from small businesses not only in South Dakota but all across the country is there is so much policy uncertainty coming out of Washington and there is so much concern about the spending and the debt and the taxes, that a lot of the small businesses that might be making investments that would create jobs—hire new personnel, hire new people, buy a new piece of equipment, make capital investment—are sitting on that investment for fear the next policy to come out of Washington, DC, could be a new energy tax, it could be higher taxes. We all know starting next year you are going to see higher taxes on dividends, higher taxes on capital gains, higher taxes on marginal income, unless Congress takes steps to extend some of these expiring tax provisions.

That being said, what we are doing here today is we are going to make matters that much worse. If you are a small business person in this country, if you are someone who is in this economy and is concerned about Federal debt, is concerned about Federal spending, is concerned about taxes, then the legislation that is before the Senate right now, if adopted, is going to add, as I said earlier, another almost $80 billion to the Federal debt, will raise taxes by $70 billion, and increase spending by $126 billion.

There is a better way. That is why I offer this amendment. This amendment does a number of things. It reduces spending in a number of areas. It deals with some of the provisions of expiring tax law that everybody here agrees needs to be fixed. There are things both sides agree on. Both Democrats and Republicans here in the Senate believe it is important that we extend unemployment insurance for those people who have lost jobs in the economy. Both Republicans and Democrats think it is important that there are certain expiring tax provisions that need to be extended—a research and development tax credit, for example, is one thing that comes to mind. But there is a whole list of these expiring tax provisions that need to be extended that both sides agree should be done.

The difference in how we go about doing that is I think what is going to be the difference in the amendment that I offered versus the underlying legislation. Again, what I will do is reduce Federal spending and address the expiring tax law, the need to extend unemployment insurance in a way that does not raise taxes, add to the debt, and increase dramatically Federal spending in this country.

What does the amendment essentially do? Very briefly, it includes all the major priorities that both parties want to accomplish but it drops the spending that has been rejected by the Senate. It would eliminate the $24 billion that is in the Senate bill that was not in the House bill that deals with the bailout for States around the country. It does offer, by the way, an additional year of the so-called doc fix. There has been a lot of discussion here about extending the doc fix into the future.

And the underlying bill the Democratic majority has put forward does extend the doc fix. The reimbursement physicians receive under Medicare would drop dramatically if nothing is done by Congress to address that, and both sides agree that needs to be addressed. Frankly, it should have been done during the health care debate, but it was not. So the underlying bill, the majority Democratic bill before the Senate, would extend the doc fix through the end of 2011.

What my alternative amendment would do is extend the doc fix through the end of the year 2012. So you get an additional year for the doc fix. That is something physicians around the country are interested in, and I know for a fact that it is because my physicians in South Dakota—and I am sure most of my colleagues hear on a regular basis from their physicians around the country.

It drops all the tax increases in the bill, including carried interest, the tax on professional service S corps, the international provisions, and the increase in the per-barrel tax that funds the Oil Spill Liability Trust Fund that will raise gas prices for consumers around the country.

The alternative amendment I filed is fully paid for with spending cuts. It offers more than $100 billion in savings by actually doing what the American people want; that is, reducing spending. Every American is dealing with a tough economy. A lot of Americans have lost jobs. A lot of Americans certainly have lost income. A lot of Americans have seen their net worth plummet as a result of the economic circumstances in which the country finds itself. So they are all making hard decisions. They are sitting around the kitchen table and they are having these discussions with their family about what part of their budget to cut or what they are going to have to do without. The only place where that hasn't been true is here in Washington, DC. Why shouldn't we, as the leaders of this country, be willing to make the hard decisions that every American family is having to make?

Well, this legislation does that. It takes $37.5 billion of the $50 billion in unobligated stimulus funds and uses that to extend existing tax and benefit provisions. It cuts money from the government by reducing congressional budgets right here close to home. We ought to have to do what every American family and what every American business is having to do right now; that is, make some hard decisions and reduce our own spending. So it does reduce congressional budgets.

It rescinds unspent Federal funds, those funds that have been appropriated but not spent. It requires the government to sell unused land and auction off unused equipment. So it generates some additional revenue that way.

It imposes a 1-year freeze on the salaries of Federal employees and eliminates their bonuses, and it caps the total number of Federal employees at current levels. In other words, the Federal Government can't continue to grow and expand at a time when we see a lot of our businesses around this country having to lay workers off or cut back their hours. It collects $3 billion in unpaid taxes from Federal employees.

It encourages responsibility and prioritizing by requiring a 5-percent across-the-board discretionary spending cut for all agencies except the VA and the Department of Defense. So 5 percent across the board for all agencies except VA and DOD. And we think, again, that is an important step to take if we are serious about getting our own spending under control and addressing what is a very serious problem for the future of this country; that is, the ballooning Federal debt, the continual growth of government and spending and taxes.

It saves $5 billion by eliminating nonessential government travel, and it eliminates bonuses for poor-performing government contractors.

Finally, it adds a new deficit-reduction trust fund where rescinded balances and money saved through this amendment will be deposited for the purposes of paying down the Federal debt.

This amendment ought to be a no-brainer for all of our colleagues in the Senate because it reduces the deficit by over $50 billion; it cuts spending by over $100 billion; it extends the existing tax law, the provisions we have all talked about that both sides think are important; and it provides 6 more months of stimulus unemployment benefits for those who have lost jobs in our economy.

As I said earlier, that is the exact opposite of the approach taken by the Democratic majority, which is, as I said before, the way they finance all of these things is through $70 billion in new taxes. Again, many of those taxes are going to hit squarely on our small businesses, which are the economic engine and the job creators in our economy and are going to hopefully lead us out of this economic malaise and get us on to times where we are growing and expanding and creating more and more jobs. And it adds $80 billion to the Federal debt, which, as I mentioned earlier, is at $13 trillion. If you include all of the Federal debt—that amount held by the public, held by foreign countries, held by people here in this country—and then you add in the government, the intergovernmental debt that is owed to various agencies of government, we are at $13 trillion and counting.

In fact, if you look at the trajectory going into the future, we are talking about doubling and tripling that debt, doubling it in 5 years and tripling it in 10. And we are going to get to the point where over 4 percent of our entire economy is spent just paying interest on the debt.

Think about that. Over 4 percent of our entire economy—we have a $14 trillion economy—would be spent just paying for interest on our Federal debt. There is going to come a point, 10 years out from now, when the amount of money we have to spend to finance our debt, to pay for the interest on the debt, exceeds the amount we spend on our military. Think about that. We would spend more financing the debt we owe, spend more on interest payments on the debt we owe, than we actually spend on our national security. That is a staggering thought, if you think about it. That is what we have to try to avoid. The only way we do that is by getting serious and starting here and starting now.

My colleagues on the Democratic majority side have said that because they passed pay-go, now we are on a different path; it is a different set of rules, a new sheriff in town; we are going to deal with these issues differently. But unfortunately what we are seeing is the same pattern, the same old way of doing things, which is to declare everything an emergency, borrow the money from China, and hand the bill to our children and grandchildren. It is time that stopped. This amendment gives us an opportunity to do that.

To put things into perspective because I think sometimes these numbers get to be very abstract, and you listen to politicians get up and talk about debt and spending and deficits and that sort of thing, and it is hard to kind of comprehend, if you will, the dimensions we are talking about—I mean, $13 trillion. It is hard to even contemplate what $1 trillion is. So just to put that into proper perspective, if you were to equate a dollar to a second, how much is 1 trillion seconds?

I spoke at Boys State a week ago or a little over a week ago now, and I asked the Boys Staters to sit down and do the arithmetic and to figure out how much 1 trillion seconds is because I think it helps put into perspective how much $1 trillion is. It is hard to even wrap your mind around what $1 trillion represents. But if you equate that to 1 trillion seconds, 1 trillion seconds is 31,746 years—31,746 years. That is what 1 trillion seconds represents.

Well, we are not $1 trillion in debt; we are $13 trillion in debt. How much is 13 trillion seconds? Over 412,000 years. Over 412,000 years. If you were to help people understand and put it in a certain perspective, that is the amount of money—the $13 trillion that we now owe, that is today. As I said before, if you look at the publicly held portion of that, we are expected to double that in 5 and triple it in 10 years.

It took us 200 years of American history to get to $1 trillion, and we have exploded that. If you look at the trendlines and where we are headed as a nation, it is a very, very scary thought. It should be scary to all Americans, and I know it is. It certainly should be scary to the Members of this Chamber. That is why, every time we deal with a major piece of legislation, foremost in our mind ought to be, how is this going to impact the fiscal balance sheet of this country? How is this going to make the next generation—how is it going to improve their standard of living, their quality of life? What is it going to do to them? Are we going to be the first generation to bequeath to the next generation a lower standard of living and a lower quality of life because we haven't been willing to make the hard choices and to make the hard decisions that are so essential if we are going to get our country on a fiscal path?

This amendment does address the issues on which both sides agree. It addresses the issue of extending expiring tax provisions that many people on both sides care about. It extends unemployment insurance until the end of the year. It does extend the doc fix beyond what the base bill does. The base bill extends it through the end of the year 2011. What this amendment would do would be to extend it to end of the year 2012.

So we have an opportunity for Senators to take a vote and to let everybody know, let their constituents know whether they are serious about getting spending under control; about making sure we are doing everything we can to create the right economic conditions for job creation, and by that I mean keeping taxes low on small businesses, not raising taxes by $70 billion, which is what this bill does; and whether we are serious here in Washington, DC, about listening to the American people and what they are saying with regard to spending. They want us to cut federal spending. They want us to do what they are having to do in their family budgets and in their small business budgets. What every American is now having to deal with is becoming more fiscally responsible, dealing with austere measures that will keep them from having to go deeply into hock or into bankruptcy. We are doing that here—we are going into bankruptcy. We just have the luxury here in Washington, DC, of being able to continue to borrow and borrow and put it on the credit card and hand the bill to our children and grandchildren. It is time for that to stop. It can stop with this amendment.

I hope that as we continue debate on the underlying bill and get votes on those amendments, my colleagues in the Senate will do the right thing for the future of this country and start to get spending under control and start to pay for what we continue to borrow for so that we are not piling more and more debt on future generations.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. SHAHEEN). Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. I now ask that we be allowed to proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

BUDGET SCOREKEEPING REPORT

Mr. CONRAD. Madam President, I rise to submit to the Senate the sixth budget scorekeeping report for the 2010 budget resolution. The report, which covers fiscal year 2010, was prepared by the Congressional Budget Office pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended.

The report shows the effects of congressional action through June 7, 2010, and includes the effects of legislation enacted since I filed my last report for fiscal year 2010 on April 15, 2010. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of S. Con. Res. 13, the 2010 budget resolution.

The estimates show that for fiscal year 2010 current level spending is above the levels provided in the budget resolution by $3.1 billion for budget authority and $5.8 billion above for outlays. For revenues, current level shows that $14.2 billion in room remains relative to the budget resolution level.