

generation and people who are even younger than me but spending a lot of money, ought to live high on the hog and leave it to young people to pick up the bill.

Without a plan to put our fiscal situation on a better path, the next generations will have a lower quality of life than the one we have experienced. We cannot let that happen. We must take action to correct our course.

I urge my colleagues to support the cut, cap, and balance plan.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUE. Madam President, I ask unanimous consent that the time from 5 p.m. to 8 p.m. on the motion to proceed to H.R. 2560 be equally divided between the majority leader and the Republican leader.

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

Mr. INOUE. Madam President, I rise today in opposition to the Cut, Cap, and Balance Act of 2011. Rather than taking a balanced approach that requires shared sacrifice, House Republicans have passed legislation that would gut essential services for average Americans while asking nothing of the wealthy and privileged. Such a misguided approach would cost countless American jobs while doing nothing to solve America's long-term deficit challenges.

In my opinion, the Cut, Cap, and Balance Act fails to measure up as a serious proposal to address the structural deficit that our Nation faces. It is misguided, and assumes that our Nation will pay no price if we fail to invest in our future. These are some of the assumptions of this bill. Highways will not buckle, pipes will not rust, bridges will not collapse, and there is no need to invest in the next generation of innovators to keep America's competitive advantage. This bill would gut the very funding we need to revitalize our economy and invest in the future.

Cut, cap and balance would render Congress essentially powerless to address revenues, thereby pushing America further down the road of economic inequality by ensuring that the wealthy do not have to share in any sacrifice. And whatever might be said about this legislation, to call it balanced is a cruel irony. In fact, all of the sacrifice is demanded of the poor and working families. This legislation forces Congress to slash programs that average Americans rely on for education, housing assistance, food safety, safer air traffic control, and clean air and water.

We have an aging population, which means that increasing costs for Social Security and Medicare are a reality that must be dealt with. The Baby Boomers are retiring, which increases the need for Social Security and Medicare. And while those programs are not subject to sequester, how will we meet the higher costs and at the same time bring down overall spending to 18 per-

cent of GDP, a level that has not been achieved since the 1960s? My colleagues should not kid themselves: mandating a balanced budget by 2020 while taking revenues off the table will require draconian cuts to Social Security and Medicare.

As the chairman of the Appropriations Committee, I take particular note of the impact cut, cap, and balance would have on nondefense discretionary spending. A 10-year freeze on domestic spending that does not adjust for inflation would have a devastating impact on the ability of all nondefense departments and agencies to carry out their missions. My colleagues should know that over 10 years, such a cap would amount to a 33-percent cut in real dollars. Such a level of cuts would make it impossible for the United States to compete on a global stage. Our infrastructure, our education system, our technology, everything we need to remain a great nation will be drastically underfunded, or simply not funded at all.

I hope we all understand that we are not talking about nice to have things, we are talking about investments that are necessary to maintain the quality of life for the middle class. Education is not optional. Roads and sewers, clean air and clean water are not options. Meeting the basic nutritional needs of our poorest children should not be optional. This great Nation was built on such investments, made in the best interests of the American people—all the people, not just the wealthiest one-tenth of 1 percent.

I would like to take a brief moment to provide a few specifics about the impact of this act. While it is not possible to predict specific impacts 10 years down the road, it is certainly possible to give examples of what the American people would experience in the near term, as a result of this deeply flawed bill.

In fiscal year 2012, Head Start funding would decrease by more than \$900 million, eliminating comprehensive early childhood services for over 130,000 low-income children and their families and resulting in the termination of 30,000 teachers, teacher assistants and related staff.

The combined cuts to mandatory programs such as Food Stamps and School Lunch programs coupled with domestic spending reductions contained in this legislation would be a double blow to the Nation's most vulnerable populations. With these cuts, there would be 13 million fewer meals served to seniors. Let me be blunt, if this bill is enacted, children and seniors in this Nation will go hungry in far larger numbers than today.

We all recognize that reducing waste, fraud, and abuse are essential components of getting our fiscal house in order. Every billion dollars we save is a billion dollars we can use to reduce the deficit or better invest in America's future. And yet this bill would reduce funding for the Internal Revenue Serv-

ice by some \$1.8 billion below the President's request for fiscal year 2012, which would cripple its efforts to find fraud and eliminate waste and abuse. The IRS could be forced to furlough between 4,100 and 5,000 employees, mostly enforcement agents. Furthermore, a cut to IRS funding would increase the deficit by approximately \$4 billion a year beginning in 2013, since every dollar invested in enforcement resources brings in \$5 in tax revenues.

Finally, I would note that a cap on the Federal budget means that we are unable to make smart choices about our future investments. As an example, the Bureau of Prisons inmate population is expected to grow to roughly 250,000 Federal inmates by 2018, an increase of more than 31,000 prisoners, or 15 percent, over the next 8 years. A growing inmate population coupled with a spending cap for Department of Justice activities will mean further severe cuts to other important functions of the Department of Justice—Federal, State, and local public safety efforts will be cut in order to pay the required costs of housing prisoners.

Yesterday 97 Senators voted in favor of the Military Construction and Veterans Affairs appropriations bill. The Senate is perfectly capable of producing and passing fiscally responsible appropriations bills that meet the Nation's needs and that have strong, bipartisan support. The real answer to our fiscal crisis has not changed since this debate began. We must cut spending in a responsible fashion. We must reform entitlement programs to ensure that they survive for future generations. And we must reform our Tax Code to allow for sufficient revenues to meet the needs of an aging population and the challenges of a global economy.

Cut, cap, and balance does none of these things, and I urge my colleagues to reject this misguided measure.

The PRESIDING OFFICER. The majority leader.

Mr. REID. While the distinguished chairman of the Appropriations Committee was talking, I had a visit with some of the pages to ask them did they realize who was speaking. They all knew who he was. They knew he was a heroic man winning the Medal of Honor. They knew he had been elected to the Senate nine different times in addition to service in the House of Representatives. So it is great that our pages are so versed on what happens around here. We depend on them very much, and I am grateful they understand what a great man the chairman of the Appropriations Committee is.

FBI DIRECTOR EXTENSION ACT, 2011

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to consideration of Calendar No. 76, S. 1103, the bill to extend the term of the incumbent Director of the FBI; that the committee substitute amendment

be considered; that a Coburn amendment which is at the desk be agreed to; the committee substitute amendment, as amended, be agreed to; the bill, as amended, be read a third time, and the Senate proceed to vote on passage of the bill, as amended; the motions to reconsider be laid upon the table with no intervening action or debate; and any statements related to the bill be printed in the RECORD at the appropriate place as if read; further, that if Robert S. Mueller, III, is nominated to be Director of the Federal Bureau of Investigation, the nomination be placed directly on the Executive Calendar; that at a time to be determined by the majority leader, in consultation with the Republican leader, the Senate proceed to executive session to consider the nomination; that there will be 2 hours for debate equally divided in the usual form; that upon the use or yielding back of time, the Senate proceed to vote without intervening action or debate on the nomination; the motion to reconsider be considered made and laid upon the table with no intervening action or debate; that no further motions be in order to the nomination; that any statements related to the nomination be printed in the RECORD; that the President be immediately notified of the Senate's action, and the Senate resume legislative session.

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

The Senate proceeded to consider the bill (S. 1103) to extend the term of the incumbent Director of the Federal Bureau of Investigation, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

S. 1103

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

SECTION 1. FINDINGS.

Congress finds that—

(1) on May 12, 2011, the President requested that Congress extend the term of Robert S. Mueller III as Director of the Federal Bureau of Investigation by 2 years, citing the critical need for continuity and stability at the Federal Bureau of Investigation in the face of ongoing threats to the United States and leadership transitions at the Federal agencies charged with protecting national security;

(2) in light of the May 1, 2011, successful operation against Osama bin Laden, the continuing threat to national security, and the approaching 10th anniversary of the attacks of September 11, 2001, the President's request for a limited, 1-time exception to the term limit of the Director of the Federal Bureau of Investigation, in these exceptional circumstances, is appropriate; and

(3) this Act is intended to provide a 1-time exception to the 10-year statutory limit on the term of the Director of the Federal Bureau of Investigation in light of the President's request and existing exceptional circumstances, and is not intended to create a precedent.

SEC. 2. EXTENSION OF THE TERM OF THE INCUMBENT DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.

(a) IN GENERAL.—At the request of the President, the incumbent in the office of the Director of the Federal Bureau of Investigation on the

date of the enactment of this Act may continue in office until August 3, 2013, in accordance with the amendment made by subsection (b).

(b) EXTENSION OF THE TERM.—Section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968 (28 U.S.C. 532 note) is amended by adding at the end the following:

“(c) With respect to the individual who is the incumbent in the office of the Director of the Federal Bureau of Investigation on the date of enactment of this subsection, subsection (b) shall be applied—

“(1) in the first sentence, by substituting ‘12 years’ for ‘ten years’; and

“(2) in the second sentence, by substituting ‘12-year term’ for ‘ten-year term’.”.

The amendment (No. 579) was agreed to, as follows:

(Purpose: To create a new 2-year term of service for the Director of the Federal Bureau of Investigation)

On page 3, line 17, strike all through page 4, line 12, and insert the following:

SEC. 2. CREATION OF NEW TERM OF SERVICE FOR THE OFFICE OF DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.

Section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968 (28 U.S.C. 532 note) is amended by adding at the end the following:

“(c)(1) Effective on the date of enactment of this subsection, a new term of service for the office of Director of the Federal Bureau of Investigation shall be created, which shall begin on or after August 3, 2011, and continue until September 4, 2013. Notwithstanding the second sentence of subsection (b) of this section, the incumbent Director of the Federal Bureau of Investigation on the date of enactment of this subsection shall be eligible to be appointed to the new term of service provided for by this subsection, by and with the advice and consent of the Senate, and only for that new term of service. Nothing in this subsection shall prevent the President, by and with the advice of the Senate, from appointing an individual, other than the incumbent Director of the Federal Bureau of Investigation, to a 10-year term of service subject to the provisions of subsection (b) after the date of enactment of this subsection.

“(2) The individual who is the incumbent in the office of the Director of the Federal Bureau of Investigation on the date of enactment of this subsection may not serve as Director after September 4, 2013.

“(3) With regard to the individual who is the incumbent in the office of the Director of the Federal Bureau of Investigation on the date of enactment of this subsection, the second sentence of subsection (b) shall not apply.”.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. LEAHY. Madam President, on Monday I, again, set forth the history of our efforts to extend the term of Robert Mueller as the FBI Director in response to the President's request. I am glad that the Senate is now being permitted to proceed to pass the bill. The holds have finally been lifted.

I worked with Senator GRASSLEY to respond to the President's May 12 request, and the Judiciary Committee reported a bill to do that more than one month ago. I am pleased that a bill finally passed the Senate today. I hope the House will take up and pass the bill so that it can be signed by the President, and the Senate can confirm Di-

rector Mueller's renomination prior to August 3, 2011.

This important legislation, S. 1103, would fulfill the President's request that Congress create a one-time exception to the statutory 10-year term of the FBI Director, in order to extend the term of the incumbent FBI Director for 2 additional years. Given the continuing threat to our Nation, especially with the 10th anniversary of the September 11, 2001, attacks approaching, and the need to provide continuity and stability on the President's national security team, it is important that we respond to the President's request and enact this necessary legislation swiftly. The incumbent FBI Director's term otherwise expires on August 3, 2011.

Mr. PAUL. Madam President, I am voting no on S. 1103, a bill to create a second 2 year term for the FBI Director. I am opposed to changing the term limits on this important position, which serve as a safeguard and check against the significant power of the position. I am not opposed to Director Mueller and will not oppose his renomination, but I do oppose the idea that term limits should be changed when it is convenient. I thank him and the Bureau for their cooperation and answers to my questions over the last few weeks.

Mr. REID. I want to extend my appreciation to Senators LEAHY and GRASSLEY for together getting this matter done.

He has done a wonderful job for 10 years, and the country believes they need him for 2 more years, and he has agreed to take that, and I appreciate that very much.

The PRESIDING OFFICER. Under the previous order the foregoing actions with respect to the bill are accomplished.

The bill (S. 1103), as amended, was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill, as amended.

The bill (S. 1103), as amended, was passed, as follows:

S. 1103

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

SECTION 1. FINDINGS.

Congress finds that—

(1) on May 12, 2011, the President requested that Congress extend the term of Robert S. Mueller III as Director of the Federal Bureau of Investigation by 2 years, citing the critical need for continuity and stability at the Federal Bureau of Investigation in the face of ongoing threats to the United States and leadership transitions at the Federal agencies charged with protecting national security;

(2) in light of the May 1, 2011, successful operation against Osama bin Laden, the continuing threat to national security, and the approaching 10th anniversary of the attacks of September 11, 2001, the President's request for a limited, 1-time exception to the term limit of the Director of the Federal Bureau of Investigation, in these exceptional circumstances, is appropriate; and

(3) this Act is intended to provide a 1-time exception to the 10-year statutory limit on the term of the Director of the Federal Bureau of Investigation in light of the President's request and existing exceptional circumstances, and is not intended to create a precedent.

SEC. 2. CREATION OF NEW TERM OF SERVICE FOR THE OFFICE OF DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION.

Section 1101 of the Omnibus Crime Control and Safe Streets Act of 1968 (28 U.S.C. 532 note) is amended by adding at the end the following:

“(c)(1) Effective on the date of enactment of this subsection, a new term of service for the office of Director of the Federal Bureau of Investigation shall be created, which shall begin on or after August 3, 2011, and continue until September 4, 2013. Notwithstanding the second sentence of subsection (b) of this section, the incumbent Director of the Federal Bureau of Investigation on the date of enactment of this subsection shall be eligible to be appointed to the new term of service provided for by this subsection, by and with the advice and consent of the Senate, and only for that new term of service. Nothing in this subsection shall prevent the President, by and with the advice of the Senate, from appointing an individual, other than the incumbent Director of the Federal Bureau of Investigation, to a 10-year term of service subject to the provisions of subsection (b) after the date of enactment of this subsection.

“(2) The individual who is the incumbent in the office of the Director of the Federal Bureau of Investigation on the date of enactment of this subsection may not serve as Director after September 4, 2013.

“(3) With regard to the individual who is the incumbent in the office of the Director of the Federal Bureau of Investigation on the date of enactment of this subsection, the second sentence of subsection (b) shall not apply.”.

CUT, CAP, AND BALANCE ACT OF 2011—MOTION TO PROCEED—Continued

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I wish to speak on behalf of the resolution before us—the so-called cut, cap, and balance resolution—and explain briefly why it represents a better approach to resolving the financial crisis our country is faced with than the alternative, which seems to be myopically focused on raising taxes, as if our problem in this country were taxes. Our problem is spending. That is why the reference to cutting spending, capping future spending, and ensuring that we never go back to our errant ways by passing a balanced budget amendment to the Constitution, which would forever prevent us from getting into the same position we are in now where we have to keep coming back to increase the Nation's debt ceiling. That is why the emphasis on spending.

Some of our friends on the other side of the aisle, and certainly the President of the United States, say: I will not agree to anything unless you raise taxes.

Why are Republicans so opposed to the President's approach? Why are we

focused on reducing spending rather than raising taxes? Why is it important? First of all, because spending is the problem, not taxes. Spending in this country, under President Obama, has gone from the historic level of about 20 percent of our gross domestic product to now 25 percent in just 3 short years. That is a historic growth in spending. We have never been this high. Under the Obama budget, as far as the eye can see, we are going to be above the historic levels—never below, I believe, 23 percent of the gross domestic product and, as far as I can see, very close to that 25 percent. Spending is the problem.

Some will say: Well, the government has collected less income taxes in the last couple of years.

That is true, but it isn't because tax rates have changed. We have had the same tax rates for the last decade. They have been constant. The only reason there is less revenue coming into the Treasury right now—the so-called tax take of the government—is because the economy is in the tank. People are unemployed. They are not working. They are not making as much money. Businesses are not making as much money, so they are not paying as much in taxes.

So what is the answer? To raise tax rates and try to squeeze more blood out of this turnip, to try to get more out of a sick economy? No. The answer, of course, is to try to get the economy well again so people are working, they make more money, businesses make money, they all pay more in taxes, and then we will be back at the historic levels of tax-take by the Federal Government, and presumably the folks who say taxes are the problem will then be satisfied.

But how do we grow the economy? How do we get it well? We know one thing for sure not to do; that is, impose taxes on an already weak economy. The President himself, last December when we reached agreement between the Congress and the President on extending all of the current tax rates, made that exact point. He said:

To raise taxes at this time when the economy is weak would be the worst thing for economic growth and job creation.

He was right. He was right then. If anything, our economy is in worse shape now. Now we are at 9.2 percent unemployment. We continue to stagnate. If we have a sick economy, the last thing we want to do is impose more taxes on that economy.

One of our colleagues here in the Senate, our colleague from the State in which I was born, the Cornhusker State of Nebraska, BEN NELSON, said:

Raising taxes at a time when our economy remains fragile takes us in the wrong direction. If we start with plans to raise taxes, pretty soon spending cuts will fall by the wayside.

I couldn't agree with him more.

I think there is some bipartisan consensus—though certainly I recognize many Democrats would like to raise

taxes, but I think economists and most Americans appreciate that when the problem is spending, when spending has gone up so dramatically, the answer is to reduce the spending, get it back down at a minimum to where it was, and not raise taxes.

The second reason we are focused on the spending side and why we therefore support the cutting of spending, the capping of that spending, and making sure we have the constraint of a constitutional amendment to restrain us from our impulses in the future is because it never fails that tax hikes always hit more than the people at whom we are aiming. It doesn't hit just the millionaires and billionaires; it hits a lot of other people.

When the alternative minimum tax was created, the idea was to make sure that—and I could be a little wrong on the number—I think it was 125 millionaires couldn't use deductions and credits to get out of paying their taxes. We were going to create an alternative minimum tax. They would have to pay some tax even if they had lots of credits and deductions they could take. Well, 2 years ago it was going to hit 23 million Americans, and I think this year it is something like 32 million. Again, I could be a little bit wrong on the number, but let's just say between 20 million and 30 million people. So we started out with about 125, and now that tax hits well over 20 million and I think over 30 million households a year. Why wouldn't we want to do something about that? We do every year. We pass what we call a patch so that it doesn't affect those people because we never intended it to affect them in the first place. We aimed at the millionaires, and we hit over 20 million other Americans.

The same thing would happen here. How many millionaire and billionaire households are there that report income of above \$1 million? The answer is 319,000. Out of the whole United States, there are 319,000. How many people would actually pay the increased tax in the upper two brackets where these people are located? Well, that number turns out to be 3.6 million people right now. What will it be in 20 years? We will probably be up to the 20 and 30 million category again.

The point is, we aim at 300,000 people, and we end up hitting 10 times that many people—3.6 million people. That is how many people there are in the top two brackets that the President's proposals would hit.

There is another unintended consequence. It doesn't just hit the millionaires and billionaires, it hits small business owners. Small businesses create two-thirds of all of the jobs coming out of an economic downturn such as we have had, out of a recession. Small businesses usually—or at least 50 percent of small business income—let's put it that way—is reported in these top two income tax brackets. We have an individual person, and he is not a corporation, so he reports his income