

did even more to do what had been done in 1990; that is, both of those plans restrained spending and raised revenues.

We enjoyed a strong economy during those years in question and that, of course, helped to bring more revenue into the government and get us to a balanced budget and a surplus.

What went wrong that caused us to, once again, fall into deficit? I will cite three factors:

First, the tax cuts Congress enacted in the last decade. Beginning in 2001 and then again in 2003, Congress passed what have come to be known as the Bush tax cuts. These fairly drastically reduced the revenue coming to the Federal Government. At the same time we were cutting taxes, we ramped up Federal spending, primarily for defense, and that is a result of the Afghanistan war and the Iraq war. The estimate there is that something like \$1.3 trillion has gone into those efforts. In addition to defense, we ramped up spending on health care primarily by including a prescription drug benefit in Medicare. All of that increased spending occurred without any increase in revenues to pay for it. I repeat that none of this spending was offset with increased revenues.

The third factor, of course, that has brought us into the very serious deficit we now face is the slowdown of economic activity. This contributed substantially to increased expenses for the government and some of the entitlement programs—Medicaid, food stamps, and a variety of them—but also the decreased revenues. When people are earning less money, they pay less in taxes and less revenue comes to the government to pay for those services that the government is providing.

The deficit, of course, has worsened substantially in the last 2 years because of, first, reduced Federal taxes being collected, largely a result of the recession; second, increased Federal spending—both because there is more demand for government services as a result of the recession and also because we passed the Recovery Act to stimulate the economy. I think most economists would conclude it has helped stimulate the economy.

The Pew fiscal analysis initiative analyzed the policies and legislation that have caused the surpluses of the late 1990s to become the deficits we see today. They produced a list showing their conclusions. That list is on this chart. We can see these are in the order of importance, the order in which they contributed to the current deficit situation.

The top two drivers on this list are the 2001 and 2003 tax cuts—they account for about 13 percent of what we face today in deficits—and the Iraq and Afghanistan wars, which account for about 10 percent of what we face.

All told, tax cuts caused 21 percent of deficits since 2001; increased defense spending caused 15 percent of deficits. Two-thirds of that was due to Iraq and

Afghanistan. Increased nondefense spending caused 10 percent of the deficits we currently face; the Recovery Act caused 6 percent; Medicare prescription drug caused 2 percent.

The final chart I have shows how these policies have affected the deficit over time. This is a chart which is labeled “Why CBO’s debt projections changed between 2001 and 2011,” the specific policies and drivers. I know this is very difficult for anyone to see on a television. Let me make the main points.

The main points are that the changes caused by the legislation make up the large segments at the top of the chart, including interest charges. They caused 65 percent of the deficits when we look at these policy changes. The remaining 35 percent of deficits are due mainly to the economic and technical adjustments to CBO’s projections primarily to reflect the lower revenue we have enjoyed because of the recessions.

How do we dig out of the hole we are in? I say simple obvious things. No. 1, we need to keep the focus on growing the economy. As Professor Blinder said, do not put the economy on a diet. This is not the right time to do that.

Second, we need to agree, as we did in 1990 and 1993 and 1997, to a balanced package of spending cuts and tax increases that will, once again, put us on a path to a balanced budget. We have some serious proposals to work from in achieving this deficit reduction plan. Of course, the President’s deficit reduction commission, the Simpson-Bowles commission, and Senator Domenici and Alice Rivlin, the former head of the Congressional Budget Office, put out a bipartisan commission report which is very constructive. The President himself has given the framework for a plan. There is a bipartisan group of Senators, the Gang of 6, who are working to come up with a proposal. And, of course, Senator CONRAD, who chairs the Budget Committee, is putting together a proposed budget plan for that committee’s consideration.

All of these plans I have mentioned follow the model used in the 1990s of combining both spending cuts and revenue increases. The only proposal that does not follow this model of a balanced package of spending cuts and tax increases is the budget that was passed by the House Republicans 2 weeks ago. Rather than raising revenue while cutting spending, it would cut revenue while cutting spending. In my view, this cannot lead us to a lower deficit.

There is a lot of political polarization in Washington. I remain hopeful that we can get a critical mass of right-thinking people to do what is responsible, to come together on a balanced package of spending cuts and revenue increases that we can commit to going forward. We should be able to agree on policies that grow the economy and shrink the long-term deficit.

I pledge my best efforts to achieve these objectives. I urge my colleagues to work to do so as well.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MERKLEY). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. HAGAN). Without objection, it is so ordered.

Mr. FRANKEN. Madam President, I ask unanimous consent to speak as in morning business.

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

NET NEUTRALITY

Mr. FRANKEN. Madam President, I rise today to talk about the effort of the House last month to repeal the Federal Communications Commission’s net neutrality rules. Net neutrality is the very simple idea that all content and applications on the Internet should be treated the same regardless of who owns the content or the Web site. This is not a radical concept, in large part because it is what we see and experience every time we use the Internet. But the House wants to change all of that and effectively turn control of the Internet over to a handful of very powerful corporations.

I want to take a few moments today to tell you why I think the House’s vote was a mistake, and why I am going to do everything in my power to make sure we don’t make the same mistake in the Senate. But before I get into those details, I think it is important to take a step back and talk about the Internet we have today.

Let’s be clear. The Internet we have exists because it is free and open, because we have always had net neutrality throughout the entire existence of the Internet. I have to give credit to my opponents on this issue who have done a masterful job of manipulating the American public into believing that net neutrality is something that it is not.

Net neutrality is not about a government takeover of the Internet. It is simply the idea that all content, whether it is a Web page, an e-mail, or a movie we are downloading can load onto our computers at home at the same speed, regardless of who owns or controls that content.

This is not a radical idea. It is what we experience today when we use the Internet. Right now, if we buy Rihanna’s latest song from iTunes, it downloads as quickly as a song from a friend who started a band in his or her garage.

If you send an e-mail to your mother, it arrives in her inbox just as quickly as the e-mail she gets from President Obama. If you start a Web site for your small business, your customers are able to access your Web site and place orders for your products just as quickly as if they were buying from a multinational corporation.

I like to talk about YouTube’s early days as a startup because it is such a

powerful example of why net neutrality is so critical and how this simple concept helped create a billion-dollar company practically overnight. YouTube's early headquarters were situated in a tiny space above a pizzeria and Japanese restaurant in San Francisco, CA. But just 6 months after the site was activated, over 100 million people were using YouTube to watch videos every day. Less than 2 years after it started, YouTube sold their business to Google for \$1.6 billion. Isn't that incredible?

Well, I am here to tell you it would not have been possible without net neutrality. At that time, Google had a competing product, Google Video, which was the standard at the time but was widely seen as inferior. If Google had been able to pay Comcast or Verizon or any of the others large amounts of money to make its Web site faster than YouTube's, YouTube would still be floundering over that pizzeria or most likely it would have ceased to exist at all. Fortunately, Google couldn't pay for priority access, and the rest is history.

What I am saying is, we take, and have taken, this equality that YouTube enjoyed—this basic fairness or neutrality—for granted in large part because that is how the Internet has always been. Unfortunately, many Members of the House have twisted this concept and are misleading the American public into believing that the government wants to take over the Internet. That is simply not true.

One Member of the House actually got up on the House floor and said this:

Over the last 10 years, over \$500 billion—billion with a “b”—of private investment has been made to develop broadband throughout the country. This is without any kind of taxpayer money.

He is wrong on that point, but let's put that aside for now. He went on to say:

This is private sector money being put into the marketplace to go and create jobs, to go and create the kinds of technologies that allow you to view and use all kinds of apps that are available on these kinds of devices. That was done without net neutrality. They would tell you that they need net neutrality in order to have this innovation. Of course, they fail to point out that net neutrality was not in place when all this innovation happened.

Yes, it was; it was in place. That is the whole point. All of this innovation occurred while net neutrality was in place. We are not trying to change anything. We are keeping the Internet the way it has been during this explosion in innovation.

Now, my fervent hope is that this Member of Congress was just horribly, egregiously misinformed because not only is his statement untrue, it is the opposite of true. It is 180 degrees opposite of the truth.

Please, everyone understand this, I beg you. Net neutrality has been in place since the beginning of the Internet.

From the very beginning, during all of that explosive growth, the Internet

operated with an understanding that network providers must treat all content the same and must interconnect the pipes they have to customers' homes with the pipes that are owned by other operators. This was a fundamental design principle that was established by academics, engineers, and computer scientists who designed the earliest protocols for Internet traffic.

The fact is, the Internet started and grew because everyone realized they needed to cooperate and work together for customers to be able to have access to the content they wanted. They realized that is what consumers needed to create demand for Internet service, and they realized that is what would lead to the most innovation on the Internet.

The FCC isn't trying to change that. It has no interest in derailing free enterprise. Quite the contrary. The FCC is interested in protecting the innovators and entrepreneurs who have made the Internet what it is today. Because of the Internet, you no longer need a major studio to like your film or a television show you produce in order to have people see it. You no longer need a major record deal to start distributing your music. You no longer need a high school diploma or a fancy degree to launch a small business and sell your products online. We don't want to change that. We want to preserve that.

The FCC's only goal is to make sure the Internet we know and love does not become corrupted and altered by a small number of large corporations controlling the last free and open distribution channel we have in this country.

As telecom companies have grown larger and fewer and started owning not just the pipes but also the content, their incentives have changed. They are starting to care more about giving their own content a competitive advantage rather than promoting innovation and competition on the Internet.

The fight for net neutrality isn't about changing the Internet, it is about creating a few rules of the road to keep it open and free, to keep it the same, and to continue the innovation and growth that is such a creator of jobs and wealth.

The fight for net neutrality is about making sure large corporations are not allowed to put tollbooths on the information superhighway. This fight is about making sure that the Internet stays the way it is—free, open, equal, available to everyone regardless of how much they can pay to get their content.

There was a time not so long ago when net neutrality was a bipartisan issue that was not incredibly controversial. Three years ago, Mike Huckabee was talking about the need to keep the Internet a level playing field. In 2006, 11 House Republicans voted in favor of net neutrality on the floor. Rarely do you have the Gun Owners of America and the Christian Coalition joining with moveon.org and the

ACLU to advocate for the same policy of nondiscrimination on the Internet. But they all agree on net neutrality. And so do the Catholic bishops.

Later today, I will receive 87,000 letters opposing the House's effort to undo the FCC's open Internet rules. These letters came from Americans across the United States, including 2,000 letters from Minnesotans who are worried about this issue. They want the Internet to stay the way it is—open and free from corporate control.

I am confident as more Americans realize what is at stake, we will hear from more and more constituents who will ask us to protect them from corporate takeover of the Internet.

What is most striking about this issue, which seems to have gotten lost in the rhetoric that my opponents use, is that experts from Bank of America, Merrill Lynch, Goldman Sachs, Citibank, Wells Fargo, and Raymond James have all stated they do not believe the FCC's current rules will hurt investment. Citibank has called the rule “balanced” and Goldman Sachs said it is “a framework with a lot of wiggle room” that is a “light touch” by the FCC. Despite this broad and diverse coalition of businesses and interest groups, we are still arguing about something that should have been settled long ago.

Why is that? A lot has changed in the last couple of years. Control of the Internet has been placed in the hands of a small number of players. Media consolidation has raised the stakes for certain mega conglomerates which have a lot more to gain in a world without net neutrality. I was last year on the Senate floor talking about net neutrality back in December when the NBC-Comcast merger had not yet been approved by the FCC or the Department of Justice. At the time, I warned this would be the first in a cascade of media consolidation deals. Wouldn't you know it, 2 months later, AT&T announced another record-breaking \$39 billion deal with T-Mobile.

That merger, which Wall Street applauded, is almost assuredly going to be a raw deal for consumers. If approved, we will have a duopoly in wireless telecommunications in this country. Eighty percent of the wireless space will be controlled by two companies—AT&T and Verizon.

I look forward to the hearing next week in the Antitrust Subcommittee of the Judiciary Committee so we can further explore the details of this deal. But I think it is fair to say I am very skeptical because it is likely to raise prices and it certainly will reduce choice for consumers. I have always been skeptical of media consolidation because at the end of the day, when corporations have tremendous amounts of power to control prices and cripple competitors to benefit their bottom line, everyone loses.

But the impact of media consolidation in telecommunications is about more than just consumer prices. We

have always known that large corporations have the power to influence elections. Last year, the Supreme Court's decision in *Citizens United* took a situation that was already terrible and made it worse—much worse. Now AT&T, Verizon, Time Warner, and Comcast can spend unlimited amounts of money to support the candidate or campaign they care most about or try to weaken or kill net neutrality. It does not take a rocket scientist to realize that when a single corporation—in this case AT&T—spends \$15.3 million in a single year to influence Congress and has 93 full-time lobbyists on its roster, Congress might churn out legislation that AT&T likes.

How can American consumers, stuck with rising cable, Internet, and cell phone bills, ever be expected to counter that type of lobbying power?

With media consolidation, we have seen a shift in the net neutrality talking points of Members of Congress who are also receiving large checks from Verizon, AT&T, and Comcast. Yet the irony here is that the open Internet rules passed by the FCC earlier this year are actually pretty weak and riddled with loopholes. Actually, I think that is the “wigggle room” to which Goldman Sachs was referring.

These rules are, let's be honest, a mediocre compromise drafted to appease a handful of powerful Internet service providers.

I was not happy with these rules and thought the FCC should have done more, particularly to cover wireless Internet networks. But it did not. It did not in part because the Commission wanted companies such as AT&T to get on board with its plan, and AT&T did—more or less. AT&T did not think the rules were ideal, but it acknowledged the framework is a compromise that gives its investors certainty.

That has not changed how the House is framing its rhetoric about this rule, which is one of the reasons I think the vote last month was a political stunt designed to misinform Americans and appease a small number of very vocal critics. This is not what most Americans, entrepreneurs, or small businesses want. They and I want a world where the future Twitters, eBays, and Amazons of the world can grow and thrive without interference from big, mega conglomerates.

Finally, regardless of how one feels about the FCC's rules, I think we can all agree this issue requires thoughtful debate and discussion, not the kind of uninformed rhetoric I quoted earlier from the House debate. By forcing an up-or-down vote through the Congressional Review Act, the House leadership short circuited the normal legislative process and ignored the FCC's work on this issue.

The FCC spent months examining this topic and meeting with tons of stakeholders and Internet companies. It carefully considered and compromised on a range of issues that I, frankly, wish they had not budged on.

To claim that the FCC engaged in a power grab is unfair and far from the truth.

The White House has said the President will veto this resolution, but I will be working hard in the coming months to make sure that we have enough votes to stop this before it reaches the President's desk.

We are at a pivotal moment. If we do not act to preserve the FCC's open Internet rules, the Internet as we know it today may cease to exist. I hope my colleagues will recognize this and will join with me in voting down the House's resolution of disapproval.

Madam President, 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.

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

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

THE BUDGET

Mr. HARKIN. Madam President, everyone in this body agrees that we must take aggressive action to reduce the deficit, but we have to do it right. Frankly, the best way to bring down the deficit is to help 15 million unemployed Americans get good middle-class jobs again. Those hard-working Americans would be delighted to be on the tax rolls and to be taxpayers once again. But, regrettably, the tea party budget passed by the House Republicans last month takes us in the opposite direction—it would weaken our economy and destroy jobs.

I have spoken previously on the Senate floor about the grave flaws in the Republican budget. But beyond the misguided priorities in that budget, I object to its premise. The premise of the tea party Republican budget coming over from the House is that America is poor and broke and we can no longer afford the investments that make possible a strong middle-class and world-class economy. Indeed, some House Republicans take the radical view that government has no business investing in the middle class, period. I emphatically reject the defeatist premise of this Republican budget. The United States of America is a wealthy Nation—the wealthiest Nation in world history. The problem is how that wealth has been shared or not shared among the American people, with income inequality that is the highest among developed countries. Let me repeat that. Right now, income inequality in America is the highest among developed countries. So the problem is how our wealth has been invested or misinvested, with trillions of dollars squandered by money manipulators on Wall Street or funneled to those at the top through tax cuts.

Unfortunately, the tea party budget, authored by Congressman RYAN, would make these problems far worse. It lavishes yet more tax cuts on corporations

and the wealthy even as it slashes investments that undergird the middle class in this country—everything from education funding to Medicare and Medicaid. Let me state the obvious: If working people in the middle class are going to take a hit in tough times, it shouldn't be to take a hit to pay for tax breaks for millionaires and billionaires.

Let's look at some of the particulars in this so-called deficit reduction plan of the House Republicans. For starters, never before have I heard of a deficit reduction plan that begins by demanding trillions of dollars in new tax cuts, largely for corporations and the wealthy. In addition to allowing the very wealthy to keep all of the benefits of the Bush-era tax cuts and to keep them permanently, the Republican budget would cut the top tax rate from 35 percent down to 25 percent. Let's again state the obvious: This doesn't reduce the deficit; it digs the deficit hole much deeper.

Next, the Republican budget dismantles Medicare and Medicaid and lays the groundwork for deep cuts to Social Security—changes that will devastate the economic security of the middle class in this country.

The Republican budget says we cannot cut one additional dime from the Pentagon budget because I guess to them there is no waste in the Pentagon, there are no unnecessary weapon systems, no troops based in Japan or Europe or elsewhere who could be brought home. Meanwhile, this tea party Republican budget slashes Federal investments in everything from education to infrastructure to law enforcement back to the levels of the 1920s. Again, let me repeat that. It slashes Federal investments in everything from education to infrastructure to law enforcement back to the levels of the 1920s.

It also repeals Wall Street reform that we passed here, as well as the consumer protections in the affordable care act, including the ban on denying coverage for preexisting conditions. What has that got to do with the deficit?

Their budget cuts funding for food safety, workplace safety, environmental protection, and guts the commonsense regulation of corporate America. It tells Wall Street bankers and speculators, health insurance companies, credit card companies, and mortgage lenders: You are free to go back to the reckless abusive practices of the past. We will just trust you to do what is right for the American people.

To appreciate just how extreme and ideological this budget is, look more closely at the blueprint for replacing Medicare with a voucher system. The nonpartisan Congressional Budget Office estimates that by 2030, future seniors would have to pay two-thirds of the cost of their private health insurance. Their out-of-pocket costs would average in excess of \$12,000 per person, per year—more than double the current