

government programs. I wholeheartedly support efforts to save taxpayer money by eliminating waste, fraud, abuse and inefficiency within the Federal Government. A congressional responsibility that I take very seriously is our day to conduct oversight of Federal agencies.

I recognize that Senator COBURN's amendment is based on a Government Accountability Office report to Congress which identified programs and initiatives that have duplicative goals or activities. The report included 34 areas where billions of dollars could be saved. It included seven areas within Defense Department programs. It proposes saving millions by consolidating Federal data centers that today are spread across 24 Federal agencies. It identifies duplication in 44 separate employment and training programs, which could save millions of dollars. I also understand that the blender's credit for ethanol was singled out in the report.

In voting in favor of the amendment, I want to make clear that I do not consider the ethanol blender's credit to be a duplicative program, nor do I believe it should simply be eliminated. I would also like to make clear that the GAO report suggested a number of policy options that Congress could consider when revising the tax incentive. My colleagues should know that I, along with other Members of the Senate, are currently working to reform and restructure the tax incentives for ethanol production and consumption. Many of the reforms we are exploring are the same options suggested by the GAO report.

It is my hope then, that the Senate will consider thoughtful, constructive reforms to the ethanol tax incentive, rather than the proposal put forth by Senator COBURN with amendment No. 220 that would end the incentive immediately.

The PRESIDING OFFICER. The majority leader.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent to proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

BUDGET NEGOTIATIONS

Mr. REID. Mr. President, this budget we have spent so much time talking about is really about making tough choices, hard choices, difficult choices. The American people understand this. They understand tough choices. They have to make them every day, especially now with the economy being in the shape it is in. So should their representatives in Congress make tough choices.

We are being honest with ourselves over here. We know we can't get 100

percent of what we want. That is what this negotiation is all about. That is why this is a negotiation. It is not a winner-take-all situation.

Democrats have made tough choices because we want to get this agreement finished. We want it completed. We want to keep the country running and keep the momentum in the economy that is now creating jobs. We want to avoid a shutdown and the terrible consequences that would follow.

The only thing Republicans are trying to avoid is making the tough choices we need to make. We have been more than reasonable. We have been more than fair. We meet them halfway, and they say no. We meet them more than halfway, and they still say no. We meet them all the way, and they still say no. If Republicans were serious about keeping the country running, all they would have to do is say yes.

Now we learn House Republicans are going to make another excuse, create another diversion, and avoid another tough choice. Instead of solving the crisis the way we should, instead of saying yes, they say, in fact, what they are going to do is pass what they will call another short-term stopgap measure. They will say it is short term, but what that really means is it is a short cut—a short cut around doing our jobs. Instead of solving problems, they are stalling. They are procrastinating. That is not just bad policy, it is a fantasy.

We all heard the President of the United States say yesterday that he won't accept anything short of a full solution. And why should he? We are 6 months into the fiscal year now. President Obama is right. We can't keep funding our great country with one stopgap after another. The United States of America, this great country of ours, shouldn't have to live paycheck to paycheck. We are not going to give up. We are going to keep talking and keep trying to find middle ground. The Speaker and I will go back to the White House tonight in 2 hours and 20 minutes to meet with him again to continue the conversation we have been having for weeks with this administration.

We know the Republicans are afraid of the tea party. That has been established. Now it looks as though they are also afraid of making the tough choices we have to make. But tough choices are what governing is all about. They are what leadership is all about. It is time for my friends in the House of Representatives to stop campaigning and start governing.

And remember what one of the greatest Speakers of all time said. In fact, he was Speaker three times. He was from the State of Kentucky. Henry Clay. He was known as the "great compromiser." He said that all legislation is based on mutual consensus. That is what this is all about. But remember, let's focus on the word "mutual." It takes both of us.

Mr. President, it is time to lead.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

GOOD FAITH NEGOTIATIONS

Mr. CARDIN. Mr. President, I wish to spend a moment or two talking about how devastating it would be for our country and for the people of our country if, in fact, we have a government shutdown.

I represent Maryland, and there are a lot of Federal workers in Maryland. They are very concerned because it will affect them. A government shutdown will affect everyone in this country. It will affect people who depend upon their government being there to serve them.

If you are depending upon a timely IRS refund check and the government is shut down and you need that money and are counting on it—it is your money—you may find out, if the government is shut down, there is no one to talk to and that check will be delayed.

If you are a person who is entitled to Social Security disability payments and you have a case that is pending, there will not be people there to resolve that case and you will have to wait. That could also very well affect your ability to literally pay your bills.

If you are doing research at NIH—cutting-edge research—which depends upon the continuity of the work in order to discover the answers to many of the problems we face in health care, that will be disrupted if we have a shutdown of the government.

The bottom line is, everyone loses if we have a shutdown of our governmental body. The taxpayers lose. Study after study shows that a shutdown of the government will actually cost the taxpayers more money. It makes no sense at all. Yet there are some in the House who say: Look, bring on a shutdown. They are not negotiating in good faith. They are saying it is our way or the highway. Basically, they want to shut down the government.

We need to negotiate in good faith. It is not going to be what the Democrats or the Republicans want. That is how the system works. You have to negotiate in good faith. I know our leaders are doing that. I urge all of us to understand the consequences of a shutdown and make sure we take steps to negotiate in good faith and have a budget agreement completed by Friday of this week.

I want my colleagues to understand why people in my State should be very concerned about the budget that passed the House of Representatives—the Republican budget. It would hurt children

on Head Start. In Maryland, 1,795 children who are on Head Start would lose their ability to go to that program. You know how important that is. For students in Maryland, they would find that their Pell grants would be reduced by almost \$700. Women would be hurt by the loss of essential preventive health services. Families would be at risk with the lack of enforcement of our regulatory bills that protect us on public health issues. The list goes on.

It has been estimated that 700,000 jobs would be lost if the House budget became real. That would jeopardize our recovery. As you know, we are just starting to see job growth. We certainly don't want to take counterproductive steps in that recovery.

As we pointed out many times, the budget the House sent over is concentrating on 12 percent of Federal spending. We need to broaden this discussion, and we all understand that. It starts with allowing the political system to work and for us to get together and reach an agreement on the budget that is already 6 months—we are talking about the last 6 month's budget.

In Maryland, if the House budget were to pass, Metro would lose \$150 million. This is the Nation's transit system. People would find that if the transit system can't operate, the roads will be more congested and it will take a lot longer to commute.

My point is this: The House budget—the Republican budget—is not going to become law. It is not what the Republicans want or what the Democrats want. We have to come together, and we are doing that. But let's not allow a minority in the House to tell us we are not going to let the system work for the best interests of the American people.

I think, though, we should be very concerned about whether this is part of a plan with the Republicans, when we look at their budget for next year, the 2012 budget, which was released this week. There are disturbing signs as to what their intentions are. We saw it with the budget for this year and now we see that continued for their budget for next year. They literally want to turn the Medicare system into a voucher program, where seniors have to rely on private insurance companies. We tried that before Medicare. In the early 1960s, the number of seniors who could not get health care insurance was staggering. Why? Because private insurance companies are not interested in insuring people who make claims. The older you are, the more you will make claims on our health care system. If seniors are at the mercy of private insurance companies, it will be much more expensive for them, and they will not get adequate protection.

We should all be concerned about the budget that was brought out this week. The Medicaid system that protects our most vulnerable, our seniors, who rely, in large part, on the Medicare system to deal with long-term care and nursing care—the Republican budget would transfer that to the States with a block grant, making it unlikely to see the continuation of the program that is critically important, not just to people who are vulnerable, but if they have to

rely on the use of emergency rooms to get care, it will be more expensive for all of us.

These short-term so-called budget savings will turn into long-term costs for our country. The Republican budget continues to do these domestic discretionary cuts—well beyond what we need as a nation to grow—taking, again, our most vulnerable, those who depend on government, making a college education more expensive and denying young people the opportunities they need.

Guess what is missing in the Republican budget. There is no effort to deal with the revenue problems of America. I say there is a better way to do this, and there are 64 Senators who have come together and said: Look, we have to deal with our national debt with a credible budget plan—a credible budget plan that starts with discretionary spending cuts, and we all agree to that. We have to reduce military spending and deal with mandatory spending, but we have to also deal with the revenue side. Thirty-two Democrats and 32 Republican Senators said that.

The Republican budget in the House doesn't take us down that path. It is not a credible plan for dealing with the budget deficit that can pass and be enacted and give confidence not only to the financial markets in America but around the world and tell the American people it puts their interests first.

I want my colleagues to understand we don't want to jeopardize the recovery. We want to get our budget into balance, and we have to get this year's budget behind us. We have to deal with that. President Obama is right when he said in the State of the Union Address that we have to beat our competition. We have to outeducate, outinnovate and outbuild them and we have to do it in a fiscally responsible way. We can do that now if we work together and deal with the budget we are currently in, which ends September 30 of this year, in a fiscally responsible way. Let's get this done and move on and work together for the sake of our Nation.

I am convinced that if we work together, we can have a responsible plan and we certainly should not allow a minority in the House to block a budget resolution for this year, causing the government shutdown. That is the worst case for the American people.

I urge my colleagues to continue to work together so we can keep the government operating, reduce the deficit, and allow America to grow and compete and meet the challenges of the future.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

SBIR/STTR REAUTHORIZATION ACT OF 2011—Continued

AMENDMENTS NOS. 240 AND 253

Ms. LANDRIEU. Mr. President, I ask unanimous consent that the Senate re-

sume consideration of S. 493 and set aside the pending amendments so that I may call up the following two amendments en bloc. They are Cardin amendment No. 240 and Snowe amendment No. 253.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes en bloc amendments numbered 240 and 253.

The amendments are as follows:

AMENDMENT NO. 240

(Purpose: To reinstate the increase in the surety bond guarantee limits for the Small Business Administration)

At the end, add the following:

SEC. ____ . SURETY BONDS.

(a) MAXIMUM BOND AMOUNT.—Section 411(a)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(a)(1)) is amended by striking “(1)” and all that follows and inserting the following: “(1)(A) The Administration may, upon such terms and conditions as it may prescribe, guarantee and enter into commitments to guarantee any surety against loss resulting from a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary thereto, by a principal on any total work order or contract amount at the time of bond execution that does not exceed \$5,000,000.

“(B) The Administrator may guarantee a surety under subparagraph (A) for a total work order or contract amount that does not exceed \$10,000,000, if a contracting officer of a Federal agency certifies that such a guarantee is necessary.”.

(b) DENIAL OF LIABILITY.—Section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b) is amended—

(1) by striking subsection (e) and inserting the following:

“(e) REIMBURSEMENT OF SURETY; CONDITIONS.—Pursuant to any such guarantee or agreement, the Administration shall reimburse the surety, as provided in subsection (c) of this section, except that the Administration shall be relieved of liability (in whole or in part within the discretion of the Administration) if—

“(1) the surety obtained such guarantee or agreement, or applied for such reimbursement, by fraud or material misrepresentation;

“(2) the total contract amount at the time of execution of the bond or bonds exceeds \$5,000,000;

“(3) the surety has breached a material term or condition of such guarantee agreement; or

“(4) the surety has substantially violated the regulations promulgated by the Administration pursuant to subsection (d).”;

(2) by striking subsection (k); and

(3) by adding after subsection (i) the following:

“(j) DENIAL OF LIABILITY.—For bonds made or executed with the prior approval of the Administration, the Administration shall not deny liability to a surety based upon material information that was provided as part of the guaranty application.”.

(c) SIZE STANDARDS.—Section 410 of the Small Business Investment Act of 1958 (15 U.S.C. 694a) is amended—

(1) by striking paragraph (9); and

(2) adding after paragraph (8) the following:

“(9) Notwithstanding any other provision of law or any rule, regulation, or order of the Administration, for purposes of sections 410, 411, and 412 the term ‘small business concern’ means a business concern that meets the size standard for the primary industry in which such business concern, and the affiliates of such business concern, is engaged, as determined by the Administrator in accordance with the North American Industry Classification System.”.