

I have introduced a bill, along with Senators BEGICH and BLUMENTHAL, that would allow for price negotiations. Allowing Medicare to directly negotiate these prices, as the Veterans' Administration does, could save us \$240 billion over the next 10 years.

We also need to take a more serious look at Medicare fraud. Law enforcement authorities estimate Medicare fraud costs taxpayers more than \$60 billion every year. This means as much as 20 percent of total Medicare spending is lost to fraud each year.

To help combat these types of fraud, I have introduced the IMPROVE Act—Improving Medicaid/Medicare Payment Policy for Reimbursement through Oversight and Efficiency—which would help deter fraud by requiring direct depositing of all payments made to providers under Medicaid and Medicare. These criminals scheme the system to rob American taxpayers of money that should be used to provide health care to those who need it most. We must put a stop to it. Putting an end to waste, fraud, and abuse is a critical step to save taxpayer dollars as we look for ways to make our health care system more efficient. But we need to continue to look for other ways to make our government and the way Washington works more efficient as well.

I mentioned efforts to reduce duplicative programs in our government, but we should also take a close look at the different agencies. For example, we could cut \$75 billion from our defense spending by restructuring our budget and increasing efficiency. Whether it is holding civilian workforce levels where they were in fiscal year 2010, which would save \$13 billion, or making targeted changes to Pentagon missions and priorities, which would save \$11 billion, or even just doing away with unnecessary studies and internal reports, which would save \$1 billion, these cuts all add up.

Secretary Gates has proposed and supports these cuts, and I believe they are necessary as we look for ways to streamline our government and reduce our deficit. When Secretary Gates says he does not need a certain type of a plane because he has another plane, I think we should listen to that as we look at how we are going to save money in this government.

In addition to cuts in spending and efforts to streamline our government, we also need to take a serious look at revenues and ways we can streamline our Tax Code to pay down our debt and ensure that the United States remains competitive in this global world.

Despite the fact that Federal revenue is at the lowest level as a percentage of GDP since 1946, our efforts last year to let the tax rates for the wealthiest Americans return to what they were under President Clinton were blocked even though it would save \$690 billion over the next decade. You have said it, Madam President, for people making over \$1 million—ror those people who

make over \$1 million a year, if you have their taxes set at the levels during the Clinton era—at a time when we were very prosperous—you would save nearly \$400 billion in 10 years on the deficit. While not all my colleagues agree on how or even whether we should raise more revenue, every serious bipartisan proposal has made it a clear must.

In the quarter century since the last comprehensive tax reform, the system has been riddled with expenditures that benefit special interests and hurt competitiveness. These expenditures add up quickly, costing us over \$1 trillion a year. For example, despite oil and gas companies reporting record profits in recent years, they will receive an estimated \$35 billion in tax breaks over the next decade. And there are many companies that attempt to evade our tax system altogether. Closing these loopholes could save tens of millions of dollars for American taxpayers. Expenditures such as these riddle the individual income Tax Code as well.

One aspect that is worth looking at—and something near and dear to the heart of every American who owns a home—is the mortgage interest deduction. I have used it. Everyone I know who has bought a house has used it. Here is the deal. The deduction is expected to lower tax revenues by nearly \$500 billion from 2010 to 2013. However, most of the benefits do not go to the middle class. So one idea—and this came out of the fiscal commission—is to make sure those benefits are firmly there for the middle class; that is, to set the credit at equal to 12 percent of interest payments on up to \$500,000 of mortgage debt on principal residences. So here is what this means. If you buy a house for \$1 million, you still get the mortgage deduction, but it is up to \$500,000 in the value of the home. If you get a house for \$300,000 or for \$400,000, it is not going to change the mortgage deduction at all. But what does it do for taxpayers? Well, phased in slowly to protect the housing market, this proposal would save \$400 billion or more over the next decade.

By taking steps such as these, we can lower tax rates, broaden the base, simplify the Tax Code, and at the same time bring down the deficit. This will benefit working families and make America more competitive in the global economy.

These ideas are just a few of the ideas that I believe warrant a closer look and should be considered as we look to reduce our Nation's deficit. Together, they represent at least \$1 trillion in savings that could be included as part of a bipartisan, long-term deficit reduction plan, in addition to a lot of the work we have already done this year for spending cuts. We can look at some additional ideas for next year, and there are many, many more. These are just simply some I hope the President includes in his proposal and that the deficit commission includes as well.

Tomorrow we will hear from the President, and I hope we hear a plan

that reflects the challenges we face as a nation, that builds on the work of the fiscal commission, and that brings both parties to the table for a grownup debate.

The sooner we can agree on a long-term package of smart cuts, the better for our economy and the better for our country. I am hoping we can put partisan differences aside to work on an agenda that strengthens our economy, promotes fiscal responsibility, and increases global competitiveness because if we refuse to have an honest conversation about this, if we insist on just using the debate as a vehicle for angry rhetoric and an excuse for taking cheap political shots, we will not just be doing ourselves a disservice and this institution a disservice, we will be cheating our children and our grandchildren out of knowing the America in which we grew up.

The deficit is not just going to fix itself. We all know that. We all know we cannot just close our eyes, click our heels, and—poof—the debt goes away. In their report, the National Commission on Fiscal Responsibility wrote that “every modest sacrifice we refuse to make today only forces far greater sacrifices of hope and opportunity upon the next generation.” And they are right. The longer we wait, the more wrenching the choices become, the more we set ourselves up for becoming another Greece or Ireland and having a potential meltdown in our financial system. But do you know who is really going to be making the painful choices if we do not do anything right now? That is right, it is our kids and our kids' kids. Is this really the legacy we want to leave them?

This is our challenge, and it will be a hard challenge to meet. But I am confident we can come together to make these tough choices to do what is right for our economy and to renew the American promise of progress and opportunity for generations to come.

Thank you. 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.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SESSIONS. Madam 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.

Mr. SESSIONS. Madam President, I ask unanimous consent to speak until 11—I think that is the agreed upon time—and that I be notified 5 minutes before 11.

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

#### FISCAL RESPONSIBILITY

Mr. SESSIONS. Madam President, the American people have high expectations of their leaders. They should

have, and they should demand it. One of the basic expectations we should have for our President is that he would be honest and forthright in discussing the critical issues facing our Nation. He should engage in the Nation's most important debates and provide leadership and take all appropriate steps to protect our Nation when we face a clear and present danger.

Clearly, the dominant issue of our time—I think there is no dispute within this Chamber—is our fiscal path, the debt course we are on, and the fact that we want to see our country be prosperous and grow, create more jobs, not lose jobs. To do that, we have to confront the large, soaring debt we have. It dwarfs all other issues. The American people know it. They gave a shellacking to the big spenders in the last election. It is what I hear whenever I am at home and what my mail and e-mails and phone calls say.

People are worried about the future of our country economically, and they are exactly right. The people who are not right are those who say change is not necessary—people who are in denial, including Government agencies and departments. People who receive governmental grants and programs think that nothing has changed in their own minds, but things have changed. I wish it weren't so, but it is so.

The Congressional Budget Act requires that Congress pass a budget every year by April 15. That is this Friday. A few weeks ago, the Congress received from the White House the most irresponsible budget ever submitted by a President to the Congress and to the Nation because it did nothing to confront the problems we face. It made no recommendations about entitlement programs—Social Security, Medicare, Medicaid—zero. It increased discretionary spending, increased taxes by \$1.7 trillion, and, according to the Congressional Budget Office that analyzed the President's budget, it increases the debt, when it is all over, more than the debt would have been increased if we hadn't had a budget from the President, even with \$1.7 trillion in new taxes. That is why it was irresponsible. It did not confront the issues we so seriously face today. He said when he announced it, that his budget would cause us to live within our means, that it would not increase the debt, and that we are not going to spend any more money than we are taking in. All fact-check organizations have found that to be false. It is plainly false. The lowest single year in which we have a deficit—and we have a deficit every year under the present budget—is \$740 billion, and it is increasing in the 10th year to \$1.2 trillion. The horrible deficit President Bush had was \$450 billion. The lowest President Obama projects in 10 years is \$750 billion, and it is going up in the outyears to \$1.2 trillion.

In contrast, the House Budget Committee chairman, PAUL RYAN, has

made the most serious attempt maybe in history to deal with the systemic threats our country faces to tackle our long-term fiscal challenges. The Bowles and Simpson debt commission cochairmen appointed by President Obama described PAUL RYAN's budget this way: "A serious, honest, straightforward approach to addressing our Nation's enormous fiscal challenges."

They went on to say:

Going forward, anyone who issues an alternative plan to Chairman Ryan's should be held to the same standard when offering their solutions. We simply cannot back away from these issues.

Rather than defend the President's budget or offer alternatives, what we have been seeing in this Chamber are just attacks on Congressman RYAN and attacks on anybody who says change has to occur. They act as though nothing has to change. Many remain in denial. Our Democratic chairman, Senator CONRAD, who said so many good things about the need to challenge the status quo and make changes to put our country on the right path, said:

Representative Ryan's proposal is partisan and ideological. He provides dramatic tax cuts for the wealthiest, financed by draconian reductions in Medicare and Medicaid. His proposals are unreasonable and unsustainable.

Is this going to be the nature of our discussion? I thought we were supposed to be trying to reach a bipartisan understanding of the challenges facing us and do something about it. We saw what the President's own debt commission cochairmen said, respectfully, of the Ryan proposal, and this is what our leadership said. Others have called it extreme. They say it is driven by these evil tea party people who don't know anything. They know something. They know the government is spending us into virtual bankruptcy and that Congress has failed in its basic responsibilities to protect the Nation from economic danger. The American people are right.

I called on the President, before the State of the Union Message, to enter into a dialog with the American people, to look them in the eye and explain why we are in trouble, why we have to change. Who wants to go and propose any reduction in any spending?

The ACTING PRESIDENT pro tempore. The Senator from Alabama has 5 minutes remaining.

Mr. SESSIONS. I thank the Presiding Officer.

Who wants to do that? We are in a position where we have to make those kinds of tough choices, just as our counties, our cities, our mayors, and our State Governors are making every day.

So now we are told the President is going to give a speech. He hasn't yet even discussed the danger we face. We are told the President is planning this major speech to discuss our long-term fiscal problem. I would say, first of all, it has to be considered a dramatic admission that his previous claims that

his budget calls on us to live within our means, to pay down the debt and not add to the debt, were false. They say the President will support some of the recommendations in the fiscal commission, his own Commission, Bowles and Simpson. I hope that is true. But I just wish to say this: At this point in history, with the budget supposed to be passed in the Senate Friday and we haven't even had a markup to have a hearing on a budget; we have not seen one, other than the President's previous budget, which is so utterly irresponsible, I think he owes more than a speech.

We hear a lot of speeches in this country, a lot from the President. What we need are numbers. What he needs to do is submit a new budget. If he is going to change his projections for the future and is going to propose alterations in our entitlement programs, let's see the numbers. He has around 500 people in the Office of Management and Budget. So if this is serious, let's have a serious proposal. The House has done it. The Republican House has a budget. They are going to move that budget. I suspect we will have that budget passed in the House by Friday. It has real numbers, real integrity, real change. It puts us on a path to prosperity, not debt and decline.

The American people know this is serious. They know we are in a dangerous time. All we have to do is rise and make some tough choices, as mayors and Governors and families are making around their kitchen table every day. When we get through this exercise, we are not going to find that the government sank into the ocean because we reduced agencies 15, 20, 25 percent.

The President needs to lay out concrete, specific details about how he intends to solve these challenges we face—not a general speech. The House and Senate Budget Committees must be able to review what he proposes as the Budget Act presumes, in real numbers. The Congressional Budget Office needs to be able to analyze it and see how it will actually play out in terms of dollars.

In 1996, President Clinton produced four budgets. The shutdown occurred during that time and they had a big fight during that time. But we know what happened 3 years later. The budget was balanced. Yes, it was a messy fight, and people made a lot of mistakes, but the end result was the American people said: You are spending too much. Congress rose and said: We are not going to keep doing this, and they balanced the budget. We are in a deeper hole today. It is going to be a lot harder, but it can be done again if we meet the challenges.

So questions that must be answered by the President and the new budget are some of these:

The fiscal commission recommends \$1.3 trillion less in discretionary spending than proposed in the President's budget. How does the President plan to

alter his budget to achieve those savings?

The fiscal commission recommends finding \$600 billion in entitlement savings, but the President's budget would increase entitlement spending by \$905 billion. That is in the budget he submitted already. How does he intend to achieve these savings in entitlements?

The fiscal commission's recommendations would reduce it by \$4 trillion, and the Ryan budget plan would reduce it by \$5 trillion; but the President's budget would increase the debt by \$10 trillion and would not produce any savings. How would the President alter his original budget to reduce the debt by \$4 trillion? I wish to see something more than a speech. Give me a break. I wish to see some numbers so we can discuss it.

Once the President engages, we can have that long overdue national dialog about solving the Nation's fiscal problems. But he has to acknowledge that we have one. As every witness has told us—and the debt commission chairmen, Simpson and Bowles, said this Nation has never faced a more predictable fiscal financial crisis. They see it coming. We have to change.

I hope in his speech the President will discuss entitlements, discuss whether it is good to burden American energy companies with new taxes, discuss whether we should tax small businesses even more, and discuss the military budget. I think a leading President should talk about that. Rather than trying to drain every cent of tax revenue from the American people, Washington should try to drain every cent of waste from the Federal budget.

I hope this doesn't continue the pattern of retreat that is already emerging, where the President supports deficit reduction in theory but resists it in practice, and he claims credit when he is forced to accept reduction. For a President to abdicate his responsibility to lead the effort to meet one of the greatest challenges in our Nation's history would be tantamount to a general leaving the battlefield in a time of war.

I hope we have a speech. I hope it is backed up with real numbers, and I hope and pray it represents a recognition by the President of the United States that we have a serious fiscal challenge before us.

Business as usual cannot continue. Change is necessary. I hope he intends to participate in that and help lead the good change that is necessary.

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

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

The legislative clerk proceeded to call the roll.

Mr. SESSIONS. Madam 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.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF VINCENT L. BRICCETTI TO BE UNITED STATES DISTRICT JUDGE

NOMINATION OF JOHN A. KRONSTADT TO BE UNITED STATES DISTRICT JUDGE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to executive session to consider the following nominations.

The clerk will report.

The legislative clerk read the nominations of Vincent L. Briccetti, of New York, to be U.S. District Judge for the Southern District of New York, and John A. Kronstadt, of California, to be United States District Judge for the Central District of California.

The ACTING PRESIDENT pro tempore. There will now be 1 hour of debate equally divided between the two sides.

The Senator from Illinois.

Mr. KIRK. Madam President, I ask unanimous consent that I be allowed to speak out of turn as in morning business.

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

(The remarks of Mr. KIRK are printed in today's RECORD under "Morning Business.")

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

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

Mr. GRASSLEY. Mr. President, the Senate will confirm two more of the President's judicial nominees. Both of these nominees are for seats termed "judicial emergencies." My Republican colleagues and I continue to demonstrate our cooperation. We have worked with the Democratic majority in moving consensus nominees through the committee and on to the Senate floor. With today's votes, we will have confirmed 17 judicial nominees in just 39 short days the Senate has been in session this Congress. Twelve of these confirmations were for those positions that are termed "judicial emergencies."

We have reported out of committee a total of 32 judicial nominees. That is 51 percent of the total nominees who have been submitted to the Senate by the

President of the United States. To date we have held five nomination hearings with 21 judicial and executive nominees giving their testimony. We have another hearing scheduled for tomorrow, with four judicial nominees and one executive nominee on the agenda. With this productive pace, we have taken positive action on 60 percent of the judicial nominations sent to the committee this year by the President.

Today the Senate will consider two nominations: First, Vincent Briccetti, nominated to be U.S. District Judge for the Southern District of New York. He received a B.A. from Columbia University and a juris doctorate from Fordham University School of Law. The nominee began his legal career as a law clerk for the Honorable John M. Cannella, U.S. District Court for the Southern District New York.

After a short term in private practice, he served as an assistant U.S. attorney. That was also for the Southern District of New York. Later, he became a deputy chief appellate attorney. After working as an associate attorney in a law firm, the nominee started his own firm in 1992 and, as I report to my colleagues regularly on the ABA standing committee on the Federal judiciary, that committee has unanimously rated this nominee "well-qualified."

The second nominee is John Kronstadt, nominated to be U.S. District Judge, Central District of California. He received his B.A. from Cornell University and juris doctorate from Yale Law School. He began his legal career as law clerk to the Honorable William P. Gray, U.S. District Court, Central District of California. This nominee practiced law for nearly 24 years, most recently as a partner with Arnold & Porter.

On November 14, 2002, Gov. Gray Davis appointed Judge Kronstadt to the Los Angeles County Superior Court. There he presided over criminal, civil, and family law matters. Again, reporting on the American Bar Association rating of this nominee, the nominee had substantial majority "qualified," a minority, "well qualified."

I support these two nominees and urge my colleagues to support them as well. I congratulate each of the nominees for their achievement and, more importantly, for their long period of public service which will continue after their confirmation by the Senate.

Mrs. BOXER. Mr. President, I wish to express my strong support for California Superior Court Judge John A. Kronstadt, as the Senate prepares to vote on his confirmation to the U.S. District Court for the Central District of California. Judge Kronstadt was recommended to the President by my colleague, Senator FEINSTEIN, and will be a great addition to the Federal bench.

Judge Kronstadt has had a distinguished career. After graduating from Yale Law School, he served as a Federal law clerk for Judge Gray on the Central District of California. With his