desperation, these loans cannot be discharged in bankruptcy. These loans will trail the borrowers to the grave. Student loan decisions made at the age of 19, 20, and 21 years end up being a lifetime of responsibility.

Yesterday the president of a small, very good college in Illinois said that so many students she meets with who are interested in going to school are debt-dumb; they do not even understand debt as it might affect them today and tomorrow. Unfortunately, these for-profit schools—and many others—are taking advantage of students with little or no life experience who end up, many times, with their parents signing for student loan debt that is unconscionable, at levels they will never be able to repay in any reasonable time, and often, when it comes to for-profit schools, for worthless diplomas if the student is lucky enough to finish.

One of my constituents, Hannah Moore, recently contacted my office regarding her outstanding student debt. I wanted to bring this to the attention of the Senate. In 2007, Hannah graduated with a bachelor of arts from a for-profit school called the Harrington College of Design. It was part of the Career Education Corporation's program. When Hannah graduated in 2007 from the Harrington College of Design, her student debt was $124,570.

After she exhausted all her Federal student loan options, she turned to private loans when she wanted to finish and get a degree. At first she tried to manage her payments of close to $800 a month by working three jobs. Her Federal loan is a reasonable payment because she signed up for the income-based repayment program, but the private loan demands are unreasonable. When the payments became unmanageable, she tried to work out a plan with her lender. They refused. She said that she speaks to her lender about once a month asking for assistance, with no help. When it became apparent she would not be able to afford the payments, her family offered to help. Her dad, who had retired, got a job just to help his daughter make her student loan repayments. Dad went back to work, out of retirement. Her parents spend their time stressing over her loans with her.

Hannah is 30 years old. She wants to be independent, but her student debt of over $124,000 is making that impossible. With the help of her family, dad going back to work and all she can do, she makes her monthly payments, but her life is still very much on hold. She said, ''My education doesn't feel rewarding, it's a burden right now.'' When asked how her student loan debt is affecting her life, she said: I can't start a family, can't buy a house, I can't even buy a car. She rides her bike to work. Think about that. She went to college, she stuck with it, and she graduated with a degree of no value and $124,000 in student debt.

She is not alone. Every week I hear from constituents who are seeking relief, and I invite them to come to my Web site and tell me their stories about student loan debt in America.

Last week, in his State of the Union, the President spoke about a plan to keep the cost of higher education from going even further. His proposal will provide better information to families, while enlisting colleges and State governments to partner with the Federal Government to keep costs down while improving student outcomes.

To make sure students and families have accurate information, the President has proposed creating a college scorecard for all institutions of higher education—all of them. The scorecard will provide families with clear, concise information about affordability and student outcomes—how many students go to this school and finish, how many who finish with a degree get a job. It is a pretty basic question. Then students and their families can make a good choice. They will not be overwhelmed by the spam and ads tossed at them on the Internet.

The plan would reward schools that give value, serve low-income students, and set reasonable tuition policies. These schools would be rewarded with additional campus-based aid so more students can attend college.

The President's proposal also builds on the success of the current Race to the Top Program by creating a new Race to the Top Program rewarding college affordability and completion that will promote change in State systems of higher education. This Race to the Top challenge will incentivize Governors and State legislatures around the Nation to join us in keeping tuition costs down.

Following the President's challenge to keep college costs down, the Senate HELP Committee is holding hearings this week on college affordability. I thank them for that. It is long overdue, and I look forward to working with Senators HARKIN and ENZI on this issue.

A hearing we had just a week or so ago in Chicago on the abuse of the GI bill education rights by for-profit schools should be a wake-up call to every Member of Congress. Holly Petraeus, the wife of General Petraeus, testified. She works at the Consumer Financial Protection Bureau, an agency that is in the news. It is controversial because the appointment of its Director, Richard Cordray, was announced by the President by executive appointment when the Senate refused to give him an opportunity to serve.

The Senate refused to break a filibuster on Mr. Cordray, even though I heard no speeches criticizing his ability. The speeches criticized the agency, which some Republicans loathe and despise, but it is in the law and it should be given a chance to work. Those who are critical of it should meet with Holly Petraeus, General Petraeus's wife. She is working with military families trying to stop the abuses of for-profit schools under the GI bill. That is something on which we should all join together, Democrats and Republicans alike. Americans who serve in the military are entitled to not only the GI bill but to institutions of learning that give them a chance to take their time in school and turn it into a much better life for themselves and their families.

I hope we can come together on the question of affordability and on taking a close look at many of these institutions of higher learning that are, unfortunately, defrauding many innocent children, families, and veterans who are returning from conflicts in Iraq and Afghanistan.

Madam President, 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. LIEBERMAN. Madam 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 closed.

STOP TRADING ON CONGRESSIONAL KNOWLEDGE ACT OF 2012

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 2038, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2038) to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes.

Pending:

Reid amendment No. 1470, in the nature of a substitute.

Reid (for Lieberman) amendment No. 1482 (to amendment No. 1470), to make a technical amendment to a reporting requirement.

Brown (OH) amendment No. 1478 (to amendment No. 1470), to change the reporting requirement to 10 days.

Brown (OH)-Merkley amendment No. 1481 (to amendment No. 1470), to prohibit financial conflicts of interest by Senators and staff.

Toomey amendment No. 1472 (to amendment No. 1470), to prohibit earmarks.

Thune amendment No. 1477 (to amendment No. 1470), to direct the Securities and Exchange Commission to eliminate the prohibition against general solicitation as a requirement for a certain exemption under Regulation D.

McCain amendment No. 1471 (to amendment No. 1470), to protect the American taxpayer by prohibiting bonuses for senior executives at Fannie Mae and Freddie Mac while they are in conservatorship.

Leahy-Cornyn amendment No. 1483 (to amendment No. 1470), to deter public corruption.

Coburn amendment No. 1473 (to amendment No. 1470), to prevent the creation of duplicative and overlapping Federal programs.

Coburn-McCain amendment No. 1474 (to amendment No. 1470), to require that all legislation be placed online for 72 hours before it is voted on by the Senate or the House.

Coburn amendment No. 1476, in the nature of a substitute.

Paul amendment No. 1484 (to amendment No. 1470), to require Members of Congress to certify that they are not trading using material, nonpublic information.

Paul amendment No. 1485 (to amendment No. 1470), to apply the reporting requirements to Federal employees and judicial officers.

Paul amendment No. 1487 (to amendment No. 1470), to prohibit executive branch appointees or staff holding positions that give them oversight, rulemaking, loan or grantmaking abilities over industries or companies in which they or their spouse have a significant financial interest.

DeMint amendment No. 1488 (to amendment No. 1470), to express the sense of the Senate that the Senate should pass a joint resolution proposing an amendment to the Constitution that limits the number of terms a Member of Congress may serve.

Paul amendment No. 1490 (to amendment No. 1470), to require former Members of Congress to forfeit Federal retirement benefits if they work as a lobbyist or engage in lobbying activities.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, it is a new day and with it comes the hope we will make more progress than we did yesterday. Actually, we were prepared, after some good work by the four of us—Senator COLLINS; Senator BROWN; the occupant of the chair, Senator GILLIBRAND; and myself—and our staffs to move forward yesterday afternoon. Unfortunately, we were blocked in that. But I know efforts continue to allow us to at least proceed with the amendment Senator PAUL offered that was modified—or prepared to be modified, after discussion, with a reasonable conclusion that I think will be supported by most Members of the Senate.

There is so much we can do. Our staffs worked overnight. They have tried to divide the amendments into those that are germane and relevant and those that are not. I understand leadership on both sides will be talking about how to proceed.

I repeat what I said at the outset—and I know all of us who have worked so hard to respond to the concern that Members of Congress and our staffs are not covered by insider trading laws—that we not try to solve every problem or correct every potential source of public mistrust of Congress on this bill for fear that we will, therefore, never get anything accomplished.

I am hopeful, as the morning goes on and certainly into the afternoon, after discussions that occur at the lunch hour, we will be able to proceed to handle some amendments in an expeditious way and that we can see our way to the end of consideration of this bill, remembering that on the basic provisions of the bill we have overwhelming bipartisan support.

I understand the vote on cloture to proceed to the bill does not exactly express support for the final vote, but there were only two who voted against cloture, so clearly an overwhelming number of Members of the Senate want to proceed to vote on the bill.

If we do not break this unfortunate and unnecessary and harmful gridlock, either the majority leader is going to have to file cloture or leave the bill and go on to other pressing business—FAA reauthorization and the like—and that would be not only disappointing to us, but having aroused the hope that we would respond to the public concern and anger about the possibility that we are not covered by insider trading laws, we will have ended up increasing that concern and anger and disenchantment with Congress. I do not think any of us want to do that.

With that appeal to our colleagues to apply a certain rule of reason so we can get something done that will be good for our government and the people's respect for us, I am very pleased to see my colleague from Connecticut, Senator BLUMENTHAL, in the Chamber. I know he has an amendment he wants to offer at this time, and I will yield the floor to him.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Madam President, I thank the Presiding Officer, the distinguished Senator from New York, and my colleagues, Senator LIEBERMAN, Senator COLLINS, and Senator BROWN, for their superb leadership on this issue, and I am very pleased to strongly support the underlying bill.

AMENDMENT NO. 1498 TO AMENDMENT NO. 1470

Madam President, I ask unanimous consent that the pending amendment be set aside.

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

Mr. BLUMENTHAL. Madam President, I call up amendment No. 1498.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. BLUMENTHAL], for himself and Mr. KIRK, proposes an amendment numbered 1498 to amendment No. 1470.

Mr. BLUMENTHAL. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend title 5, United States Code, to deny retirement benefits accrued by an individual as a Member of Congress if such individual is convicted of certain offenses)

At the appropriate place, insert the following:

SEC. ___. APPLICATION TO OTHER ELECTED OFFICIALS AND CRIMINAL OFFENSES.

(a) APPLICATION TO OTHER ELECTED OFFICIALS.—

(1) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332(o)(2)(A) of title 5, United States Code, is amended—

(A) in clause (i), by inserting '', the President, the Vice President, or an elected official of a State or local government'' after ''Member''; and

(B) in clause (ii), by inserting '', the President, the Vice President, or an elected official of a State or local government'' after ''Member''.

(2) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8411(l)(2) of title 5, United States Code, is amended—

(A) in subparagraph (A), by inserting '', the President, the Vice President, or an elected official of a State or local government'' after ''Member''; and

(B) in subparagraph (B), by inserting '', the President, the Vice President, or an elected official of a State or local government'' after ''Member''.

(b) CRIMINAL OFFENSES.—Section 8332(o)(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking clause (iii) and inserting the following:

''(iii) The offense—

''(I) is committed after the date of enactment of this subsection and—

''(aa) is described under subparagraph (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or (xxvi); or

''(bb) is described under subparagraph (B)(xxix), (xxx), or (xxxi), but only with respect to an offense described under subparagraph (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or (xxvi); or

''(II) is committed after the date of enactment of the STOCK Act and—

''(aa) is described under subparagraph (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvii), (xviii), (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii); or

''(bb) is described under subparagraph (B)(xxix), (xxx), or (xxxi), but only with respect to an offense described under subparagraph (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvii), (xviii), (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii).''; and

(2) by striking subparagraph (B) and inserting the following:

''(B) An offense described in this subparagraph is only the following, and only to the extent that the offense is a felony:

''(i) An offense under section 201 of title 18 (relating to bribery of public officials and witnesses).

''(ii) An offense under section 203 of title 18 (relating to compensation to Member of Congress, officers, and others in matters affecting the Government).

''(iii) An offense under section 204 of title 18 (relating to practice in the United States Court of Federal Claims or the Unites States Court of Appeals for the Federal Circuit by Member of Congress).

''(iv) An offense under section 219 of title 18 (relating to officers and employees acting as agents of foreign principals).

''(v) An offense under section 286 of title 18 (relating to conspiracy to defraud the Government with respect to claims).

''(vi) An offense under section 287 of title 18 (relating to false, fictitious or fraudulent claims).

''(vii) An offense under section 597 of title 18 (relating to expenditures to influence voting).

''(viii) An offense under section 599 of title 18 (relating to promise of appointment by candidate).

''(ix) An offense under section 602 of title 18 (relating to solicitation of political contributions).

''(x) An offense under section 606 of title 18 (relating to intimidation to secure political contributions).

''(xi) An offense under section 607 of title 18 (relating to place of solicitation).

''(xii) An offense under section 641 of title 18 (relating to public money, property or records).

''(xiii) An offense under section 666 of title 18 (relating to theft or bribery concerning programs receiving Federal funds).

''(xiv) An offense under section 1001 of title 18 (relating to statements or entries generally).

''(xv) An offense under section 1341 of title 18 (relating to frauds and swindles, including as part of a scheme to deprive citizens of honest services thereby).

''(xvi) An offense under section 1343 of title 18 (relating to fraud by wire, radio, or television, including as part of a scheme to deprive citizens of honest services thereby).

''(xvii) An offense under section 1503 of title 18 (relating to influencing or injuring officer or juror).

''(xviii) An offense under section 1505 of title 18 (relating to obstruction of proceedings before departments, agencies, and committees).

''(xix) An offense under section 1512 of title 18 (relating to tampering with a witness, victim, or an informant).

''(xx) An offense under section 1951 of title 18 (relating to interference with commerce by threats of violence).

''(xxi) An offense under section 1952 of title 18 (relating to interstate and foreign travel or transportation in aid of racketeering enterprises).

''(xxii) An offense under section 1956 of title 18 (relating to laundering of monetary instruments).

''(xxiii) An offense under section 1957 of title 18 (relating to engaging in monetary transactions in property derived from specified unlawful activity).

''(xxiv) An offense under chapter 96 of title 18 (relating to racketeer influenced and corrupt organizations).

''(xxv) An offense under section 7201 of the Internal Revenue Code of 1986 (relating to attempt to evade or defeat tax).

''(xxvi) An offense under section 104(a) of the Foreign Corrupt Practices Act of 1977 (relating to prohibited foreign trade practices by domestic concerns).

''(xxvii) An offense under section 10(b) of the Securities Exchange Act of 1934 (relating to fraud, manipulation, or insider trading of securities).

''(xxviii) An offense under section 4c(a) of the Commodity Exchange Act (7 U.S.C. 6c(a)) (relating to fraud, manipulation, or insider trading of commodities).

''(xxix) An offense under section 371 of title 18 (relating to conspiracy to commit offense or to defraud United States), to the extent of any conspiracy to commit an act which constitutes—

''(I) an offense under clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), or (xxviii); or

''(II) an offense under section 207 of title 18 (relating to restrictions on former officers, employees, and elected officials of the executive and legislative branches).

''(xxx) Perjury committed under section 1621 of title 18 in falsely denying the commission of an act which constitutes—

''(I) an offense under clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), or (xxviii); or

''(II) an offense under clause (xxix), to the extent provided in such clause.

''(xxxi) Subornation of perjury committed under section 1622 of title 18 in connection with the false denial or false testimony of another individual as specified in clause (xxx).''.

Mr. BLUMENTHAL. Madam President, essentially this amendment, very simply and directly, assures that Members of Congress who may be prosecuted and convicted of the offenses specified in the amendment also should see their pensions revoked, along with potentially other crimes that they may have committed.

The purpose essentially is to assure the credibility of Congress by revoking pensions of corrupt Members of Congress, not only those who may be convicted under this pending bill—insider trading—but also a variety of other public corruption offenses. In fact, the amendment adds 22 new public corruption offenses to existing law that merit the cancellation or revoking of congressional pensions.

I have worked with Senator KIRK, who, unfortunately, could not be with us today. He and his staff have been integral. It is a bipartisan-proposed statute that is similar to one I worked to enact in Connecticut when I was the attorney general there.

The guiding principle is absolutely crystal clear, consistent with the basic measure we are considering: not one dime of taxpayer money should go to corrupt elected officials.

Over the past 50 years, Members of Congress have been convicted of 16 separate felonies. So the need for this measure is considerable, even if it is a small minority of the Members of Congress. In fact, right now, approximately $800,000 a year is paid to Members of Congress who have been convicted of these kinds of felonies.

So I wish to particularly thank Senator KIRK and quote him since he could not be here today. He said, earlier this year, of this legislation:

American taxpayers should not be on the hook for the pension benefits of convicted felons. Expanding current law to include additional public corruption felonies will block pension benefits for Members who fail to honor their pledge to defend the Constitution and uphold the laws of the United States. Once you have violated the public trust in that way, I think that the taxpayers should not be supporting your retirement.

In short, very simply, a breach of law by an elected official is a serious offense that should have consequences. Taxpayers should not pay for the retirement benefits of elected officials convicted of a felony—Members of Congress, anyone else—especially as the United States faces the soaring deficits that it does now and the crippling debt that grows even higher.

I urge my colleagues to support this amendment.

I yield the floor.

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

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

AMENDMENT NO. 1491 TO AMENDMENT NO. 1470

Mr. SHELBY. Madam President, I ask unanimous consent that the pending amendment be set aside, and I call up my amendment No. 1491, which is at the desk.

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

The clerk will report.

The assistant bill clerk read as follows:

The Senator from Alabama [Mr. SHELBY] proposes an amendment numbered 1491 to amendment No. 1470.

Mr. SHELBY. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To extend the STOCK Act to ensure that the reporting requirements set forth in the STOCK Act apply to the executive branch and independent agencies)

On page 7, line 7, strike ''a'' insert ''each officer or employee as referred to in subsection (f), including each''.

On page 7, line 8 insert a comma after ''employee of Congress''.

At the end, insert the following:

''SEC. 11. PROMPT REPORTING AND PUBLIC FILING OF FINANCIAL TRANSACTIONS FOR EXECUTIVE BRANCH.

''Each agency or department of the Executive branch and each independent agency shall comply with the provisions of section 8 with respect to any of such agency, department or independent agency's officers and employees that are subject to the disclosure provisions under the Ethics in Government Act of 1978.''.

Mr. SHELBY. Madam President, I rise today to talk about the amendment that I have offered, No. 1491, to the STOCK Act.

Right now, the STOCK Act, as it is written, does not apply to the public disclosure requirements to the executive branch or independent agencies.

The amendment that I have offered this morning ensures the public disclosure of all trading by senior government officials. Yes, I will say it again. My amendment ensures the public disclosure of all trading by senior government officials.

This is a very reasonable amendment, as it is limited to the executive branch and independent agency personnel who are already subject to the reporting requirements.

My amendment merely expands the enhanced disclosure requirement under the STOCK Act to these current filers. Without this amendment, it would be impossible for the public to know whether the executive branch officials are complying with the STOCK Act. The public should be able to monitor trades of all executive and legislative branch officials in the same manner. Let's not make Congress transparent while leaving the executive branch and independent agencies in the dark.

Ironically, the disclosure provisions of the STOCK Act currently do not apply to the Securities and Exchange Commission, their employees, and so forth, which is the body that will be responsible for enforcing such provisions on Congress. That is nonsense. The SEC, which has access to vast financial markets information, should be held to

the same standards it has been charged with enforcing.

My amendment will apply the disclosure provisions of the STOCK Act to all branches, ensuring transparency for all in government.

I appreciate the willingness of the chairman and ranking member of the Homeland Security and Governmental Affairs Committee to work with me. I look forward to working with them more to improve public disclosure for both the executive and legislative branches.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Madam President, I thank my friend from Alabama for coming to the floor and proposing his amendment. I agree that there should be parity between the legislative and executive branches wherever it is appropriate. I am very happy to work with him.

I must say that yesterday we made some progress on a somewhat similar amendment by Senator PAUL to appropriately scope the amendment on requiring executive branch officials to report on their financial transactions to Senate-confirmed positions. I don't know whether that is the resolution here, but I think we should work on it. I want to state for the record that the executive branch is not free of conflict-of-interest regulations. In fact, in some sense you might say they have tougher restrictions. Even the SEC employees have to get permission before they can make stock transactions, and then they have to file disclosures not within 30 or 10 days but within 2 days, I believe. There are many other regulations on them.

I think part of what is going on here is the nature of the two branches of Government to deal with conflicts of interest. We have focused on a system of disclosure and transparency. We have embraced the adage that sunlight is the best disinfectant. In contrast, the executive branch actually addresses potential conflicts of interest through not just transparency but statutory mandates that require the divestiture of stock when it may involve a conflict of interest and recusal being involved in handling anything that relates to any personal interest that an individual in the executive branch has. There is a very extensive system of high-ranking agency officials being forced to divest themselves of conflicting stock holdings—obviously, sometimes at a financial loss.

There could be an amendment to come up on that. But to do it in exactly the way—at least on the recusal section—the executive branch does it would not be appropriate for Members of Congress because Members are called on to vote on issues across the widest array of activity. Recusal, therefore, is not a viable option because it would deny our constituents representation and our votes on a very wide array of public issues. An amendment on divestiture of blind trusts or mutual funds is another question.

But the main point I wanted to make is there is a lot of regulation on the executive branch. The ethics rules, requirements, and guidance that have been put forth over the years by the Office of Government Ethics and at the agencies are extensive. I know volume of pages of law isn't everything, but it says a lot. There are six pages in the Senate Code of Conduct that cover conflicts of interest, while there are literally hundreds of pages of rules and requirements governing such conflict of interest situations for the executive branch.

The amendment offered by the Senator from Alabama, as drafted, would require that the annual filings of over 300,000 career civil servants and managers be published on the Internet. That is a lot of people and a lot of work to be done to process and handle those. But I understand the intention of Senator SHELBY. I think it is a good intention. Senator WYDEN has a similar amendment, and I wish to work with them, as I know Senator COLLINS would as well, to see if we can come to some meeting of the minds that would allow us to achieve the purpose we all have in the underlying bill, which is to build confidence in our government and its integrity.

The PRESIDING OFFICER (Mr. FRANKEN). The Senator from Maine.

Ms. COLLINS. Mr. President, I support the intent of the amendment offered by the Senator from Alabama. I think he is right, we need parity, as much as possible, in the disclosure requirements. I also believe he is correct the disclosure reports should be online so they are easily accessible. So the intent of his amendment is one I wholeheartedly support.

As Senator LIEBERMAN does, I have some questions about the universe of Federal employees who would be covered by the amendment of the Senator from Alabama. We have been working successfully with the Senator from Kentucky, who first brought up this issue of parity, to make sure the scope of coverage is appropriate. It seems to me one way to solve these issues is to use a similar scope as we have agreed on with Senator PAUL in the amendment that Senator SHELBY has brought forth. We would then have a certain consistency that we had vetted the universe of Federal employees that should be covered. That seems to me to be a very appropriate and relatively easy fix to this issue.

I do want to emphasize that I agree with Senator SHELBY that those Federal employees should be required to file in the same timeframes as Members of Congress and their staffs, and that certainly those reports should be accessible online.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

AMENDMENT NO. 1481

Mr. BROWN of Ohio. Mr. President, across the Nation, Americans wonder if Washington is working for them. Congress's approval rate, as we know so well, is an abysmal 13 percent, 12 percent—different surveys—but not very good. One factor contributing to this distrust is the sense that elites in Washington are using their positions to get ahead financially. Members of Congress have the privilege and the honor of being elected to serve the public. Unfortunately, some elected officials have used the information they have acquired through service to the public—and I might put service to the public in quotation marks—to enrich their stock holdings. That is wrong. Public servants should not receive financial benefits for the votes they cast or the issues they work on. That is why I appreciate the work Senator GILLIBRAND, Senator LIEBERMAN, and Senator COLLINS are doing in this legislation.

How many articles do we have to read about the appearance of impropriety on the investment decisions of lawmakers and their staff? In a Washington Post article from June of 2010, Taxpayers for Common Sense said:

> By being on a committee with a particular jurisdiction, they're in a better position of influencing the performance of their investments, or at least appearing to have that ability.

I am not saying my colleagues do that. I think perhaps some do. I do not know that, but I do know that the appearance to the public is that Members of the Senate are in a position to enrich themselves on a variety of issues and investments.

In a Washington Post article on December 20, the Project on Government Oversight—this was about a year, 13, 14 months ago, this article—said:

> It's a problem. They will come back and say that it's ludicrous that I would think of my stocks, that they only think about the nation's interests and of their constituents. The problem is, we can't know.

That is exactly right. We can't know.

This is a USA editorial from yesterday:

> If lawmakers were really concerned with ethics, they'd put their equity holdings in blind trusts, so they wouldn't have the obvious conflict of interest that comes from setting the rules for the companies they own.
>
> Banking committee members wouldn't invest in financial institutions, armed services committee members wouldn't invest in defense contractors, and energy committee members wouldn't investment in oil companies.

These stories simply do not reflect well on the world's greatest deliberative body. Most of us think these investments don't affect our decisions. They probably do not. But isn't it time we hold ourselves to a higher standard?

That is what the STOCK Act is all about. The Senate is considering the

STOCK Act, which clarifies the insider trading laws, that they apply the same way to Members of Congress as they do to people in the rest of the country. But the STOCK Act only deals with insider trading, which is very important, but that is only a small part of the problem. Senator MERKLEY and I are proposing the Putting the People's Interests First Act amendment to the STOCK Act. It would require all Senators and senior staff, probably legislative director, their most senior legislative people—person—and their Chief of Staff, all Senators and their Chiefs of Staff, all subject to financial disclosure, to sell individual stocks, divest themselves of individual stocks that create conflicts or place all of those individual stock investments in blind trusts.

No one is required to avoid equities. We can still invest in broad-based mutual funds or exchange-traded funds. We have already had this in a limited way. Senate ethics rule 37.7 requires committee staff making more than $125,000 a year to ''divest himself or herself of any substantial holdings which may be directly affected by the actions of the committee for which {that person} works'' unless the Ethics Committee approves an alternate arrangement.

The Armed Services Committee requires all staff, spouses, and dependents to divest themselves of stock in companies doing business with the Department of Defense and Department of Energy. The Committee does permit the use of blind trusts.

In the executive branch, Federal regulations and Federal criminal law generally prohibit employees, their spouses, and their children from owning stock in companies they regulate.

All Senator MERKLEY and I are saying is Members of the Senate should hold themselves to the same standard we require of committee staff and executive branch employees. We tell committee staff and executive branch employees they can't do this. Why should we be allowed to do this? If we think this is a sacrifice—which it is not, ultimately—remember that while the median net worth of all Americans dropped 8 percent from 2004 to 2010, the median net worth of Members of Congress jumped 15 percent over that same period. It is not a judgment of my colleagues, simply what we should do, what the public would want us to do.

Some argue selling our stock will make us lose touch with the rest of society. That thinking falls on deaf ears for most Americans. Why should they vote on issues that affect the oil industry when they own oil stocks? Why should Members of the Senate vote on issues that affect health care when they own stock in pharmaceutical companies—Big PhRMA stocks?

Appearance matters. Right now the American people do not trust that we are acting in the Nation's best interests far too often.

I will close with this and then turn to Senator MERKLEY. Public service is a privilege. Folks around Washington are paid pretty well for what we do—are paid very well for what we do. We take these jobs seriously. We should take them seriously. We should look at them as the privilege they are to serve in the greatest deliberative body in the world and get to serve my State, 11 million people; the State of Senator GILLIBRAND, 19 million people, something like that; and the State of Senator MERKLEY—millions of people we serve. It is a privilege to do it. There is no reason our colleagues need to be buying and selling stocks in multimillion dollar portfolios. When asked about the fact that the Senate Armed Services Committee conflict of interest rules apply only to staff and to DOD appointees, President Bush's Deputy Secretary of Defense Gordon England said, ''I think Congress should live by the rules they impose on other people.''

In the State of the Union Address the President said, ''Let's limit any elected official from owning stocks in industries they impact.''

Everything we do in this body, almost everything we do—committee hearings, floor sessions, calls to agencies—affects businesses and the profits businesses make or do not make. That is why Senator MERKLEY and I are introducing this amendment. It is simple. It is direct. The public should expect nothing else.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MERKLEY. Mr. President, I am delighted to rise today in support of the STOCK Act and in support of amendment No. 1481 that my colleague from Ohio has put forward to address the fundamental issues of conflict of interest that reside here in our body.

Let me start with the defining principle; that is, there should not be one set of rules for Members of Congress and a different set of rules for ordinary Americans. I think the citizens of the United States of America in every State understand that principle. Everyone else in the country has to abide by rules that say they cannot profit in the stock market from privileged information. There is no reason those rules should not apply to Members of Congress.

Indeed, Members of Congress at any given time can hold access to immense amounts of information from previews of economic forecasts, from advanced knowledge of events affecting major employers in their State, to classified defense information that might have implications for, for example, the oil market.

Under the right circumstances, all of this information can provide insider knowledge of which ways the markets are likely to move. So I am delighted that this body has voted overwhelmingly to move forward with the STOCK Act. It would make clear that trading on congressional knowledge is no more acceptable than any other form of insider trading, and it would also make financial disclosures for Members of the Senate searchable online, and that is also very important in the principle of transparency.

These are important steps, but they do not go far enough. Let's remember that insider trading is extraordinarily difficult to define and extraordinarily difficult to prosecute. Where did you get that information and what truly motivated you to make a particular trade in a stock? And because of that, when the conflict of interest exists, we have stepped forward to say that this must be addressed. We ask members of the executive branch to put aside their individual stocks in situations where the conflict arises. We ask our staff members to set aside and divest themselves of their stock when a conflict of interest arises. We applaud the fact that partners in law firms dealing with cases set aside and divest themselves of stock when the conflict of interest arises. But somehow we have not seen fit to have the debate about our own activities.

My colleague put it very well when he said: Why should we allow Members of Congress to hold oil stocks and then vote on issues affecting oil companies? Why should folks be able to invest in renewable energy companies and then fight for tax credits that benefit renewable energy companies? Why should we allow Members to hold stock in pharmaceutical companies and then be deciding on issues such as whether we should have competition in the pricing of pharmaceuticals for Medicare? It is a direct conflict of interest.

Any Member of this body who says, I never even gave a passing thought to the impact on my several-hundred-thousand-dollar investment in X, Y, and Z, I must say, well, I honor their thought, but it doesn't address the issue about us as an institution because no one else outside these walls will believe you didn't think a little bit about the impact on your personal financial portfolio when you voted for that tax credit or you voted for that policy that made your investment worth a lot more than it would have been otherwise.

The people in America are far ahead of us. During January, I had seven townhall meetings in which the STOCK Act came up several times, and I asked for feedback. I said: How many folks here believe Congress should live by the same rules of insider trading that everyone else in America lives by? And there was not a person who raised their hand in support of having a separate set of rules for Congress. Then I asked the question: Do you think we should go further? Should Members not be allowed to hold individual stocks given that they are making decisions that affect the values of the stock? Again universal support that Congress should address this conflict of interest in the same way we have addressed it for the executive branch or for our staff members. So the citizens of this country understand this.

The amendment that Senator BROWN is championing and that I am partnering to support has three advantages: It directly prevents conflict of interest, and that is a good thing. Second, it eliminates the appearance of impropriety. It gives Americans confidence that we are addressing issues not with a thought to our personal financial status, and that is a good thing. Third, it is very straightforward to enforce. It is not like insider trading, which is difficult to define and difficult to prosecute. It is very clear-cut. You get rid of your individual stocks and you hold broad mutual funds, you hold your investments in a blind trust. These are reasonable options. So for these three reasons, the Members of this body should debate this.

I know many do not agree. A number have come up to me and said they are almost offended by the notion that we would address conflict of interest in this body. I would invite them to come to the floor and converse on this. Yes, it is a longstanding Senate tradition, but there have been a lot of longstanding Senate traditions that didn't work well for the Senate and our place in helping to shape the laws of this Nation. We have changed many of them, and we should change this.

I encourage my colleagues to support the amendment Senator BROWN has put forward, and I applaud him for doing so.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 1481, AS MODIFIED

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent to bring up a modified version of amendment No. 1481.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, insert the following:

SEC. _____. PUTTING THE PEOPLE'S INTERESTS FIRST ACT OF 2012.

(a) SHORT TITLE.—This section may be cited as the ''Putting the People's Interests First Act of 2012''.

(b) IN GENERAL.—A covered person shall be prohibited from holding and shall divest themselves of any covered investment that is directly, reasonably, and foreseeably affected by the official actions of such covered person, to avoid any conflict of interest, or the appearance thereof. Any divestiture shall occur within a reasonable period of time.

(c) DEFINITIONS.—In this section:

(1) SECURITIES.—The term ''securities'' has the same meaning as in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

(2) COVERED PERSON.—The term ''covered person'' means a Member, officer, or employee of the Senate, their spouse, and their dependents.

(3) COVERED INVESTMENT.—The term ''covered investment'' means investment in securities in any company, any comparable economic interest acquired through synthetic means such as the use of derivatives, or short selling any publicly traded securities.

(4) OFFICER OR EMPLOYEE.—The term ''officer or employee of the Senate'' means any individual whose compensation is disbursed by the Secretary of the Senate or employee of the legislative branch (except any officer or employee of the Government Accountability Office) who, for at least 60 days, occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule.

(5) SHORT SELLING.—The term ''short selling'' means entering into a transaction that has the effect of creating a net short position in a publicly traded company.

(d) EXCEPTIONS.—

(1) BROAD-BASED INVESTMENTS.—Nothing in this section shall preclude a covered person from investing in broad-based investments, such as diversified mutual funds and unit investment trusts, sector mutual funds, or employee benefit plans, even if a portion of the funds are invested in a security, so long as the covered person has no control over or knowledge of the management of the investment, other than information made available to the public by the mutual fund.

(2) CERTAIN SPOUSAL INVESTMENTS.—Nothing in this section shall preclude a spouse from purchasing, selling, investing, or otherwise acquiring or disposing of the securities of the company in which the spouse is employed.

(e) TRUSTS.—

(1) IN GENERAL.—On a case-by-case basis, the Select Committee on Ethics may authorize a covered person to place their securities holdings in a qualified blind trust approved by the committee under section 102(f) of the Ethics in Government Act of 1978.

(2) BLIND TRUST.—A blind trust permitted under this subsection shall meet the criteria in section 102(f)(4)(B) of the Ethics in Government Act of 1978, unless an alternative arrangement is approved by the Select Committee on Ethics.

(f) APPLICATION.—This section does not apply to an individual employed by the Secretary of the Senate or the Sergeant at Arms.

(g) ADMINISTRATION AND ENFORCEMENT.—

(1) ADMINISTRATION.—The provisions of this section shall be administered by the Select Committee on Ethics of the Senate. The Select Committee on Ethics is authorized to issue guidance on any matter contained in this section.

(2) ENFORCEMENT.—

(A) PENALTY.—Whoever knowingly fails to comply with this section shall, upon proof of such knowing violation by a preponderance of the evidence, be subject to a civil fine of not more than $50,000, depending on the extent and gravity of the violation.

(B) REPORTING.—

(i) COMMITTEE NOTIFICATION.—The Select Committee on Ethics shall notify the United States Attorney for the District of Columbia that a covered person has violated this section.

(ii) SECRETARY OF THE SENATE NOTIFICATION.—The Secretary of the Senate shall notify the United States Attorney for the District of Columbia that a covered person required to file reports under title I of the Ethics in Government Act has violated this section.

Mr. BROWN of Ohio. Mr. President, I would just briefly explain that we narrowed the amendment to only cover those who disclose, which means people pretty much making over $120,000 or so. It conforms with the disclosure requirement under the STOCK Act. Our concern is top staff in major decision-making positions and sitting U.S. Senators. That is our target, that is our concern, and we wanted to conform it with provisions Senator GILLIBRAND has put in her legislation subject to the STOCK Act.

Thank you, Mr. President. I appreciate Senator MERKLEY's input and involvement in helping with this amendment.

I yield the floor.

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

The PRESIDING OFFICER (Mr. UDALL of New Mexico). Without objection, it is so ordered.

AMENDMENT NO. 1500 TO AMENDMENT NO. 1470

Mr. INHOFE. Mr. President, I ask unanimous consent that the pending amendment be set aside and call up amendment No. 1500.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE], for himself and Mrs. HUTCHISON, proposes an amendment numbered 1500 to amendment No. 1470.

Mr. INHOFE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To prohibit unauthorized earmarks)

At the end of the amendment, insert the following:

SEC. _____. PROHIBITION ON UNAUTHORIZED EARMARKS.

(a) IN GENERAL.—It shall not be in order to consider a bill, joint resolution, conference report, or amendment that provides an earmark.

(b) SUPERMAJORITY.—

(1) WAIVER.—The provisions of subsection (a) may be waived or suspended in the Senate only by the affirmative vote of three-fourths of the Members, duly chosen and sworn.

(2) APPEAL.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the measure. An affirmative vote of three-fourths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(c) EARMARK DEFINED.—In this resolution, the term ''earmark'' means a provision or report language included primarily at the request of a Senator or Member of the House of Representatives providing or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality, or congressional district unless the provision or language—

(1) is specifically authorized by an appropriate congressional authorizing committee of jurisdiction;

(2) meets funding eligibility criteria established by an appropriate congressional authorizing committee of jurisdiction by statute; or

(3) is awarded through a statutory or administrative formula-driven or competitive award process.

Mr. INHOFE. Mr. President, today I understand Senator TOOMEY is going to be offering an amendment that will—it is quite an oversimplification to state it this way, but it would make permanent the temporary ban on earmarks. I think this is something we have talked about and talked about and talked about on this floor. In fact, the last time we talked about an amendment to put a moratorium on earmarks, my conservative rating of No. 1 in the U.S. Senate moved to No. 20 because I was telling the truth and not demagoguing an issue.

The problem we have is this: When the House of Representatives, first of all, came up some time ago—2 years ago—with doing away with earmarks, putting a moratorium on earmarks, then they defined what that moratorium was and defined an earmark in a certain House rule. The bottom line is this: It said it is any kind of an appropriation or authorization.

Now, here is where the problem is. Because everybody is upset with the process that has taken place by Democrats and Republicans on the floor of this Senate—and I will not name names, but I think most of the Members know the ones I am talking about. Many of them are members of the Appropriations Committee, where they would sit down during the course of an appropriations bill, and they would swap out deals, favors, and get things for their State. This is the type of thing that is wrong, and it should not take place.

But I have to remind my friends here that we have a Constitution for this country. Article I, section 9 of the Constitution makes it very clear that we—those of us in this Chamber and in the House Chamber across the hall—have a primary constitutional responsibility; that is, to authorize and appropriate. That is what article I, section 9 of the Constitution says we are supposed to be doing.

If you go back and study what Justice Joseph Story, back in 1833, talked about, he kind of made the interpretation of the intent of the Constitution so far as what our duties and the President's are. He said very clearly that we are doing this because if the President has the power to do the appropriating—or if you want to call it earmarks, you can call it earmarks—appropriating or authorization, that is too much power in the hands of one person. So he is very specific that our Founding Fathers wanted to make sure the President does not do this.

So what happens today? Today we get a budget from the President, which is taking place right now as we speak. I could talk about this, all the deficits in the budget and all that, but that is not my purpose for being here. My purpose for being here is to articulate how things are working today and how they have worked up until the moratorium language came into effect.

The President sends a budget to Congress. Then that is supposed to go to authorizing committees. I am on two authorizing committees—one is Environment and Public Works, one is the Senate Armed Services Committee. The Senate Armed Services Committee is staffed with experts in areas of missile defense, in areas of national defense, in areas of strike vehicles, in areas of lift capacity—all the areas that are in his budget in every area of national defense. But here is the thing: These are experts, so they advise us as we have our meetings and we are drafting in the Senate Armed Services Committee—SASC—the defense authorization bill, the NDAA, as we did just a few months ago. We come up with how we think we should be spending the money to defend America within the parameters of the President's budget.

I will give you an example. A couple years ago, before there was any discussion on the moratorium, the President had in his budget $330 million to go to a launching system. It was called a bucket of rockets. It was a good system, something we need, something that would be very helpful to have. But with the limited resources we have and the fact that we were fighting a war on two fronts at that time, we made a determination in the Senate Armed Services Committee that $330 million would be better spent if we bought six new F–18E/F models. Those are strike vehicles. One of reasons for that was the President in his budget did away with the only fifth-generation fighter we had, the F–22. That was back in his first budget, and he is talking about delaying the F–35, the Joint Strike Fighter, which is going to be necessary to have.

So we made that decision, and that was made by a majority of the members of the Senate Armed Services Committee. It had nothing to do with whose home State makes the F–18. None of that made any difference. It was just that we could do a lot more to defend America by having six new F–18s than we could by having the launching system called a bucket of rockets. Now, if you do that today, that is an earmark, to say: Well, no, that was not in the President's budget.

I have to remind everyone, it does not matter whether the President of the United States is a Democrat or Republican; the President is the guy who designs the budget. A lot of people do not know that. It is not the Democrats, not the Republicans, not the House, not the Senate. It is the President. When he designs this budget, he makes the determination as to how he thinks everything should be spent. If we say we cannot do authorization and appropriation, then that would be called an earmark, and there is a ban on earmarks.

The reason I have kind of walked around the barn a long way on this issue is that I have an amendment, the amendment I have just now brought up for consideration, amendment No. 1500. What that does is it merely defines an earmark as an appropriation that has not been authorized. I just described the authorization process. If we go through that, then there are not going to be any earmarks in the way most people think of earmarks, but we will be doing our duty.

I feel very confident we are going to be able to get this passed. Several of the individuals here very responsibly have talked about this issue. For example, Senator TOOMEY said yesterday on the floor that some earmarks ''ought to be funded. But they ought to be funded in a transparent and honest way, subject to evaluation by an authorizing committee.'' So here is the author of the ban on earmarks agreeing that if we go through an authorization process, it is all right to fulfill our constitutional function of appropriating and authorizing.

Senator COBURN, my junior Senator, said:

> It is not wrong to go through an authorization process where your colleagues can actually see it. It is wrong to hide something in a bill. . . .

Agreed. We all agree on that. That was a year ago when he made that statement.

Senator MCCAIN—by the way, I introduced this amendment in bill form last year. He was my cosponsor. We introduced it together. That was merely changing the definition of an earmark to be an appropriation or spending that has not been authorized.

Senator MCCAIN said:

> Some of those earmarks are worthy. If they are worthy, then they should be authorized.

That is the whole issue. I can understand some Democrats wanting to do away with congressional earmarks because if they do that, it goes right back to Obama. If I were in a position where I felt President Obama or any other President could do a better job of appropriating money, that would be another motivation to do this. But for responsible conservatives who believe in what the Constitution says, this is a very easy solution to the problem.

The amendment will be brought up. I do not know when yet. I suppose I could find out just what our timing is going to be. But the amendment I have offered simply bans any congressional earmark that is not first authorized.

If we do this, instead of an outright ban, it will preserve our ability to keep the President's power in check. I would hope that many of my colleagues go back and read what our Founding Fathers had in mind when they talked about article I of the Constitution. I think they would find that they made it very clear we want to have a separation of those powers so we do not have either the House or the Senate or the Presidency doing everything. Instead, we should follow the Constitution.

So that is what my amendment is all about. I will be looking forward to bringing it up. I think it probably will be considered today. I look forward to that.

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.

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

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

Mrs. GILLIBRAND. Mr. President, we have an incredibly important opportunity to do something so basic, so commonsense to begin restoring the faith and trust that the American people have in this institution. We have a responsibility to do it right, to show without question, without any ambiguity, that all Members of Congress, their staffs, and Federal employees play by the exact same rules as everyday Americans.

The American people deserve to know their lawmakers' only interest is in what is best for the country, not their financial interest. Members of Congress, their families, their staffs, and Federal employees should not be able to gain any personal profit from information they have access to that ordinary Americans do not—whether it is trading stock or making inside real estate deals. It is simply not right. Nobody should be above the rules.

The commonsense bill before us would finally codify this principle into law, as it should be. Chairman LIEBERMAN, Ranking Member COLLINS, Senator BROWN of Massachusetts, and their committee members and staffs have crafted a very strong bipartisan bill with teeth that is narrowly tailored and targeted to ensure that we achieve this very common goal. Because of this bipartisan work, last night this Chamber came together in what has become nearly an unprecedented fashion these days and voted almost unanimously to begin debate on this sorely needed legislation. As we continue to debate, I urge my colleagues to focus on the specific task at hand. Let's show the American people we can come together and get this done to begin to restore their trust in us.

If there are ideas to make the bill stronger, let's debate them. But let's not get bogged down in the politics as usual, with nongermane side issues that will prevent us from swiftly moving on an up-or-down vote the American people expect of us. We are already starting in a strong position with our colleagues in the House.

This STOCK Act legislation is very similar to legislation introduced by my colleague in the New York delegation, Congresswoman LOUISE SLAUGHTER, and Congressman TIM WALZ. I thank them for their longstanding advocacy and focus and leadership on this important issue.

Our bill, which has received the support of at least seven good government groups, covers several very important principles. First, Members of Congress, their families, their staffs, and Federal employees should be barred from gaining any personal profit on the basis of knowledge gained through their congressional service or from using knowledge to tip off anyone else.

This bill will, for the first time, establish a clear fiduciary responsibility to the people we serve. This simple step removes any present doubts as to whether the SEC and the CFTC are empowered to investigate and prosecute cases involving insider trading of securities from using this nonpublic information. It also provides additional teeth. Such acts would also be in violation of Congress's own rules, to make it clear that this activity is inappropriate and subjects Members to additional disciplinary measures by this very body.

Second, Members should be required to disclose major transactions within 30 days to make this information available online for their constituents to see, providing dramatically improved oversight and accountability. We should be able to agree that these reports should be available in the light of day and not stored in some dusty back room.

The committee heard experts testifying during a Senate hearing that reducing this new reporting requirement to 90 days was not good enough. The committee listened to these experts carefully, and the bill has been strengthened and currently has a 30-day proposal, a sea change of improvement from the current reporting requirement of a yearly reporting requirement on a paper document.

Some critics say this bill is unnecessary and is already covered under current statutes. I have spoken with experts tasked in the past with investigations of this nature, and they strongly disagree. We must make it clear as day and unambiguous that this kind of behavior is illegal.

President Obama told us in the State of the Union to send him a bill, and he will sign it right away. We should not delay. This is the time to act. Let's show people who send us here that we can come together and do the right thing. Let's show them we know they deserve a government that is worthy of them. We have an opportunity to take a step toward restoring some of the faith that has been lost in Washington and in this institution. I urge my colleagues to seize this opportunity.

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.

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

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

Mrs. BOXER. I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 1489 TO AMENDMENT NO. 1470

Mrs. BOXER. I call up amendment No. 1489 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant bill clerk read as follows:

The Senator from California [Mrs. BOXER], for herself and Mr. ISAKSON, proposes an amendment numbered 1489 to amendment No. 1470:

At the end, add the following:

SECTION 9. REQUIRING MORTGAGE DISCLOSURE.

Section 102(a)(4)(A) of the Ethics in Government Act of 1978 (5 U.S.C. App) is amended by inserting after ''spouse'' the following: '', except that this exception shall not apply to a reporting individual described in section 101(f)(9)''.

Mrs. BOXER. I am sure, listening to that, it is hard to understand exactly what this is all about, so let me take a moment.

I want to first thank Senators LIEBERMAN and COLLINS for all their hard work and I want to thank Senator GILLIBRAND for writing the STOCK Act.

I come to the floor as the chairman of the Ethics Committee with an amendment that we wrote together, Senator ISAKSON and I, who is the vice chair of the committee. So this is quite a bipartisan amendment and I don't think it should be controversial or troublesome in any way.

This amendment actually comes from a bill that Senator ISAKSON and I wrote together after the Countrywide fiasco. If you want to recollect that unhappy issue, it was a situation where Countrywide had set up a VIP program and they literally targeted Members of Congress of the House and Senate to put them into this program and never told the Members of Congress that there was this program, and yet it went forward. And because there is no rule that personal mortgages be shown on the disclosure form, this was quite a shock when it all came out. What we are saying is we want to improve the disclosure requirement on home mortgages.

Right now, if it is at your own personal home, you don't have to show the mortgage, and this would correct that. It would mean that you have to show the date the mortgage was entered, the balance, and a range, the interest rate, the terms, the name and address of the creditor. So it is an omission—but actually it is a pretty glaring omission—in our financial disclosure requirements because, again, of the Countrywide example. We don't want to have a situation—because we are not allowed to get better treatment than anyone else. And the fact that we didn't disclose these mortgages—it was quite a story when it came to light that there was this special VIP program at Countrywide. So this legislation, this amendment, addresses this omission. It requires Members of Congress to make a full and complete disclosure of all the mortgages on their personal residences.

Again, right now this requirement is in place for mortgages that you may have on investment properties but not on your personal properties. It would include Members of Congress and their spouses as well.

In his State of the Union Address, the President spoke about the deficit of trust between Washington and the rest of the country. I don't know that this amendment is going to cure all those problems, but I do think it shows that we are ready to learn from a bad experience, which was the Countrywide experience. So I think the Boxer-Isakson amendment and the underlying bill are sensible steps toward rebuilding our Nation's faith in government.

Again, the rules are already clear that we are not permitted to get any financial arrangements that are better than they are for any other constituent, so I think by this disclosure we are saying that even in our own personal mortgages we have to be aware of this. I think this listing is called for, and I urge my colleagues to support this amendment and the underlying legislation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

Ms. COLLINS. Mr. President, I want to comment briefly on the amendment that has been proposed by the Senator from California to the legislation written by Senator BROWN. Senator GILLIBRAND has a similar bill as well, and I want to explain to our colleagues what the state of the current law is, which I think would be helpful.

Under the Ethics in Government Act of 1978, there is an exemption from disclosure for mortgages secured by real property that are the personal residence of the reporting individual or his spouse.

Under the liabilities section of that same report, which we now file annually, liabilities in excess of $10,000 must be reported that are owed by the Member, the spouse, or the dependent child to any one creditor during any time during the reporting period. Credit card debts, for example, are reported. Other kinds of loans are reported. Mortgages held on investment properties—properties, for example, that are rented—are reported. The exemption only goes to the personal residence of the Member and/or the Member's spouse.

I am unclear, and need to get clarification from Senator BOXER and also the Office of Government Ethics, whether her amendment would extend the new disclosure requirement that she is proposing to executive branch employees or whether it would only apply to the legislative branch. As I read her amendment, it looks as though it only applies to the legislative branch and perhaps only to Members.

I would ask, through the Chair, if the Senator from California could clarify for me—this is truly an informational question—whether she is intending this new requirement to apply to congressional staff and whether she is intending this new requirement to apply to executive branch members who are currently required to file an annual financial disclosure form.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I very much thank Senator COLLINS for that question.

Senator ISAKSON and I, as the chair and vice chair of the Ethics Committee, are applying this to the Members of Congress. That is because the scandal that took place with Countrywide involved the Members of Congress. We are not including staff in this. It also applies to more than one residence, because some of our Members have seven homes, six homes, four homes, two homes. If you have mortgages on any of those properties, you would now have to disclose those.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I thank the Senator from California for clarifying that issue and answering my question.

I guess my further question would be, why would we only apply it to Members of Congress and not apply it to members of the executive branch? For example, I would argue that if there are conflict of interest issues or allegations of a sweetheart deal for mortgages that might be revealed by this disclosure, that that would apply equally to, say, Treasury officials—in fact, even more so to Treasury officials or bank regulators—as it would Members of Congress.

I wonder if the Senator's intent is to make sure that Members are not getting sweetheart deals on their mortgages—which obviously no Member should be receiving a sweetheart deal on a mortgage—why that same logic would not apply to executive branch officials, particularly since arguably they have far more direct influence and jurisdiction and regulatory authority over financial institutions than do Members of Congress.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I would be happy to go on as a cosponsor to Senator COLLINS if she wants to take on the additional burden of moving this idea forward. I don't have any problem with it.

The point is, I am here—and I have been very open about it because I know what I am talking about when it comes to Members of Congress, because as chair of the Ethics Committee, I don't oversee Treasury. This is not my role, this is not my expertise, and I am very humble about that. I did see what happened here, along with, I would say, every member of the Ethics Committee and Senator ISAKSON.

This is a bipartisan amendment and we know what we are talking about, and we are saying there was a problem and Members of Congress were courted by Countrywide. Did they court other people? I don't know. But if there is some proof that they did and there is need to go and cover them with a similar amendment, I would be happy to work with my colleague on that. But I am not going to change this particular piece of legislation, because I know what I am talking about here. I know how to fix this. I know we have made a big mistake, and I feel it is our job to clean up our own business. And our own business, when it comes to this, is not good.

Would I wish to look over at what the Bush administration did or what the Obama administration is doing or what other administrations will do? I am happy to do that. But I am here to address our house—our house. Clean it up. Act as a role model.

I do not have any problem with supporting another piece of legislation. Maybe there is a problem over there. I, frankly, do not know what their ethics rules are. I know what our ethics rules are, and I know we have made a glaring omission when Members may have three, four, five, six, seven houses; they may have two, three, four, five, six mortgages and they never have to show them. Let's clean it up.

If my friend believes there is need for another amendment, I am happy to look at it. But Senator ISAKSON and I are doing something we have long wanted to do. This is not something we just made up. We have had a bill for a long time doing exactly this. This is a moment we would like to get it done.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, the reason I am raising this issue—I realize the Senator from California has not had the misfortune I have had, of being constantly on the floor listening to the debate on this bill—but a major issue we have been grappling with is parity in the rules. This issue has not just come up with regard to the amendment of the Senator from California, it has come up over and over.

I am not in any way singling out the Senator from California to raise this issue. This has come up on every single issue we have been tackling on the floor, which is, if we are going to have more disclosure for the legislative branch, should we not have the exact same or comparable disclosures for high-ranking executive branch officials?

The issue I raised, I wish to assure the Senator from California, is no means unique to her amendment. It has come up over and over and, indeed, the first amendment that we were supposed to have voted on last night was an amendment by Senator PAUL, making clear that this bill applied to the

executive branch and then Senator SHELBY had an amendment to make sure there was online disclosure by the executive branch.

This is an issue that has permeated the entire debate on the STOCK Act. It is not unique to the issue that has been raised by the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank my colleague for that because it was a little surprising. My understanding, and I hope to stand corrected by the Senator from Maine, if I am wrong, and the Senator from New York, that the whole idea behind the STOCK Act, the bill written by Senator GILLIBRAND and the bill written by Senator BROWN, did not deal with the executive branch. I thought the whole notion behind this was for us to clean up our act. Clean up our act over here. That is the best way to proceed.

I have no problem if my colleague wants to write an amendment, she herself, on this particular issue. If she can make the case that it has been shown that VIP loans were given to members of the executive branch—whether under George Bush or Barack Obama—and I think in the years she is looking at it would have been under Bush, but those are the years the Countrywide scandal took place—if my friend has absolute information for me that shows that members of the Bush administration or the Obama administration got special treatment from the Countrywide scandal, I would like to know about it. I do not know anything about that at this time.

If my friend believes it would be a good thing to do, to offer a separate amendment covering certain members of the executive branch, I am happy to look at it. But it strikes me as bizarre that this has become an issue. It sounds like what is going on from the Republican side is all of a sudden they want to turn attention over to the executive branch rather than focus it on us—which I think is critical. But I am happy to look at any amendment that deals with abuses the Senator can show me were occurring over on the executive branch side during those years that Countrywide was doing its damage. I would be happy to support an amendment. But I think we should keep this amendment clean. I think this amendment should be clean because we are looking at a particular ethics rule and we are essentially cutting out a loophole which has allowed colleagues to not have to list their personal residences when, in fact, we know some of them got special treatment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, first, let me make the point to the Senator from California, I am a cosponsor of the STOCK Act. I cosponsored Senator BROWN's bill, so it is not that I do not think legislation is needed in this area. I am a cosponsor on this bill and have commended him for his work. But the fact remains that in our committee markup the bill was changed.

I know the Senator was distracted when I answered that question. The bill was changed in committee to extend to the executive branch. It is in the bill that is before us now. The Senator was misinformed in that regard. The bill was changed to make very clear that the insider trading prohibition applied to the executive branch and that executive branch members have a duty to their agencies, to the government. We make that explicit. That was changed in committee.

The Senator is not correct that the bill that was brought to the floor only applied to Congress. It does not. It applies to the executive branch.

The second point I will make is this is not a partisan issue. We have bills on both sides of the aisle. We have amendments on both sides of the aisle. Indeed, we have disclosure amendments that apply to the executive branch coming from both sides of the aisle. Senator WYDEN has a disclosure amendment that is similar to that of Senator SHELBY's. We are working with both of those offices right now to try to work those out.

I do not know how this all of a sudden became a partisan debate or a debate about the Bush administration or anything. This is a debate about good government and how we can best assure the American people that, regardless of whether public officials are in the executive branch or the legislative branch, they are putting the public's interests ahead of their private interests and that they are not profiting from insider information, nonpublic information that is not available to the public which they are using inappropriately—if, in fact, that is even happening—for personal gain.

I did wish to clarify that the bill, as reported from committee, does apply to the executive branch as well as the legislative branch, that the statement made by the Senator was inaccurate in that regard, and that we have amendments on both sides of the aisle that we are working on right now to extend the disclosure requirements, the reporting requirements to the executive branch. Those are amendments coming from both Democrats and Republicans.

I would like to yield at this point to the Senator from Massachusetts.

Mrs. BOXER. Mr. President, if I can respond?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mrs. BOXER. The Senator can't yield—I would like to have the floor now. She can't yield to another colleague except if it is for a question. I would like to have the floor since the Senator just said I was incorrect. I would like to correct her, if I might.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. What I said was, when these bills were introduced, they were directed at the Congress. That is what I said. I talked about the bills. I did not talk about what went on amending them, et cetera. I will repeat what I said was accurate. Both Mr. BROWN's bill and Mrs. GILLIBRAND's bill were, in fact, talking about the Congress.

What I would also like to say is if my colleague wants bipartisanship, she should be happy with this amendment since it is coming from Senators BOXER and ISAKSON, the chairman and the vice chairman of the Ethics Committee.

We did not investigate the executive branch and Countrywide's going after the people in the Bush administration and the Obama administration. We do not have that information. If she has information that shows there have been sweetheart deals over there, I certainly want to know about it. As I said, if my colleague wants to offer a first-degree amendment that broadens this, I am happy to look at it. Because if it can be shown to me that there have been abuses over there, from the mortgage companies going after these folks over there, I am happy to agree to that. I would have to take it to Senator ISAKSON because he is, in fact, the coauthor. Also, I have to point out that this same amendment I offered was put forward in a bill by Senator CORNYN in 2008. So there is a lot of interest on this.

I am a person who likes to know what I am talking about. I try very hard. I do not know if there has been abuse from the mortgage companies over to the executive branch. But I know for sure there has been a big problem here with colleagues getting sweetheart deals. I want to put an end to it.

If my colleague wants to strengthen my amendment, she can offer a second-degree amendment. If she can prove to me that there has been abuse and there has been a problem and there is not enough protection, I am happy to support it. But I guess I am a little taken aback as I come here in a bipartisan spirit to offer a bipartisan amendment, I have kind of been the subject of some weird sort of attack for not going far enough with my amendment. I find it bizarre, to be totally frank, and I will continue to stay on the floor until I understand what this is all about. Maybe I have nothing to do with it. If I said something wrong, I would like to know what it is. But I am offering, in good faith, a bipartisan amendment that is a no-brainer, that comes straight out of the Countrywide scandal that we studied in a bipartisan way, in Congress, and we are moving to correct the problems we know exist.

If there are more problems out there and if my friend has proof of that, if she can prove it to us, I am happy to support a first-degree amendment to this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I do not know why the Senator from California, first of all, is assuming I am somehow

opposed to her amendment. I have not said that. What I raised was a very legitimate question of asking whether she had considered extending it to the executive branch.

Then her response seems to be an attack; that if I have information that there are problems and sweetheart deals in the executive branch, I should prove them.

I am not making allegations. I do not make unsubstantiated allegations against individuals. What I was trying to tell the Senator from California is that the issue of the scope and applicability of this bill has come up over and over. It came up in committee. We changed the bill in committee to make it clear that the prohibition against insider trading and a duty applied to the executive branch as well as to the legislative branch.

I have not criticized her amendment in any way. I asked a series of questions about the scope of her amendment because this issue has come up repeatedly, on both sides of the aisle. It came up in committee during our markup. It has come up on the Senate floor repeatedly as far as what the disclosure requirements should be and to whom they should apply.

I am the one who is baffled by the response of the Senator from California, since I have not indicated any opposition whatsoever to her amendment.

I have merely brought up the fact that the issue of the scope of this bill has come up repeatedly, so I was curious why she chose to have such a narrow bill rather than applying it to executive branch officials who filed the same kinds of disclosure.

The PRESIDING OFFICER. The Senator from California.

Ms. BOXER. Mr. President, we can go back and forth 100 ways to Sunday. I thought I explained exactly why Senator ISAKSON and I have a narrow bill. We are trying to fix a problem we know exists. We feel very strongly that for the good of the Senate, in particular—because this is the body we serve in. We love it. We want to make it strong and appreciated and not derided. We had a scandal that touched this body and we had a thorough investigation. It took a long time to get to the bottom of it. We uncovered the fact that Countrywide had a sweetheart deal and they were aiming it at Members of Congress.

We have crafted this amendment to respond to what we know is a problem. I am not in the business of coming down here and legislating on things that I might guess are a problem or, gee, maybe I can throw out a fishing net and catch everybody in it. If there is a problem elsewhere, I am happy to support my colleague if she would like to broaden this. I am not against it. I am saying for me and Senator ISAKSON, we have offered an amendment that cures a very simple problem; that ethics rules, as they are today, allow Senators and Members of Congress to avoid showing the mortgages they hold on personal residences. If the same thing exists in the executive branch, I don't know about that. I am dealing with an amendment here and so is Senator ISAKSON, that we know about.

If the Senator asks again why our amendment is narrow, let me again answer it in another way: We are curing a narrow problem but a problem that exists. We are not throwing out some big fishing net to catch everybody in it whom we don't know about. We think this will make the Congress a better place. We do. Because there are Members who have two, three, four, and five homes. They may have two, three, four, and five mortgages, and we think it is important for the public to know that.

But, again, I hope my colleague from Maine supports this. I don't know if she does.

She doesn't oppose it. That is a good start. I hope she supports it. If she feels she can make it stronger, she should offer a first-degree amendment, let me take a look at it, let me see whether it is necessary, and let me see whether there is reason to do it. I can surely tell her I am very open to broadening it, but the reason it is crafted the way it is is that it is dealing with a problem we are not guessing exists; we know it exists where there have been abuses before and we are trying to cure that problem.

I thank the Senator for her patience.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROWN of Massachusetts. Mr. President, I enjoyed that back and forth debate very much. I appreciate the spirit in which that amendment was offered. I wrote the original bill. It was my bill and Senator GILLIBRAND then filed a bill. We went through the committee process, and the original intent of the bill was to deal with insider trading. It applied to all Federal employees, not just congressional, so it is an insider trading bill.

The spirit of what we have been trying to do over the last day and a half is to address issues equally so as to eliminate all appearances of impropriety and for any branch of government to not play by the same rules as the American people would play by. So every single amendment that has come through this Chamber right now has not only been expanded to cover, obviously, those in the Senate and the House of Representatives but also equally to the executive branch.

So if this amendment is going to have any chance of passing, I can assure you I will not support it unless it specifically also applies to the executive branch. If she wants to amend it or modify it to include that, then it will have a good chance of passing; if not, I will do my best to prohibit it because it needs to be applied to everybody. For us to come and say we need to come up with proof that somebody is doing something or not doing something—listen, it is no different than what we are trying to do on the insider trading bill. There is no one who has been brought to court and found criminally responsible. We are dealing on inference and reference and innuendo. That is why we are trying to reestablish the trust with the American people to do something that would not traditionally have been done but not for a 60-minute speech. So if we knew something was happening in the mortgage industry, great, let's let it apply across the board and not exclude a group of Federal employees for some particular political reason.

Once again, if she wants to amend it, great. If not, I am going to do my best to make it amended so we can have it apply equally if we are going to ultimately take it up.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. BEGICH. Thank you, Mr. President. I also enjoyed this debate. I agree with Senator BROWN. It is a form they already fill out now. We just have to add one other line. It is not complicated. I think it is a good idea. I will leave it at that.

I ask unanimous consent to speak in morning business about the STOP Act.

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

(The remarks of Mr. BEGICH pertaining to the introduction of S. 2054 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BEGICH. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. TESTER. Mr. President, I wish to thank the Senator from Alaska for his explanation of what has been going on as far as executive compensation with FHFA.

AMENDMENT NO. 1492 TO AMENDMENT NO. 1470

Mr. TESTER. Mr. President, I would ask the Senate set aside the pending amendment and call up amendment No. 1492.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. TESTER] proposes amendment numbered 1492.

Mr. TESTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Securities Act of 1933 to require the Securities and Exchange Commission to exempt a certain class of securities from such Act)

At the end, insert the following:

SEC. _____. SMALL COMPANY CAPITAL FORMATION ACT OF 2012.

(a) SHORT TITLE.—This section may be cited as the ''Small Company Capital Formation Act of 2012''.

(b) AUTHORITY TO EXEMPT CERTAIN SECURITIES.—

(1) IN GENERAL.—Section 3(b) of the Securities Act of 1933 (15 U.S.C. 77c(b)) is amended—

(A) by striking ''(b) The Commission'' and inserting the following:

''(2) ADDITIONAL EXEMPTIONS.—

''(A) SMALL ISSUES EXEMPTIVE AUTHORITY.—The Commission''; and

(B) by adding at the end the following:

''(B) ADDITIONAL ISSUES.—The Commission shall by rule or regulation add a class of securities to the securities exempted pursuant to this section in accordance with the following terms and conditions:

''(i) The aggregate offering amount of all securities offered and sold within the prior 12-month period in reliance on the exemption added in accordance with this paragraph shall not exceed $50,000,000.

''(ii) The securities may be offered and sold publicly.

''(iii) The securities shall not be restricted securities within the meaning of the Federal securities laws and the regulations promulgated thereunder.

''(iv) The civil liability provision in section 12(a)(2) shall apply to any person offering or selling such securities.

''(v) The issuer may solicit interest in the offering prior to filing any offering statement, on such terms and conditions as the Commission may prescribe in the public interest or for the protection of investors.

''(vi) The Commission shall require the issuer to file audited financial statements with the Commission annually.

''(vii) Such other terms, conditions, or requirements as the Commission may determine necessary in the public interest and for the protection of investors, which may include—

''(I) a requirement that the issuer prepare and electronically file with the Commission and distribute to prospective investors an offering statement, and any related documents, in such form and with such content as prescribed by the Commission, including audited financial statements and a description of the issuer's business operations, its financial condition, its corporate governance principles, its use of investor funds, and other appropriate matters; and

''(II) disqualification provisions under which the exemption shall not be available to the issuer or its predecessors, affiliates, officers, directors, underwriters, or other related persons, which shall be substantially similar to the disqualification provisions contained in the regulations adopted in accordance with section 926 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. 77d note).

''(C) LIMITATION.—Only the following types of securities may be exempted under a rule or regulation adopted pursuant to paragraph (2): equity securities, debt securities, and debt securities convertible or exchangeable to equity interests, including any guarantees of such securities.

''(D) PERIODIC DISCLOSURES.—Upon such terms and conditions as the Commission determines necessary in the public interest and for the protection of investors, the Commission by rule or regulation may require an issuer of a class of securities exempted under paragraph (2) to make available to investors and file with the Commission periodic disclosures regarding the issuer, its business operations, its financial condition, its corporate governance principles, its use of investor funds, and other appropriate matters, and also may provide for the suspension and termination of such a requirement with respect to that issuer.

''(E) ADJUSTMENT.—Not later than 2 years after the date of enactment of the Small Company Capital Formation Act of 2011 and every 2 years thereafter, the Commission shall review the offering amount limitation described in paragraph (2)(A) and shall increase such amount as the Commission determines appropriate. If the Commission determines not to increase such amount, it shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on its reasons for not increasing the amount.''.

(2) TREATMENT AS COVERED SECURITIES FOR PURPOSES OF NSMIA.—Section 18(b)(4) of the Securities Act of 1933 (15 U.S.C. 77r(b)(4)) is amended—

(A) in subparagraph (C), by striking ''; or'' at the end and inserting a semicolon; and

(B) by redesignating subparagraph (D) as subparagraph (E), and inserting after subparagraph (C) the following:

''(d) a rule or regulation adopted pursuant to section 3(b)(2) and such security is—

''(I) offered or sold on a national securities exchange; or

''(II) offered or sold to a qualified purchaser as defined by the Commission pursuant to paragraph (3) with respect to that purchase or sale.''.

(3) CONFORMING AMENDMENT.—Section 4(5) of the Securities Act of 1933 is amended by striking ''section 3(b)'' and inserting ''section 3(b)(1)''.

(c) STUDY ON THE IMPACT OF STATE BLUE SKY LAWS ON REGULATION A OFFERINGS.—Not later than 3 months after the date of enactment of this Act, the Comptroller General shall—

(1) conduct a study on the impact of State laws regulating securities offerings (commonly referred to as ''Blue Sky laws'') on offerings made under Regulation A (17 C.F.R. 230.251 et seq.); and

(A) transmit a report on the findings of the study to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

AMENDMENT NO. 1503 TO AMENDMENT NO. 1470

Mr. TESTER. Mr. President, I ask that the amendment be set aside, and I ask unanimous consent to call up amendment No. 1503.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. TESTER] proposes amendment numbered 1503.

Mr. TESTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To require Senate candidates to file designations, statements, and reports in electronic form)

At the end, add the following:

SEC. ___. FILING BY SENATE CANDIDATES WITH COMMISSION.

Section 302(g) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)) is amended to read as follows:

''(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.''.

Mr. TESTER. Mr. President, I also ask unanimous consent to be recognized to speak on this amendment for up to 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. TESTER. Mr. President, I am pleased to offer this amendment with Senator COCHRAN and ask unanimous consent that he be added as a cosponsor.

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

Mr. TESTER. This is a straightforward amendment. It simply requires candidates for the Senate, both challengers and incumbents, file their quarterly campaign finance reports electronically. Anyone seeking the Presidency or a spot in the U.S. House of Representatives is required to submit campaign finance records electronically right now, but Senators or would-be Senators are not. It makes no sense.

Right now, Senate candidates drop off a hard copy of their filing report with the Secretary of the Senate. Someone from the FEC comes over and then takes the reports over to the FEC to make copies, and then, finally, the copies are put online.

These documents often run hundreds of pages in length. The FEC estimates it wastes about $250,000 of taxpayer money each year just to make those copies and put them online. Now, that might not sound like a lot of money in Washington, DC, but the idea of spending $1/4 million on an outdated process represents what is wrong with Washington, DC.

Americans deserve to know how much money candidates raise and from whom, and they deserve to be able to access that information in real time.

It is not just the cost of the current process that folks should be angry about. The process of making copies and posting the documents online takes weeks. That is not just a waste of time, it is bad for the democratic process.

Campaign finance data filed right before a general election is not available to the public until the following February, long after the election has already taken place.

Since the Citizens United ruling, folks aren't able to tell who is funding third-party advertisements. It is hard enough to know who is spending the money on third-party advertisements. The least we can do is to make sure that folks have better access to the information about who is giving to the candidates.

My bill from the last Congress had strong bipartisan support—14 Democrats, 6 Republicans, and 5 of the cosponsors are members of the Homeland Security Committee. I especially appreciate, and I wish to thank, the Republican manager of the STOCK Act, Senator COLLINS, for being a supporter of that original bill.

We have an opportunity to do something that cuts government spending and adds more transparency and accountability to the elections process. I urge all of my colleagues to support this amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LIEBERMAN. Mr. President, for the information of our colleagues, productive work is going on to try to reach a final list of amendments for the STOCK Act and to have an agreement which will come up for a vote, and to have that obviously by a bipartisan agreement. We are making progress. I hope we can continue to do that.

ORDER FOR RECESS

I ask unanimous consent that the Senate recess from 4 to 5 p.m. so that all Senators can attend a classified briefing.

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

Mr. LIEBERMAN. Mr. President, 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. BARRASSO. 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. BARRASSO. Mr. President, I ask unanimous consent to speak as in morning business.

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

A SECOND OPINION

Mr. BARRASSO. Mr. President, I come to the floor, as I do week after week, as a physician who practiced medicine in Wyoming for a quarter of a century to give a doctor's second opinion about the health care law.

I was thinking last week, while sitting in the House Chamber when the President was giving his State of the Union Address, about something he said. He said:

> We will not go back to an economy weakened by outsourcing, bad debt, and phony financial profits.

Repeating, he promised not to go back to an economy weakened by phony financial profits. That is why today, in the next hour or so, the House of Representatives will answer the President's call. They will agree. They will vote to repeal the CLASS Act—a program that is the perfect example of phony financial profits.

Let me explain further. President Obama's health care law established the CLASS Act—a brandnew Federal long-term care entitlement program. CLASS pays a stipend to individuals enrolled when they are unable to perform daily living activities, such as dressing, bathing, and eating. The issue is that to qualify for the CLASS benefit, an individual would have to pay a monthly premium for 5 years before the Federal Government starts to pay out any benefits. Well, that sounds great, but not so fast. It turns out that the math for the program doesn't add up and it will not work.

The worst part about it is that the administration has known from the very beginning that this CLASS Program—and the President's entire health care law—was built on phony financial profits. Specifically, the Obama administration hid behind a Congressional Budget Office estimate showing that this program would reduce the deficit by $70 billion over a 10-year period. These savings are entirely mythical, and they come from premiums collected over the first 5 years. During that time, the program isn't required or even allowed to pay out individual benefits. Over its first 10 years, this program, the Congressional Budget Office estimated, would collect $83 billion in premiums but would only pay out $13 billion in benefits. But then instead of holding on to the $70 billion in excess premiums collected to pay out future expenses, the Washington Democrats used it as an accounting gimmick, a budgetary trick to pay for the President's health care law. Adding insult to injury, Washington Democrats then tried to claim that the same $70 billion could also be used to pay down the deficit. Talk about phony financial profits. This is the very practice used by the President that the President now objects to.

The good news is that the administration finally admitted late last year that the CLASS Act was a complete failure and they could not make it work. The bad news is that the phony financial profits continue.

Just because the program won't go forward doesn't mean that the costs of the President's health care law don't go forward, because they do. Now the American people are stuck with the bill, and it is a much more expensive bill than the one they had been promised and the one they had expected. In fact, just yesterday, the nonpartisan Congressional Budget Office reported that the health care law is now likely to cost $54 billion more than expected between 2012 and 2021.

As Politico says:

> The big change that makes the law more expensive is the Obama administration's decision not to implement the CLASS Act, which means the government will not collect $76 billion in premiums over the next 10 years.

I applaud the House for taking the lead and voting to repeal the CLASS Act. I call on President Obama and my colleagues in the Senate to do exactly the same. Senate majority leader HARRY REID should bring H.R. 1173, the Fiscal Responsibility and Retirement Security Act, to the Senate floor for a vote. This bill will repeal the CLASS Act so that the American people have a clear understanding of the cost of the President's health care law.

It is time to end the phony financial profits in the President's health care law that continue to burden our economy and our Nation. It is time to finally find out if the President truly does believe in fairness because if he does, he will repeal the CLASS Act and make it clear that he has the same accounting standards for Washington as he has for the private sector. Washington should not be able to cook the books and to make the President's health care law look more financially sound than it really is.

The American people are sick of phony financial profits, and they are demanding fairness in the public sector as well as the private sector. That is why I will continue to come to the floor and fight each and every day to repeal and replace the President's broken health care law—replace it with a patient-centered plan, a plan that allows Americans to get the care they need from a doctor they want at a price they can afford.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

RECESS

Mr. BARRASSO. Mr. President, I ask unanimous consent that the Senate recess at this time under the previous order.

There being no objection, the Senate, at 3:59 p.m., recessed until 5 p.m. and reassembled when called to order by the Presiding Officer (Mr. WHITEHOUSE).

STOP TRADING ON CONGRESSIONAL KNOWLEDGE ACT—Continued

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

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

BLACK HISTORY MONTH

Mr. CARDIN. Mr. President, as we start Black History Month, I rise to discuss a national hero I have spoken about many times on the Senate floor. With this year's Black History Month focused on African-American women, it is all the more appropriate for me to talk about Maryland's Harriet Ross Tubman and her dedication to justice, equality, and service to this country.

In my career, I have spoken on the Senate floor, at events in Maryland, in meetings with constituents, and with my colleagues about Harriet Tubman's legacy. While I hope each opportunity I have taken to discuss the life of this remarkable woman helps raise the