

about 125 millionaires, the AMT, that now hits somewhere between 20 million and 30 million Americans.

That is why I say we have to solve the problem. The problem is spending. It is not revenues. So when people ask me: Well, why aren't you willing to meet the President halfway and agree to raise taxes, those are the three reasons. It would stop our economy from creating the jobs it needs in order to get out of the economic doldrums we are in and begin to produce the kind of economic recovery that produces wealth. When you are unemployed, you are not working, you are not making money, you are not paying taxes to the Federal Government.

We can pay the Federal Government a lot more in tax revenues every year if we go back to work and if we are making more money and we are more productive as a country. But as long as we are in the condition we are right now, the Federal revenues are going to decline.

That is the answer. Get the economy moving again, and you don't do that by imposing another heavy burden of taxes on it. That is why we have to focus on spending. I hope my colleagues and I can work together in the days to come and reach agreement so we can actually get the country moving on a path toward economic recovery and sound fiscal future.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

EAST ASIA RELATIONS

Mr. WEBB. Mr. President, we spend probably the majority of the time when we discuss foreign policy on this floor talking about the crises in places such as Libya, Iraq, Afghanistan. If we talk about East Asia at all, we generally are discussing the economic situation as it portends to the future, especially with China.

But I would like to make a strong point here today; that is, if we don't get it right with our relations in East Asia, we are in very serious trouble as a nation. It is vitally important for the United States to continue to invigorate our relations with all the countries with East and Southeast Asia on economic, security, and cultural levels.

Today, I would like to talk about a few of these issues that are affecting our relations in that part of the world. This weekend, there will be a regional forum for the Asian countries in Bali. Our Secretary of State will be there.

This forum is coming at a pivotal moment with respect to our relations in Southeast Asia and the rest of East Asia. The recent military provocations by China against the Philippines and Vietnam in the South China Sea, which this body passed a resolution deploring, affect the mood of the entire region at this moment. There also have been political transitions in Thailand and in Burma and there are consistent ecological threats in the Mekong River, with hydropower dams up river begin-

ning in China and now also being proposed in Laos.

All of these issues underscore the need for vigorous multilateral engagement in this part of the world and the development of new strategic relationships and the continuity of balance the United States has been bringing to this vital region since the end of World War II.

We are going to be reauthorizing a piece of legislation called the Trafficking Victims Protection Act in this session of Congress. I have an amendment to this act. I think it is an extremely important amendment in terms of our relationship with friends and allies, particularly in East Asia, and with representatives of highly developed governmental systems that have a lot of problems with the way we have implemented this act in the past.

I, similar to everyone in the Senate, fully support the intentions of this legislation and the intentions of the State Department to prevent human trafficking and to assist trafficking victims. But under our present policy, we have a great deal of confusion and, quite frankly, resentment from many of these more developed governmental systems. This present policy requires that a country be ranked against the progress it has made in the past year. In other words, a country is ranked against itself over a period of yearly behavior. This practice doesn't provide countries with a consistent standard by which they might truly measure their efforts against human trafficking versus other countries around the world, and it creates a lot of misunderstandings.

The criteria used to judge a country's efforts are difficult to estimate with any precision. They are often very subjective. For example by placing prosecutions for trafficking as a part of this evaluation over actual successes in areas such as the protection of victims and the prevention of acts in the first place, we get a total misreading of the success that many of these governmental systems actually have been able to bring about.

This is an excerpt from a press release that came out of Singapore's Ministry of Foreign Affairs on June 28 of this year, talking about their ranking under this Trafficking in Persons Report, the TIP Report.

They say: We note that the United States has again unabashedly awarded itself a tier 1 ranking. Yet the New York Times observed—this is from their press statement—that teenage girls coerced into prostitution in the United States are treated not as trafficking victims but as miscreants who are arrested and prosecuted. This is directly opposite to Singapore's approach. The United States also suffers from serious problems with illegal immigrants, many of whom are trafficked by well-organized criminal gangs which seem to operate with impunity.

Singapore, our friend, our ally, and an advanced governmental system by any determination, then says:

On any objective criteria, the United States has a more serious TIP problem compared with Singapore.

Why are they angry? Why do they feel they have not been fairly evaluated? Because they are evaluated against themselves by standards that may not apply. They are not alone, by the way. Singapore is not alone.

The last year's reporting showed Nigeria got a tier 1 rating. Japan, another highly advanced governmental system and culture, got a tier 2 rating. Singapore got a tier 2 watch list rating, which means that they could be in danger of losing a lot of the governmental interactions between our two countries if this continued. How would they rate a tier 2 if we had a standard where we were evaluating all country systems against one another, rather than this approach we are now using?

Here is a good objective way to see if we cannot answer that question. These are the worldwide ratings from an organization called Transparency International. This is called the Corruption Perception Index, from the same year. From the country rankings for corruption perception, internationally, Singapore is tied for first as the most transparent governmental system. The United States is down here at No. 22—again, below Japan. I mention Japan because under this TIP system, Japan got a tier 2 rating. Nigeria is over here tied for 134th. This is not meant to be critical of the attempts of the Nigerian governmental system to fix their problems, but clearly, if we were evaluating these countries among each other rather than by this very confusing standard, you would not be seeing Singapore with a tier 2 watch list category and Nigeria as a tier 1.

I will have a simple but I think very important amendment to the legislation when it comes forward. It basically will require the State Department to categorize countries, first of all, as either in compliance or not with our legislation and then rank countries on a single scale rather than by year-to-year progress against themselves and to eliminate the special watch list category. It maintains all the other existing criteria we have used in terms of examining whether trafficking in persons is being addressed in these different countries; the extent to which a country is a country of origin, transit, or destination; the extent of non-compliance by the governments, including government officials; and what measures are reasonable to bring the government into compliance. This may seem a small matter on the floor of the Senate, but I can assure you this is not a small matter to countries that have been our friends and allies and have advanced governmental systems and believe they are being wrongly categorized for the rest of the world to see.

I would like to raise one other point today with respect to this part of the world—it goes back to what I said when I first began speaking—regarding

issues of sovereignty and freedom of navigation in the South China Sea and recent activities which could quickly reach a level of volatility that we would not like to see and to emphasize again that our country is the No. 1 reason we have had the kind of stability that has existed for the most part in this very volatile region since the end of World War II.

The red lines on this map are the areas in which China claims sovereignty in the South China Sea. As you can see from these lines, it goes all the way past the coast of the Philippines, down into Borneo and Malaysia, up the coast of Vietnam, back into China.

Over the last 10 years, we have seen incidents that people in the United States, including military officials, too often seem to recognize or deal with as tactical challenges rather than strategic data points in terms of the ongoing issues of who actually controls these areas.

These areas are claimed by many different countries. They are the most highly trafficked searoutes, in terms of trade, in the world. Just in the last 1½ years, we have seen an incident off the coast of Okinawa, with a dispute between the Japanese and the Chinese Governments. We have seen a military incident, a provocation by the Chinese off the coast of the Philippines, which was protested by the Philippines. We have seen two incidents off the coast of Vietnam, one in May and one in June. If you look at where these incidents have occurred, they mark the boundaries of the sovereignty claims that have been made by the Chinese.

This body unanimously passed a resolution condemning this use of military actions in disputes that should be resolved in a multilateral way. I am very hopeful that Secretary Clinton will reinforce our concerns in this area.

When I was on "Meet The Press" a couple of weeks ago, I said we could be approaching a Munich moment in this region. That comment has been widely circulated. Let me explain what I mean by that. That doesn't mean I see a Hitler out there; that doesn't mean I see a Neville Chamberlain here. What this means is when you have an expansionist power that is making claims that it owns land in disputed areas and is provoking these other countries through the use of military force, you are reaching the edge of a country unilaterally claiming sovereignty over areas that require multilateral solutions. That is not healthy. It is not healthy internationally.

This region historically has been a very volatile region, and the United States is the most important ingredient in making sure these issues are resolved multilaterally and without the use of force. Again, I strongly hope our Secretary of State will reinforce the comments she made last year to the effect that the United States does have a vital interest in resolving these issues in a multilateral way, just as we

do, by the way, in resolving the issues with respect to the Mekong River. Rather than having a strong, powerful country insisting only on bilateral adjustments with countries that it totally overpowers. We are the essential ingredient. No one wants to see this issue go the wrong way.

We have the potential of resolving this with China and resolving our relationships with the Chinese Government in a positive way, looking into the future, but it is going to require clear, consistent comments and a credible approach by the U.S. Government.

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSON of South Dakota. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent to speak as in morning business.

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

EXECUTIVE NOMINATION REFERRAL

Mr. JOHNSON of South Dakota. Mr. President, I was very pleased that the Senate recently acted to confirm the nomination of David Cohen to be Under Secretary of the Treasury for Terrorism and Financial Crimes. I would like to pose a brief parliamentary inquiry as a followup to the Senate's action. For future nominees by the President to the position of Treasury Under Secretary for Terrorism and Financial Crimes, would all such nominees be referred, under current law and precedents of the Senate, to the Senate Committee on Banking, Housing, and Urban Affairs?

The PRESIDING OFFICER. Yes, it is my understanding the Senator is correct.

Mr. JOHNSON of South Dakota. Thank you, Mr. President.

WALL STREET REFORM

Mr. President, Thursday marks the first anniversary of President Obama signing the Dodd-Frank Wall Street Reform and Consumer Protection Act into law. As chairman of the Banking Committee, I have a responsibility to oversee implementation of this critical new law.

The Wall Street Reform Act was a direct response to the worst financial crisis since the Great Depression. While it appears that many on Wall Street, and even some here in Washington, have already forgotten the painful costs of inadequate financial regulations, I have not. And neither have the millions of Americans who lost their jobs, their homes, or their savings, and who are still waiting for the recovery.

The financial crisis didn't just happen by itself. It was the result of reckless and irresponsible behavior on Wall Street, lack of consumer protections, and failure by financial regulators to

take action even as the warning signs grew ever larger.

In response to the devastation, Congress passed new financial reforms that created a sound regulatory foundation to protect consumers and help prevent future crises.

However, these reforms have been under constant attack since their inception. Opponents of Wall Street reform continually repeat misleading claims that the new law was hastily conceived and will harm our economy.

The truth is the Wall Street reform law is a product of nearly 50 Senate hearings, and scores more in the House, that identified the abuses and loopholes that fueled the catastrophe and helped develop clear proposals to end them.

After a long series of hearings that began in 2007 and 2008 with examination of the turmoil in the mortgage and credit markets, and after months of hard work by bipartisan working groups of Senators, the Banking Committee reported out a Wall Street reform bill that incorporated many Republican ideas.

On the Senate floor, the bill had a thorough debate in an open process that lasted more than 3 weeks. Fifty-six amendments were considered and 32 amendments were approved, 15 of which were Republican-sponsored amendments and 22 were bipartisan amendments. Finally, the bill was reconciled with the House version at an open conference committee which worked through more than 100 additional amendments.

In short, through a rigorous, bipartisan, and transparent process, we produced a comprehensive reform bill that the times demanded and the American people deserved.

The Wall Street reform law enhances consumer protections to help ensure people can make financial decisions with honest information, and it roots out predatory lenders who fueled the subprime mortgage bubble. The reforms we passed 1 year ago will no longer allow the shadow banking system that nearly destroyed our economy to continue to escape the light of day.

The Wall Street reform law also enhances investor protections.

During the financial crisis, investors suffered enormous losses when their retirement accounts or other assets were decimated. Some had invested in companies with compensation systems that encouraged executives to take on unmanageable risks. Some relied on mutual funds or pension funds that had bought mortgage-backed securities based on predatory loans that borrowers could not repay. New reforms will enhance transparency, increase accountability and allow oversight of previously hidden parts of the financial system.

Unfortunately, some powerful Wall Street apologists are trying to rewrite history. They are claiming that new regulations are overly burdensome and

will hurt their bottom line and the economy. Gaps in regulation hurt the economy. Bad, reckless decisions on Wall Street hurt the economy. But many top financial executives have apparently forgotten that the only reason they are still in business is that the American taxpayer saved them.

Now, many of these financial institutions have nearly fully recovered, while Main Street Americans continue to pay the price for those bad decisions and inadequate regulations.

The Wall Street Reform Act established responsible rules to make our financial system work for the benefit of all Americans, so that we never return to the days of too big to fail bailouts, backroom derivatives deals, predatory subprime mortgages, and the threat of economic collapse. Passing the Wall Street Reform Act was a monumental achievement, but there is much work left to be done. Now the financial regulators, the experts who have made it their life's work to understand these issues, must work to write rules and implement these reforms. This will take time, and we must get it right.

If the attacks on the law and its implementation are successful in weakening or eliminating these new protections, however, our economy will once again be at risk. Since I became chairman earlier this year, the Banking Committee has held more than 25 hearings and bipartisan briefings on financial reform. We are exercising our oversight authority, following the regulators' progress closely, and are committed to seeing the process of reforming Wall Street through to completion.

We all remember the economic nightmare we lived through 3 years ago, and we should never forget it. That is why I take my responsibility as chairman of the Banking Committee and custodian of this new law so seriously. I am fully committed to helping ensure Congress does its part to hold our regulators accountable and to providing Americans with a financial system they can trust.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

MILITARY CONSTRUCTION AND VETERANS AFFAIRS AND RELATED AGENCIES APPROPRIATIONS ACT, 2012

The PRESIDING OFFICER. Under the previous order, the Senate will re-

sume consideration of H.R. 2055, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 2055) making appropriations for military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2012, and for other purposes.

Pending:

Coburn (for McCain) amendment No. 553, to eliminate the additional amount of \$10,000,000, not included in the President's budget request for fiscal year 2012, appropriated for the Department of Defense for planning and design for the Energy Conservation Investment Program.

Johnson (SD)/Kirk amendment No. 556, of a perfecting nature.

Mr. JOHNSON of South Dakota. I ask unanimous consent that the reading of the bill be waived.

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

Mr. JOHNSON of South Dakota. Mr. President, as the Senate resumes consideration of the fiscal year 2012 Military Construction, Veterans Affairs, and Related Agencies appropriations bill, I wish to remind my colleagues of the important programs funded in this bill.

This bill funds the infrastructure that is the backbone of our military—the facilities in which our troops work, train, and live—and the facilities that support their families, including family housing, schools, hospitals, and childcare centers. It also funds the medical care and benefits promised to the Nation's veterans—a sacred trust we must not fail to honor.

This is a bipartisan bill that was reported unanimously out of the Appropriations Committee. As I have said before, the bill is balanced, disciplined, and responsible.

Two amendments to this bill are currently pending and several others have been filed. If my colleagues have additional amendments they wish to offer to the bill, I encourage them to file those amendments without delay or call them up if they wish a vote. My staff and Senator KIRK's staff are available to work with Members to clear amendments if possible.

There is a lot going on in Washington this week, but it need not distract from the disposition of this bill. I urge my colleagues to bring any amendments they have to the floor so we can act on them and move quickly to a vote on final passage.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. JOHNSON of South Dakota. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The Johnson amendment.

AMENDMENT NO. 556, AS MODIFIED

Mr. JOHNSON of South Dakota. I ask unanimous consent that amendment No. 556 be modified with the modifications at the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

On page 114 between lines 18 and 19, insert the following:

SEC. 301. Not later than 90 days after enactment of this Act, the Executive Director of Arlington National Cemetery shall provide a report to the Committees on Appropriations of the Senate and the House of Representatives; the Senate Armed Services Committee; the Senate Veterans' Affairs Committee; and the Senate Homeland Security and Governmental Affairs Committee detailing the strategic plan and timetable to modernize the Cemetery's Information Technology system, including electronic burial records.

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent that Senator MCCASKILL be added as a cosponsor to the amendment.

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

Mr. JOHNSON of South Dakota. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NOMINATION OF J. PAUL OETKEN

Mr. SCHUMER. Mr. President, it is my distinct honor to rise in support of Paul Oetken's confirmation to the bench of the Southern District of New York. We have a very deep pool of legal talent in New York, but Paul's nomination is one everybody is talking about. Paul is brilliant, well rounded, and unwavering in his dedication to public service and his commitment to rule of law. His confirmation will only improve the workings of one of the best and busiest courts in the country.

I look for three qualities in judicial candidates: excellence, moderation, and diversity. Paul's Excellence is provable on paper. He is a graduate of the University of Iowa and Yale Law School and has worked in the highest echelons of two of the three branches of government, including for the Office of Legal Counsel at the Department of Justice and for Supreme Court Justice Harry Blackmun. He has also climbed the ranks of private legal practice, serving most recently as the head of litigation for the large New York media company Cablevision, one of our fine companies in New York.

I consider a broad range of experience to be an important training ground for teaching judicial candidates the second quality I look for: moderation. I do not like judges who tend to be too far to the right, but I do not like judges who come from a perspective that is too far