

studies have found. So they pretend these studies never happened and call for new ones where they are guaranteed a more industry-friendly outcome. It is obvious that their calls for more study are an effort to delay reform indefinitely. The big banks will do anything to prolong the status quo and to keep collecting \$1.3 billion per month in excessive debit swipe fees.

I want to further address another argument that has been raised recently.

Some have argued that we should not follow through with interchange reform because it will only benefit big box retailers. Of course, this is not true. Swipe fees impact retailers of all sizes, from the smallest mom-and-pop stores to the largest retail chains. They also affect universities, charities, government agencies—everyone who accepts plastic as a form of payment. And they affect all consumers, who pay higher prices at retail because of the cost that swipe fees add to every transaction.

But many still like to portray this debate as a struggle between the banks and card companies versus the big box retailers. Well, let's look at those big box retailers and compare them to the big banks and credit card companies. Some of my colleagues may be surprised to learn that the big banks and card companies are significantly more profitable than the big retailers.

According to *Forbes.com*, in 2010, Wal-Mart, the largest retailer in the country, had \$17 billion in profits and a 4 percent profit margin.

Sounds like a lot, right? Well, not compared to the big banks. Last year, according to *Forbes.com*, JP Morgan Chase, one of the largest issuers of debit cards, had \$17.4 billion in profits—more than Wal-Mart. And Chase's profit margin was a robust 15 percent.

This is the same Chase that has said that any regulation of interchange fees will force them to jack up fees on consumers. Chase has more profits than Wal-Mart and a 15 percent profit margin. Why are they pleading poverty and threatening their customers with higher fees?

Well, what about other giant retailers? How are they doing? Target, the well-known retail chain, had profits of \$2.9 billion and a 4.3 percent profit margin last year. Let's compare that to Wells Fargo, another giant debit card-issuing bank. Wells Fargo last year had \$12.4 billion in profits and a 13.3 percent profit margin.

Large retailers would love to have the profit margins of the big banks. But they don't. Last year the largest drug store chain, CVS Caremark, had profits of \$3.4 billion and a 3.6 percent profit margin. The largest grocery store company, Kroger, had profits of \$1.1 billion and only a 1.4 percent profit margin.

Historically we have seen low profit margins and intense competition in the retail sector. According to a June 8, 2009, article in *Fortune Magazine*, Wal-Mart has only an 11 percent market

share of the retail market, and Target has only a 2.3 percent market share. This shows that retail is an intensely competitive sector.

Let's compare that level of competition to the debit card industry. This past Monday, an article on *CNBC.com* reported that the Visa and MasterCard duopoly now control around 90 percent of the debit card market.

It is pretty profitable to be a duopoly. According to *Forbes.com*, in 2010: Visa had \$3.1 billion in profits and a 37 percent profit margin, and MasterCard had \$1.8 billion in profits and a 33 percent profit margin.

It must be nice to be a big bank or a credit card company these days. Big banks and their card network allies are making money hand-over-fist these days while retailers of all sizes are struggling to turn a profit. Rising interchange fees are a key part of this equation.

It doesn't have to be this way. If we can constrain Visa's and MasterCard's price-fixing on behalf of the 1 percent of biggest card-issuing banks, we will reduce the cost of interchange for every merchant and other entity that accepts debit cards. Competition in the retail sector will mean consumers will benefit through discounts and lower prices. Given the large profit margins at the nation's biggest banks, they will be able to stay in business once swipe reform is completed.

In fact, we know that banks and card companies can continue to offer debit cards profitably with lower interchange rates.

They did it before—up until the mid-1990s, banks used to offer debit cards with minimal or no interchange in the United States.

And they are doing it right now in other countries around the world, where there are thriving debit card industries with very low or nonexistent interchange rates.

I am going to reserve the remainder of my time and let my colleagues take the floor. I will return on the subject but I remind my colleagues, this amendment, this effort by the Wall Street banks and credit card companies to repeal interchange fee reform, is a \$40 billion amendment—\$40 billion that will be transferred to the biggest banks in America and credit card companies from consumers across America. We did the right thing with interchange fee reform. Let's stand by it and say to Wall Street, major card issuers, VISA and MasterCard, they have had enough. They can get a reasonable fee, but not an unreasonable amount out of our economy.

#### RECOGNITION OF THE MINORITY LEADER

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

Mr. McCONNELL. I will proceed on my leader time.

#### THE CONTINUING RESOLUTION

Mr. McCONNELL. Madam President, across the country this morning, Americans are wondering what is going on in Washington this week. They want to know why it is taking so long to fund the government. Americans want to know how we got to this point, and they deserve an answer, so here goes.

Each year, the majority party in Congress is responsible for coming up with a budget plan that explains how they are going to pay for all the things that government does. It is not just a good idea—it is the law. Congress has been required to do it since 1974.

Last year, Democrat leaders in Congress decided they didn't want to do it. They didn't want to have to publicly defend their bloated spending and the debt it is creating. So Republicans have had to come up with temporary spending bills to keep the government running in the absence of any alternatives—and leadership—from Democrats.

Republicans even passed a bill in the House that would keep the government funded through the rest of the current fiscal year, and which takes an important first step toward a smaller, more efficient government that helps improve the conditions for private sector job growth.

This House bill would save us billions of dollars on our way to a conversation about trillions. And Congressman RYAN has done a service this week by setting the terms of that larger debate—by outlining a plan that puts us back on a path to stability and prosperity.

Unfortunately, Democrats have made a calculated decision that they didn't want to have either debate—so they have taken a pass on both.

Frankly, it is hard not to be struck by the contrasting approaches to our Nation's fiscal problems that we have seen in Washington this week. On the one hand, you have a plan by Congressman RYAN that every serious person has described as honest and courageous. On the other hand, you have people like the new chairwoman of the Democratic National Committee and the previous Speaker of the House dismissing that plan in the most cartoonish language imaginable.

While thinking people have seen in the Ryan plan an honest attempt to tackle our problems head on, ideologues on the left have seen a target to distort while offering no vision of their own to prevent a fiscal nightmare that we all know is approaching.

And they still haven't come up with an alternative to the various Republican proposals we have seen to keep the government up and running in the current fiscal year. They have just sat on the sidelines taking potshots at everything Republicans have proposed while rooting for a shutdown.

That is why the Republicans in the House have now proposed another bill this week that will fund the military for the rest of the year, keep the government operating, and which gets us a

little closer to a level of spending that even the senior Senator from New York has called "reasonable."

The fact that Democrats are now rejecting this offer, which even members of their own leadership have described as "reasonable" is all the evidence you need that Democrats are more concerned about the politics of this debate than keeping the government running.

Let's be clear about something this morning: throughout this entire debate, Republicans have not only said that we would prefer a bipartisan agreement that funds the government and protects defense spending at a time when we have American troops fighting in two wars. There is a Republican plan on the table right now that would do just that.

Democrats can accept that proposal, or they can reject it. But they can't blame anyone but themselves if a shutdown does occur. Because they have done nothing to prevent it.

With the clock ticking, I would once again encourage our Democratic friends to get on board with this proposal, and to support the kind of spending cuts that the American people have asked for—and that their own leadership has already endorsed.

#### THE EPA AMENDMENT

Mr. MCCONNELL. Madam President, later today, the Senate will vote on an amendment that one leading newspaper described last week as one of the best proposals for growth and job creation to make it onto the Senate docket in years. More specifically, this amendment, which is based on legislation proposed by Senator INHOFE, would prevent unelected bureaucrats at the Environmental Protection Agency from imposing a new national energy tax on American job creators.

Everyone knows that this attempt to handcuff American businesses with new costs and regulations is the last thing these job-creators need right now. That is why even Democrats in Congress have sought to secure the same kind of exemptions from the law for favored industries in their own States that we saw others from their party trying to secure for favored constituencies in the health care law.

Democrats from auto States tried to have the auto industry exempted. And Democrats from farming States tried to have farmers exempted.

What these efforts show, is that Democrats themselves recognize the dangers of these EPA regulations. Yet instead of just voting for the one amendment that solves the problem, they are hiding behind sham amendments designed to give them political cover.

Republicans have a better idea—let's try to make sure everybody is exempted. Let's not pick winners and losers. Let's let America's small businesses and entrepreneurs compete and grow on a level playing field without any more burdensome government regulations, costs, or redtape.

The amendment I have offered on behalf of Senator INHOFE would do that.

The amendment would give businesses the certainty that no unelected bureaucrat at the EPA is going to make their efforts to create jobs even more difficult than the administration already has. So once again, I thank Senator INHOFE for his strong leadership on this issue. He has led the way in protecting American jobs from this burdensome proposal with determination and common sense. He deserves the credit.

I also want to thank Chairman UPTON and my good friend, Congressman WHITFIELD, for fighting against this effort by the EPA and moving legislation to prevent it in the House.

#### COLOMBIA TRADE AGREEMENT

Mr. MCCONNELL. Madam President, there are some signs today the administration is beginning to take seriously a pending trade agreement with Colombia. Republicans have been urging the administration to act on this critical trade deal for months. This agreement would help American businesses compete on a level playing field with businesses overseas. It would help create American jobs. And it would help our relationship with an important ally in Latin America.

Hopefully these reports are true, and the President will send this agreement, along with similar agreements related to Panama and South Korea to Congress soon. This would be some very good news for an economy that needs it.

I yield the floor.

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

#### THE BUDGET

Ms. MIKULSKI. Madam President, I rise to the floor to speak in morning business and to comment on the terrible situation we find ourselves in. We are in a terrible situation. The Republican leader is exactly right, the clock is ticking on a shutdown.

But I have a couple principles as we head into the midnight witching hour on Friday. First of all, my first principle is no shutdown. Let's have a sitdown. Let's not shut down government and cut off the funding for private sector contractors that do business with the government. Let's have a congressional sitdown and arrive at an orderly, rational agreement that does create a more frugal government but does not torpedo our economy.

But my second principle is, if we shut down the government and Federal employees and contractors do not get paid, Congress should not get paid. Not only should Congress not get paid, no back pay, no way. I spoke about the congressional no-pay position yesterday.

Today, I wish to talk about the consequences of the shutdown. I am

against a government shutdown. Shutting down the government breaks faith with Federal employees, jeopardizes our economic recovery, threatens the viability of small- and medium-sized businesses that do business with the Federal Government and even threatens the safety of our families and our economy.

That is why I am for a congressional sitdown, not a shutdown of the Federal Government. Democrats and Republicans should negotiate over spending cuts. But what is not open for negotiation is whether the Federal Government is worth keeping open. Parties must come together.

There is a belief that a shutdown will occur only in Washington. Oh, the lights will go out in the Washington Monument, maybe a museum will be closed here or there, maybe even a national park will be closed here or there. Both on the Senate floor, the House floor, and even in the media, it is followed by kind of a snicker or even a snarl. How foolish, how they do not understand the functioning of the Government of the United States of America.

I am afraid the lights will go out. I am afraid the government agencies will be shuttered. I am concerned that people who work on behalf of the Federal Government as those contractors, small- and medium-sized contractors, disabled veteran contractors will not get paid.

I am for cuts. I voted for the Democratic package with over \$51 billion in cuts. In my own appropriations bill, I reduced agency overhead by 10 percent. I cut out lavish conferences and so on by 25 percent. I could eliminate that year by year. But cuts alone are not a strategy to reduce the deficit.

What I do not want is to make sure our government will not be funded. There are other ways of doing it, and I will talk about that more tomorrow, about how we can actually pay for this, but today I wish to talk about the consequences of what we are doing. There is nobody on the Senate floor talking about it. I appreciate the minority leader, but on my side, if nobody is going to talk about it, I am going to talk about it.

A possible government shutdown creates uncertainty in consumer confidence and further damages the economy. Mark Zandi, the chief economist of Moody's, says it will damage the confidence in the economy and could result in the loss of 700,000 jobs. Well, let me tell you—and everybody says: Oh, well, that is government. I am going to talk about: Oh, well, that is government in a minute.

But let's take the private sector. Let's take that snickering and snarling over national parks. Do you know the national parks—we have 365 of them, 49 States, 300 million visitors. Do you know those national parks generate 270,000 private sector jobs in campgrounds, restaurants, gas stations, vendors to the national parks.