

resources that would otherwise be spent on wages for new employees. Our job creators need to be focusing their time and energy on hiring and expanding, not dealing with government-directed mounds of paperwork.

In addition to halting this enormous amount of tax paperwork, full repeal would prevent erroneous IRS fines and hefty accountant bills from slamming our job creators.

As the President of the National Federation of Independent Business put it:

You can't operate and grow your business if you are spending all your time filling out IRS forms and haggling with auditors.

I couldn't agree more, and that is why I have been actively advocating for a complete and full repeal of this burdensome 1099 requirement for many months now. Anything less than a complete repeal is simply unacceptable.

No. 2, we take seriously the concerns of so many Americans with our government's out-of-control spending. That is the second principle we can stand for today. The elections recently held, I believe, sent a very clear message about Washington's spending habits and our enormous \$14 trillion debt. Voters expressed dismay and alarm with the rate of government spending and with enormously good reason. Spending has increased by more than 21 percent since 2008 and annual deficits weigh in at more than \$1 trillion.

American households across this great country are doing the best they can to put food on the table and pay the mortgage. In the face of a very difficult economic environment, they are doing everything they can to survive. Our families have seen their wages slashed, jobs lost, and home values plummet. Their solution to these difficulties isn't to continue spending with disregard for the level of their debt. Instead, they dig deep and figure out ways to cut costs and to make ends meet. Meanwhile, they look at their Federal Government in disbelief when they see how we continue to spend money we don't have.

My amendment takes their concerns to heart by fully offsetting the cost of the 1099 repeal. The alternative amendment piles \$19 billion of debt onto the backs of future generations, further kicking the fiscal responsibility can down the road.

Then-Senator Obama said this in 2006: America has a debt problem and a failure of leadership.

When he refers to the debt problem, he is absolutely right. How true that is. Even the sponsor of the alternative has spoken very well on this issue. Again, I am quoting, and the board shows the quote:

There is no one here who would argue the point that our deficits are too high. . . . We have to pay our national debt and then go on and find ways to reduce the budget deficits. I think all of us can agree that is something we have to do.

Getting our fiscal house in order will not be easy, but for the sake of the country's future, we have to take action.

Today we have an opportunity to do that: No. 1, repeal the onerous 1099 requirement; and No. 2, without adding a single penny to our deficit or to the cost of the health care law.

Some here may try to argue that we don't have to pay for the repeal. I could not disagree more. This repeal should and must be offset. As my colleagues may recall, in September, I offered a similar repeal that also was fully offset. It did receive significant bipartisan support, but some objected to my proposed offsets and came to me on the floor and said: I would be with you on this but for the offsets.

Opponents explained they voted no because they opposed taking money from the new health care law. So we sat down and, in the spirit of compromise, I took those criticisms to heart and came up with a new, non-controversial way to pay for this needed repeal.

My amendment uses unspent and unobligated funds from Federal accounts to fully pay for the repeal of the 1099 mandate. This fiscally responsible approach is not controversial, and it has been done many times before. At the end of every year, there is money left in the accounts of Federal agencies that has not been obligated for a specific purpose. According to the most recent OMB estimate, roughly \$684 billion is just sitting in these accounts at the end of fiscal year 2010. This almost \$700 billion does not include—does not include—accounts for the Department of Defense or Veterans Affairs. We leave them off the table. So my amendment boils down to using about 5 percent of these funds—5 percent.

Additionally, my amendment gives the Office of Management and Budget discretion to decide what programs from which the funds can come. Again, this is not unusual; it has been done before. This approach is better than an across-the-board cut. It allows important programs to be spared any reduction. However, let's face it. This funding has been available all year long—some of it for several fiscal years. If it was important to our Nation, Federal agencies would have spent it now. As a former Cabinet member, I ran one of these agencies.

So there is no basis for the claims about what vital programs this amendment might reduce. Again, I emphasize, this has been done many times before. It is simply 5 percent of the non-security-related funding that was lying dormant in Federal accounts at the end of the year. If we cannot agree to this noncontroversial offset, then the public demand for fiscal responsibility voiced in November has fallen on deaf ears.

In September, when the Senate first voted down my 1099 amendment, the concern was about the source of the offsets. No one argued that we simply did not need to pay for the repeal. No one got up and said: Well, we don't have to pay for this. This was never a part of anyone's argument. Yet that is exactly what the Baucus alternative

amendment proposes. It says to our children and grandchildren: It is too tough for us to find \$19 billion, so we are going to add it to the debt you will have to assume. It is a rejection of fiscal responsibility.

After all the hoopla over pay as you go, the alternative amendment doesn't include a single budgetary offset to cover costs. The amendment simply says: Let our kids and our grandkids sort it out on top of the \$14 trillion of debt we are leaving them. That is unfortunate. If we can't come together to agree on a few billion dollars in budget constraint, how do we ever hope to address the \$14 trillion national debt?

Any Senator who votes for the Baucus amendment is sending a clear message to his or her constituents that fiscal responsibility is not a priority. Any claim otherwise truly does ring hollow.

So I urge my colleagues to oppose the Baucus alternative and vote for the Johannis amendment. It will be a vote to protect our job creators and the prosperity of our children and grandchildren. We simply cannot keep kicking the fiscal responsibility can down the road.

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

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

The legislative clerk proceeded to call the roll.

Ms. MIKULSKI. 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.

Ms. MIKULSKI. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

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

#### CONGRESSIONALLY DESIGNATED PROJECTS

Ms. MIKULSKI. Mr. President, I rise today to talk about my opposition to an amendment that is going to be offered by the Senator from Oklahoma to eliminate congressionally designated projects.

For me, the job has always been about the people, and the best ideas do come from the people. As I have traveled around the State of Maryland, whether to worksites or roundtables or unfettered, uncensored conversations in diners, I listen to the people. What they tell me is that they are mad at Washington because when all is said and done, more gets said than gets done. Families are stretched and stressed, and they want a government that is on their side. They want a strong economy, a safer country, and a government that is as frugal and thrifty as they are. People want us to focus on a constitutionally based government.

I support the people because I feel the same way. I do think we have to

focus on building a strong economy. We do have to focus on being a more frugal government. However, I say to my colleagues, getting rid of congressionally designated projects is really a false journey to be on. If we eliminate every congressionally designated project—otherwise known as earmarks—we won't do anything to reduce the deficit because congressionally designated projects are less than one-half of 1 percent of total Federal spending. What it will do, however, is make it harder to meet compelling human and community needs many of us hear about from our constituents. Without these congressionally designated projects, often their needs will be cast aside by a big government or a big bureaucracy.

I believe we need to fight for real deficit reduction, and the way we do it is to look at the recommendations of the various commissions that are being put forward, whether it is Simpson-Bowles or Domenici-Rivlin or others.

What I do think is that we also should maintain our constitutional prerogatives of fighting for our constituents and fighting by being able to put special projects into the Federal checkbook.

I have been clearly on the side of reform. We have had many requests for earmarks in my Subcommittee on Commerce, Justice, Science. I got \$3 billion worth of requests, including \$580 million for police officer technology. Another \$980 million came for fighting crime, drugs, and gangs through enforcement, prevention, and intervention. Also, we got \$220 million worth of requests in science and in education. We cannot fund those at those levels. In fact, we severely reduced them and stayed within what we think are acceptable limits. So we need the local communities to keep our communities safe, to educate our children in science and technology, and make sure we keep our police officers safe with earmarks of \$3 billion.

There have been abuses of congressionally designated projects. That is why I support reform, and the leadership is focused on reform. In 2007, new Senate rules began to require full disclosure of these projects. In 2009, Senator INOUE insisted on more significant reforms: Every project must be posted by Senators on their Web site. Every project must be less than 1 percent of the discretionary budget.

Today, congressionally designated projects—otherwise known as earmarks—are 50 percent below what they were when the Republicans controlled the Congress. Mr. President, I emphasize that under Democratic leadership, we reduced earmarks by 50 percent below what they were in 2006, and we made the process open and transparent. I think this is very important.

In the Commerce-Justice bill, I instituted my own reforms. I even went a step further. I established criteria that met community needs and must be supported by a viable organization, and it must have matching funds.

I have also fought and led the subcommittee in a more aggressive reform effort. I provided robust funding to inspectors general to be the watchdogs of the agencies. I am the first Senator on an appropriations subcommittee to insist that the inspector general testify at every one of my subcommittee hearings of an agency on issues relating to waste and abuse.

I established an early warning system on cost overruns, and then I reduced overhead by 10 percent by getting rid of lavish banquets and conferences and also cutting the amount that could be spent on tchotchke giveaways at the conferences they did have. That might sound like a small thing, but, my gosh, getting an inspector general there, we found all kinds of things under every rock where another couple million were hidden and we worked to get rid of that. We also got rid of things such as the \$4 meatball or \$66 for bagels for one person at a Department of Justice breakfast. So we said: Let's get rid of the folly, let's get rid of the fraud, let's into get into a more frugal atmosphere, and we were able to do this.

I would hope we could institutionalize these reforms. There are reforms we could put in place that are common sense, but it would enable colleagues to exercise their constitutional prerogative of not letting big bureaucracies and big government determine the destiny of our communities. I am always going to fight for Maryland. I am not here to defend earmarks, but I am here to defend my ability to help Maryland. So I oppose Coburn.

Coburn would have a moratorium for 3 years on appropriations bills, authorizing bills and tax bills. I oppose it because I do not think, first of all, it will reduce the Federal deficit; secondly, it takes away my constitutional power—the power of the purse that was given to Congress—to be able to help my constituents; and lastly but most of all, I wish to have every tool at my disposal to make sure big bureaucracies don't forget the little people who pay the taxes. So I hope we defeat Coburn.

At the same time, what I want to be able to do is stand on the side of reform. I can assure my colleagues, if Coburn is defeated, I will do everything in the institution to follow the leadership already established by Senator INOUE—a real reformer—to further reform our process. Let's get rid of abuse, but let's not give away our ability to stand and fight for our constituents.

Let me close by giving a couple examples. The Port of Baltimore provides over 1,000 jobs. I want to be ready when those big ships come through the Panama Canal, so I have a dredging earmark in that makes my port fit for duty for the 21st century.

I also have another earmark in for Ocean City beach replenishment, which we have already done. It protects millions of dollars of real estate along Maryland's coast, where we generate over \$10 billion in tourism.

I have also funded small projects but big in the hearts of my constituents, such as helping with the building of a children's hospice. Imagine having a child so sick they require hospice care. The least America can do and the least the Senate can do is to partner with families, the local government, and people at great institutions, such as hospice, to make sure children at the end stage of life have a place to be.

So do I fight for congressional projects? You bet I do. Has it made a difference in the lives and economy of Maryland? You bet it does. So we can have this moratorium, but I will predict we will be back 15 months from now to reinstate it. I say: Let's keep it, let's reform it, let's have a stronger economy, safer communities, and a more frugal government.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I wish to first acknowledge the Senator from Maryland and to say I appreciate her work in reforming the system of congressionally initiated projects.

I also wished to mention, before I get to my main topic today, which is the expiration of the volumetric ethanol excise tax, the important vote we are having this evening on food safety. As the Chair knows, coming from the State of Minnesota, we had three people who died during the last foodborne illness tragedy—the salmonella in peanut butter episode. One of those individuals included Shirley Ulmer, mother of Jeff Ulmer, who has worked so hard to get this bill passed, and we are hopeful we have finally gotten the votes to improve our food safety system, which hasn't been improved since the 1930s. Clearly, we have seen a lot of changes to our food supply since then, and so this is long overdue.

#### VOLUMETRIC ETHANOL EXCISE TAX

Ms. KLOBUCHAR. Mr. President, I rise to underscore the need to invest in homegrown energy and to reduce our dependence on foreign energy. Our Nation's ability to produce a reliable low-cost domestic source of energy is both an economic issue and a national security issue.

Two years ago, our Nation got a wake-up call. Gas prices exceeded \$4 a gallon, even \$5 in some places. It was a chilling reminder that the United States spends more than \$400,000 per minute on foreign oil. That money is shipped out of our economy, adding to our enormous trade deficit and economic woes, and leaving us reliant on unstable parts of the world to meet our basic energy needs.

Some of our colleagues have called for the volumetric ethanol excise tax credit—known as VEETC—to expire at the end of December. This tax credit was created 5 years ago to help bring ethanol from our farms to our gas pumps. It has helped us start to invest in the farmers and the workers of the