

blind hacking at the budget in which the House Republicans engaged, it focused solely on cuts in nondefense discretionary spending. We had two choices yesterday, Draconian cuts or more targeted cuts. But those are not the only two choices available to us. We can choose to seriously address our budget deficit by acknowledging that it cannot be significantly reduced until we understand that increased revenue as well as spending cuts is part of the solution.

How can we raise additional revenue without slowing the economy? We can end the excessive tax cuts for the upper income taxpayers President Bush put in place. We can close tax loopholes that not only drain the Treasury but send American jobs abroad to boot.

The cost of the government to continue that upper bracket income tax cut President Bush was able to obtain is about \$30 billion a year. Ending that \$30 billion tax cut, which goes to roughly 2 percent of Americans at the very top—those earning more than \$200,000—could allow us to avoid the drastic cuts in important programs I have mentioned, and much more besides.

Increasing revenue makes sense not only from a deficit reduction perspective, it is also fair. Those at the top, incomewise, have done very well as a group in recent decades, while incomes for most Americans have stagnated. To be specific, the top 1 percent of all income earners has more than doubled their share of total U.S. income in the last few decades—from 8.2 percent in 1980 to 17.7 percent in 2008. Meanwhile, median household income—the income of the typical American family—is now 5 percent lower than it was in the late 1990s. To eliminate programs that are critically important to working families while maintaining tax cuts for those whose incomes have soared would be a grave injustice.

There are also other revenues we could look to if we are truly serious about deficit reduction. There are a number of tax loopholes we can close. For example, we should not continue to give corporations a tax deduction when they send American jobs overseas. We should not allow corporations and wealthy individuals to avoid U.S. taxes by hiding assets and income in offshore tax havens. We should not allow hedge fund managers to earn enormous incomes and yet pay a lower tax rate than their secretaries pay.

The American people are looking to us. They are concerned about the size of the deficit and the effect it might have on future generations. But they also reject the notion that Draconian cuts—cuts that fall hardest on working families—are the answer. They see the wisdom and the fairness in making sure all Americans share in the sacrifices that will be required as we seek to reduce our deficit.

We have an opportunity now to show the American people that we understand too. We can craft a plan now that

preserves vital programs, that makes prioritized and necessary cuts in spending, but also a plan that recognizes the need for comprehensive approaches that address revenue as well as spending. In the coming days, we need to adopt such a comprehensive approach.

Madam President, 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. FRANKEN. 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 Senator from Minnesota is recognized.

Mr. FRANKEN. I thank the Chair.

(The remarks of Mr. FRANKEN pertaining to the introduction of S. 555 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FRANKEN. I yield the floor and 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. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SBIR/STTR REAUTHORIZATION ACT OF 2011—MOTION TO PROCEED

Mr. REID. Mr. President, I move to proceed to Calendar No. 17, S. 493.

The PRESIDING OFFICER. The clerk will report the motion.

The assistant legislative clerk read as follows:

Motion to proceed to Calendar No. 17, (S. 493), a bill to reauthorize and improve the SBIR and STTR programs, and for other purposes.

CLOTURE MOTION

Mr. REID. I have a cloture motion at the desk. I ask that it be reported.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 17, S. 493, a bill to reauthorize and improve the SBIR and STTR programs, and for other purposes.

Harry Reid, Mary L. Landrieu, Benjamin L. Cardin, Charles E. Schumer, Daniel K. Inouye, Joseph I. Lieberman, Bernard Sanders, Debbie Stabenow, Patrick J. Leahy, Tom Harkin, Kay R. Hagan, Michael F. Bennet, Al Franken, Herb Kohl, Sheldon Whitehouse, Thomas R. Carper, Richard J. Durbin.

Mr. REID. I now ask unanimous consent that the cloture vote occur imme-

diately following the Senate's action in executive session on Monday, March 14; further, that the mandatory quorum call under rule XXII be waived.

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

Mr. REID. I now withdraw my motion.

The PRESIDING OFFICER. The Senator has that right.

Mr. REID. Mr. President, I am disappointed that I had to file cloture on a bill as important as this one. We were going to have a new day in the Senate. I think it is really too bad. This is the small business innovation bill, and everyone knows we have had an open amendment process. People can offer amendments on anything they want. I think this is suggestive of maybe something I do not understand.

Why wouldn't my Republican colleagues want us to move to a small business bill to help create jobs? We are told that 85 percent of all jobs in America are small business jobs. Should we not be trying to help them? That is what we have been working on. We have not been doing all of these things, these "messages," cutting out programs for little boys and girls who want to learn to read, cutting Pell grants for young men and women who are in college, cutting the ability of renewable energy projects to go forward, and all of these other messages they are sending the American people. We are trying to create jobs.

We have spent this Congress, over here in the Senate, on bipartisan issues creating jobs: FAA, 280,000 jobs. We just finished, within the last few hours, the bill that will change the patent system in this country. That has needed changing for 60 years, and we have done that.

Now they are blocking our going to a small business bill, another bipartisan bill. Senator SNOWE, the ranking member of that committee, has worked with Senator LANDRIEU to move this bill forward. Who is holding up our going to this very important jobs bill? I hope the Republicans in the House are understanding what we are doing over here, creating jobs.

With those two bills I have just mentioned, the patent bill and the bill dealing with the Federal Aviation Administration, that is 580,000 jobs. So I am very disappointed I had to file cloture on proceeding to a small business jobs bill.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

ETHANOL SUBSIDIES AND TARIFFS

Mrs. FEINSTEIN. Mr. President, I have introduced legislation, with my

colleague Senator WEBB, to repeal corn ethanol subsidies and reduce ethanol tariffs.

This legislation has two major provisions.

First, it repeals the 45 cent per gallon corn ethanol blender subsidies—26 U.S.C. 6426(b) and 26 U.S.C. 40(h)—as of July 1, 2011, eliminating the corn ethanol subsidy six months early and saving approximately \$3 billion for American taxpayers.

The bill would not affect the credit for noncorn, second generation “advanced biofuels” through 2011.

Second, the bill would lower the tariff on imported ethanol to the per gallon level of ethanol subsidies, to reestablish parity between the subsidy and the offsetting tariffs.

This removes the real trade barrier on imported ethanol, but also prevents foreign producers from benefitting from U.S. subsidies.

This legislation is necessary because the 54 cent-per-gallon tariff on ethanol imports and the 45 cent-per-gallon corn ethanol subsidy are fiscally irresponsible and environmentally unwise.

And their recent, 1-year extension in December 2010 made our country more dependent on foreign oil.

Subsidizing blending ethanol into gasoline is fiscally indefensible.

If the current subsidy were to exist through 2014 as the industry has proposed, the Federal Treasury would pay oil companies at least \$31 billion to use 69 billion gallons of corn ethanol that the Federal Renewable Fuels Standard already requires them to use under the Clean Air Act.

We cannot afford to pay industry for following the law.

According to this month’s Government Accountability Office report on “Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue”:

The ethanol tax credit and the renewable fuel standard can be duplicative in stimulating domestic production and use of ethanol, and can result in substantial loss of revenue to the Treasury.

GAO found that the ethanol tax credit, which will cost about \$5.7 billion in 2011, is largely unneeded to ensure demand for domestic ethanol production.

The agency recommends that Congress reconsider the necessity of the tax credit, given the effectiveness of the renewable fuel standard, which is administered by EPA.

This legislation would simply implement the GAO’s recommendation by repealing this wasteful subsidy 6 months early.

In addition, this legislation would address the tariffs on ethanol that make our country more dependent on foreign oil.

The combined tariffs on ethanol are 11 to 15 cents per gallon higher than the ethanol subsidy it supposedly offsets, and this lack of parity puts imported ethanol at a competitive disadvantage against imported oil.

This discourages imports of low carbon biofuel from Brazil, India, Australia, and other sugar producing countries, and it leads to more oil and gasoline imports from OPEC countries that enter the United States tariff-free.

Reducing the ethanol tariff will diversify our fuel supply, replace oil imports from OPEC countries with low carbon biofuel from our allies, and expand our trade relationships with democratic states.

The data overwhelmingly demonstrate that the costs of the current corn ethanol subsidy and tariff far outweigh the benefits.

The Center for Agricultural and Rural Development at Iowa State University recently estimated that a 1-year extension of the ethanol subsidy and tariff would lead to only 427 additional direct domestic jobs at a cost of almost \$6 billion, or roughly \$14 million of taxpayer money per job.

According to a July 2010 study by the Congressional Budget Office, ethanol tax credits cost taxpayers \$1.78 for each gallon of gasoline consumption reduced, and \$750 for each metric ton of carbon dioxide equivalent emissions reduced.

The ethanol subsidy and the ethanol tariffs also threaten our environment.

They support and protect significantly more corn production in the Mississippi River watershed, which experts believe is a primary cause of a “dead zone” in the Gulf of Mexico.

The current ethanol subsidy lacks any requirement that the subsidized fuel lead to a reduction in greenhouse gas pollution.

And the tariff on ethanol imports also prevents greater use of imported ethanol made from sugarcane.

Both the U.S. Environmental Protection Agency and the California Air Resources Board agree that putting sugarcane ethanol in our current cars and trucks results in the least greenhouse gas pollution, of all widely available options.

In contrast, the legislation I am introducing would—for the first time—limit subsidies only to “advanced biofuels” that reduce pollution at least 50 percent and are produced from noncorn biomass, such as cellulose, switchgrass, or algae.

And it would level the playing field for low carbon biofuel imports, which must compete against dirty oil from OPEC.

Historically our government has helped a product compete in one of three ways: subsidize it, protect it from competition, or require its use.

To my knowledge, corn ethanol is the only product receiving all three forms of support from the U.S. government at this time.

By eliminating ethanol subsidies and trade barriers, this legislation would produce a smaller budget deficit; a healthier Gulf of Mexico ecosystem; less global warming pollution; and reduced dependence on imported oil.

I look forward to working with my colleagues to advance responsible en-

ergy tax policies that reduce pollution, create jobs, and improve our international relationships.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ETHANOL ELIGIBLE FOR BLENDER INCOME TAX AND FUEL EXCISE TAX CREDITS.

(a) INCOME TAX CREDIT.—Section 40(h) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) ETHANOL ELIGIBLE FOR CREDIT.—In the case of any sale or use for any period after June 30, 2011, this subsection shall apply only to ethanol which qualifies as an advanced biofuel (as defined in section 211(o)(1)(B) of the Clean Air Act (42 U.S.C. 7545(o)(1)(B))).”.

(b) EXCISE TAX CREDIT.—Section 6426(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(7) ETHANOL ELIGIBLE FOR CREDIT.—In the case of any sale, use, or removal for any period after June 30, 2011, no credit shall be determined under this subsection with respect to an alcohol fuel mixture in which any of the alcohol consists of ethanol unless the ethanol qualifies as an advanced biofuel (as defined in section 211(o)(1)(B) of the Clean Air Act (42 U.S.C. 7545(o)(1)(B))).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any sale, use, or removal for any period after June 30, 2011.

SEC. 2. ETHANOL TARIFF-TAX PARITY.

Not later than 30 days after the date of the enactment of this Act, and semiannually thereafter, the President shall reduce the temporary duty imposed on ethanol under subheading 9901.00.50 of the Harmonized Tariff Schedule of the United States by an amount equal to the reduction in any Federal income or excise tax credit under section 40(h), 6426(b), or 6427(e)(1) of the Internal Revenue Code of 1986 and take any other action necessary to ensure that the combined temporary duty imposed on ethanol under such subheading 9901.00.50 and any other duty imposed under the Harmonized Tariff Schedule of the United States is equal to, or lower than, any Federal income or excise tax credit applicable to ethanol under the Internal Revenue Code of 1986.

CONTINUING APPROPRIATIONS

Ms. KLOBUCHAR. Mr. President, I rise today to speak about the Senate votes on H.R. 1 and Inouye amendment No. 149 regarding spending levels for the remainder of this fiscal year.

I opposed H.R. 1 because it called for severe cuts with little or no thought to the economic consequences. By cutting programs that support our seniors and veterans, as well as programs that contribute to our economic activity, H.R. 1 would have jeopardized our economic recovery at a critical time.

I voted for the necessary spending cuts included in the Inouye amendment because I saw it as a start, not an end. I believe additional cuts are needed to address our fiscal challenges. I am very