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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable TOM UDALL, a Senator from the State of New Mexico.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Savior, like a shepherd lead us, much we need Your tender care. Lead our Senators today away from cautious complacency and from impulses which can bring regrets. Lead them toward the freedom that trusts Your providence and believes that in everything You work for the good of those who love You.

Lord, give us all, by Your grace, pure hearts that love only the highest and clean minds that seek only the truth. Let nothing deflect us from Your path so we will always follow You and never lose our way.

We pray in Your sovereign Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable TOM UDALL led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 17, 2012.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TOM UDALL, a Senator

from the State of New Mexico, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mr. UDALL of New Mexico thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE FOOD AND DRUG ADMINISTRATION SAFETY AND INNOVATION ACT—MOTION TO PROCEED

Mr. REID. Mr. President, I now move to proceed to Calendar No. 400.

The ACTING PRESIDENT pro tempore. The clerk will report the motion.

The legislative clerk read as follows:
Motion to proceed to Calendar No. 400, S. 3187, a bill to amend the Federal Food, Drug, and Cosmetic Act to revise and extend the user-fee programs for prescription drugs and medical devices, to establish user-fee programs for generic drugs and biosimilars, and for other purposes.

Mr. REID. Mr. President, we are now on the motion to proceed to FDA user-fee legislation.

I ask unanimous consent that following my remarks and those of the Republican leader, the time until 10:30 a.m. be equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, at 10:30 a.m. today the Senate will proceed to

executive session to consider the Stein and Powell nominations, both nominees to the Board of Governors at the Federal Reserve system. At noon, there will be two votes on the confirmation of their nominations. At this stage, there likely will be no more votes after that, but we will keep everyone advised as to what is going to happen.

Mr. President, when someone we love gets sick, the only thing on your mind is how to help them get well, how to get them the care they need.

But before every miracle drug or innovative new device comes to market, there is a rigorous approval process to make sure that device or that medicine is going to be safe. To get lifesaving drugs and devices to the patients who need them as quickly and efficiently as possible, Congress must give the Food and Drug Administration the tools it needs to review and approve these products. Today the Senate will begin consideration of legislation which gives FDA the resources to ensure medical devices, drugs, and treatments are safe and effective.

I applaud the work of my colleagues Senator HARKIN and Senator ENZI to bring this legislation to the floor. These two fine Senators have different political philosophies on things generally, but they work well on this committee and I am very proud of each of them. I consider them both friends. And bringing this bill to the floor in the manner they did is indicative of the work that needs to be done around here more often. So I hope to see the strong bipartisan effort these two Senators began continue as the Senate considers this important legislation.

The Food and Drug Administration Safety and Innovation Act authorizes the FDA to charge manufacturers of new medical devices user fees. These fees are used to ensure their products are reviewed quickly and thoroughly before they are approved. But this legislation does more than maintain the status quo; it also enacts crucial reforms that will prevent drug shortages

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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and bring the lifesaving medicines to market more quickly, it will save high-tech jobs in the medical field, make new treatments available to patients quickly, and preserve America's role as a global leader in biomedical innovation.

The legislation will expedite the processes of approving new drugs and medical devices—including many designed for children—while ensuring these products are safe for consumers. It will help spur the innovations that bring the next groundbreaking cancer or Parkinson's drug to market.

The bill will hold foreign manufacturers who sell drugs in the United States to the same high standards met by American companies. This is extremely important because of all the misleading attempts by these manufacturers to sell them on the Internet.

It will help prevent drug shortages by opening the lines of communication between manufacturers and the FDA. The Senator from Minnesota, Senator KLOBUCHAR, and the junior Senator from Pennsylvania, Senator CASEY, have been leaders in this drug shortage issue, and I applaud them. They are doing this to safeguard Americans' health. Every day hospitals across the country experience shortages of lifesaving FDA-approved drugs and treatments.

As most Senators know, my wife has been ill with cancer and she had 20 weeks of chemotherapy. Every week, we were worried that the drugs wouldn't be there on that Monday morning at noon when she got those treatments. Fortunately for us, they were. But that isn't the way it is with everyone around the country. People who need these lifesaving medications have found those medicines not available, and we have to do everything we can to stop that.

These shortages threaten public health and prevent patients from getting the care they need. The shortage of one drug used to treat a rare form of childhood leukemia—a drug that is an effective cure in 90 percent of those cases—has literally put young lives at risk by not having those drugs. And when I say a 90-percent cure rate, it is amazing. One of my high school buddies had a son who was playing Little League baseball. Running around the bases, he couldn't do it. This was a macho family with all these tough boys in the family, and they were concerned that he was not being as aggressive as he should be. He had leukemia, and this boy died. There was nothing they could do for him. He died. Now 90 percent of these cases are cured.

I have spoken on the floor before—others have—there is one form of leukemia that has been almost stopped in its tracks by the scientists discovering a bush called periwinkle, and they use the products from that little weed to cure cancer.

We need to do everything we can to make sure these lifesaving drugs are available. No mother or father should

have to watch a child suffer as he waits for a lifesaving medicine. But as the number of drug shortages increases each year, more parents wait and worry; more husbands and wives and daughters and sons wait and worry.

In 2005, the FDA reported shortages of 55 medications. Last year, the number jumped to 231, including the leukemia drug I mentioned and some chemotherapy medicines. These shortages are caused by a variety of factors: problems with factories, limited manufacturing capacity, or lack of raw materials.

Another thing we have learned is the manufacturers of these products want to be able to sell everything. They don't want to waste valuable money on storing medicines. One of the big businesses that used to be in America is warehouses storing things. In Reno, NV, we were a big warehouse storage area because we had no tax on storage. But anymore, there is not as much being stored because manufacturers determined that is a waste of money. That is one of the things that happened with these pharmaceuticals.

Some, though, are caused by a lack of financial incentive—or profit motive is what it is. There is nothing wrong with that, but companies simply don't manufacture enough because they don't make enough money.

Public awareness and pressure have prompted drugmakers to voluntarily notify the FDA of any impending shortages, preventing almost 200 more shortages last year than I just talked about. But Congress can, and must, do more to improve communication with drugmakers, the FDA, and hospitals providing this crucial care.

Passing this legislation without delay will be a leap forward in that process. That is why last night I said—and I say today—I hope we don't have to file cloture on a motion to proceed to this lifesaving legislation. Let's get on this legislation. If we have to vote on cloture on this Monday, then we can't get on this until Wednesday and start legislating. How foolish.

We will have amendments. I have had a number of Republican Senators come to me and say, We want to be able to offer amendments, relevant amendments. Good. Let's do it. If someone has a problem with this bill, don't stop us from going to it; offer an amendment. If it is a worthy cause, we will vote with him or her and get rid of what is in that legislation. But don't hold up the legislation.

I would hope my Republican colleagues talk to one of the Senators who is holding us up and say, Don't do that; it is making us, the Republicans, look bad. And it does.

I hope we can get on this legislation and work to make the health care delivery system in America more effective and efficient.

Would the Chair announce the business of the day.

The ACTING PRESIDENT pro tempore. Under the previous order, the

time until 10:30 will be equally divided between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the second half.

The Senator from Kansas is recognized.

Mr. MORAN. Mr. President, I ask unanimous consent to address the Senate as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SECOND AMENDMENT SOVEREIGNTY ACT

Mr. MORAN. Mr. President, our Nation's Founding Fathers amended the U.S. Constitution more than two centuries ago to guarantee a bill of rights for its citizens. Since then, our democracy has stood strong and Americans have enjoyed liberties and freedoms unparalleled in the world, including the fundamental right to keep and bear arms guaranteed by the second amendment to the U.S. Constitution.

Today our freedoms and our country's sovereignty are in danger of being undermined by the United Nations. To ensure our liberties remain for generations, today and for the future, I am offering legislation to protect the rights of American gun owners from the effects of any U.N. arms treaty.

In October of 2009, at the U.N. General Assembly, the Obama administration voted for the United States to participate in negotiating an arms trade treaty—a reversal of the previous administration's position. This treaty is supposedly intended to establish “common international standards for the import, export and transfer of conventional arms,” including tanks, helicopters, and missiles. However, by threatening to include civilian firearms within its scope, the arms trade treaty would restrict the lawful private ownership of firearms in our country. Whether that is true depends upon what the treaty actually says.

Less than 2 months from now, the U.N. Conference on Arms Trade Treaty will take place in New York, and that presumably will determine the language that is ultimately included as the treaty will be finalized for its adoption.

Given where the process stands today, I am concerned that this treaty will infringe upon the second amendment rights of American gun owners. I am also concerned it will be used by other countries that do not share our freedoms to wrongly place the burden of controlling international crime and terrorism on law-abiding American citizens.

Currently, proposals being considered by the preparatory committee at the U.N. would adversely affect U.S. citizens. I have several concerns with these proposals. First, there have been regular calls for bans or restrictions on the civilian ownership of guns Americans use to hunt, target shoot and defend themselves.

Second, by requiring firearms to be accounted for throughout their lifespan, the Arms Trade Treaty could

lead to nationwide gun registration. This despite evidence that the costly bureaucratic system has been a complete failure in solving any crimes or stopping criminals from getting access to guns everywhere it's been tried.

Third, other proposals could require the marking and tracking of all ammunition, including ammunition for civilian sale and use.

To make sure that our country's sovereignty and the rights of American gun owners are protected as the administration negotiates this treaty, I have sponsored S. 2205, the Second Amendment Sovereignty Act. This legislation is simple.

First, it says that the administration cannot use the "voice, vote and influence of the United States" to negotiate a treaty that in any way restricts the second amendment rights of American citizens. This is a commonsense requirement that even the Obama administration maintains.

In an August letter I received from the U.S. State Department, they wrote:

The Administration will not agree to a treaty that will infringe on the constitutional rights of American citizens . . . We will not agree to treaty provisions that would alter or diminish existing rights of American citizens to manufacture, assemble, possess, transfer, or purchase firearms, ammunition, and related items.

This bill will hold them to that pledge.

Second, S. 2205 specifically prohibits the administration from seeking to negotiate a treaty that regulates the domestic manufacture, possession, or purchase of firearms and ammunition. In other words, this bill seeks to maintain the sovereignty of our laws within our borders. U.N. member states regularly argue that no treaty controlling the transfer of arms internationally can be effective without controls on transfers inside a country's own borders. This is unacceptable.

Again, the administration claims to agree, saying it "will oppose any effort to address internal transfers." Congress should hold them to this pledge. At stake is our country's autonomy and the rights of American citizens protected under the Constitution.

More specifically, this legislation seeks to ensure that U.S. citizens will not be subjected to restrictions on the use or possession of civilian firearms and ammunition. It prohibits the administration from negotiating a treaty that would result in domestic regulations on civilian firearms like hunting rifles that are often mischaracterized as "military weapons," "small arms," or "light arms." Civilian firearms must be excluded from the Arms Trade Treaty.

Preparatory committee meetings have made it clear that many U.N. member states aim to craft an extremely broad treaty that includes civilian firearms within its scope. For example, Mexico and several countries in Central and South America have called for the treaty to cover "all types

of conventional weapons (regardless of their purpose), including small arms and light weapons, ammunition, components, parts, technology and related materials."

If those provisions were included in a treaty, that treaty would be incredibly difficult to enforce, and would pose dangers to all U.S. businesses and individuals involved in any aspect of the firearms industry, from manufacturers to dealers to consumers.

I urge my colleagues in the Senate to adopt this commonsense legislation. On July 22 of last year, 57 U.S. Senators joined me in reminding the Obama administration that our firearm freedoms are not negotiable.

We notified President Obama and Secretary of State Clinton of our intent to oppose ratification of a treaty that in any way restricts Americans' second amendment rights. Our opposition is strong enough to block the treaty from passage, as treaties submitted to the U.S. Senate require two-thirds approval to be ratified.

As the treaty process continues, the Second Amendment Sovereignty Act seeks to further reinforce to the administration that our country's sovereignty and firearm freedoms must not be infringed upon by an international organization made up of many countries with little respect for gun rights. America leads the world in export standards to ensure arms are transferred for legitimate purposes and my bill will make certain that law-abiding Americans are not wrongfully punished.

In the days ahead, I will continue to work with my colleagues to ensure an Arms Trade Treaty—if negotiations result in one—that undermines the Constitutional rights of American gun owners is dead on arrival in the Senate.

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

The ACTING PRESIDENT pro tempore. 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 ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A SECOND OPINION

Mr. BARRASSO. Mr. President, I come to the floor today, as I have week after week since the President's health care law was signed, to talk as a doctor, someone who has taken care of patients all around Wyoming, someone who has run the Wyoming health fairs, giving low-cost medical screenings to thousands of citizens around our State, and someone who knows we need health care reform in a way that gives patients the care they need from the doctor they want at a cost they can afford. There were so many promises made with this health care law that I come week after week because there are so many broken promises.

Today I want to remind the body that the former Speaker of the House,

NANCY PELOSI, once predicted that the health care reform "will create 4 million jobs; 400,000 jobs almost immediately." It is now 2 years later, and we know that actually the exact opposite is happening. We continue with high unemployment. We continue with people out of work, unemployed, underemployed, and the promise both from the President of new jobs and of NANCY PELOSI of 4 million jobs is another broken promise. Instead of creating jobs, this new law is destroying jobs all across the country. You say, how is it they can actually be destroying jobs? That is exactly what we are seeing as a result of the health care law.

Recently, columnist George Will wrote about how the President's law will impact Cook Medical. It is the world's largest family-owned medical devices company. He explained in his column that the Democratic Congress "included in the legislation"—and all the people on that side of the aisle voted for this—"included in the legislation a 2.3 percent tax on gross revenue"—that is not profits, that is gross revenue—"which generally amounts to about a 15 percent tax on most manufacturing profits—from U.S. sales in medical devices beginning in 2013." So it is something that is happening very soon. "This will be piled," as he said, "on top of the 35 percent federal corporate tax, and state and local taxes."

Mr. Will went on to say that this 2.3 percent tax will be a \$20 billion blow to an industry that employs more than 40,000 people, and \$20 billion is almost double the industry's annual investment in research and development.

We want them to do research. We want development. We want new and innovative treatments that will actually help people. Instead, this administration—the Democrats in Congress in the House and the Senate and the President of the United States—put on a 2.3-percent tax, a \$20 billion blow to those who do the research and the development. This tax is going to lead to "fewer jobs but also fewer pain-reducing and life-extending inventions—stents, implantable defibrillators—which all have reduced health care costs."

That is a quote from the article.

Cook Medical is not the only medical device company that is bracing for the President's new penalty on jobs and innovation. In fact, let's take a look at some of those.

Boston Scientific is planning for more than a \$100 million charge against earnings in 2013. They recently built a \$35 million research and development facility. This is called Boston Scientific—Boston. Where did they build their research center? Ireland. And they are building a \$150 million factory called Boston Scientific in China. That is as a result of what we see with this health care law and the impact of what this administration is doing to jobs in America.

Stryker Corporation, based in Michigan, blames the tax for 1,000 layoffs.

Zimmer, based in Indiana, is laying off 450 and taking a \$50 million charge against earnings related to this tax.

These are companies that, as an orthopedic surgeon, I say have made new advances in technologies, in artificial joints over the years I have practiced in Wyoming. These are companies that have longstanding reputations. Yet they are laying off people because of the new Medicare law—American workers.

Medtronic expects an annual charge against earnings of \$175 million.

Other companies—Covidien, now based in Ireland, has cited the tax in explanation of 200 layoffs and a decision to move production to Costa Rica and to Mexico.

Once again, the column by Mr. Will makes it clear that the President's health care law is destroying jobs and is having a devastating impact on our economy.

In March, Senator COBURN and I released our third health care law oversight report. We entitled the report "Warning: Side Effects, A Check-Up on the Federal Health Law." One chapter in our report is dedicated to the health care law's job-killing Medicare device tax. It is a tax the analyses predict will negatively impact job creation and also—incredibly important for people around this country—will stifle medical innovation.

As an orthopedic surgeon, I can tell you that I have seen firsthand how cutting-edge technology saves lives and also supports jobs across the country. Scientists have invented medical devices, such as pacemakers, defibrillators, and artificial joints, that have improved the quality of life for so many Americans. But now, today, because of this health care law, the future of the medical device industry in America is under attack. In September of 2011, the Manhattan Institute issued a report showing the devastating impact the President's device tax will have on industry. The Manhattan Institute's report shows the medical device tax will eliminate at least 43,000 American jobs. This number represents more than 1 out of every 10 jobs in the device manufacturing sector. It is not a record the Democrats should be proud of, but it is clearly a record caused by the other side of the aisle, the Democrats, and specifically the President who signed this bill into law.

Not only will this tax kill 43,000 jobs, workers are going to lose about \$3.5 billion in wages. This is money these workers could have spent in their local communities to help the economy of those communities and, therefore, the Nation's economy.

So what does all this mean to U.S. device manufacturers? Well, these companies are more likely to close their plants in the United States. They will close the plants here and do what others have done: replace them with plants overseas. Foreign manufacturers will improve their competitiveness compared to American firms. This will

severely threaten U.S. leadership in the device industry and in the world. Do we want to see plants closing at high-tech medical device research facilities in States such as Massachusetts, Pennsylvania, Minnesota, New Jersey, New York, and Wisconsin?

Finally, the President's medical device tax is going to increase costs to American consumers. These are the American consumers who said what they wanted with the health care law is care they need, the doctor they want, at a price they can afford. Yet this health care law is going to increase costs to American consumers. The Congressional Budget Office has warned that the health care law's tax imposed on medical device manufacturers and drug manufacturers and health insurance providers would be passed through to the consumers in the form of higher insurance premiums. Wasn't it the President who promised that under his health care law insurance premiums would lower by \$2,500 a year? Is that a promise the President and Democrats in Congress have forgotten? The American people have not forgotten, which is why the health care law is even more unpopular today than the day it was signed into law.

The administration's own Medicare Chief Actuary, Richard Foster, came to the same conclusion. He estimated these taxes could be passed through to health care consumers in the form of higher drug prices, higher device prices, and higher insurance premiums.

If the administration wants to get serious—and I wonder if this administration wants to get serious—about reducing regulatory burdens and creating good jobs, then the President should start today by repealing his onerous medical device tax. Not only will this device tax suppress job creation and limit economic growth, it will also slow, and perhaps even stop, research and development into new lifesaving medical devices.

We must take action to repeal this anticompetitive, job-destroying device tax before it begins to take effect in 2013. If the White House wants to work with Republicans on progrowth policies, policies that support innovation, policies that get the Nation's economy moving again, then President Obama would support repealing this device tax.

Senator ORRIN HATCH has introduced legislation, S. 17, that would do just that. I am proud to be a cosponsor of that bill, and I believe the Senate should take up the Hatch bill and pass it.

As we are now 2 years after the passing and signing into law of the President's health care law, I will continue to come to the Senate floor because this is a health care law that is bad for patients, it is bad for providers, the nurses and the doctors who take care of those patients, and it is terrible for the American taxpayers. We need to repeal and replace this broken health care law.

Thank you, Mr. President.

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

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

The assistant legislative clerk called the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The minority leader is recognized.

TIME TO ACT

Mr. MCCONNELL. Mr. President, yesterday in the Senate we got a vivid look at why the challenges we face in this country are so difficult to address. With a looming fiscal crisis some have called the most predictable in history, with a national debt at a level none of us ever even imagined, with millions unemployed and millions more underemployed, with the biggest tax hike in history looming at the end of the year, and with entitlement programs such as Medicare and Social Security drawing ever closer to insolvency, here is what Senate Democrats did yesterday: They ducked. They were presented with five different options for dealing with these problems and they voted against every single one of them.

No one was particularly surprised to see Democrats reject the Republican proposals. We hoped some of them would support them, but we weren't altogether surprised they didn't. But every American should be surprised that Democrats didn't offer a single plan of their own, and they didn't even support the plan offered by the President of their own party. But, sadly, that is what passes for leadership in the Democratic-led Senate these days: Oppose everybody else—including a President of your own party—and hope nobody notices you are not doing anything yourself. Most people would say it is the responsibility of the party in power to propose solutions, and they would be right.

The problems we face are simply too serious and too urgent to avoid any longer, and yet Democrats continue to duck any responsibility for addressing them. We certainly saw that yesterday. I would imagine there are some Democrats this morning who are having second thoughts about their party's performance yesterday. And if I am right about that, I would invite them to stand and work with us. Put aside what is politically safe and do what is right. The problems we face are too great to put off for another day. It is time for all of us to come together and to act.

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

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

The assistant legislative clerk called the roll.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FEDERAL RESERVE NOMINATIONS

Mr. VITTER. Mr. President, I come to the Senate floor to debate and oppose the two Federal Reserve nominees President Obama has sent to the Senate. First, let me say I think it is very important, very good, very healthy that we are having this debate and we are having these votes. That is how the Senate should operate, particularly on very important Presidential nominations, and these certainly fit into that category.

The Federal Reserve is an extremely important body for all sorts of reasons, but I will mention three in particular. First of all, it sets monetary policy, and that is a very important economic tool and set of economic policies. Right now this Federal Reserve, under Chairman Bernanke, has an unprecedented policy of zero-interest rates—easy money for an extended period of time—which is historically unprecedented.

Secondly, the Federal Reserve is the primary regulator of our Nation's biggest banks, including Bank of America, Citigroup, Wells Fargo, and another that has been in the news quite a bit in the last few weeks, JPMorgan Chase. Obviously, all of these entities were involved in the recent economic crisis, so, again, the Federal Reserve is extremely important as those megabanks' primary regulator. We should be talking about that.

Finally, the Federal Reserve has other important authority and responsibilities, including in situations where they have taken action to bail out these megabanks. They have that authority. They also have authority to issue regulations under Dodd-Frank. All of these points are reasons why these two nominations are extremely important. That is why I demanded this debate and these votes.

Fundamentally, I demanded this debate and these votes for two reasons. First of all, I oppose these nominations. I am voting no. There was a UC promulgated, and that UC, had it been accepted, would have meant a "yes" vote for me. I couldn't vote that way for the reasons I will explain.

Secondly, more broadly, I think it is important we have this debate and we have these votes, and this used to be the norm in the Senate. Between 1994 and 2000, all but two nominations to the Federal Reserve Board were voted on by the Senate. Yet since 2001 that has flipped, for some reason. Since 2001, only two nominees have received votes and 10 nominees were confirmed to the Board of Governors without a recorded vote. I think that is unfortunate. I think this is the proper way for the Senate to do its business, particularly when such important issues are at stake.

Now let's talk about those issues.

First of all, monetary policy. The Federal Reserve's primary responsibility—one of its two huge mandates—is

to set healthy, proper monetary policy for the United States. Personally, I think that should be its only mandate—there are efforts here in the Congress to move the law to that position—but it certainly is a major role of the Federal Reserve and is extremely important.

Once more, this Federal Reserve, under Chairman Bernanke, in this economy has set monetary policy in an unprecedented way, and that is not editorializing. That is a factual assessment, a factual description. Because this Federal Reserve has set essentially a zero-interest rate policy, an extremely easy money policy for an extended period of time, a very long period of time, without any end in sight, and that has never before happened.

There are many experts, economists, and commentators who think this is very dangerous policy, and I share their concerns. I do not pretend to be an expert, as they are. I do not pretend, quite frankly, to have the economic training and background of Chairman Bernanke and others. But many of those who do have grave concerns with this unprecedented easy money policy. Let me mention a few.

Dr. Allan Meltzer, a professor at Carnegie Mellon University, sees signs of this building up future inflation and a weakening dollar and believes the Fed did great harm in these categories with its Quantitative Easing 2, so-called QE2. Dr. Meltzer has read Fed minutes for years and has written the definitive "History of the Federal Reserve" and says the central problem is there is a lack of discussion of alternatives and consequences of their policies.

Federal Reserve Bank of Kansas City President Thomas Hoenig said the Fed's plan to push down long-term interest rates may produce very adverse accidental outcomes and policymakers risk creating real "imbalances" in the economy. He said:

I have real concerns about trying to fine-tune and micro-manage the economy when monetary policy is a blunt tool.

Richard Fisher of Dallas said he believes the Federal Reserve's monetary policy has yet to show evidence of working. He is the Federal Reserve Bank of Dallas president. He says in particular, the Fed's plan to buy \$400 billion of long-term bonds while selling the same amount of short-term debt is benefiting financiers and not aiding job creation.

Philadelphia Fed President Charles Plosser, in a speech on economic outlook to the Business Leaders Forum at the Villanova School of Business, expressed extreme skepticism with that so-called Operation Twist, trading long-term debt for short-term debt, and he did not think it would encourage business investment or consumer spending. He said:

I dissented from these decisions because I believe that they will do little to improve the near-term prospects for economic growth or employment and they do pose risks.

So there are very legitimate, strong concerns which I share on the current

monetary policy of this Federal Reserve, and it is very clear from the statements of these two nominees that these two nominees will support that policy, will support that direction for the foreseeable future, will not provide dissent, will not provide alternative viewpoints.

In addition, let me mention three other things about the Fed. As I mentioned, the Fed in general is the primary regulator of the megabanks, and, still, I believe we do not have adequate focus and adequate regulation in that category. I would only point to the recent disastrous announcement of JPMorgan Chase.

Also, the Fed, with five affirmative votes, passes regulations under Dodd-Frank under its authority. That process is ongoing right now.

Why are these two nominations significant in impacting the development of those Dodd-Frank regulations one way or the other? Well, it is pretty simple. Those Dodd-Frank regulations coming out of the Fed need five affirmative votes. Right now, there are five members of the Board of Governors, so they need to reach complete unanimity with regard to those regulations. When the possible negative impact of those regulations is such a threat, I think that required unanimity is actually very healthy and a real protection.

These two new members of the Fed change the map, change the requirement from needing five out of five to needing five out of seven. I think that will significantly push these regulations to the left, if you will, and require and therefore produce less consensus, which those with economic viewpoints such as mine wish to see continued.

In the same vein, the Fed is certainly significant in not only regulating the megabanks but, in instances like 2 years ago, bailing out the megabanks. They have that authority and they have that role. Just as with Dodd-Frank regulations, that requires five affirmative votes of the Fed Board. Again, right now, before these two confirmations, that would need five out of five. It would require unanimity. I think that is healthy, actually, with regard to such an extreme measure as huge taxpayer-funded bailouts, as we have seen in the last 3 years.

If these two new nominees to the Board are confirmed, that math, again, would change in exactly the same way: The requirement would move from five out of five to five out of seven. It would shift the outcome to the left, if you will. It would make it much more likely that the Fed would act sooner to bail out megabanks with taxpayer funds.

I have all of these concerns about these nominations. These two nominees are fine, decent men. They are smart. They are qualified in the professional sense. However, they clearly also support the current direction of Chairman Bernanke and the Fed. For that reason, I cannot support the nominations, and I have real concerns.

But, in closing, let me say that at least I think it is positive we are having this debate and we are voting. As I cited, that used to be the norm in the Senate, including with regard to Federal Reserve Board of Governors nominations. These are very important nominations because of monetary policy, because of their regulatory authority, because of bailouts, and Dodd-Frank, and all the rest. It is more important—now more than ever—because of the unprecedented nature of Chairman Bernanke's and the Fed's monetary policy and because of the history of the last 3 years.

We need this debate. We need these votes. I do not think spending about 2 hours on it on the floor of the Senate is too much to ask, so I am glad I asked for that. I am glad I demanded that. With that opportunity, I will be voting no.

Mr. President, I yield back my time. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Will the Senator withhold his request?

Mr. VITTER. I will.

EXECUTIVE SESSION

NOMINATION OF JEREMY C. STEIN TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

NOMINATION OF JEROME H. POWELL TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to executive session to consider the following nominations, which the clerk will report.

The legislative clerk read the nominations of Jeremy C. Stein, of Massachusetts, to be a Member of the Board of Governors of the Federal Reserve System and Jerome H. Powell, of Maryland, to be a Member of the Board of Governors of the Federal Reserve System.

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 90 minutes of debate in the usual form.

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

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

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CORKER. Mr. President, I wanted to speak for a moment today about the vote we are going to have this afternoon on the Federal Reserve Board members who have been nomi-

nated. I have met both of these individuals, and I plan to vote for them today at noon. But I want tell you why I am going to do that. I am very concerned about the overly accommodative efforts that are taking place right now at the Federal Reserve. I think these low interest rates over long periods of time will create inflation in our country. I believe the Fed has been proactive in recent times in ways that make me nervous. As soon as QE2 was announced, I immediately called the Chairman of the Federal Reserve, and we had a meeting in our office to talk about the concerns he had and the concerns we in our office have.

I would love to see the Federal Reserve have a single mandate like the European Central Bank has and the Bank of England has, where their sole purpose is really price stability. I would also love to see Congress act responsibly and deal with many fiscal and other kinds of issues that are holding down our economy. I think sometimes the Federal Reserve feels as though it is the only entity that is actually acting to try to stimulate our economy. I understand the position they are in, having a dual mandate, which I think is inappropriate and hopefully over time will change.

These two nominees, candidly, do not represent the kind of a more hawkish position I would like to see the Federal Reserve take where they are concerned about price stability over the long haul. At the same time, both of these gentlemen are qualified. I don't think there is any question that someone would say that these two individuals are qualified. We do have Fed Presidents from around the country who typically, as far as monetary policy on the Federal Reserve Board, do act in more hawkish ways and probably more represent the way that I would view things as they ought to be in some of the accommodations the Federal Reserve has continued to make.

I hope we do not get into a situation where we end up having—you can actually call it QE4. Some people might call it QE3. I hope that does not happen and that we will continue to press the Federal Reserve towards that end in any way we can.

I also know that there is going to be an election in November and that whoever the next President is—obviously, as you would expect, I hope there is a change in occupancy at the White House this November, someone who will actually try to solve the problems our Nation has. But whoever the next President is, they will have the opportunity to appoint the next Chairman of the Federal Reserve very soon and also the next Vice Chairman of the Federal Reserve.

So I guess what I would say in closing is that I am going to support these nominees because they are qualified. I do hope they will press the Chairman of the Federal Reserve to be more concerned about price stability, especially into the future. But I do not want to

vote no today because I think it sets a precedent of saying that, look, these guys are qualified—I do not think there is any question about that. And I want the next President—who I hope, again, is someone different than we have today—to have the opportunity with my colleagues on the other side of the aisle—if a change is to occur and if the President has the opportunity to appoint a new Federal Reserve Chairman and a new Vice Chairman and he deems them qualified and this body deems them qualified, I hope we are going to have the opportunity to fill those positions.

So, again, I plan to vote for these nominees in an effort to continue to cause this place to focus in the way I think it should. They are not ideal, from my perspective, but they are qualified.

I might remind friends on my side of the aisle that we did have someone who was nominated several months ago who was not in the mainstream. This person was not in the mainstream of thinking, and this person did not become a member of the Federal Reserve Board. So we have ended up having two nominees who are more middle of the road. They are not as hawkish as I would like to see them be. They are not as focused—they possibly will not be as focused on price stability as I would like to see them be. But they are qualified. They are not out of the mainstream. And I do plan to support them.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BROWN of Ohio). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALEXANDER. 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. ALEXANDER. Mr. President, at noon the Senate will be voting on two of President Obama's nominees to the Federal Reserve Board. These are important positions. They have long terms. They come at a time when our economy is in trouble and doing its best to recover. In these votes, the Senate will be acting in the way it should, and let me say why I am saying that.

On Tuesday of this week, someone most of us know—Marty Paone, who was the Democratic secretary in the Senate for 13 years, until 2008—wrote an article in the Hill, a Capitol Hill newspaper. The headline is "Senate rule changes come with risk," but all I want to refer to today is a description of the Senate that is on our Senate Web site. Marty describes our own Web site in the article and says:

... [t]he legislative process on the Senate Floor [as] a balance between the rights guaranteed to Senators under the standing rules and the need for Senators to forgo some of these rights in order to expedite business.

Mr. President, I ask unanimous consent to have printed in the RECORD the article I just referred to following my remarks.