

lives in doing so. We remember the heroes at the World Trade Center, the Pentagon, and the brave passengers of Flight 93. We also remember all the brave service men and women who fought and continue to fight to keep us free. They do so by choice. They do so out of love of country, and they do so to protect our Nation, our freedom, and our values.

Since the 9/11 attacks, thousands of Arkansans have been deployed to far regions of the globe to fight terrorism. The Arkansas National Guard, which has historically been a reserve unit, has taken on a more active-duty role in the war on terror. Units from the Arkansas National Guard have played a vital role in the war on terror with deployments to Afghanistan and Iraq, and some units having served multiple tours on the battlefield. American's military personnel and veterans of the global war on terror can be proud of all they have accomplished. Their continued efforts brought Osama bin Laden, the mastermind behind these attacks, to justice, along with a number of his top lieutenants and numerous Taliban commanders. They continue to battle bin Laden's fanatical followers and protect us from those who remain committed to inflicting harm on the United States.

Many of the veterans from the global war on terror have returned home with permanent, life-altering injuries. We have worked hard in this body and in the House to ensure that they and all the veterans of this war receive all the care and benefits they have earned and deserve upon their return. We must continue to uphold our promise to our veterans. We must also continue to ensure that our military personnel on the battlefield have everything they need to successfully accomplish the mission and to return home safely.

According to the U.S. Central Command, more than 6,200 servicemembers have made the ultimate sacrifice for our freedoms in Operations Iraqi Freedom and Enduring Freedom. Each one is a portrait of bravery. Navy Corpsman Michael Vann Johnson, Jr., a native of Little Rock, was the first Arkansan killed on the battlefield in the global war on terror. He was killed by selflessly tending to wounded colleagues in Iraq. Since his death, another 101 Arkansans have given their lives for our country in the conflicts in Afghanistan and Iraq. This year alone, we have lost five servicemembers from Arkansas.

At the beginning of the year, SGT Ethan C. Hardin was killed in action in the Logar Province of Afghanistan. He was killed when insurgents attacked his unit with an improvised explosive device. Sergeant Hardin was 25 at the time of his death. Sergeant Hardin grew up in Fayetteville, AR, and was remembered by his high school principal as a young man with a "pleasant, likable, gentle personality." His pastor echoed those thoughts, calling Sergeant Hardin a "warrior" who was mo-

tivated to take up arms for his country not out of any hostilities toward the enemy but, rather, out of a strong desire to keep our country safe.

Less than a week after the death of Sergeant Hardin, SGT Zainah C. Creamer was killed in the Kandahar Province of Afghanistan when insurgents attacked her unit with an IED. Sergeant Creamer was born in Texarkana, TX, and graduated from Arkansas High School in Texarkana, AR. She was 28 at the time of her death. Sergeant Creamer's friends and family say they will remember her lovely singing voice and her love of country, friends, family, and fellow soldiers, including her K-9 partner Jofa. A soldier for more than 6 years, Sergeant Creamer was assigned to the 212th Military Police Detachment as an Army dog handler. She and her K-9 partner were assigned to check vehicles and facilities for explosives and were carrying out a routine clearance mission when the blast occurred.

In March, another IED attack in the Kandahar Province once again impacted Arkansas. Army CPL Loren Buffalo of Mountain Pine, AR, was only 20 years old when insurgents took his life. Corporal Buffalo was carrying on the family tradition of military service. His father and his uncle served in the Army and his great-grandfather was a B-17 bomber pilot during World War II. His father says Corporal Buffalo was a dedicated military man who loved music, liked to hunt and ride horses.

Last month, two Arkansans were among the 30 U.S. servicemembers killed when their Chinook helicopter was shot down in the Wardak Province of Afghanistan. The Taliban claim responsibility for the attack, which resulted in one of the greatest losses of U.S. military lives in a single incident in the decade-long war in Afghanistan. Most of those killed in the attack were U.S. Special Forces personnel.

Navy Special Warfare Operator Senior Chief Petty Officer Thomas A. Ratzlaff of Green Forest, AR, was one of those Special Forces officers killed in the attack. Senior Chief Ratzlaff graduated from Green Forest High School in 1995 and immediately enlisted in the Navy to begin the process of achieving his lifelong dream of becoming a Navy SEAL. According to the Green Forest mayor Charlie Reece, Senior Chief Ratzlaff developed a reputation as one of the most highly decorated officers in his elite unit, but humbly remained grounded. The mayor called him a "high-class young man." Senior Chief Ratzlaff was 34 at the time of his death.

Air Force Tech SGT John W. Brown of Siloam Springs, AR, was also killed in that attack. An accomplished athlete in his youth, Sergeant Brown played football and basketball. He went to John Brown University on a swimming scholarship. In Siloam Springs, he was known for his positive attitude, his intelligence, and his sense of

humor. After seeing a video of a special operations unit, he abandoned plans to become a nurse anesthetist and enlisted in the Air Force where he was assigned to the elite 24th Special Tactics Squadron at Pope Field, NC. He was 33 at the time of his death.

This is something we need to remember not just on anniversary dates but at all times. It should serve as the ultimate reminder that we in this Chamber have an obligation to come together and to make this country a better place.

I ask my colleagues in the Senate to join me in honoring their lives and their legacy, as well as the sacrifice of all who have fought and died in Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn. Let us never forget their sacrifices and let their legacies be an inspiration for every American.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Mr. LEVIN. Mr. President, are we in morning business?

The ACTING PRESIDENT pro tempore. We are.

REDUCING THE BUDGET DEFICIT

Mr. LEVIN. Mr. President, I wish today to discuss two more ways to reduce the budget deficit by eliminating tax loopholes and special tax breaks and restoring fairness to the Tax Code while protecting essential programs for American families.

Last week I sent a letter to members of the Joint Select Committee on Deficit Reduction outlining a 7-point plan that could lower the deficit by \$1 trillion over 10 years through some restored revenues. I spoke last week on the floor about the necessity of addressing revenue, not just spending cuts, to achieve real deficit reduction. I discussed in some detail two of the proposals in my plan, which are combating offshore tax haven abuse and eliminating the tax loophole that forces taxpayers to subsidize stock option compensation for corporate executives.

Since I spoke last week, President Obama has outlined his ideas for deficit reduction. Significantly, the President has embraced the need to restore significant revenues to reduce the deficit. I believe the President's proposals are an important step toward serious deficit reduction. Indeed, some of his ideas parallel the proposals which I have made to the joint select committee.

Today I wish to outline and describe two more of my proposals, each dealing with a tax loophole that benefits Wall Street at the expense of working families and our fiscal well-being. One would end the carried interest loophole that allows hedge fund managers to pay the lower capital gains tax rate on their pay for managing investments. The second would end the blended rate loophole that gives preferential status

to income from derivatives trading even in the case of derivatives held for seconds or minutes. That preferred status is given over the kinds of long-term investments that are more important in helping put capital to work, growing the economy, and creating jobs.

Each of these two loopholes amounts to a subsidy. Working American families who pay their taxes every year end up carrying an extra burden because these provisions allowed Wall Street to pay a lower tax rate and the rate applied to average workers. I cannot see how anybody can explain to working Americans that they must bear a greater tax burden so hedge fund managers get a tax break on pay that often amounts to millions of dollars a year or so that speculative traders can pay a lower tax rate on so-called investments they might hold for just a few seconds.

Let's first talk about the carried interest loophole. Hedge fund managers generally make their money by charging their clients two fees. First, the manager gets a management fee, typically 2 percent of the assets. Second, the manager typically gets 20 percent of the profits from those investments above a certain level. That 20 percent is known as carried interest and, under current law, hedge fund managers can treat that income as a long-term capital gain taxed at a maximum rate of 15 percent and not at the higher ordinary income rates.

What is the blended rate loophole? Since 1981, those who trade in some financial products such as futures contracts and options have enjoyed a specially created tax loophole that allows them to pay a lower rate than, for example, traders who buy and sell stock. No matter how long a speculator holds on to a futures or options contract—again, even if it is a few seconds—their gains and losses are taxed at a lower so-called blended rate; that is, part at the capital gains rate and part as ordinary income. So a dealer who buys a stock and sells it within a year must pay taxes at the ordinary income rate, while that same dealer who buys an option and sells it 30 seconds later gets to pay the lower capital gains rate on most of that income.

These special tax breaks impose an unfair burden on American taxpayers, and they contribute significantly to the budget deficit. Based on estimates from the Joint Committee on Taxation, eliminating the carried interest loophole could reduce the deficit by \$20 billion or more over 10 years. The Joint Committee has made no estimates of the cost to the Treasury of the blended rate loophole, but it is reasonable to assume that ending it would reduce the deficit by billions of dollars.

Beyond their fiscal impact, these proposals would help restore fairness to the Tax Code. These tax subsidies give preference to activities that do not contribute much to economic growth or job creation the way other activities that don't enjoy the same subsidies do.

Instead, they subsidize hedge fund managers and derivative dealers.

Take the carried interest loophole again for a moment. We tax income that investors receive from hedge funds and other investments at the lower capital gains rate because, in theory at least, those investments help put capital to work, creating jobs and growing the economy. But the hedge fund manager isn't putting his own capital at risk; he is just doing his job, the same as his employees or the janitor who cleans his office at night. This tax break doesn't reward risk taking or job creation; it rewards what is already an extremely lucrative profession. According to a survey by a magazine covering the hedge fund industry, the top 10 hedge fund managers last year each made at least \$440 million. Six made more than \$1 billion in 1 year. It is hard to imagine that we need to offer a tax break to encourage people to become hedge fund managers.

Similarly, the derivatives blended-rate loophole doesn't just add to the deficit, it is plainly unfair. It is unfair not only to working Americans who have to pay higher tax rates than these derivative traders, it is also unfair to investors who risk their capital and long-term stock and other investments that are more important to job creation but don't enjoy that same tax break. This loophole gives preferential treatment to short-term, speculative trades over long-term, patient capital, and that is exactly the wrong message to send.

We should end these Wall Street loopholes. I have encouraged the members of the joint select committee to end them. We should end them because they add to the deficit, because they subsidize activity that does not need a subsidy and that does not add much to economic growth, and because they are unfair to the millions of American taxpayers who do not enjoy the same tax breaks and have to pay more in taxes to make up for these unfair subsidies. Eliminating them would be good for our economy. It would enable us to reduce the deficit by billions of dollars a year. It would help us fund important programs that protect seniors and children, programs that make our Nation stronger.

So I hope the joint select committee will look hard at these and other proposals in my plan as they carry out their difficult task. I will be back again in the next few days to discuss three more ideas that can reduce the deficit, protect the middle class, and avoid Draconian cuts in vital programs.

I thank the Acting President pro tempore and yield the floor.

I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

Mr. JOHANNS. Mr. 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.

ANGELS IN ADOPTION

Mr. JOHANNS. Mr. President, each year I nominate outstanding Nebraskans as Angels in Adoption, thanking them for their shining example of caring for children in need, children who want nothing more than a family of their own.

This year, I am pleased to share the story of Paul and Mandy Muetting of Kearney, NB. They are true adoption heroes who have opened their hearts and home to three young boys.

After Paul and Mandy had their biological daughter, Lydia, and became parents for the first time, they could not imagine a child not having the blessing of a loving family. Soon after, they learned of a young mother—a ward of the State herself—who was considering making an adoption plan for her then 22-month-old and 4-month-old boys named Steven and Edward.

In August 2007, the boys were placed in the Muetting home and a plan was put in place for an open adoption. However, the birth mother left without relinquishing her parental rights. This was a setback for the Muettings, but they continued to care for and love the boys with the hope that they could still someday adopt them. Several months later, the boys' birth mom returned, asking for another chance to mother Steven and Edward. The Muettings took time to grieve their loss but did not give up hope of adopting children.

In December 2008, the Muettings were informed by Nebraska Children's Home Society that another birth mother selected their family and wished to place her soon-to-be-born son with them. Evan was born in January 2009. The Muettings were overjoyed. They welcomed Evan into their family with joy.

Not long after they settled in with their new son, the Muettings received yet another call. Steven and Edward's birth mom had again made a decision to relinquish her parental rights. Seeing the love the Muettings had for her children, she requested that the boys be placed once again with Paul and Mandy. This was a big decision. It meant instantly doubling the number of children in their family from two to four. They knew that providing love and care to three adopted children is a big responsibility.

Well, you will not be surprised to learn that Paul and Mandy didn't hesitate a moment. With open arms, they welcomed Steven and Edward back into their lives. The adoption was finalized last year. I am told that Lydia has fully adjusted to being outnumbered by three brothers. All four are fortunate to have each other, a wonderful home, and loving parents.

It is with great pleasure and admiration that I nominate Paul and Mandy Muetting as Angels in Adoption. They