

Former Director of the Congressional Budget Office Douglas Holz-Eakin, an economist who understands the budget gimmicks used in Washington, cowrote an article in the Wall Street Journal in January that eliminates any confusion about the law's impact. This article titled "Health Care Repeal Won't Add to the Deficit" clearly refutes the law's supporters:

Repeal is the logical first step toward restoring fiscal sanity. . . . How, then, does the Affordable Care Act magically convert \$1 trillion in new spending into painless deficit reduction? It's all about budget gimmicks, deceptive accounting, and implausible assumptions used to create the false impression of fiscal discipline. . . . Repeal isn't a budget buster; keeping the Affordable Care Act is.

A poll by the Kaiser Family Foundation and Harvard University conducted around the same time that this article was written revealed that the American people are seeing through these ploys: 60 percent of the country believes the health care law will increase the deficit over the next 10 years, while only 11 percent thinks it will lower the deficit.

Once again, the American people prove that they are wiser than Washington. The final point I wish to make about the health care law is its debilitating impact on jobs and our economic recovery. In meeting with many small businesses, they are passionate on this point.

The expensive mandates and penalties included in the health care law coupled with the rising costs of insurance facing families and businesses have enveloped our economy in a cloud of uncertainty. Already, over 6,000 pages of new health care regulations have been written by the Obama administration, burdening employers of all sizes as they make strategic decisions about business expansion, hiring additional employees, and long-term investments, three keys to the private sector recovery essential to getting Americans back to work.

Economic estimates indicate that repealing the health care law that threatens our economic recovery would save 700,000 American jobs.

It is imperative that Congress repeal this law that is burdening employers and stifling economic growth, and replace it with solutions that will lower health costs and avert the mounting fiscal crisis facing our Republic.

During the recent election, the American public rebelled against the unchecked spending and unprecedented government expansion that threaten our children's future. Their message to Congress was clear: adopt policies to change our unsustainable trajectory and rein in the cost and size of the government. Congressman PAUL RYAN has submitted a budget for 2012 that is responsible, honest, and straightforward in the way that it deals with the debt problem facing our children and grandchildren. Repealing this flawed and fiscally unsustainable health care law, which is an important part of his plan,

would be another step in the right direction and would help to change the devastating trajectory that we are on.

I urge my colleagues to heed the public's call and repeal this legislation. I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

#### SBIR/STTR

Mr. BLUNT. Mr. President, I wish to talk about another topic. Senator KIRK and 36 other Members of the Senate are cosponsoring an amendment we would hope to add to the small business bill if we ever get back to it.

This is an amendment we offered independently as a bill 1 month ago, the Gas Accessibility and Sustainability Act. What this bill does is take further an effort that was put into law in 2005, right before Hurricane Katrina, that allowed the President to suspend the unique boutique fuel standards in the country if there was a natural disaster.

That happened immediately—within a couple weeks, as I recall—after the bill became law. The President used that authority. In the 6 months following Katrina, even though the gulf was obviously disrupted and a couple of refineries were very disrupted, gas prices did not go up because, for the first time since the passage of the Clean Air Act, gasoline was a commodity again.

What this bill would do, as we now see gasoline prices at \$4.37 in Hawaii, at \$3.88 in St. Louis, and particularly prices that are high in communities that have a unique blend of fuel that is only available in that community, is allow the President to have that authority, if there is any kind of disruption, if the Suez Canal was shut down for some period of time, if a refinery went down, if there was a pipeline disruption that truly made it very difficult for communities to get their unique blend of fuel but was much easier for them to get fuel that met the standard of being "fuel" at the gas pump.

Senator KIRK and I introduced this together. He was a great advocate of this bill when it passed the House. I would like to turn to him for a moment and see what he has to say today about this bill that allows us to look at the gas prices that are creating real problems in the country today.

Mr. KIRK. Mr. President, I note that under the Blunt legislation, we would correct a growing problem in the United States with gas prices. Right now, for example, in the Chicagoland area, gas prices total about \$4.14 a gallon. I am sure in Missouri it is probably quite high.

Mr. BLUNT. It is \$3.88 in St. Louis, which would be the area that we have that uses specialty fuel.

Mr. KIRK. This map shows that by Federal regulation the Federal Government has divided the national gasoline market into 17 separate submarkets.

These 17 submarkets all have their unique recipe of gasoline. By Federal regulation, one cannot use gasoline that was sold in Chicagoland, which under this chart is the Chicago and Milwaukee RFG ethanol standard, in the St. Louis area, the SRFG standard with ethanol. By creating small, tiny monopolies, we create higher prices for the American people. I think that is why the Blunt legislation is necessary.

Mr. BLUNT. I thank the Senator for those comments. Using his chart, in Missouri you can buy one blend of gas in St. Louis, another blend of fuel in the Kansas City area, and a third blend yet in between. So, clearly, these areas are not even unique in the fuel that is used there. If you buy fuel driving from one city to the other and use the other half of the tank while you are driving around in St. Louis, you are using fuel that is available generally anyhow.

This does a couple of things. One, it allows, in a time where it is hard to get fuel for any reason, the President to waive those standards. The other thing it does is, it caps these fuels so if the EPA decides under the Clean Air Act that you have a clean air attainment problem in your city, you have to go and look at the existing fuel blends and choose from one of them rather than what had happened in the country up until 2005, which was every city somehow became convinced there was a unique fuel blend for them that only would work there that never would quite work anywhere else. That doesn't make sense. We have headed in the other direction. This legislation heads us a little further and a little faster in a direction to where we don't have these unique blends. We have fuel as fuel again. Whether it is the restaurateurs whom some of us may have seen today or various businesses, if fuel is \$4 a gallon, something has to give, and it goes throughout the entire economy. This helps solve that problem.

Hopefully, we can be talking about an energy bill before too long. But, clearly, whether it is a small business bill or any other bill, the cost of fuel makes a real difference in the country today. This amendment that we hope to offer eventually to the small business bill is one of the things that will help solve the problem.

Mr. KIRK. The unhighlighted areas are where regular gasoline is sold. The highlighted areas are where these little gasoline monopolies, by Federal regulation, have been created. What happens if another hurricane hits the gulf? If this area was lacking its specific kind of gasoline under current regulations, it could not borrow gasoline from Missouri or Chicagoland or anywhere else. So we have created an incredible price rigidity in the system. Long term, I think we should move the country to one clean burning fuel. But the one thing we should not do is have 17 different submarkets, all now with the ability to charge the American driving public much higher prices than would otherwise be the case.

I commend the Senator. This is exactly why we need the Blunt legislation. The Blunt amendment should pass to address this problem, one of the reasons gasoline costs too much in the United States.

Mr. BLUNT. I thank my friend from Illinois, a long-term proponent of this concept. We will continue to work for solutions that make gasoline and the fuel system work better and make more sense for people all over America.

Ms. SNOWE. Mr. President, I rise today to discuss two amendments to the SBIR/STTR Reauthorization Act of 2011, S. 493, which would improve our oversight of the critical Small Business Innovation Research, SBIR, and Small Business Technology Transfer, STTR, programs.

First, I would note that S. 493, which I introduced in March with Senate Small Business Committee Chair MARY LANDRIEU, has broad, bipartisan support, and has the backed of divergent stakeholders who have long been at odds on how to proceed in reauthorizing these successful programs.

Our legislation includes a provision requiring the National Academy of Sciences, NAS, to continue its evaluation of the SBIR program. The NAS has produced a series of informative and groundbreaking reports on the SBIR program which helped inform Chair LANDRIEU and I as we sought to reauthorize this crucial initiative.

That said, the STTR program lacks any significant analysis or evaluation since its inception in 1992. While we can point to annual data provided by the Small Business Administration to demonstrate its effectiveness, it is critical that independent, outside experts explore the STTR program and make recommendations for how to improve it when we next consider reauthorization of these initiatives.

My first amendment would require that the NAS also evaluate the STTR program. Instead of a separate report, the NAS would be required to consider STTR in its ongoing evaluation of the SBIR program, which would be completed four years following enactment of the legislation. This would avoid expending additional resources necessary to produce an independent report on STTR during these difficult economic times.

Additionally, S. 493 incorporates a recommendation from the NAS landmark study to allow agencies to use three percent of their SBIR budgets for administrative, oversight, and contract processing costs. I am concerned, however, that Congress will not have adequate knowledge about how the agencies are utilizing this funding.

As such, my second amendment requires these agencies to submit a report each year to the relevant congressional committees detailing in a specific manner how they are using these administrative funds. These reports will allow us, in our responsibility of oversight, to ensure these taxpayer dollars are being used wisely, and to

examine these agencies' spending choices for any waste or abuse. Additionally, it will help inform us of the need, or lack thereof, to continue this pilot initiative in future reauthorizations.

My amendments are simple, straightforward, good government initiatives that allow us to examine the effectiveness of these critical job creation programs, and to keep a watchful eye on how Federal agencies are utilizing taxpayer dollars. I would urge my colleagues to support them.

Mr. INOUE. Madam President, our Nation continues to struggle out of the economic downturn that swept across the country a few years ago, and today, I am pleased that the Senate is considering S. 493, the reauthorization of the Small Business Innovation Research, SBIR, and Small Business Technology Transfer, STTR, programs. The Congress has worked toward improving the economic conditions for small businesses to survive these challenging times. It is important for us to sustain this incubator for high-tech innovation, research and development, and the driving force of our economic engine, our entrepreneurs. Today's global economy is only getting more and more competitive, and in order to maintain the United States' edge in science, technology, and engineering, opportunities to encourage small businesses through programs like the SBIR/STTR will benefit all of us.

I wish to highlight some of the successes in my home State, Hawaii, that were assisted by the SBIR/STTR program. Since the program began in 1983, the State of Hawaii has received 313 SBIR grants, for a total of \$94.4 million. One of these companies is Referentia Systems Incorporated, an applied research and development company dedicated to providing relevant and innovative cyber security and network enterprise solutions to meet the critical needs of our national security and Federal Government. Referentia was started in 1996 with a staff of 30, and now employs 94 people at military bases throughout the Nation and overseas, with offices in Honolulu, HI; San Diego, CA; Albuquerque, NM; and Sterling, VA. In its earliest years, the fledgling small disadvantaged business secured its first SBIR Phase I award in 2004. Since then, Referentia was awarded 13 more SBIR Phase I and 7 SBIR Phase II grants. Three of Referentia's core building blocks were developed with SBIR grants. These include: LiveAction, for cyber security and network enterprises; Sprocket, for cross-boundary data conditioning and cross-enclave data transfer; and Time Series Rapid Exploration, or T-REX, for data storage and analysis. The result of the opportunities created for Referentia helped to position them in the growing and important cyber security market. These SBIR/STTR grants generated deliverable products that Referentia is working to transition into long-term programs of record with the Navy,

Army, Marine Corps, and Joint Operations programs.

The discovery, energy, and motivation of our entrepreneurs also power the inquisitiveness we find in the fields of science, engineering, and high-technology development. Through the SBIR/STTR programs, the sustainability of small companies that benefited from the relationships they have formed doing SBIR/STTR work have encouraged partnering with large systems integrators and the government in an effort to seek solutions that address the evolving challenges we face. Another Hawaii small business that participated in the SBIR program is TeraSys Technologies, LLC. TeraSys Technologies secured a Phase I SBIR from Naval Sea Systems for the development of an interoperable solution for counter remote controlled improvised explosive devices and blue force communications. As a result of TeraSys Technologies' work on the SBIR Phase I, a Phase II award was made from the Joint Tactical Radio System office. I am pleased to report that TeraSys Technologies secured a Phase III award to support a high-priority requirement for our military's current engagement in the Middle East. The ultimate goal for TeraSys Technologies, and all companies that participate in the SBIR/STTR program, is to use their Phase III award toward securing a large production order of their product following the rigorous testing it has undergone, and will undergo in "real-life" conditions during the SBIR Phase III. Should TeraSys Technologies be successful in their efforts, it would be a boost to Hawaii's economy, and include final product integration in the State.

A few of the words describing any small business owner include energetic, creative, and highly motivated. Most of us believe that great strides or discoveries are made due to the research and development investments that large science, engineering, and technology companies make within various sectors. The understanding that small businesses drive our Nation's vibrant economy, and that high-tech businesses with less than 500 employees are extremely innovative spurred the SBIR/STTR programs' creation. The drive to grow their enterprises and bring their ideas to the marketplace may not always work out quite as they plan. On occasion, an entrepreneur is awarded an SBIR/STTR grant to solve one particular problem, and it leads to an unexpected opportunity. For example, in Hawaii, Navatek, Ltd., a company founded in 1979, and based in Honolulu, HI, has been producing innovation through research by developing, building, and testing at sea advanced ship hull designs and associated technologies. Navatek, a beneficiary of SBIR Phase I and II awards, originally presented its technology at the Navy Opportunity Forum 2010 for "Dynamic Compensation for Towed Bodies." This particular project's intent was to help the Navy solve the problem of conventional small surface craft unable to

tow AQS-20 and AQS-24 mine hunting submersible sonar bodies. As it turned out, the SBIR Phase II indirectly advanced Navatek's aft lifting body invention, and led to an opportunity with the U.S. Special Warfare Command. Navatek continues to work toward securing a Phase III award, and highlights some of the unreported benefits that come from the SBIR/STTR programs.

I have provided the experiences of three small businesses in my home State. They, and other companies, are examples of the direct and indirect impact the SBIR/STTR programs' mission to foster and encourage innovation and entrepreneurship in the research and development activities of major Federal agencies. We can calculate how much programs cost the U.S. taxpayer, and the companies and jobs that resulted from the competitive nature of the SBIR/STTR programs. What we cannot quantify is the value of ensuring involvement by science, engineering, and technology entrepreneurs in research and development. The people of Hawaii, and all Americans, hope to provide a brighter future for their children. I firmly believe the future success of our children will depend on maintaining our competitive edge in the world. We must continue to uphold and reaffirm our commitment to the innovators and entrepreneurs in this country by completing our work on the SBIR/STTR reauthorization bill.

I yield the floor.

The PRESIDING OFFICER (Mrs. HAGAN). The Senator from Texas.

#### CONTINUING RESOLUTION

Mrs. HUTCHISON. Madam President, we are today making a small downpayment toward getting runaway Federal spending under control. The spending bill we will vote on today represents a \$78 billion spending cut from that proposed by President Obama for this year. It will be \$38 billion from what the Federal Government spent last year. We must address the spending binge our country has been on for the last 2, 4, 6 years.

Spending cuts have been actually ignored. We have increased spending in the name of stimulus. The problem is, that kind of spending didn't stimulate the economy in the private sector where the jobs are permanent.

At the beginning of this year, the President proposed a budget that would spend \$3.7 trillion next year, with a \$1.6 trillion deficit. The national debt is now \$14.29 trillion. Under President Obama's budget plan, the national debt would double since he took office and triple by 2020. We then embarked on a vigorous negotiation on this year's budget. Republicans insisted on cuts beginning now, which is the middle of a fiscal year, which makes it very difficult because the spending levels are already in place for half a year. But we said: No, we need to start right now, even if it is hard, even if it is in the middle of the fiscal year.

There was a hard negotiation. We know that because we had a series of 1-, 2-, and 3-week continuing resolutions that allowed the government to go forward but did not make the final decisions on finishing the fiscal year, September 30, with cuts that were necessary.

Part of the negotiation was to avoid a government shutdown. I did not want a government shutdown. In the end, that costs more. It costs more to do all the changes that are necessary to shut down the government and then to make the changes necessary to come back and put it back online. We did the right thing by making those cuts, by taking that first step, and by not shutting down government so that so many people would have been left in the lurch: Federal employees—most certainly we were going to take care of our military, but they should not have had to worry about it—all of the people who had vacations planned, who had bought airline tickets and who wanted to go to national museums and parks. All people would have experienced some kind of disruption. It wasn't necessary if we did the amount of cutting, and we did.

We cannot rest because the real battle is going to be for cutting trillions, not billions. It is the trillions that are going to start getting the deficits down and bring our debt back into line.

To do as the President suggested earlier this year and freeze spending at this year's levels would have been like someone who was on a diet saying: I am just going to eat what I eat now and no more. But that doesn't mean that person would lose weight. We all know that.

Today the Federal Government is spending \$4 billion every day that we don't act. We add \$4 billion every day that we don't have, that is debt borrowed from somewhere else. We are borrowing 42 cents on every dollar we spend. Much of that is from the Chinese. And what are we doing? We are giving a bill to our children that is unsupportable. That is not just a problem for our grandchildren in the future; it is a problem for today.

This year our interest payments on this mountain of debt have already cost us \$190 billion. By 2020, if we go at this rate, annual interest payments on the national debt will more than double to approximately \$778 billion a year. Now we are going to \$¾ trillion just for interest payments. We cannot allow that to happen.

The President made a speech yesterday. It was a call for action. Unfortunately, I believe the President called for the wrong action. The President said we have to have taxes go up and we have to have spending that goes down together. He proposed raising \$1 trillion in tax increases. That is \$1 trillion in higher taxes for small business, \$1 trillion in higher taxes for family farmers. That is not going to help the economy come out of the doldrums. Who is going to be able to hire people

if they are going to have a tax burden and a regulatory burden that is going to keep them from being able to expand their operations?

Washington has a spending problem, not a taxing problem.

We wasted \$1 trillion in failed stimulus spending in the first 2 years of the Obama Presidency. Now he is raising taxes by \$1 trillion in the second half of his Presidency to pay for a stimulus package that didn't work? That does not make sense.

The President also believes that a stronger Federal Government, a more powerful Federal Government is the answer to our problems. He proposed yesterday to address Medicare and Medicaid costs by expanding upon the health care reform bill that was pushed through on a completely partisan vote and that already is going to increase costs, and cuts to Medicare are going to pay for part of that increase. The President would give more power to the unelected bureaucrats on his new independent payment advisory board that is there to cut Medicare payments and reimbursements to doctors. We do not need a bigger, more powerful Federal Government to address the issues of this mounting debt.

We are going to have a vigorous debate on what is the right answer: more powerful Federal Government and more taxes versus a smaller, more restrained Federal Government that promotes growth in the private sector to make our economy go. We are approaching the limit on the Federal debt ceiling. That is where we must take a stand. That is where we have to draw the line in the sand and say: No more. We cannot raise the limit on the Federal debt without reforms taking place that will show that over the next 10 years we have a plan, and the plan is to cut back on the deficit every year.

I think a total of around \$6 trillion in cuts over a 10-year period is a responsible approach. We will debate some of the things in the proposals that have been put forward: what are the priorities in spending, what will promote growth, what will promote jobs. But we must have a plan before we raise the debt ceiling.

Republicans and Democrats can agree on one thing: We do need a combination of spending cuts with revenue increases to get to the trillions that are needed to cut this debt. But the way we define revenue is the answer. The Democrats say revenue means tax increases. The tax increases are on people who would do the hiring to grow the jobs. So we are putting a damper on the ability to reinvigorate the economy.

Republicans are going to argue that the revenue comes from creating jobs, from having more people employed, so they can help with our economy and try to help bring revenue in by being employed in the private sector.

Republicans believe the way to create revenue is by building a vigorous