U.S. Navy commissioned the first American warship in honor of an African American, the USS *Jesse L. Brown*.

Hudner retired from the U.S. Navy at the rank of captain in 1973, and while his day-to-day service in the military would end, he continued to serve his fellow veterans through the USO and a variety of veterans' organizations. In fact, for most of the 1990s, Hudner served as commissioner of the Massachusetts Department of Veterans Affairs.

Today, the newly commissioned USS *Thomas Hudner* will serve as a living legacy to heroism and service. Think about it for a moment. When a sailor or Marine is assigned to this ship, they will proudly tell their family and friends about Hudner and Brown. When the *Hudner* makes a port call, those in the communities it visits will see the ship in port and meet scores of crew members with ''USS Thomas Hudner'' stitched on their shoulder.

And when citizens around the world learn about Captain Hudner's specific act that the Navy has described as ''conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty,'' they will begin to understand what uncommon valor truly is. Tom Hudner's story will serve as an inspiration to a future generation of Americans.

Please allow me to thank Captain Hudner for his lifetime of exceptional service to our Nation and his dedication to his fellow veterans. I ask my colleagues and our Nation to join me in wishing him and his wife Georgia all the very best in the years ahead.

Mr. President, I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

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

Mr. REID. Mr. President, I ask unanimous consent that the Senate remain on the motion to proceed to S. 3187 until 4 p.m. today and that all other provisions under the previous order remain in effect at that time.

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

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I thank the majority leader for bringing up this bill. He and the Republican leader have put on the floor a piece of legislation that affects nearly every American family. This will not have the fireworks some things we do have, because we have a lot of agreement on it, which is one reason it is on the floor. It has gone through the committee. Senator HARKIN and Senator ENZI have worked carefully with all of the Republicans, all of the Democrats on the committee, and many other people on a complex piece of legislation for a year, to bring to the floor the Food and Drug Administration Safety and Innovation Act—a bill that is likely to succeed.

We take our medicines for granted. During the Civil War, the Capitol was used as a hospital—this Capitol. Two thousand cots were set up in the House and Senate Chambers and the Rotunda. The first group of wounded arrived from the Second Battle of Bull Run and later from Antietam in September of 1862. Those soldiers did not have the benefit of antibiotics or other modern medicines that we take for granted today, and that contributed to a horrible number of deaths in the Civil War.

Still, as the 20th century dawned, disease cast a long shadow over the United States of America. A child born in 1900 could expect to live an average of 47 years. Infectious diseases took many children before they reached their teens. In 1900 pneumonia and influenza were the leading causes of death, followed by tuberculosis and diarrhea.

Physicians had few weapons to fight diseases. The medicines at the time included such things as mercury for syphilis and ringworm; digitalis and amyl nitrate for the heart; quinine for malaria; and plant-based purgatives. For most of human history, diabetes meant death, but insulin was introduced in 1923 commercially, and within a few years enough insulin was being produced to meet the needs of diabetes patients around the world.

It is hard to remember this, but vaccines began to be commercially produced only during the time of World War I. It was not until the time of World War II that we saw the introduction of widespread and effective antimicrobial therapies with the development and mass production of penicillin. Since then, the sky has seemed to be the limit.

Half of Americans take at least one prescription drug every day. One in six takes three or more. Many take over-the-counter medicines. It is a real miracle what has happened in terms of our lives with the introduction of medicines, and we rely upon the Food and Drug Administration to keep those medicines safe and effective, which is what this legislation is about.

I would like to renew my compliments to Senator HARKIN and Senator ENZI for bringing this bill to the floor in a condition where they have already worked out most of the issues. This bill is complex. It is long. It has 11 titles. It will help safe and effective drugs, medical devices, and biosimilar products get to the market and, more importantly, get them to the market more quickly so people who need help can use these medicines and devices.

We are reauthorizing two user fees. These things have absurd names. The Prescription Drug User Fee Act is called PDUFA, and the Medical Device User Fee Modernization Act is called MDUFMA. There are two new ones, which are GDUFA and BSUFA. It is really absurd. I promise to never again use those phrases for these user fee programs. But they are critically important programs that give the Food and Drug Administration needed resources to review new medically necessary products.

For example, there is the Better Pharmaceuticals for Children Act. It is a part of what we are doing this week. I cosponsored it with Senators REED of Rhode Island, MURRAY, and ROBERTS. I thank them for the ability to work with them.

This makes permanent the Best Pharmaceuticals for Children Act and the Pediatric Research Equity Act. One is an incentive, and one requires pharmaceutical companies under certain circumstances, when they develop new drugs for adults, to figure out the effect that those drugs will have on children. Too often, we do not know the answer to that, and the drugs are either ineffective or can have bad results. It also reauthorizes the Pediatric Medical Device and Safety and Improvements Act to promote pediatric medical device development.

Another critical part of the bill has to do with the medical device approval process. The United States is a world leader in medical devices. In Tennessee we have lots of them, especially in Memphis. We need to improve the regulatory process. There are many who believe the FDA is over-regulating medical devices. That has a negative effect on the industry's ability to raise capital and create jobs. It does not make those devices any safer in the United States than they are in Europe. This will help address those problems. For example, it will allow customization of medical devices for small populations—that means five people or fewer—without going through a very burdensome approval process, and it changes the humanitarian device exemption to encourage and incent the development of devices to treat patients with rare diseases—that would be groups of patients of fewer than 4,000 people.

There is another problem that is addressed in this legislation. It is the generation of antibiotics dealing with antibiotic resistance. We know there is a growing problem with antibiotic resistance as bacteria continuously mutate and evolve in their resistance to the drugs and the medicines we develop. While efforts have been made to preserve existing antibiotics, drug development has not kept up with the pace. These changes will provide meaningful market incentives and reduce regulatory burdens.

In addition, I am very pleased with the results of our work in dealing with drug shortages. That is a part of this bill. It will give the FDA additional tools to help prevent drug shortages and require FDA to look internally at

regulations to see if the FDA is making the problem worse.

Senator CASEY and I worked together on a review of Federal initiatives to combat prescription drug abuse and to issue a report on those. Tennessee, my State, ranks second in the Nation for prescription drug use. Our Governor, Bill Haslam, and our legislature took action this year to deal with that. We intend to help them.

In closing, I would like to commend Senators HARKIN and ENZI. I see the Senator from Washington on the floor. I do not want to take much more time because I know she is about to speak. She has been integrally involved in the development of this legislation over the last year, especially the Better Pharmaceuticals and Devices for Children Act. I mentioned that a little earlier. It incentivizes drug manufacturers to study their products and how they affect children, and in return, they get to keep the exclusive use of those products for a little while longer. That means they do not go to generic quite as quickly. That has been tried in this legislation since it was first authorized and reauthorized and reauthorized. It has worked. It has been a very good example of an innovation in legislation that has achieved the desired result.

The Pediatric Research Equity Act gives the FDA authority to require pediatric studies in some cases and the Pediatric Medical Device Safety and Improvement Act promotes the development of pediatric medical devices.

So the importance of the legislation is it takes a big step forward in making it clear what drugs that are created for adults will do when offered or provided to children. Currently, just under half of the drugs prescribed to children have been studied and labeled for children, but that is a significant improvement over where we were when these programs started fifteen years ago. Children's bodies react very differently to medicines. Children are not just small adults. Sometimes side effects are different. Physicians have to guess what dosages are appropriate, whether a therapy that might be effective for an adult is also effective for a child. Sometimes there are examples of overdosing or previously unknown side effects. In one case in Tennessee in 1999, seven babies were prescribed an antibiotic to treat whooping cough. They became so seriously ill, they needed stomach surgery. The CDC—Centers for Disease Control—later linked their illness to the antibiotic, which had never been tested in young children. Children differ widely in sizes and growth rates, so for medical devices doctors must either 'jerry-rig' devices or be forced to use a more invasive treatment.

Prior to the passage of these laws that we are working on today, and reauthorizing, 80 percent of drugs used for children were used off-label; that is, we did not really know how they affected children. Now we can use those drugs—half of our drugs today—safely and effectively because we do know that. The Best Pharmaceuticals for Children Act is the carrot that FDA uses to encourage pediatric studies, while the Pediatric Research Equity Act is the stick to mandate studies. Together these two laws have been a success. According to the Institute of Medicine, as of October 2010, the FDA has approved 425 labeling changes as a result of studies or analyses done under these laws. In 1975, only about 20 percent of drugs prescribed to children had been studied and labeled for children, in 2007 that number had risen to about one-third, and today it is roughly half.

The Pediatric Medical Device Safety and Improvement Act was enacted in 2007 to encourage manufacturers to bring more pediatric devices to the market and strengthen FDA post-market surveillance of devices used in children. This law allows manufacturers to profit under the humanitarian device exemption for devices specifically designed to meet a pediatric need affecting fewer than 4,000 children per year. In addition to three humanitarian device exemption pediatric products, GAO reports that 15 new devices have been approved for children since 2007.

I am happy to come here today to join with Senator MURRAY, Senator HARKIN, Senator ENZI, Senator REED of Rhode Island, and Senator ROBERTS to offer what I believe is a piece of legislation that affects nearly every American family. It takes one more step in the dramatic story of how we have gone from a country with almost no medicines to a country in which almost everyone takes some medicine and a situation where the lifetime of the average American has increased from 47 years of age to 78 years—its present level today.

I see the Senator from Washington on the floor. I wish to recognize and thank her for her leadership on the legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I too wish to thank the Senator from Tennessee, as he referred to how we are working together on a bipartisan basis on the Better Pharmaceuticals and Devices for Children Act—a very critical piece of this legislation that I will talk about in just a few minutes as well. But I would like to thank him for working with us, and really I want to thank all of the Senators who worked very hard on this piece of legislation, working with stakeholders and advocates for over a year on the bill that will be on the floor later this afternoon. I commend Chairman HARKIN as well as Ranking Member ENZI for working together in a bipartisan fashion to get this to the floor today.

I hope all of our colleagues really understand the critical importance of moving forward with this bill as efficiently as possible because, as many people know, if we do not make this legislation a priority, by the end of September over 2,000 employees at the Food and Drug Administration are going to be sent packing with pink slips. But what is just as important, if not more important, is that failure to pass this legislation will put drug and medical device approval at a standstill. That will not only halt innovation but it will put the lives of many Americans at risk while they wait for potentially lifesaving medicine.

No one knows the importance of that more than Seattle Genetics, a company in my home State of Washington. In August of last year, Seattle Genetics received FDA accelerated approval of a drug intended to treat Hodgkin's lymphoma, the first of its kind approved by the FDA in more than 30 years.

As a biotech company, Seattle Genetics' relationship with the FDA was really vital to the work they were doing to bring this drug to patients who were in need. Ultimately, Seattle Genetics received FDA approval 11 days earlier than expected, and that meant they were able to anticipate the timing of its approval, organize their sales teams, and ship the first business day following approval for a patient already waiting for that critical drug. That kind of collaboration would not have been possible had the FDA lacked the resources necessary to make it a reality.

I believe that Clay Siegall, who is the president and CEO of Seattle Genetics, was truly able to underscore the issue of what we are discussing here today. I want to tell you what he said.

> It is only through working with an FDA—that has the resources and dedication to achieve thorough and timely reviews—that we are able to fulfill our promise to improve the lives of people through innovation. Passage of this bill helps to provide both the resources and incentives for FDA to rapidly review and approve important therapeutic breakthroughs for patients in need.

That highlights the importance of this legislation.

I also wish to highlight another part of this bill that I have been very focused on, as the Senator from Tennessee just talked about, and that is the need to make sure drugs and medical devices are specifically tested and labeled and proven to be safe and effective for our children. This is so important for families and doctors across America.

I really want to thank Chairman HARKIN as well as Ranking Member ENZI for including my bill, the Better Pharmaceuticals and Devices for Children Act, in the broader legislation we are considering here today.

I was very proud to work with Senator ALEXANDER, along with Senators REED and ROBERTS, to put together this commonsense legislation. This bipartisan language will make sure our children are prioritized in the drug development process and that drug labels provide clear, detailed information about the proper use and dosage of medications for children. It will give parents and doctors more information, and it will make sure the key programs

we count on to protect our children do not expire. It will push to make sure children are never just an afterthought when it comes to the safety and effectiveness of our Nation's drugs and medical devices.

Mr. President, as you have heard today, this is a bill that has received bipartisan support. I commend all of the Senators who have worked on it in a bipartisan way. We don't get credit for that enough in this country. But this is certainly one where everybody came together and worked together in committee. This bill holds the livelihood of so many Americans in its balance.

I urge the Senate to move forward quickly and support the legislation and get it passed.

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

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

THE DREAM ACT

Mr. DURBIN. Mr. President, 11 years ago, I introduced the DREAM Act, which is legislation that would allow a select group of immigrant students with great potential to contribute more fully to America.

The DREAM Act is not an amnesty bill. It would give students a chance to earn legal status in America, and there are standards they would have to live up to: No. 1, they came to the United States as children; No. 2, they have been long-term U.S. residents; No. 3, they have good moral character; No. 4, they have graduated from high school; No. 5, they either serve in America's military or complete 2 years of college.

The DREAM Act also includes important restrictions to prevent abuse. Under the DREAM Act, no one would be eligible for Pell grants or any other Federal grants when they go to school. Individuals who commit fraud under the DREAM Act, who lie, misrepresent their status, would be subject to tough fines and criminal penalties, including a prison sentence of up to 2 years. It is serious. No one would be eligible for the DREAM Act unless they arrived in the United States at least 5 years before the bill becomes a law. There is no exception and no waiver for this requirement.

My colleague from Florida, Senator MARCO RUBIO, on the Republican side of the aisle, said in a recent speech that the DREAM Act is not an immigration issue, it is a humanitarian issue. I might add that I think it is an issue of justice.

Thousands of immigrant students in the United States were brought here as children. They didn't make a decision at the age of 2 to come to America. It was not their decision to come here, but they grew up here, went to school here, and they stood in classrooms across America pledging allegiance to the only flag they ever knew. They sang ''The Star-Spangled Banner'' before baseball and football games, believing they were part of America.

The fundamental premise of the DREAM Act is that we should not punish children for their parents' actions. It is not the American way. Instead, the DREAM Act says to these students that we are going to give them a chance. These Dreamers, as I have come to know them, don't want a free pass. They just want a chance to earn their place in America. That is what the DREAM Act would give them.

The DREAM Act isn't just the right thing to do, it would make America a stronger country by giving these talented young people the chance to serve in our military and contribute to our future. Tens of thousands of highly qualified, well-educated young people would enlist in the Armed Forces. That is why we end up with the support of people such as General Colin Powell, who has given his life to the military and the security of America. He says the DREAM Act is the right thing to do for the future of America.

Studies have found that DREAM Act participants would contribute literally trillions of dollars to the U.S. economy during their working lives.

One might wonder how an idea like that ends up becoming a bill and being debated not only on the floor of the Senate and the House but becoming a subject of debate in the Presidential contest now going on. It started with a phone call to my office about 11 years ago from a woman named Duffy Adelson. Duffy is the director of the Merit music program in Chicago. The Merit music program is an amazing program which offers to children in the public schools of Chicago an opportunity to learn to play a musical instrument. That program goes to the poorest schools and asks children if they are interested, if they would like to have an instrument and a chance to learn. Children sign up and amazing things happen. These kids—100 percent of them—end up in college. That is what that one life experience of learning to play music can do.

She called me about a young girl. She was a Korean who had been brought to America at the age of 2. Her mother and father became citizens. Her two siblings, a brother and a sister, were born here and were automatically citizens, but she was not. She joined the Merit music program and turned out to be an accomplished pianist, to the point where, when she was graduating high school, she was being offered scholarships to the best music academies in the United States.

When her mom sat down with her to fill out the application, there was a little box that said ''citizenship.'' She turned to her mom and said: So what do I put there? Her mom said: I brought you here at the age of 2 on a visitor's visa, and since you were a little baby, I didn't file any more papers. I don't know what you should put there. The girl said, What are we going to do? Her mom said: We are going to call DURBIN.

So they called me and my office checked the law and the law turned out to be pretty harsh. The law said this 18-year-old girl—who had never lived, to her knowledge, in any other place but America—had to leave America for 10 years and then apply to come back. That didn't seem right. She came here at the age of 2. She had done nothing wrong. So I introduced the DREAM Act.

Well, here is the rest of the story about this young lady, whose name is Teresa Lee. Teresa Lee did go to the Manhattan School of Music, and when she went there she turned out to be as good as the Merit music program thought she would be. She progressed to the point where she literally played in Carnegie Hall. She found a young man, fell in love, got married, and she became a citizen by virtue of that marriage. She is now working toward her PhD in music. She is a brilliant young woman.

There was a talent that would have been lost to us and lost to the future if we had followed the strict standards of the law at that moment. But we didn't. We gave her a chance and she proved herself. She proved she is a quality individual.

When I introduced the DREAM Act, it was a bipartisan bill. There were Republican Senators who actually debated as to who was going to be the lead sponsor of the bill because they thought it was such a good idea. The DREAM Act has had a history of broad bipartisan support. When I introduced it with Senator ORRIN HATCH of Utah, he was chairman of the Judiciary Committee and was the lead Republican sponsor. When the Republicans controlled the Senate, the DREAM Act was reported by the Judiciary Committee on a 16-to-3 bipartisan vote. And on May 25, 2006, 6 years ago this week, the DREAM Act passed the Republican-controlled Senate on a 62-to-36 vote as part of comprehensive immigration reform.

That bill, unfortunately, did not pass, and, unfortunately, the Republican support for the DREAM Act has diminished over the years. The last time the DREAM Act was considered on the floor of the Senate in 2010, the bill had already passed the House and received a strong majority vote there, but only eight Republicans supported it in the House and only three Republicans in the Senate. A bill which had been so bipartisan and so popular was now becoming, each time we called it up for a vote, more partisan. The bill hasn't changed, but politics had changed.

The vast majority of Democrats in the House and Senate continue to support the DREAM Act. But the reality is we cannot pass the bill without substantial support from my colleagues on the other side of the aisle. That is why I have always said I am open to working with anyone—Republican or Democrat—who is interested in working in good faith to solve this problem. I will never close the door on the possibility of providing assistance to these DREAM Act students.

I have come to the floor almost every week for the last several years to tell the story of another young person who would qualify under the DREAM Act. Today I want to tell you the story of Sahid Limon. Sahid was brought to the United States from Bangladesh in 1991 at the age of 9. He grew up in Durham, NC. His dream was to become a doctor. He attended Southern High School—a prestigious magnet school for young people interested in health care. He was a member of the National Honor Society and won his high school's Diamond in the Rough Scholarship award. One of Sahid's teachers said:

In the classroom, he was kind, very respectful, and responsible. He showed great interest in a career in medicine. In the medical community, through shadowing experiences, he was professional, highly motivated, and caring with patients.

Sahid didn't learn about his immigration status until his senior year in high school. He went on to graduate from East Carolina University with a bachelor's of science in biology, with a concentration in microbiology. And understand, he didn't qualify for any Federal loans or any Federal grants. It wasn't easy to get through college under those circumstances.

During college, Sahid volunteered at underserved rural areas in North Carolina and it made a big impression on him. In his application for medical school, he wrote:

I was surprised to see that so many people would line up during a cold winter morning, just to know if they were healthy or not. Seeing their dedication and patience influences me every day to work my hardest in order to meet my personal goal of becoming an exceptional physician.

That was 7 years ago—2005. Today, Sahid is 30 years old. He has been unable to attend medical school because of his immigration status. Since he graduated from college, he has volunteered with a health clinic in Raleigh that serves low-income patients, he has tutored elementary school students to help develop their interests in science, but his personal dream of becoming a doctor has not become a reality.

Some of my colleagues have criticized the DREAM Act because people under the age of 35 are eligible. They say only children should be eligible for the DREAM Act. But this ignores the obvious. Every year we wait, those children grow a year older. In order to qualify for the DREAM Act, an individual must have come to the United States as a child, as Sahid did. Today he is 30. That doesn't change the fact he was brought here when he was 9 years old. It doesn't change the fact he has lived in the United States virtually all his life. And it doesn't change the fact he should not be punished for the choices his parents made. Sahid was 19 years old when the DREAM Act was first introduced. Why should he be penalized because I can't pass the bill? I keep trying, but Congress doesn't get it done. Does that mean his life should be wasted?

Last year, Sahid was arrested by immigration agents and placed in deportation proceedings, despite the fact he has lived in the United States for 21 years, since he was 9 years old. He was held in a county jail with violent criminals. Sahid has never committed a crime in his life. Sahid sent me a letter, and here is what he said about the experience of being in jail and facing deportation:

I lived my life by the law, did everything by the books, never committed any crime, and somehow ended up in jail for something I had no control over as a child. What would I do if I was sent back [to Bangladesh]? I barely speak the language, and I don't know how to read or write. How am I supposed to start my life from scratch in such a place without the knowledge of the language or the culture?

Well, my office learned about Sahid's case. We contacted Immigration and Customs Enforcement and asked them to consider his request that his deportation be placed on hold. The Obama administration placed a stay on his deportation proceedings. However, it is only temporary. It doesn't give him permanent legal status, and he is still at risk of being deported sometime in the future. The only way for Sahid to be permitted to stay in the United States permanently is for us to do something to pass the DREAM Act—to change the law.

In his letter to me, Sahid explained what the DREAM Act meant to him:

The DREAM Act means being able to be home. Regardless of where we go . . . we all yearn to come back to our home. To me, North Carolina is that home . . . I watched live on C–SPAN [in 2010] as the bill passed the House, but failed to pass the Senate. To most of the Senators, it's just another bill that was rejected. However, to someone like me, whose life not only depends on something so crucial, but my future literally hangs in line, it's absolutely devastating to witness such a rejection. I hope this is the year that politics is set aside, and all of the representatives can work together for a solution.

Sahid is right. Those of us who are fortunate enough to serve in Congress have an obligation to set politics and party aside and do the right thing. This isn't a Democratic issue or a Republican issue. We are going to be a stronger and better country if we give Sahid a chance to earn his way to American citizenship.

This is not just one example, one person. There are literally thousands like him waiting for their chance. The DREAM Act would give Sahid and other bright, accomplished, and ambitious young people like him the opportunity to become tomorrow's doctors and engineers, teachers and soldiers. Today I ask my colleagues again, as I have so many times before, to support the DREAM Act. Let's give Sahid and so many other young people like him the chance to contribute more fully to the country they call home. It is the right thing to do, and it will make America a stronger Nation.

FINANCIAL REGULATION AND REFORM

Mr. DURBIN. Mr. President, 2 weeks ago, we were given a cautionary lesson about the need to ensure that our Nation's banks are carefully regulated. We are still learning the details about the $2 billion bad bet made by banking giant JP Morgan Chase. But what we have learned is disturbing. Apparently, the London office of this Wall Street giant crafted a credit derivative trading strategy that spun out of control over the course of 6 weeks. At the center of the strategy was one single trader who was nicknamed ''the London whale.'' One trader, 6 weeks, $2 billion gone.

It is not clear how widely the repercussions of this trading loss will extend, but this incident clearly is an important reminder to all of us that we cannot afford to take a hands-off regulatory approach to the giant financial institutions on Wall Street. These institutions drove this Nation to the brink of economic disaster just a few years ago. If they are simply left to their own devices, it could easily happen again.

We need reasonable financial regulation that will ensure transparency, competition, and choice. We need to prevent Wall Street banks from fixing the rules and setting up rigged schemes that line their own pockets and hang Main Street America out to dry.

Two years ago, Congress passed, and the President signed, the Dodd-Frank Wall Street Reform and Consumer Protection Act. This legislation took on the challenge of placing a reasonable regulatory framework on Wall Street. It is a tough challenge. Wall Street and the banking industry have enormous resources and enormous power, and they are not afraid to use it—not only on Wall Street but on Capitol Hill.

In the days to come, we are going to see important regulatory efforts proceed on issues such as the Volcker rule, which deals with the big banks' ability to make bets with their customers' money. It is important we pursue this regulatory effort diligently. We cannot let the big banks use their threats and scare tactics to water down reform and to preserve business as usual. There is too much at stake.

I want to talk today about another part of the Wall Street reform that passed 2 years ago, a provision that the big banks hate as much as any other. I am talking about the provision I wrote dealing with interchange fees, or swipe fees. The swipe fee is a fee that a bank receives from a merchant, like a restaurant or a retailer, when the merchant accepts a credit or debit card

issued by the bank. That fee is taken out of the transaction amount. If your bill is $50 at the restaurant, that includes the fee the restaurant is paying to the bank and credit card company called the swipe fee—the interchange fee.

The vast majority of bank fees are very transparent and competitive. Chase, Bank of America, Wells Fargo, and the rest set their own fee rates and compete for business based on the fees they charge. But that is not the case with these swipe fees—the interchange fees—that affect credit and debit cards. The big banks know competition and transparency help keep fees at a reasonable level, and make it harder to make big money off of fees. That is why they set up the swipe system—the interchange system—to avoid competition and transparency.

The big banks decided, rather than each of them setting their own swipe fees, they would designate two giant card companies—Visa and MasterCard—to set the fees for all of them. That way, each bank could get the same high fee on a card transaction. No competition. Then the banks buried this swipe fee under layers of complexity within debit and credit transactions. Most consumers, and even most merchants, still have no idea how much they are being charged on a swipe fee.

This system helped the card-issuing banks do very well over the last 20 years. U.S. swipe fee rates became the highest in the world, and they kept going up even as the cost of processing transactions went down. Debit swipe fees alone—just debit cards—brought the banks over $16 billion in the year 2009. That is the interchange fee paid by the merchants—and ultimately by the consumer—to the banks and credit card companies when people use a debit card.

Of course, banks don't need all this debit swipe fee money to conduct debit transactions. The actual cost of a transaction is very low, a few cents. But the banks, looking for more revenue, exploited the swipe fee system to charge far more than they could ever justify. It doesn't have to be this way. Many other countries—Canada, European countries, and others—have vibrant debit card systems with swipe fees strictly regulated or prohibited altogether. In the United States, debit swipe fees used to be tiny, until Visa took over the debit card market in the mid 1990s using tactics that I think bordered on violations of antitrust.

By 2010, the U.S. swipe fee system was growing out of control, with no end in sight. There were no market forces serving to keep fees at a reasonable level. Merchants and their customers were being forced to subsidize billions in windfalls to the big banks. That is when I introduced an amendment to the Wall Street reform bill that, for the first time, placed reasonable regulation on swipe fees on debit cards.

The reason I picked debit cards is—some of us are old enough to remember something called a checking account. Those checking accounts are still around, but checks are becoming rare. Most people do their checking transactions with a piece of plastic called a debit card. The money comes directly out of their bank accounts just as the check removed money directly from their bank accounts. That is why the debit card is a different transaction than the credit card.

My amendment said if the Nation's biggest banks are going to let Visa and MasterCard fix swipe fees for them, then the rates must be reasonable and proportional to the cost of processing the transaction. There would be no more unreasonably high debit swipe fees for big banks.

My amendment also included a nonexclusivity provision which aimed to stop Visa from taking over the debit card market entirely. This provision says there needs to be a real choice of card networks—real competition.

The regulatory steps my amendment proposed were modest. Most other countries have gone a lot further in regulating their credit and debit systems. But if you have listened to the banking industry and card companies, you would have thought my amendment would be the end of the world as we know it. They made outrageous claims, that regulation and swipe fees could kill the debit card system, devastate small and community banks, and particularly be an end to credit unions and cause banks to raise their fees on customers.

My amendment passed the Senate with 64 votes and was signed into law, and it has been 8 months since the swipe fee reform took effect. It turns out all the scary scenarios threatened by the banks have not come to pass.

First, the banks claimed it was impossible for Visa and MasterCard to establish a new tier of regulated swipe fee rates. As it turned out, creating this two-tier system was easy. There were already hundreds of rate tiers, so adding another one wasn't difficult.

The banks then claimed that small banks and credit unions would be hurt by reform—even though all institutions with assets of less than $10 billion were exempt. As it turned out, small banks, community banks, and credit unions have actually thrived since this reform took effect. Why? Because under my amendment, small banks and credit unions can continue to receive high interchange fees from Visa and MasterCard—higher than the big banks that control about 60 percent of the issuer market. And, those big banks have been so heavy-handed in their response to swipe reform that they have driven their customers—many of them—straight into the arms of the community banks and credit unions.

Credit unions in particular are flourishing after the passage of swipe fee reform—a reform which they actively opposed. Last year, 1.3 million Americans opened new credit union accounts. That was up from 600,000 the year before. More than twice as many people as before opened credit union accounts, and credit unions now have a record number of members across the Nation—almost 92 million overall. So much for the prophecy by the credit unions that this change in the law would be the end of them. It has turned out to be the best thing that has ever happened to them.

I know the Washington lobbyists for the small banks and credit unions still like to complain about this reform. These lobbyists have spent so much time fighting reform they are just not going to change their positions. But the facts are clear—if they will just be honest enough to admit it. Small institutions have thrived since this reform took effect.

How about consumers? The big banks tried last year to recoup their reduced swipe fees by charging $5 monthly debit fees on their cardholders. Do you remember that? Do you remember when Bank of America said it was going to go up to $5? Do you remember what they said all across the nation? Bye-bye, Bank of America. We will go somewhere else. Within a matter of a month or two Bank of America backed off of it.

Finally, consumers were coming alive. They were awakened to the reality that they could shop too. This is a free market—underline the word ''free.'' If you don't like the way your bank or any institution is treating you, go shopping. That is part of America. The banks had never run into that before. People just waited, unfortunately, for the latest fee increase. People don't wait around anymore. They pick up and move.

Unlike swipe fees, the big banks' $5 debit fees were transparent and customers had a range of competitors to choose from. So they moved. Transparency and competition worked.

Consumers are also benefitting from savings passed along by merchants. After swipe fee reform took effect in October, we saw a massive level of retailer discounting that extended beyond the usual holiday season discounts. According to USA Today—an article from May 11—a number of individual merchants are offering debit card discounts for items such as gas, furniture, and clothing.

USA Today also pointed out that despite the banks' threats, free checking accounts for consumers have not disappeared. USA Today reported that in the second half of 2011, 39 percent of banks offered checking accounts with no monthly maintenance fee, up from 35 percent for the first half of the year. Also, of those banks that charge checking maintenance fees, the average fee fell in the second half.

This is what is known as competition. What is wrong with that? That American families and consumers go shopping for the best bank deal. It is happening because swipe fee reform has created new competition. I think competition is a good thing.

It is important to note that the savings of swipe fee reform to merchants and consumers actually should be even greater than it is. When the Federal Reserve was writing its rule to implement my amendment, the banks lobbied them to set a swipe fee cap at a level significantly higher than the 12 cents that the Fed established in its draft rulemaking. Predictably, Visa, MasterCard, and the big banks took advantage of this watered-down regulation they had lobbied for. Visa and MasterCard promptly jacked up their swipe fees to the 24-cent ceiling set by the Fed.

Here is what has happened. Swipe fees have traditionally been charged as a percentage of the transaction amount plus a small flat fee. This meant the small dollar transactions used to incur fees of much less than 24 cents. Now, with Visa and MasterCard's rate increases, businesses that primarily deal with smaller transactions—coffee shops, fast-food restaurants—are paying far more in swipe fees than they did before.

This is not a flaw in the law we passed, which wisely required reasonable and proportional fees. Rather, it shows the danger of watering down the regulations to implement the law. The banks and card companies lobbied the Federal Reserve for a loophole which they immediately raced through. This is something we need to fix going forward. It can be fixed.

I am pleased the modest swipe fee reform we enacted in 2010 is off to a good solid start: more competition, customers and families moving across America for the best treatment they can receive from their bank or their credit union. But already the big banks and card companies are plotting to undo all these reforms and get that money back, the billions of dollars which they were taking in under the unregulated swipe fee regime. Visa, in particular, has crafted new fee schemes in its continuing effort to monopolize the debit card market. In fact, Visa recently disclosed that the U.S. Justice Department has opened a new antitrust investigation into anti-competitive aspects of Visa's newest fees.

I continue to be concerned that the giant card companies—particularly Visa—are becoming too big and too powerful. These companies have gained an enormous amount of control over the way Americans can use their money. They set up the fee systems, they dictate the security standards, and they make a fortune by taking a cut out of every transaction they handle, far beyond the cost of processing. There is no regulatory agency that directly supervises the actions of these card companies, and we can't afford to simply trust these companies to do what is in our Nation's best interest or to watch out for consumers.

That, again, is why the Consumer Financial Protection Bureau created by the Dodd-Frank law is such a critically important agency. It is virtually the only agency at the highest levels of our government that is solely devoted to consumer protection when it comes to financial products.

In the weeks and months to come, I will continue to work to ensure that the debit and credit card systems have competition, transparency, and choice, and that there is a framework for reasonable regulation. I know the big banks and card companies are going to continue to fight it. They have a lot of money on the table. But I believe reasonable regulation is the right way to move forward, and I will continue to work for it. Our economy, our small banks, our credit unions, our merchants, and our consumers are benefitting from this important change in the law.

Mr. President, I yield the floor.

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

Mr. SESSIONS. Mr. President, I am on the floor this afternoon to discuss a discovery—really, a stunning discovery for me—and that is important for all of us.

As many people know, Congress and the President struck a deal last summer to raise the debt ceiling. That deal set in place discretionary spending caps—not nearly enough to balance our budget over 10 years but a step in the right direction. That legislation said we will raise the debt ceiling $2.1 trillion but we will cut spending $2.1 trillion over 10 years—a promise to cut spending over 10 years.

That legislation also required the chairman of the Senate Budget Committee—of which I am the ranking member—by April 15 of this year to file aggregate spending levels—spending limits—based on the Congressional Budget Office's March 2012 financial baseline and to allocate the funds that could be spent under that Budget Control Act legislation to each of the Senate Appropriations Committees. In other words, these levels as submitted tell the appropriators how much they can spend, and the budget chairman has that responsibility and duty to do that. He takes the level agreement that was agreed to and sends that over.

These are real dollars that each appropriating committee is therefore allowed to spend. Yet we have learned something that is disappointing—really astounding to me. The numbers filed by Chairman CONRAD, my good friend who is a fair and able chairman, are not, in fact, the spending levels from the CBO baseline as the statute sets forward. Instead, the discretionary outlay total submitted by the chairman to the committees for fiscal year 2013 is derived from the President's budget, not from the CBO baseline.

The discretionary spending allocation for the Senate is therefore inflated by about $14 billion more than what was agreed to just last August when we told the American people we would raise the debt ceiling, continue to borrow money, but we were going to reduce spending.

So let me repeat that. These allocation levels have been inflated by $14 billion to match the President's budget—not the CBO base line that the BCA Committee was working from. It raises outlay levels over that August agreement. That, I submit, was a solemn agreement between the Members of Congress, both the Senate and the House, the American people, and the President himself who signed that agreement.

So I have sent a letter to Chairman CONRAD urging my chairman to correct and refile numbers that are proper—numbers that comply with the law.

I ask unanimous consent to have printed in the RECORD a letter that I have written Senator CONRAD today.

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, DC, May 22, 2012.

Hon. KENT CONRAD,
Chairman, U.S. Senate Committee on the Budget, Dirksen Senate Office Building, Washington, DC.

DEAR CHAIRMAN CONRAD: Section 106 of the Budget Control Act (BCA) requires the Chairman of the Senate Committee on the Budget to file allocations and aggregate spending levels that are consistent with the Congressional Budget Office's (CBO's) March 2012 baseline. On March 20, 2012, you filed such levels in the Senate to be printed in the Congressional Record (at pages S1832–S1833).

I was therefore surprised to find that the filed outlay aggregate for fiscal year 2013 is not consistent with CBO's baseline but, instead, appears to reflect the higher outlay level for discretionary spending in the President's budget request (as estimated by CBO). The President's blueprint was voted down unanimously by the Senate.

Specifically, the filed outlay aggregate for fiscal year 2013 is approximately $14 billion higher than CBO's baseline figure. The aggregate on-budget outlay level filed with the Senate is $2,944,872 million, but the CBO baseline for on-budget outlays is only $2,931,228 million. The filed figure, therefore, does not satisfy section 106 of the BCA.

Furthermore, section 106(b)(2)(B) of the BCA requires that the mandatory spending allocations to Senate authorizing committees be consistent with the CBO baseline. The CBO March 2012 baseline amount for the Committee on Finance for fiscal year 2013 is $1,328,395 million. But the allocation filed on March 20 ($1,328,474 million) is $79 million higher than the CBO baseline figure.

Before the Senate takes up appropriation bills for fiscal year 2013, I request that you review your allocations and re-file the enforceable levels and related committee allocations at amounts that are consistent with CBO's March 2012 baseline, as required by the BCA.

Very truly yours,

JEFF SESSIONS,
Ranking Member.

Mr. SESSIONS. It is unthinkable that we would not only spend more than Congress agreed to but would institute instead the numbers derived from President Obama's budget—which, in this Chamber, when I brought it up a few days ago, was rejected unanimously. This is another example, I am afraid I have to say, of the sleight-of-hand tactics that have been utilized in this Congress for too long that say we have an agreement and we are going to do better and we are going

to spend less. But as soon as the ink is dry—before the ink is dry, really, on the agreements, people start manipulating ways around it trying to spend more than the allowed. It seems to me, since I have been in the Senate for 15, 16 years, we have Members of Congress who take it as a personal challenge to see how they can defeat, get around, and spend more money than they are allocated.

The American people are being misled in this attempt. We are not following the Budget Control Act, and it is not a partisan matter. It is about honest accounting. It is about safeguarding the American treasury. It is about restoring faith in the Senate Chamber. The American people are right to be angry with us and to not trust us because we haven't honored their trust. We haven't managed their money well. Political elites remain totally disconnected from the financial reality that our country faces.

Game the system, spend more. The alarming discovery that the discretionary allocations filed for the Senate are a total of $14 billion higher than we agreed to and the latest in a long line of episodes, this is the latest in a long line of episodes that underscores the financial chaos that is the American Government.

These episodes include the GSA scandal in Las Vegas, with hot tubs and skits and magicians; the Solyndra loan, $500 million to cronies for an ideological vision that did not work; the IRS checks I talked about earlier this morning, with Senator VITTER, given to illegal aliens who claim dependents living abroad. These are people here illegally claiming dependents abroad while the U.S. Government is sending them checks based on children who are not in the country. The inspector general from the IRS says this is costing the taxpayers $4 billion a year.

It also includes the revelation that the Ninth Circuit Court of Appeals will spend $1 million or more of taxpayer money for a decadent getaway to a beachfront resort and spa in the Hawaiian tropics. And, of course, it includes a 3-year refusal of the Senate majority to produce a budget plan—3 years without a budget.

We are badly in need of strong Executive leadership to put our finances in order. We need a President, Cabinet heads, sub-Cabinet heads who understand from the top to the bottom that they are there every day to look for ways to save money. This immigration tax scam costs the American taxpayers $10 million a day. Divide that out, $4 billion over 365 days. The House has passed legislation that would close that gaping loophole. Meanwhile, the Senate is not acting.

This chaos cannot continue. Accountability and discipline must be achieved, and the first step to right the ship ought to be actually correcting these allocations. I call on my Senate leadership friends to do that. We need an honest accounting. We need to spend what we agreed to, what was passed by both Houses of Congress and signed by the President. These dollars do not belong to us, they belong to the American people. They must be protected. Each one of them is precious. Each one of them was extracted from some hard-working American and sent to Washington on the hope and the prayer that it would be wisely spent. And we do not have enough of them. We do not have enough money.

To stealthily increase discretionary outlays by $14 billion in one fell swoop is unacceptable. It must be corrected. I call on my colleagues to do so, else we will continue to lose the confidence of the American people.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I would like to speak as in morning business for 15 minutes.

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

NATIONAL FLOOD INSURANCE PROGRAM

Mr. PRYOR. Mr. President, today I rise to discuss the National Flood Insurance Program, which is a program we are now trying to reauthorize in the Senate. Senators JOHNSON and SHELBY have shepherded this bill through the Banking Committee. I have a ton of respect for both of those Senators and the work of the Banking Committee because they worked very hard to get it to the floor, to get it ready. In fact, it expires on May 31. If for some reason we cannot work out something here in the next couple of days, I sincerely hope we will extend this on at least a short-term basis—for another, say, 30 days—to give us time to work this out. The National Flood Insurance Program is too important to mortgages and commercial real estate, et cetera, to let it lapse. If we cannot work it out, I hope we can get a 30-day extension. I support that effort.

We need to reauthorize this legislation, this program, but we need to do it in the right way. Several Senators over the course of the last few months have stated objections to S. 1940. Here are mine. I have listed some of mine in a letter we sent to the chairman and ranking member last month or so—November 15, 2011. We listed several objections and concerns we had with the bill. There were 13 Senators from 9 States who signed this letter going to Senators JOHNSON and SHELBY. Again, we appreciate their efforts, but we have to do this the right way.

Let me run through three or four or five of my concerns about this legislation and tell my colleagues why I cannot support it in its current form and why I do support an extension but why, in the end, if the bill stays the way it is now, I cannot support it. I hope many of my colleagues will join me in the effort of not supporting this legislation as it is currently drafted.

Let me start with the bill itself, S. 1940. The primary objection I have is in section 107 of the legislation. It is titled ''Mandatory Coverage Areas.'' Basically what it does is it redefines ''special flood hazard areas.'' This may not sound very exciting or very fun to people, but this is critically important.

I am showing a map here on the floor today. All of these counties in the dark green—there are 881 counties total that have levees in their counties. To my understanding, well over 50 percent of the U.S. population lives somewhere near a levee. They may not realize it because the levees work and they don't have floods, but if you see this map, you can see the levees all over the country. If you are a Senator representing one of those States, I strongly encourage you and your staff to look at section 107 of the legislation.

Here is part of it, 107(b):

> Residual Risk Areas—The regulations required by subsection (a) shall require the expansion of areas of special flood hazards to include areas of residual risk that are located behind levees or near dams or other flood control structures, as determined by the Administrator.

Subsection (c) says:

> Mandatory Participation in National Flood Insurance Program—
>
> (c)(1) In General—Any area described in subsection (b) [the one I just read] shall be subject to the mandatory purchase requirements. . . .

Then go down to (c)(3):

> In carrying out the mandatory purchase requirement under paragraph (1), the Administrator shall ensure that the price of flood insurance policies in areas of residual risk accurately reflects the level of flood protection provided by any levee, dam, or other flood control structure in such area, regardless of the certification status of the flood control structure.

So regardless of whether these levees and dams are certified—in many cases by the Corps of Engineers, in other cases by private engineering firms—regardless of whether they are certified, the people behind those levees are going to be required to purchase flood insurance.

Let me read that one more time:

> The regulations required by subsection (a) shall require [there is no wiggle room there] the expansion of areas of special flood hazards to include [these] areas. . . .

This is a great expansion of this program. I want to talk about the expansion in just a moment, but let me say that the folks in these areas—I know it is certainly true in my State of Arkansas—the people in these areas currently pay for flood protection. In most cases, what they do is, through some sort of local levy or local tax—it is different in different places, but somehow, someway, they pay to build and maintain these levees. They are paying out of their pockets right now to make sure they do not get flooded. What this bill does and what FEMA would do under this bill—they would be required to do it, wouldn't have any wiggle room—what they would be required to do is make them pay again; not only have to pay for their own levee, they have to pay for flood insurance for floods that will never happen in their

areas because these levees are certified. Again, this is 881 counties, 50 percent of the U.S. population.

Over half the counties in Arkansas have levees. There are over 1,200 dams in our State. I don't have the number of dams for everybody all over the country, but it is over 1,200 in my State, so you can multiply that over how many dams you might think there are in the United States. It is a huge number, and it will affect over half the people in the United States.

I mentioned that these folks are already paying for their own flood protection through local levies. Now, also, according to this law, they are going to have to pay for insurance. In addition to that, to rub salt in the wounds, what they are going to have to do is their local counties are going to have to pass an ordinance that FEMA has written and it is going to restrict the land use. In many cases, that ordinance will diminish the property values, diminish the ability for them to do economic development in their communities.

If we can just take one example of something that happened last year, last year we had terrible flooding in the midsection of the country. Many of you remember that. The Corps of Engineers ended up having to blow the levee at Bird's Point. That is part of the Corps of Engineers' Mississippi River and tributary system.

By the way, we have to thank the Corps of Engineers and praise them for the engineering they have done on the river. I know there have been a few problems over the years. Some obviously happened in Katrina. But overall the Corps of Engineers designed things that work. Certainly when you look at last year, the 2011 flood of last year, in the Mississippi River, one of the longest rivers in the world, certainly the longest in North America, there was more water that flowed through the gauging stations from Cairo, IL, to Natchez, MS, than in any flood in recorded history. The flow at Cairo, IL—the confluence of the Mississippi and the Ohio—was over 2 million cubic feet per second. That was running through the Mississippi River right there. At Helena, AR, it was running at 2.3 million cubic feet per second.

In some locations—the Corps of Engineers is in the process of determining this; they are not ready to say it yet—in some locations up and down the Mississippi River system, they are considering whether this actually was not a 100-year flood or 250-year flood, this was actually a 500-year flood, the largest flood in history.

All of this Mississippi River—MR&T, we call it, Mississippi River and tributary system—all that has cost our taxpayers $32 billion since its inception, but just in the flood last year, it saved taxpayers $110 billion in damages. That is a great return on investment. We need to honor that return on investment. We need to not charge people additional flood insurance for areas that do not flood. They maybe had the 500-year flood up and down the Mississippi or maybe in certain parts of it, and there was not 1 acre of ground that went underwater. It was a new flood of record. Ten million acres of land were protected, 1 million structures were protected, and, again, it prevented $110 billion of property damage. There were no lives lost, and not 1 acre was flooded. The system worked exactly according to plan.

Now this bill comes in and says: Well, even though we just had the 250-year or the 500-year flood, still we want to make all these people up and down the Mississippi in all these counties—not all the people but in certain parts of these counties, depending on what the flood maps say—we want to require them to pay for flood insurance when it is never going to flood there.

I want my colleagues to know that this provision, section 107 in the Senate bill, is not in the House bill. I think the reason it is not—I can't speak for the House, of course, but I think the reason it is not is for the reasons I am saying right here. We know it is not going to flood in these areas. This is the Corps of Engineers. This is the best levee system in the world, and it is keeping these folks safe and dry when the floods come.

Also, I wanted to say the House does not have section 107 in their bill. It never did. There is a House amendment offered by Congressman CARDOZA who took out a requirement to show these areas are on their maps, and that vote passed 261 to 163. So not only can we get consistent with the House because we can get rid of section 107, but we can also get rid of other specific parts of this legislation that will be more consistent with the House.

Here is a map of the Mississippi River, the area I am talking about. We can see the States of Louisiana, Mississippi, Arkansas, Tennessee, Missouri, and a little bit of Kentucky and Illinois is in there as well. But this large blue area is what they call the historic floodplain. Before man came, before people started building levees, before they started draining swamps and trying to manage the land, this is the area that would flood.

One thing important to know about this is that a lot of this area in light blue has some of the richest farmland in the world. The reason it is so rich is that for centuries or eons or however long it was, this river would flood periodically and put this very rich soil out there. That is one reason why in this part of the country they can grow almost anything. That soil is great.

This is a huge industry for the area, and it is important we keep it going. It is also critically important for U.S. trade and the U.S. economy. This is the breadbasket, so to speak, of the United States right here. We have that area growing food and fiber for everyone. It is critical we keep that going.

Once the Corps of Engineers gets control of the Mississippi River—this is what it looks like now when it floods. This is now the floodplain. If you go back to last year when it flooded so badly, this is what it looked like, with one exception; they blew out this one little area in Birds Point to give a little bit of relief. Again, that was by design and that worked.

The first problem I have with the bill is section 107. Another problem is the general expansion of what this bill does to the National Flood Insurance Program. One of the things buried in the bill that a lot of people may not see is in section 118. Section 118 talks about how the Administrator needs to establish an ongoing program under which they review and update and maintain National Flood Insurance Program rate maps in accordance with this section, et cetera, et cetera. Then they go down their criteria of what they need to look at.

It says here ''all populated areas and areas of possible population growth located not within''—not the 100-year floodplain. The current law is the 100-year floodplain. What this plan says is the 500-year floodplain. We don't have a map of that because the Corps of Engineers has not finished mapping and FEMA has not accepted all the maps yet. We don't know exactly what that is going to look like, but I am going to say it is going to look something like this here. It is a good bet that a lot of people in this light blue area are going to have flood insurance.

Based on the flood we had last year, they are never going to get flooded, not in 100 years, and certainly not in 500 years. They are not going to get flooded, but this says they must purchase flood insurance. This is a huge expansion of the program. It has a big impact not just on homeowners, which is obviously very important. They are not going to be able to get a mortgage if they are in a floodplain.

What this law says in the committee report is that notice will be provided to property owners in the 500-year floodplain to inform them of their flood risks, which may lead to more owners protecting their property through flood insurance.

The PRESIDING OFFICER. The Senator has used his 15 minutes.

Mr. PRYOR. Mr. President, I would ask to have 5 more minutes to wrap up.

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

Mr. PRYOR. Mr. President, what this says in the committee report is that the 500-year flood notation should be sent out to everyone so everyone knows this property is in a 500-year floodplain. The problem is folks are not going to be able to get mortgage insurance, they are not going to be able to do real estate development; commercial real estate is going to hurt from that. They are not going to be able to have economic development projects in these areas because of the floodplain notation.

Also on page 8 of the committee report it talks about how they are going to spend about $400 million annually in

doing this mapping. Well, if they are going to map out the 500-year floodplain, that is a lot more map than the 100-year floodplain. They can save quite a bit of money by doing that.

The bottom line is these levees are designed correctly, they are built correctly, they are maintained correctly, and they are certified that they are safe. What is the point of people having to get flood insurance in that area when it is not required right now?

I also think this legislation requires a huge conflict of interest for FEMA. It is not FEMA's fault; they are not asking for this. It is what the Congress is trying to do. Basically under this law FEMA would write the regs, they will draw the lines, they will control the timing, they will set the standards, they will update the maps, they will maintain the maps. If there is an appeal, they would have to go to FEMA. They also set the rates, they collect the money, and they spend the money. Everything is done by FEMA.

Obviously FEMA is going to have an interest to make sure this program is adequately solvent and funded, and obviously they should. They have control of every aspect of this, with no checks and balances in the system. There are going to be millions of people who will pay in to make this solvent, I guess, but it will never need flood insurance.

With that, I wish to say I hope my colleagues who represent these States, when they look at section 107, will see what I see and we can all work together to either take out section 107 completely or get the 30-day extension so we can have time to take it out in the next few days.

ORDER OF PROCEDURE

Mr. PRYOR. Mr. President, I ask unanimous consent that the majority leader be recognized at 4 p.m.

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

Mr. PRYOR. Thank you, Mr. President.

I yield the floor.

Mr. HATCH. Mr. President, I ask unanimous consent that my remarks be placed in the appropriate place in the RECORD and that I be permitted to finish my remarks.

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

FISCAL POLICY

Mr. HATCH. Mr. President, we find ourselves in the midst of a Presidential election. In years past it might be expected that during a Presidential election, politics would take precedent over policy. That is not right then and it is certainly not right now. Our Nation faces serious problems—immediate problems—and we cannot wait to tackle them until after the election.

We are over $15.7 trillion in debt, and before the end of the year it will be over $16 trillion. We have a Tax Code that is unmanageable and a burden on conscientious taxpayers. If the Congress and the President fail to act, we have a tax increase coming next year that will dwarf any in our Nation's history. We cannot afford to wait another 7 months to get our fiscal house in order, and we need to act now.

President Obama at least claims to understand that we cannot wait to address this fiscal crisis. He remarked recently that the fact this is an election year is not an excuse for inaction. Unfortunately, other than talk, the President and his liberal allies have done nothing to address either our rising debt or the fiscal cliff we are quickly approaching, both of which are significantly hindering our economic recovery and job growth.

Last week President Obama's budget received zero votes in the Senate. For the second year in a row every Republican and every Democrat who voted on the President's budget voted against it. Remarkably, not one Democrat voted for the serious Republican budgets offered by my friend Chairman PAUL RYAN, and my friends and colleagues Senators TOOMEY, PAUL, and LEE.

While he talks a big game, President Obama has shown little interest in lighting a meaningful path toward balancing the budget, reforming the Tax Code, and reducing the tax burden on working families and small businesses.

Instead, President Obama seems to have a single-minded focus on his reelection. While he attempts to scare up votes in swing States, Americans across the country are suffering due to President Obama's failed economic policies. The people of Utah and the people across the country are naturally growing restless. They look to Europe and see the consequences of out-of-control spending and taxes. Yet even with the example of Europe, the President and his friends resist meaningful spending cuts at every turn, and his liberal allies have done everything they can to mislead the public about the responsible intentions of Republicans to reduce wasteful government spending.

Just as critical for our economy is the President's failure to do anything to address the tax relief that will expire at the end of this year. If the President allows current tax relief to expire, the result will be at least a $4 trillion tax increase on the American people. We can call this a fiscal cliff; we can call it ''taxmageddon,'' as others have done. Whatever you call it, it will be a disaster for the middle class. It will be a disaster for small businesses that will be the engine of our economic recovery. One thing we hear time and time again from businesses is that uncertainty holds them back from investing, expanding, and hiring. A robust recovery will require permanent progrowth tax policy.

Given the continued jobs recession and weak economic growth, we need those policies now. Economic growth slowed to 2.2 percent last quarter. For 39 consecutive months the unemployment rate has remained above 8 percent, but that only tells part of the story. There are 12.5 million Americans unemployed, and of those more than 5.1 million workers have been looking for work for 27 weeks or more. There are 7.9 million Americans who are working part time for economic reasons, and another 2.4 million have only a marginal attachment to the labor force. Close to 2 million college graduates are unemployed.

Growth slowed to a tepid 2.2-percent rate in the first quarter, and we already saw business cut back investment as business investment spending declined 2.1 percent in the quarter. Yet the President and his Democratic allies seem content even in this environment to sit on the sidelines as ''taxmageddon'' approaches and threatens even greater harm to our economy.

The coming tax increases will be, without any exaggeration, the largest tax increases in American history, and the possibility of these tax increases is creating enormous uncertainty. The so-called business tax extenders expired at the end of 2011. Will there be an R&D tax credit in 2012? Will there be an exception from subpart F for active financing income after 2011? Families and businesses do not know if the 2001 and 2003 tax relief will be extended beyond 2012. That creates tremendous uncertainty for anyone planning on buying a home, saving for college, investing in a new business, or hiring a new worker. Will passthrough organizations be taxed at 35 percent or 39.6 percent? Will dividends be taxed at 15 percent or will dividends be taxed at 39.6 percent, as President Obama has proposed? Will there be a death tax that hits family businesses and farms with a maximum rate of 55 percent, or of 35 percent, or something else? What will happen to the alternative minimum tax? Will it be patched? Will it be reformed? Will it be repealed? Will it be replaced with higher taxes somewhere else?

The President and the Senate Democratic leadership have shown no willingness to answer these questions and provide the certainty our economy craves. The adverse impact of these tax increases on economic growth is unquestioned. But don't take my word for it. It has been reported that Federal Reserve Chairman Ben Bernanke recently discussed with Senate Democrats the significance of ''taxmageddon.''

In short, the coming tax increases will be so large that Chairman Bernanke apparently warned that monetary policy would not be capable of offsetting the resulting decline in economic growth.

Last month the Fed's policy-setting committee repeatedly warned in minutes of their meeting that fiscal uncertainty has negative effects on consumer and business sentiment, on household spending, durable goods, business capital expenditures, and on hiring.

The former Director of President Obama's Office of Management and Budget concluded that what he estimates to be a $500 billion tax increase

would be so large that ''the economy could be thrown back into a recession.''

According to Barclay's Capital, this fiscal cliff could reduce our GDP by 3 percent.

In addition to these looming tax hikes, budget cuts from the sequester that followed from the administration's failure to arrive at a budget are set to hit as well. According to the magazine ''The Economist,'' the Congressional Budget Office has found that the combined effects of the sequester and the expiring tax relief would add up to 3.6 percent of GDP in fiscal year 2013. Federal Reserve Governor Duke has reportedly indicated that the combined impact of the expiring fiscal policies at the end of the year could amount to around 4 percent of the Nation's economy.

No economy can sustain such a hit without being hurled into recession. Yet instead of addressing this fiscal cliff—tax increases that will harm all of America's families—the President seems content to pursue misguided micropolicies that target the so-called rich in the name of so-called fairness.

I wish to make two points about the President's obsession with redistribution of wealth. First, the American people do not care. The American people do not want government bureaucrats in Washington figuring out who gets what. They don't want politicians spreading the wealth around. They don't want self-anointed arbiters of how much income is fair. What they want is the opportunity that comes with economic growth. They don't want a handout. They don't want their industries vilified for engaging in free enterprise. They want a job. And nothing is more fair than giving every American the chance to make something of himself or herself. That requires Washington getting out of the way, not getting more involved.

Second, the American people seem to understand that the President's promise that he will only tax the rich is a sucker's bet. With his health care law, he already repeatedly broke his campaign promise not to raise taxes on families making less than $250,000 a year. The people of Utah, my home State, and the rest of the other States know that the Democrats' thirst for more spending will require much more than taxes on the wealthy. If President Obama and his Democratic allies get their way, all taxpayers are going to be looking at bigger tax bills.

President Clinton was honest on this point recently. He rejected President Obama's politically convenient claim that he would only tax the rich, and called for across-the-board tax increases: This is just me now; I'm not speaking for the White House. I think you could tax me at 100 percent and you wouldn't balance the budget. We are all going to have to contribute to this, and if middle-class people's wages were going up again, and we had some growth in the economy, I don't think they would object to going back to tax rates from when I was President.

There we have it. Tax increases on everybody. President Clinton can claim that he does not speak for the White House, but the American people are not fooled. They see where the President's policies are leading. Our debt and deficits are unsustainable, but the President has shown no inclination to address them through spending reductions.

There is only one other option available to President Obama and it is one that he and his party have shown to be their preferred policy for decades: higher taxes to pay for more spending. Utahns and Americans all over the country know that the failure to address ''taxmageddon'' is a very real threat. We cannot put this discussion off any longer. It is time for our President to lead.

To that end, last week I, along with 40 of my Republican colleagues, sent a letter to our colleague and friend from Nevada, the Democratic leader, asking for him to address this fiscal cliff in short order. Today we received a response. I have to say I am disappointed. While there is a great deal of political posturing about evil millionaires and big corporations as well as repeated attacks on the tea party and the citizens who support its goals of smaller constitutional government, there is no acknowledgment of the fiscal cliff we are fast approaching. This response seems to confirm what we already know: President Obama and his liberal allies would prefer to put off the discussion of this fiscal cliff. They do not want to address ''taxmageddon.'' I am fairly certain their preference would be to get to the other side of the election and then have tax hikes set in not only for their caricatured evil corporations and individuals but for the middle class as well.

But I am confident that the markets and the American people are not going to allow this to happen. We cannot afford to delay action that will prevent ''taxmageddon'' and steer us away from the coming fiscal cliff.

The likelihood of ''taxmageddon'' and the uncertainty it creates is an anchor around our economy. Americans young and old, unemployed and underemployed, want this anchor thrown off now. We cannot wait until next year or even a lameduck session. The economy is slowing, job growth is lagging, and businesses are cutting back investments. The uncertainty caused by ''taxmageddon'' is contributing to the lackluster economic recovery. American families and businesses are not going to invest in the future if the future holds a $310 billion tax increase next year alone. The best thing we can do to jumpstart our economy is to turn the wheel away from the fiscal cliff sooner rather than later.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I note the majority leader has appeared on the floor and I believe he has a procedural motion. I yield to him.

ORDER OF PROCEDURE

Mr. REID. Mr. President, if my friend would complete his remarks.

Mr. REED. I would be happy to.

Mr. REID. Following the remarks of the Senator from Rhode Island, we will go into a quorum call.

I ask unanimous consent that immediately following the statement of my friend, the Senator from Rhode Island, a quorum call will be initiated, and then I will be recognized for such time as we decide to come out of the quorum call.

I see people shaking their heads. Here is the deal. Senator REED is going to talk and put us into a quorum call, and when we come out of that, I will be recognized. I ask unanimous consent to that effect.

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

The Senator from Rhode Island.

Mr. REED. Mr. President, I rise today in support of the Food and Drug Administration Safety and Innovation Act, which is pending before the Senate this week.

This legislation will give the FDA, through five agreements made between the agency and industry, the resources to approve additional drugs and devices every year for their safe and effective use. Without these agreements, the FDA, starting in October, would lack these resources which are necessary to approve new drugs and devices, and they would also lack resources to monitor the safety and efficacy of those drugs already on the market. This would result in a reversal of decades of work modernizing our drug and device approval and safety programs.

I am particularly pleased that for the first time, the generic pharmaceutical industry will provide the agency with $1.5 billion over 5 years for faster product reviews. In fact, the essence of the legislation is that the industry is actually providing resources for the monitoring and for the approval of drugs. Getting generic drugs onto the market sooner will help lower costs for individuals and families as well as for the Federal and State governments.

This measure would also significantly improve FDA's regulatory authority, including its ability to help prevent drug shortages and to partner with the private sector to develop new medications to treat life-threatening diseases that have become resistant to antibiotics, which is a very important measure included within this legislation.

I wish to recognize especially Chairman HARKIN and Senator ENZI for their very thoughtful, very deliberative, and extremely important work. They have represented through their committee work the model of what we should be doing here collaboratively and on a bipartisan basis to advance important measures for the American people. Both of them deserve great accolades for their work today. I hope we can follow through and bring their work to conclusion.

I wish to particularly thank both of them, Chairman HARKIN and Senator ENZI, for including provisions pertaining to pediatric drugs and devices that I authored along with my colleagues Senator ALEXANDER, Senator MURRAY, and Senator ROBERTS, another bipartisan effort to improve the health of children throughout this country.

Until 1997—15 years ago—80 percent of drugs were used off-label to treat children. Doctors were treating children without fully understanding the appropriate dosage requirements or the potential for any dangerous side effects. This frustrated pediatricians and angered many families, but those sentiments were largely ignored by the industry until Congress stepped in.

With the passage of the Best Pharmaceuticals for Children Act in 1997 and the Pediatric Research Equity Act in 2003, 427 drugs have been relabeled with important pediatric information. Now 46 percent, rather than 80 percent, of drugs are being used off-label in children, but that number is still too high. The legislation before the Senate makes critical improvements to these laws so we can further lower this percentage. It would make these two acts—BPCA and PREA—permanent, like the laws that govern the approval of drugs for adults. It would also provide the certainty that the pharmaceutical companies believe is necessary to continue to wisely invest in the appropriate use of drugs in children.

The legislation will also help ensure pediatric studies are planned earlier in the drug development process and completed sooner. Currently, a disappointing 78 percent of studies that were scheduled to be completed by September 2007 are either late or were submitted late. While Congress, the FDA, advocates, and the industry agree that a pediatric study should not hold up the approval for a drug for use in adults, drug companies should not be allowed to get away with submitting unrealistic study plans to the FDA for approval or failing to complete a required study once they are profiting from these drugs on the market.

The legislation that is before us would also require pharmaceutical companies to work with the FDA early in the process of developing these drugs to create a reasonable and sensible plan for studying the products in children. It would also, for the first time, provide FDA with an enforcement tool that will deter companies from neglecting their obligation to complete these studies on time.

Our bill also responds to the need for pediatric medical devices—not just pharmaceuticals, but devices—in children, which can lag 5 to 10 years behind those manufactured for adults. The pediatric profit allowance for Humanitarian Use Devices has proven to be a very effective incentive. Three new devices have been approved for their use in children in the last 3 years. This is an incredible increase as a result of this incentive.

This policy has shown much promise and I am pleased to see it continue in this bill, along with the Pediatric Device Consortia Grant Program, which has assisted the development of 135 proposed pediatric medical devices in just over 2 years.

The Food and Drug Administration Safety and Innovation Act would also extend this Humanitarian Use Device incentive to manufacturers of devices for use in adults with rare conditions. While it is my hope this policy is equally effective in spurring developmental devices for use in adults as it is for children, I am concerned that it could impact the development and the marketing of devices for use in children. I plan to monitor this policy closely should it become law, but I have full expectations that both noble objectives can be achieved.

There are some children, however, who do not receive the full benefits of BPCA and PREA.

I am pleased the Senate bill begins to address this problem for pediatric cancer patients and children with other rare diseases. It calls on the FDA to hold a public meeting to discuss ways to encourage the development of new treatments for this population. Indeed, for some pediatric cancers, the treatment has not changed in many decades. For other rare diseases, an effective treatment has yet to be found. I look forward to receiving a recommendation that might stem from this important meeting, as well as working with my colleagues to respond to their needs with reasonable and sensible policy.

I am truly pleased these pediatric provisions have drawn the support of 24 organizations, including the American Academy of Pediatrics, also including the Pharmaceutical Researchers and Manufacturers of America. I think this stakeholder support is very important not only to the ultimate passage of the legislation, but for its effective implementation.

There is another provision I would like to talk about; that is, this bill contains provisions which would require the FDA to decide whether to update the labeling requirements for tanning beds.

Every day 2 million Americans visit a tanning salon. Seventy percent of these are women. According to the World Health Organization, the risk of deadly melanoma increases by 75 percent when the use of tanning devices begins before the age of 30.

So this is a particular concern with young women beginning to use—and younger men—beginning to use these tanning devices. Yet the warning labels on tanning beds have not been updated in over three decades and are often placed far from view.

In 2007 my colleague, Senator ISAKSON of Georgia, joined me in requiring the FDA to study the labeling standards for tanning beds and make recommendations about how these standards could be improved. In its report, the FDA found that tanning bed labels could be clarified and located in a more prominent location. But the agency has yet to act. It is my hope the FDA will heed its own advice and update the labeling requirements for tanning beds.

Similar to the outdated labeling requirements for tanning beds, sunscreen testing and labeling standards have also been over three decades in the making—three decades. Last year I was pleased when the FDA finally took action. However, just last week the agency announced it would be extending the implementation of these new standards by 6 months, until December. Consumers will have to go another summer without knowing whether they are truly protected from the Sun's harmful UVA and UVB rays.

I have filed an amendment to make sure there are no future delays. I look forward to working with my colleagues to see that this amendment is accepted as part of the final FDA legislation which I hope is passed very quickly by the Senate.

I again want to thank Chairman HARKIN and Senator ENZI for their extraordinarily effective and collaborative work on the Better Pharmaceuticals and Devices for Children Act, which is included in this bill.

STUDENT LOAN INTEREST RATES

Mr. REED. Just for a moment, let me raise another pending issue which is of critical importance. In 40 days, as I think many of us recognize, student borrowing rates for college will double unless we act. We have seen both sides of the aisle—colleagues from both sides—come down and say we cannot let this happen. Well, we cannot let it happen. That means we have to take action to prevent the doubling of interest rates on Stafford loans.

Unfortunately, last week we had a series of budget votes, which most of my Republican colleagues supported, which would have, if they had passed, mandated the doubling of the student loan interest rate. So I think we have to move away from this debate and actually pass legislation which would prevent the doubling of student loans by July 1. I hope we can do it promptly, certainly before July 1.

Also, I hope we find an effective offset. What the Republicans have suggested is using the Prevention Fund. The President made it clear he would veto the legislation if it included that offset. Also, what should be clear that using resources to prevent disease is not only helpful to the American public, but it is also probably one of the most practical ways we are going to be able to begin to bend that very important cost curve going forward.

This Prevention Fund is going to help everyone, but it is going to particularly help middle-income families who are struggling with medical bills, who are struggling to find insurance, the same families who are struggling to pay the cost of college for their children. It makes no sense to me to take from one program that will largely

benefit working families to pay for another program that will benefit working families.

We have an offset which is an egregious tax loophole that allows lobbyists, financiers, et cetera, to create subchapter S corporations to essentially avoid their payroll and Medicare taxes. I think that is an appropriate way to pay for this support for students' education. If there are other ways beyond the prevention fund, I certainly am happy to listen to them. If there are other principled ways to avoid doubling the interest rate for student loans, let's talk about them. Let's get them on the Senate floor and let's debate them.

I yield the floor

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. REID. Madam President, I ask unanimous consent that execution of the previous order with respect to S. 3187 occur at 11 a.m. on Wednesday, May 24, and that all other provisions under the previous order remain in effect at that time.

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

Mr. REID. Madam President, as I sit here this afternoon, I hope I am not disappointed, and I hope the Senate is not disappointed in not being able to finish this FDA bill. We are on the bill. I hope we can work out some finite list of amendments. That would be the best thing to do for this bill.

So I just say to everyone, I hope we can do that. I do not want to have to come here tomorrow and file cloture on the bill. But that is the choice I will have. Or I can do this: Maybe what I might do is move to reconsider the student loan legislation. I have the ability to do that at any time. So I might do that. We need to get this done.

Today is Tuesday. I just think it is unfortunate. There is an event tomorrow night that we cannot get out of. It has been longstanding for the Senate and their spouses. So we do not have a lot of time.

So tomorrow morning, if we do not have something worked out, I think we will have to do some other things and recognize that all the happy talk on this bill may not come to be.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

Mr. BINGAMAN. Madam President, I wanted to speak about an amendment which I intend to offer once we do get on this Food and Drug Administration Safety and Innovation Act. This is an important amendment. I want to advise my colleagues and all who are listening about it so they can, hopefully, look into it and wind up supporting it.

This is an amendment that Senator VITTER has worked with me on, as well as Senators FRANKEN, SHAHEEN, KOHL, TOM UDALL, TIM JOHNSON, KLOBUCHAR, MERKLEY, SANDERS, and SHERROD BROWN. The amendment has the strong support of many organizations that are focused on the cost of prescription drugs.

Here is a list: AARP, AFL–CIO, Walmart, Families USA, Consumer Federation of America, U.S. PIRG, Consumers Union, Center for Medicare Advocacy, AFSME, National Legislative Association on Prescription Drug Prices, the Alliance for Retired Americans, various other companies and organizations—the New Mexico Pharmacy Association strongly supports this legislation.

This amendment addresses the root cause of anticompetitive, anticonsumer settlements that are entered into between brand-name and generic pharmaceutical manufacturing companies. The effect of these settlements they enter into is to delay timely access that consumers would have to generic drugs. This practice is commonly referred to as pay for delay. It costs American consumers and it costs the Federal Government billions of dollars each year in higher drug costs.

According to the Federal Trade Commission, in 2010, pay-for-delay agreements, limiting access to affordable generic drugs, protected $20 billion in sales from brand-name pharmaceutical companies. That was at the expense of consumers who would have been able to pay much less for those same drugs.

Ensuring access to affordable medication is an essential aspect of addressing the growth in health care spending. Prices for brand-name prescription drugs have continued to outpace inflation, and overall spending on prescription drugs has also increased sharply. These statistics are amazing to me. The Kaiser Family Foundation found that in 2008, spending in the United States for prescription drugs was $234.1 billion. That is nearly six times what it was in 1990.

Since generic drugs are, on average, one-fourth of the price of their brand-name alternatives, they can be an important source of affordable prescription drugs for many Americans. But to actually achieve the savings for consumers, those generics have to reach market in a timely manner.

In 1984, Congress passed the bipartisan Hatch-Waxman Act to create market-based incentives for generic pharmaceutical companies to bring their drugs to market as quickly as possible. The express purpose of that law was to incentivize early generic drug competition while preserving incentives for pioneer companies to develop innovative new medicines. Instead, the pay-for-delay settlements that our amendment tries to address—these pay-for-delay settlements between brand-name and generic pharmaceutical manufacturers have become commonplace.

These settlements stifle competition. They delay access to generic drugs at significant costs to consumers and to the Federal Government. In these settlements, the first filer generic drug company agrees to delay market entry in exchange for monetary or other rewards. This has the effect of blocking all subsequent generic filers in coming to market.

This is a complicated issue. I would like to take a few minutes to explain how these agreements work under existing law and also how our amendment would solve this problem as we see it.

Under current law, first-to-file generic drug applicants are rewarded with 180 days of market exclusivity. Exclusivity is awarded only to generic companies that are the first to file. It is not available to subsequent filers even if they successfully invalidate a patent and are ready to come to market immediately. So subsequent generic filers can only enter the market after the first generic filer has enjoyed its 180 days of market exclusivity.

So under the pay-for-delay settlements, the first filer generic company essentially parks its exclusivity; that is, it blocks all other generic manufacturers from coming to market until 6 months after the market entry date. This is true regardless of the strength of the patent or the readiness of subsequent generic filers to come to market.

So this means under pay-for-delay settlements, first filer generic companies receive a reward from brand-name companies for delaying market entry, usually a cash reward, a very substantial amount. They also get a reward from the current statute, this 180-day exclusivity period, and brand-name companies get to extend their monopolies beyond what was originally intended under the Hatch-Waxman legislation.

Consumers are left footing the bill and left with no option but to buy the more expensive drugs and to keep buying it, even after the generic should have come to market.

''Pay for delay'' settlements also typically include an agreement that the first-filer generic company can accelerate its entry into the market in the event that a subsequent filer invalidates the patent in question. In such cases, the subsequent filer triggers the first filer's exclusivity. Put simply, there is no incentive for subsequent generic filers to fight to invalidate weak patents and come to market as soon as possible, even when they believe strongly that they would win their case in court. In other words, whereas the original intent of Hatch-Waxman was to reward companies that were the first to file and actually bring their drugs to market, currently the reward goes to the first company to submit the necessary paperwork. Bringing the generic drug to market immediately has become an option that can be negotiated away.

To fix the ''pay for delay'' problem, the law needs to be changed so that first filers who enter into ''pay for delay'' settlements can no longer block generic subsequent filers who successfully challenge patents from entering the market and bringing affordable drugs to consumers. The amendment we are offering provides this solution or this fix in the following three ways:

First of all, the amendment grants the right to share exclusivity to any

generic filer who wins a patent challenge in the district court. This means that if a subsequent filer successfully challenges a patent, even after a first filer has entered into a ''pay for delay'' settlement with a brand-name company, that subsequent filer has a right to share exclusivity with the first filer. This provision provides an incentive for subsequent filers to challenge patents and stimulates competition.

Second, the amendment we are offering maximizes the incentive for all generic challengers to bring products to market at the earliest possible time by holding generic settlers to the deferred entry date agreed to in the settlements they have signed.

Third, our amendment creates more clarity regarding litigation risks by requiring brand-name companies to make a decision to litigate a patent challenge within the 45-day window provided for in the Hatch-Waxman Act. This ''use it or lose it'' provision enhances market certainty by eliminating the option for brand names to litigate patent challenges well after a generic has come to market.

Finally, I think it is important to point out that the amendment we are offering does not interfere with the rights of the parties to settle their patent litigation if they choose to do so.

There have been numerous antitrust experts and consumer groups that have identified the Hatch-Waxman Act's structural flaw—the one I have been describing here—as the source of the ''pay for delay'' problem and have called for a legislative solution. In addition, in 2003 Senator HATCH himself expressed concern that the flaw remained despite an attempt to fix it by including a ''use it or lose it'' provision in the Medicaid Modernization Act of 2003. Senator HATCH emphasized that the law should be changed to reward, and not penalize, generic companies that successfully invalidate a patent and are ready to come to market.

Let me further underscore the need for this amendment with some concrete examples.

I have a chart here that I think will make the point I am trying to make. This table shows three drugs included in ''pay for delay'' settlements. And this is just three; there are many of these settlements entered into each year. The delay to market in years for each of the three drugs—the three drugs are Altace, Lipitor, and Provigil—the delay period the settlements called for in one case is 2 years; in another case 1½ years; and in the other 6 years. The estimated lost savings to consumers is here.

Let me describe each of these a little bit. The first drug is King Pharmaceutical's Altace. A generic version of Altace was delayed for 2 years at an estimated cost of $637 million to consumers under a ''pay for delay'' settlement. In 2007, Lupin invalidated a patent covering Altace. Lupin could not launch, or bring their generic to market, despite being the party responsible for invalidating the patent and opening the market early. Instead, the first filer, Cobalt, accelerated its entry into the market and benefited from 180 days of exclusivity. Lupin was left with no reward despite the fact that they had been the one that succeeded in the litigation to invalidate the patent.

The second is a cholesterol-lowering drug familiar to most of us. It is the best-selling pharmaceutical drug in the history of the world, Lipitor. According to a 2008 New York Times report, Pfizer and generic manufacturer Randbaxy Laboratories agreed to a settlement delaying generic entry into the market by 20 months. The same report stated that the generic version of the drug was estimated to sell for less than one-third of the cost of the brand-name Lipitor, which had earned $12.7 billion in sales the year before. A letter sent to FDA Director Hamburg last year by some of my colleagues in the Senate indicated that the Federal Government was spending $2.4 billion a year on Lipitor and that a generic version was expected to generate $3.97 billion to $6.7 billion in savings annually.

The final example on the chart here is Provigil, which is a sleep-disorder drug, a generic version of which could have come to market as early as December of 2006. However, due to ''pay for delay'' settlements, a generic version of Provigil just entered the market this year instead of in 2006.

In addition, in October 2011, a subsequent generic filer, Apotex, invalidated a patent covering Provigil. Because the first filers in this case settled their patent litigation with the brand company 6 years prior, Apotex could not begin selling generic Provigil despite its court victory. Even the CEO of Cephalon, which is the brand-name manufacturer of Provigil, is quoted as saying—this is the CEO of the brand-name company—this:

> We were able to get six more years of patent protection. That's $4 billion in sales that no one expected.

In other words, the Provigil case represents 6 years and tens of millions of dollars in lost savings to consumers. One of the largest of those consumers is the U.S. military. As this chart illustrates, this is an estimate of the effect of this settlement—the so-called ''pay for delay'' settlement—related to Provigil on the Department of Defense. Assuming that a generic version of Provigil would have been released in 2006 with expiration of exclusivity, the DOD would have saved $159 million for this drug accessed by almost half a million soldiers between the years 2006 and 2011. Had our amendment, the Fair Generics Act, been the law—and we have introduced it as a stand-alone bill—had the Fair Generics Act been the law, generic versions of Provigil would very likely have been available 6 years ago. The first filers, knowing that the patent was weak and that subsequent filers could invalidate it and come to market themselves, would have fully prosecuted the patent fight instead of just settling it as they did.

As these examples illustrate, by granting shared exclusivity rights to any generic challenger that wins its patent case or is not sued by the brand company, our amendment will end the ''pay for delay'' problem and move us closer to the original intent of Hatch-Waxman. That original intent was more competition, greater access to affordable drugs, and substantial savings to the U.S. Government and American consumers.

I hope that when we get the opportunity to offer this amendment and consider it on the Senate floor and have a vote on it, my colleagues will support this amendment. It will be a substantial step forward for American consumers and will help us greatly in our effort to reduce the cost of prescription drugs for Americans.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. BROWN of Massachusetts. Madam President, I am pleased that the Senate is moving this week to consider the FDA Safety and Innovation Act, which is a very important piece of legislation that will help ensure Americans have access to save, innovative medical treatments by giving the FDA the resources it needs to review new products as safely and quickly as possible, while also giving the industry that certainty it needs to continue investing in new research. As I travel around Massachusetts, the No. 1 issue I find is that lack of regulatory certainty and sometimes tax certainty. This is a step in the right direction.

I am pleased that this legislation takes many steps to strengthen the medical innovation industry in the United States. I have championed one such provision with Senators MCCAIN and CASEY that will smooth the regulatory path that I referenced earlier for new, moderate-risk medical devices.

The underlying bill before us needs to be passed as quickly as possible to guarantee regulatory certainty at the FDA for the industry and its stakeholders.

However, I am disappointed the Senate has not yet taken time to address a key area of concern related to this bill; that is, the new medical device excise tax. The new 2.3 percent tax on medical device sales that was imposed in the Federal health care law will cost our economy thousands of jobs and limit Americans' access to the most groundbreaking, state-of-the-art medical devices which people need.

For the past 18 months, I have been pushing for the Senate to consider a medical device tax repeal bill that I introduced in February of 2011—one of the first bills I introduced. Today I, along with others, will be introducing an amendment to repeal this job-killing tax—a tax that will, in fact, drive up the cost of health care for patients and make our workers and our companies less competitive.

I can tell you that in Massachusetts we have over 400 medical device companies. We are an innovative State. We have the ability to have companies like these in Massachusetts, and they are employing nearly 25,000 workers and contributing over $4 billion to our economy. That is obviously a substantial industry in Massachusetts. And it affects every person throughout this country indirectly. If it goes into effect next year, this harmful tax will put American workers at a competitive disadvantage and chase jobs overseas. There are already companies, over the last year and a half, that have been looking overseas and already shifting their strategy.

Where is that 2.3 percent tax coming from? It represents, in some instances, the entire net profit for some young companies in Massachusetts and throughout the country. It will potentially cost 43,000 jobs across the country, with a loss of $3.5 billion in wages. I am not quite sure how that makes sense in anybody's book. Massachusetts alone is expected to lose over 2,600 jobs as a direct result of this tax, and up to about 10 percent of our entire medical device manufacturing workforce will be affected. The bottom line is that we cannot have this kind of job loss in any sector of our economy when we are still struggling. In Massachusetts, we have over 400 medical device companies. We do generate a tremendous amount of revenue—in the billions of dollars. So where is this tax going to come from? Is it from R&D, from growth and expansion, hiring, firing? Where? Nobody seems to know.

I can tell you that the Massachusetts companies and companies throughout the United States are deeply concerned about this. I find it surprising and disappointing that there is not a consensus to repeal the medical device excise tax which will affect States across this country. Whether it is on another bill or a stand-alone bill, we need to get it done the way we did, in a truly bipartisan, bicameral manner, on the 3-percent withholding, the 1099 fix, the hire a veteran bill or the insider trading bill. We have worked together in a bipartisan manner to get things done. It matters a great deal to Massachusetts, and it should concern every Member of this body.

Madam President, I yield the floor, and 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. DURBIN. Madam 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. DURBIN. Madam President, dietary supplements have become a common health aid in medicine cabinets all across America. More than half of us in America use dietary supplements, including this Senator, who, for a variety of reasons, takes a multivitamin tablet every morning. In spite of their popularity, many people would be surprised to learn the Food and Drug Administration doesn't know how many dietary supplements are actually being sold in the United States. Most people don't know if a dietary supplement ingredient presented serious health concerns, the Food and Drug Administration doesn't have the information to track down products containing the harmful ingredient. We assume if it is for sale in America, some government agency has taken a close look to make sure that product is safe and that we know what is inside it and that it wouldn't harm an innocent customer. It turns out that may be true when it comes to prescription drugs and over-the-counter drugs, but the dietary supplement world is a much different world, with minimal regulation.

I have an amendment which I will be offering to ensure the Food and Drug Administration has the information it needs to respond quickly and efficiently when safety concerns arise concerning dietary supplements. This amendment would require dietary supplement manufacturers to give the Food and Drug Administration the name of each supplement they produce, along with a description, a list of ingredients, and a copy of the label. It is not an onerous requirement, but for the first time the Food and Drug Administration would literally have a catalogue of all the dietary supplements being sold to Americans all across the Nation. With this information, the FDA would be better equipped to protect consumers' health and to work with manufacturers to address any problems should they arise.

A 2009 report by the Government Accountability Office found the Food and Drug Administration is limited in its ability to respond to safety concerns because dietary supplement manufacturers don't always provide basic information, such as product names or lists of ingredients. This commonsense amendment I am offering is supported by the Consumers Union, and it would provide the Food and Drug Administration the basic information it needs to protect the public.

Trust me. It will be opposed by certain interest groups. But I heard opposition almost 10 years ago when I introduced a bill to require dietary supplement manufacturers to report serious adverse events, such as hospitalizations or deaths, to the FDA. The need for mandatory reporting of adverse events was demonstrated by injuries and deaths across the country caused by the popular and dangerous dietary ingredient ephedra before it was banned in the United States in 2004. One of the victims was 16-year-old Sean Riggins from Lincoln, IL—30 miles from where I live in downstate Illinois. He died in September 2002. Sean was a high school student, and he died from a heart attack after he took something called Yellow Jackets. It was supposed to be an energy boost, and he was headed off to play football. It contained ephedra and it killed him.

Shortly before his death, Metabolife—the largest manufacturer of supplements containing ephedra—claimed to the public they had no ephedra-related adverse event reports, period. However, a lawsuit was filed, and they were required under that lawsuit to disclose their records.

In October of 2002, under pressure, Metabolife gave FDA over 13,000 ephedra-related adverse event reports. People had taken their substances with ephedra and had gotten sick or worse.

In 2006 I worked with Senator ORRIN HATCH of Utah and TOM HARKIN of Iowa to pass the Dietary Supplement and Nonprescription Drug Consumer Protection Act, which mandates reporting of adverse events to the Food and Drug Administration. It stands to reason if there is a drug for sale in the United States—a dietary supplement in this case—that causes a problem, we should know about it. If it is causing a problem in a lot of different places, the Food and Drug Administration, through these reports, will discover it.

Since the law took effect in 2007, dietary supplement adverse event reports submitted to the FDA have increased sevenfold, from 368 in 2007 to 2,473 in 2011. The FDA is using these reports as part of a surveillance system to signal potential safety issues and, in some cases, to take regulatory action. Mandatory reporting of adverse events was an important step to help protect consumer safety, but we need to do more to ensure the FDA and consumers have the information they need.

Madam President, the sad reality of this amendment and this issue is that it takes a tragedy to catch our attention. Someone has to be seriously hurt or worse before Members of Congress and others will take notice and do something.

I recently learned about the tragic death of this beautiful young 14-year-old girl. Her name was Anais Fournier from Maryland. Anais was an honor student. She liked to read vampire novels. She watched chick flicks with her mom, and she had a passion for writing. Last December her life was cut short when she went into cardiac arrest. What caused it? Caffeine toxicity. She drank two 24-ounce Monster Energy Drinks in less than 24 hours, and it took her life.

The American Academy of Pediatrics recommends that adolescents, such as 14-year-old Anais, consume no more than 100 milligrams of caffeine every day. But in less than 24 hours, Anais had consumed 480 milligrams of caffeine. That is the equivalent of 14 12-ounce sodas with ordinary caffeine content. Of course, she did it with two drinks—Monster Energy Drinks.

A recent report by SAMHSA shows energy drinks pose potentially serious health risks. I might just say that in the Senate today, as I am speaking, are members of Anais' family. We want to

join them in mourning her loss and hope that her life will at least give us notice there are things we can do to spare other families the grief their family has gone through. Wendy Crossland is her mom, her sister Jade is here, her grandfather Dick and grandmother Faith. They have come here today because they are hoping the Senate will hear about this amendment and that we can take it up and pass it.

Anais' case is not the only one. Emergency room visits due to energy drinks have increased tenfold between 2005 and 2009 from 1,128 in 2005 to 13,114 ER visits in 2009. Energy drinks target kids with flashy ads and names like Monster and Rockstar and Five Hour Energy Drink, but there are serious concerns about the high level of caffeine in these beverages and the herbal ingredients that act as stimulants and contain additional caffeine.

But here is an interesting thing. If you walk in—as I have—to an ordinary gas station—whether it is in New Hampshire or in Illinois—and you see the cooler with the drinks in it, and then you see others on counters, you might assume, well, they are all subject to the same level of regulation. But that is not true. If we are talking about ordinary beverages—sodas—they are characterized as food, and they are subject to certain limits by the FDA. However, if you look at the fine print—and you better look closely, because it is very tiny—you may find this is being characterized and described as a dietary supplement.

By putting those two words on the label, the product escapes regulation. So we limit the caffeine in an ordinary soda pop, for example—a cola—but when it comes to the dietary supplement side of the story, there are no limitations. That is why this poor young girl was a victim because of the huge amount of caffeine that was consumed in the name of a dietary supplement.

The FDA has the authority to regulate caffeine levels in beverages and to require beverage manufacturers to prove the additives they put inside that can or bottle are safe. But most energy drinks avoid FDA oversight by calling their products dietary supplements.

I defy anyone to walk into a store and look at all the things they can buy and pick out the ones that are regulated by the FDA and those that are not. They are going to have to study long and hard and look closely at the labels to figure it out.

Is that fair to consumers? Is it fair to families and parents that we don't have even basic oversight and regulation of products that can literally harm or take the life of a beautiful young girl? The amendment I am offering would ensure the FDA knows about all of the energy drinks being sold in the United States and can provide information about ingredients that could help the agency address potential safety concerns.

Most dietary supplements available today for sale are safe, and they are used by millions of Americans as part of a healthy lifestyle. Some ingredients may be safe for the general population but may be risky for kids, pregnant women, or people with a heart condition or who are taking certain prescription drugs.

Furthermore, in spite of the many responsible dietary supplement companies, sadly, there is a murky market space out there where some bad actors are selling potentially dangerous products—some of them imported into the United States—which literally do not even disclose their ingredients in an accurate way. This amendment will take an important step in protecting public health by requiring dietary supplement manufacturers to submit basic information to the FDA that would help the agency identify safety issues and respond more quickly.

No one wants to hear of the death of another 16-year-old who loved to play football or a young girl such as this wonderful young 14-year-old girl who loved watching movies with her mom. We can help prevent these tragedies by requiring that better information is reported to the FDA when these dietary supplements go on the market.

Madam President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. ISAKSON. Madam President, as a member of the Health, Education, Labor and Pension Committee, I rise for a brief speech. But I want to begin that speech by thanking Chairman HARKIN, Ranking Member ENZI, and the entire staff of the HELP Committee, and my staff—Francie Pastor—who have helped so much on this legislation which is so important to the American people. There is a chance where we have a bipartisan effort in the Senate to do something constructive and meaningful, and I commend both Senators on their work.

There are component parts of this legislation I want to illuminate for a few seconds because I had a lot to do with them, and they are very important. One deals with third-party logistics providers. As the Chair is aware, and as the Senate is aware, we have a placeholder in the managers' amendment for a third-party provider and logistical providers with track and trace.

Track and trace is the mechanism of tracking the drug from its origin and tracing it all through the system to the individual using the drug to ensure we have safety and security. But there are third-party logistics carriers who deliver an awful lot of content in the United States, such as FedEx and UPS, that operate in all 50 States, and we ought to have a 50-State seamless standard in terms of third-party delivery rather than 50 individual States all having regulatory authority.

So my first message today is to the conferees, that when the conference committee is ultimately reporting, it should take this placeholder on these third-party logistics providers and make sure in the track-and-trace legislation we provide a seamless national policy for the delivery of pharmaceuticals. That is very important to our country and very important to the pharmaceutical industry, but mostly it is very important to those who consume those pharmaceuticals.

Secondly, there is another provision called the Medical Gas Safety Act, which was included in this legislation, and I am very grateful the managers of the legislation agreed to put it in the bill because it is equally important for the people of this country. I want to make sure one thing is underlined. Medical gases are critically important to sustain life, gases such as oxygen. A gas such as nitrous oxide, which is sometimes called laughing gas by some, is sometimes used to sedate individuals. I want to make sure as we go through this process we have a system under which medical gases—that have stood the test of time—remain available through medical use and that brandnew medical products that have never been through the testing of time go through an appropriate FDA review, which is what the original act—the Medical Gas Safety Act—included and which we want to be included in this legislation.

Madam President, I also wish to further speak for a moment about an important section of this legislation—the Medical Gas Safety Act. I want to thank the Chairman and the Ranking Member, and Senator BLUMENTHAL, for working with me to include this in the bill. The Medical Gas Safety Act has a number of important benefits for patients, health care providers, FDA and medical gas providers, it will ensure a continued supply of quality medical gases that patients can depend on, and it will provide regulatory certainty for FDA and providers.

The intent of the Medical Gas Safety Act is to create a process for those medical gases and medical gas mixtures that have a history of safe and effective use to become approved drugs. This will ensure that medical gases that have a long history of use, like oxygen, become approved drugs. The legislation provides FDA with the authority to ensure that any mixture of medical gases be ''medically appropriate.'' Congress urges FDA to work with industry to develop a guidance over the next year to better define the term ''medically appropriate'' so that those mixtures that have been on the market for a long period of time can continue to be available to the patients that need them.

I think we have a finished product that everyone can support—it is a matter of fine tuning at this point, which can be accomplished through FDA guidance. We need to have a system under which medical gases that have stood the test of time remain available for medical use; and brand new medical

gas products that have never been tested go through an appropriate FDA review—which is what the original bill envisioned.

I once again thank the chairman and ranking member for all of the hard work they have done to move this entire bill forward in such a bipartisan manner. The way the Committee has approached this important legislation has resulted in a good bill that deserves everyone's support. I also want to express my appreciation for the inclusion of the Medical Gas Safety Act in this bill. Senator BLUMENTHAL deserves credit for the work he has done in this area.

Madam President, I applaud my colleagues, Senators BENNET and BURR, for their efforts to enhance the safety of America's pharmaceutical supply chain. While we are fortunate in America not to have a widespread problem with counterfeit drugs, the potential that they could pose a serious health risk to consumers is significant.

Supply chain compliance and safety is currently a patchwork of inconsistent State requirements and licensing which potentially jeopardizes the safety and welfare of millions of Americans. Unless a uniform Federal policy covering all pharmaceutical supply chain stakeholders is enacted, the United States will fail to provide the best tools needed for regulators and law enforcement to do a more effective job. Additionally, the U.S. would be missing an opportunity to leverage technology that will provide superior, cost effective consumer protection.

Third Party Logistics Providers, or 3PLs, are playing a growing and important role in making sure medicines reach their destination safely and securely. The term ''third party logistics provider'' refers to an entity that provides or coordinates warehousing, distribution, or other services on behalf of a manufacturer, wholesaler, or dispenser, but does not buy, sell, or direct the sales of those products.

Currently, Federal law does not recognize the role of a 3PL. Only one State even offers a license for 3PLs. Other States require a 3PL to apply for a wholesale distributor license, even though 3PLs do not buy or sell drugs. The varying patchwork of inconsistent State requirements makes law enforcement more difficult and there is added cost without a safety benefit.

Failure to include and define 3PLs in Federal language is simply wrong. Recognizing the role of 3PLs is a strong first step towards the development of uniform Federal standards for a 3PL license. Ensuring that all entities are properly licensed within the pharmaceutical supply chain not only makes sense, but it is one of the most effective deterrents to dangerous counterfeit drugs entering the supply chain.

I thank my colleagues Senators BENNET and BURR, and their staff, for their leadership to enhance supply chain safety by working with all industry stakeholders. I also express my gratitude to Ranking Member ENZI, Chairman HARKIN and Senate leadership for their support.

Through a constructive conference process, I am confident we can enhance supply chain safety in a reasonable and cost effective manner. By properly defining 3PLs, and ensuring that properly licensed entities handle our medicines, we can help to ensure they safely and securely reach patients in need. My constituents in Georgia expect nothing less.

Once again, Madam President, I commend the chairman and ranking member on their service and their fine work on the FDA bill.

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

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

The assistant bill clerk proceeded to call the roll.

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

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

Mr. HARKIN. Mr. President, I ask unanimous consent that the statement I am about to give appear as in morning business and not connected to the motion at hand.

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

REMEMBERING KATIE BECKETT

Mr. HARKIN. Mr. President, last week our Nation lost one of its most determined and courageous advocates for the rights of people with disabilities, Katie Beckett.

I am proud to say that Katie was a native Iowan. She was born in March of 1978 and 5 months later contracted viral encephalitis. She subsequently had a seizure and went into a coma for 10 days. This illness caused nerve damage to her brain and left her paralyzed and unable to breathe on her own. She received a tracheotomy, was placed on a ventilator, and was fed using a tube.

Initially, after coming out of the coma, she could not move at all. Slowly, much of the paralysis receded, but she was not able to breathe on her own until she was 2 years of age. During that time, she lived in a pediatric intensive care unit. Naturally her family wanted her out of the hospital and home where they could care, support, and love her.

By her third birthday, Katie's private insurance reached its $1 million cap, and she began to receive Medicaid for her health care. Doctors determined that she could leave the hospital with proper supports at home. However—and here is the catch—Medicaid refused to pay for such care even though it would cost one-sixth as much as hospital care. Medicaid would pay for institutional care but not for care in her own home. She could only receive care in a hospital or nursing home in order to be covered.

Katie's predicament began to receive attention thanks to the intervention of many people, including then-Congressman Tom Tauke, who was Katie's Congressman at the time. He began to speak out about this and brought it to the attention of then-President Ronald Reagan and many in Congress. Because of that, President Reagan spoke out about this and a new home- and community-based waiver was created to allow children in Katie's situation to receive their care at home rather than in hospitals. This new program is called the Katie Beckett Waiver. At the time, it was thought the program would benefit only a few hundred children. However, since 1982 over half a million children have benefited from the Katie Beckett Waiver, including 11,000 in Iowa. Katie and her family were true pioneers in changing the institutional bias in Medicaid and permitting children with significant disabilities to receive their support and services in their own homes rather than in a hospital, nursing home, or other institutional setting.

Under the new program, Katie went home almost 3 full years after she was admitted. At that time she was able to be off her ventilator for 6 hours a day. What happened after her discharge? Well, she attended school. While her fellow students considered her different because of her medical condition, she never needed special education services. At an early age she became a passionate advocate for home- and community-based care.

While in middle and high school, she testified before Congress, met with Governors, and, as I said, even met with the President of the United States. She served as an intern at Exceptional Parent magazine while living in Boston. That summer between her junior and senior year of high school, Katie learned to manage her own medical care, directing nurses who provided her treatment and managed her ventilator.

Katie considered advocacy to be her vocation and chosen path—in particular, to raise the consciousness of other young people about disability issues. Even though she found this work rewarding, she sometimes felt uncomfortable in those pre-ADA days—the pre-Americans with Disabilities Act days—and being singled out because of her disability. All she really wanted, as she put it, was ''to fit in and just be normal.''

Katie's first job was at a music store in a local mall. She got the job, as any young person would, by virtue of her knowledge and interest in music. Katie said, ''Advocacy is in my blood and in my soul,'' so she looked for work that would allow her to help other people. She volunteered at the local YWCA in the secondhand shop that supported the only homeless shelter for women and children in eastern Iowa and was then hired as the receptionist at the Y. The job title ''receptionist'' did not begin to describe her true job responsibilities. Katie was the first responder to sexual assault and domestic violence

victims. She helped with the neutral exchange program, where divorced or separated parents could drop off their children without having to encounter each other. She learned to quickly assess the needs of others and to help connect them to appropriate services and supports. She also helped with the supervised visitation program and was soon promoted to be the assistant to the supervisor of that program.

Later, Katie worked with her mother, Julie Beckett, to help establish the Kids As Self-Advocates Network, a group designed to help children and youth with significant medical needs to speak up for their own care and support. Working through Family Voices, another organization spearheaded by Julie Beckett, Katie helped to teach hundreds of young people how to advocate for their own health care. In addition, she served as a Senate appointee on the Ticket to Work and the Work Incentives Advisory Panel, which provided advice to the Social Security Administration, the President, and Congress on work incentives, employment, and other issues facing people with disabilities.

Katie Beckett graduated from Mount Mercy College in Cedar Rapids, IA, in 2001. She later took writing courses at nearby Kirkwood Community College. She was close to completing a novel. A series of illnesses obliged her to put off returning to college to take the classes necessary to become a teacher.

Katie treasured the freedom to engage in the kinds of activities that so many of us take for granted, including eating at Red Lobster, going to the shopping mall, and recently moving into her own apartment.

Katie will be greatly missed by so many people all across America. She will be remembered for her determined advocacy and that of her family, which has changed countless families forever. She inspired a host of young people with disabilities by showing that an ordinary person can accomplish extraordinary goals through great spirit, determination, and persistence.

Dr. Martin Luther King, Jr., once said, ''Life's most urgent and persistent question is: What are you doing for others?'' During her memorable but very short lifetime, Katie answered that question in powerful ways as an agent for change and as a determined advocate. Her living legacy is the program that bears her name, the Katie Beckett Waiver, which will continue to improve the lives of children and young people with disabilities far into the future.

I see my colleague from Iowa, who has also been a friend of the Becketts and has been very supportive of Katie and all of her work and of Julie Beckett. This has truly been bipartisan, bicameral support for this wonderful family.

Katie's funeral is this Friday. We are all going to miss her. As I said, when you met Katie Beckett, you were inspired to do more than you thought you could do. She was a wonderful person, and it is tragic that her life came to such a short close, just last week. She is going to be remembered. As I said, she changed so many lives in this country for the better.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank my colleague from Iowa for his very nice remarks about Katie Beckett. I come to the floor for the same reason—to celebrate the life of Katie Beckett.

Never has the word ''inspiration'' been used more appropriately in describing somebody, and today I am grateful to be able to recognize the inspirational life of Katie Beckett.

Mary Katherine Beckett—nicknamed ''Katie''—was born in Cedar Rapids, IA, on March 9, 1978. Five months after she was born, Katie contracted viral encephalitis, followed by grand mal seizures. The encephalitis caused damage to her central nervous system, her respiratory system, and she was attached to a ventilator. She would be almost 2 years old before she could breathe on her own.

As Senator HARKIN said, under Medicaid law at the time, Katie could only receive care through Medicaid if she remained in the hospital even though she was able to receive the care at home.

Iowa Congressman Tom Tauke heard of Katie's situation and realized that it made no sense to keep a child in the hospital who could be at home with her family living a better quality of life as well as saving the taxpayers money. Congressman Tauke worked to convince the administration that the system should be changed to allow States to provide Medicaid to children receiving care in their homes.

Ultimately, President Reagan took up Katie's cause, intervening so that Katie could receive treatment at home and still be covered under Medicaid. This change in policy became known as the Katie Beckett Waiver, and to date more than half a million disabled children have been able to receive care in their homes with their families rather than being forced into hospitals and institutions.

But Katie's story doesn't end there. As Katie grew up, as she battled to establish her own place in society as a young American with disabilities, she realized she had an opportunity to serve others who faced similar challenges.

In her own words—and this is from a piece Katie wrote in the year 2002 entitled: ''Whatever Happened to Katie Beckett?''

I started my advocacy career at age ten. It was not my choice, but rather a path chosen for me. It was not until I was twelve or thirteen that I realized the important work I was able to do because I was who I was and how much this work helped other kids.

Katie graduated with a degree in English from Mount Mercy College in Cedar rapids. She lived in the community. She wanted to be a teacher and write novels for young people. She was fiercely independent, sometimes to the consternation of her mother Julie. She was quick-witted and funny and loved a good cup of coffee. She lived her life as a tireless advocate for the disabled. She testified before Congress several times and was a contributing voice on numerous groups dedicated to disability policy.

When we took up policy proposals such as the Family Opportunity Act and Money Follows the Person, we wanted Katie's perspective and we depended upon her advocacy in the community to get those laws passed. Katie was the living embodiment of a person with disabilities participating and contributing in society.

On Friday, May 18, Katie went home to be with the Lord. She leaves behind thousands of lives touched by her presence. A light may go out, but a light lives on in those of us fortunate enough to have known Katie Beckett.

We remain inspired to work every day to create opportunities for the disabled to participate and contribute and live the life of service and dedication that Katie did. So, obviously, even though not alive today, Katie will remain that inspiration for many people for a long time to come.

Thank you very much. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

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

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

Mr. BURR. Mr. President, I think I can say I was blessed to be here right before the tribute to Katie that our colleagues from Iowa gave. What an inspiring life of a young lady. Although cut short, her impact is felt by many.

VISN REORGANIZATION ACT OF 2012

I rise today to speak on a bill that I introduced last week, S. 3084, the Veterans Integrated Service Network Reorganization Act of 2012. This legislation would significantly reorganize the structure of the Department of Veterans Affairs, or VA, Veterans Integrated Service Networks, or VISNs, to make these networks more efficient and to allow resources to be moved to direct patient care.

The veterans' health care system in our country was originally established to treat combat-related injuries and to assist in the recovery of veterans with service-connected disabilities. Since its start, the scope of the Veterans Health Administration, or VHA, has expanded and now treats all veterans enrolled in the health care system through hundreds of medical facilities located around the country. Prior to 1995, VHA was organized into four regional offices. These regional offices simply channeled information between the medical centers and the VA's Washington, DC, headquarters office. Since the regional offices' duties were to pass

on information to the facilities, they had little ability to exercise independence in implementing policies based on the needs of the veterans in their region.

In March 1995, based upon the recommendations of former Under Secretary of Health, Dr. Kenneth Kizer, VHA underwent a significant reorganization of its Washington, DC, and regional offices. Basically, the VHA health care system was divided up into 22 geographic areas—now 21—with each region having its own headquarters with a limited management structure to support the medical facilities in that region. The goal of the reorganization was to improve access to, quality and the efficiency of care to veterans through a patients-first focus. This structure would improve care by empowering VISNs with the independence to decide how to best provide for the veterans in their region. This change also would have made the most of spending for patient care by suggesting that VISN management be located on a VA medical center campus.

The aim was to provide a better organized system that would have oversight management responsibilities of the medical facilities through a new structure called the Veterans Integrated Service Network. This new system intended to offer a clearer picture of what the duties were of both the VHA central office in Washington, DC, and the VISN headquarters offices. Going forward, VHA central office's responsibilities included changes to VA policies and medical procedures and monitoring the facilities' performance in providing care. Each VISN headquarters' primary function was to be the basic budgetary management and planning unit for its network of medical facilities. Because the scope of their tasks was limited, it was expected that a VISN headquarters could be operated with 7 to 10 full-time employees, for a total of 220 staff for all VISN headquarters nationally. Any additional expertise needed was to be called up from the medical centers on an informal basis.

I believe VHA has significantly strayed from the initial concept behind the 1995 reorganization. While some growth and an increase in VISN management staff over 17 years is expected, the growth and duplication of duties we have seen at VISN headquarters offices and medical facilities quite simply is troubling. Examples of such duplication are coordinators for homeless veterans, OIF–OEF–OND veterans, women veterans who are present at both the medical facilities and the VISN headquarters.

This duplication has not only redirected spending away from medical centers, it has caused a bloating of the numbers of staff across the 21 VISN headquarters. VISN headquarters have grown well beyond the 220 staff proposed by the 1995 reorganization to a total of 1,340 staff for the 21 VISNs headquarters today—an increase from 220 to 1,340 employees today. These staff are performing functions that have little to do with budget, management, and oversight, let alone direct health care for our veterans. It appears that VHA has allowed VISN headquarters staff to increase without the necessary oversight or an assessment of the impact on the original purpose for VISN. Also left unchecked are the changes in the veterans' population and how veterans have moved between States to determine if there is a need to adjust the VISN boundaries to best serve the veterans seeking care.

This bill—my bill—would bring about a much-needed change to the VISN structure. It would, No. 1, consolidate the boundaries of 9 VISNs; No. 2, move some jobs back to the VHA central office; No. 3, reduce the number of employees to 65 per VISN headquarters; and No. 4, require VHA to review the VISN staff and structure every 3 years. What a novel suggestion, that we would actually review the progress we make.

My colleagues may find it a bit odd that we could reduce the staff of VISN headquarters while also increasing the size of the veterans' population and facilities from some VISN headquarters, but because we are reducing the tasks that the VISN headquarters perform while transferring several jobs to new Regional Support Centers—or RSCs—VISN headquarters staff would be more productive in carrying out the simple budget, management, and planning duties that they were originally tasked with in the 1995 original reorganization.

While the consolidation of VISNs would result in the closure of nine VISN headquarters, no staff would lose their job as a result of this legislation. Staff whose jobs would be eliminated because of the consolidation would have a chance to be transferred to other positions within the VA. Staff who perform the oversight functions that would be moved to the newly created RSCs would be given the opportunity to continue that work at the RSC. This legislation also returns the idea that VISN headquarters should be located on VA campuses by directing that VISN headquarters, if possible, be located on a VA medical center campus. Relocating to vacant space on the VA medical center campus hopefully would reduce the cost to the VA in the long run but, more importantly, it would bring the headquarters staff closer to the facilities they oversee.

I realize this would be an enormous change in the way VHA does business, and yet I believe this can be accomplished without any changes to how VA provides treatment and care to our Nation's veterans. In fact, I believe it will improve how VA cares for veterans by increasing the resources directly available for patient care.

It is important that VA not lose sight of its primary mission, as stated by Abraham Lincoln: '' . . . to care for him who shall have borne the battle'' and, to that end, VA should redirect spending away from bureaucrats and back to the direct care of veterans.

I believe the VISN Reorganization Act of 2012 would provide a more efficient and effective health care system to our veterans, and I hope my colleagues will see it in that light and support this effort at reorganization that is way past due.

I thank the Chair, and I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENNET. 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. BENNET. Mr. President, I came to the floor tonight to talk about the FDA reauthorization bill that is before the Senate. I was sorry we could not get it to a vote today. I am hopeful that tomorrow we will be able to because from my perspective, as someone who has only been here for a few years, the process, the committee process that led to the creation of this bill, is a model for how this town ought to be working.

The conversation we have had for so many months and even years has felt decoupled from the conversations I have been having in my townhall meetings and across the country about the challenges we need to address. This gap has been miles apart. But in this piece of legislation, I think we have actually found something responsive to patients, responsive to consumers, and responsive to the bioscience industry that is so important to my State and so many States across the country.

Chairman HARKIN and Ranking Member ENZI deserve enormous credit for running an excellent process that has enabled this Senator and others on the committee to be responsive to what our constituents say they want, which is a modern FDA with improved patient safety and innovation. We have also had committee members who were interested in rolling up their sleeves and doing hard work together irrespective of which party they were in. We have been able to work through a markup with virtually no partisanship.

This has been a uniquely fine process, which is why we have had such great momentum toward a full extension in what I call the Land of Flickering Lights. The standard of success around here has become: Keep the government running for 1 more month, keep this extension in place for 2 more months. We actually have on the Senate floor a rational and responsible bill that is a 5-year extension of the Food and Drug Administration authority.

Tonight I only want to talk about two aspects of the bill. There are a number we worked on, but tonight I spare you with the rest. In 2010 I introduced a bill called the Drug Safety and Accountability Act. Chairman HARKIN

and Ranking Member ENZI took notice, and we were able to form a working group to address serious problems in the FDA's statutory authority.

FDA laws that are supposed to protect our domestic drug supply were created in 1938 and desperately needed to be updated for the 21st century. Back then the lines of commerce were based on 48 States. Now we live in an era where over 80 percent of the active ingredients in our pharmaceuticals and our drug supply are being manufactured abroad. Couple that with the FDA laws that force them to inspect American facilities every 2 years but they have no mandates on how often they inspect facilities overseas. The GAO has found that FDA can only keep pace with inspecting the most high-risk overseas facilities, the places where our moms and dads are getting their pharmaceuticals for our children, once every 9 years.

So patients taking their pills have no idea whether the ingredients in their drugs were made in China or India or if they were ever inspected. Our American manufacturers are operating on an uneven playing field. They have to expect a surprise FDA inspection every 2 years on average here and make sure they are following all of their good manufacturing practices, when their foreign counterparts do not have to worry about FDA visiting them for a decade, if ever, because they can delay or refuse FDA inspection because they are overseas.

Patient groups and the industry came together to try to change that, and this bill does change all of that. It would implement a risk-based inspection schedule for both foreign and domestic manufacturing sites. It would make sure that drug manufacturers know who is in their supply chain every step of the way. And for the first time, if you are abroad and you refuse or delay inspection without a fair reason, the FDA can refuse to let your product into this country.

These are all the steps American families already think we have in place to protect them. I cannot tell you how many townhalls I have had where people have been shocked to learn that the products they have in their medicine cabinets have never been inspected by anyone. This will change that. It is a thoughtful, commonsense approach I think all of the constituents to this debate support.

So we need to make sure that happens. I also want to talk about something called track and trace. American families also want to know what happens to their pills, pills that can mean the difference between life and death, once they leave the manufacturer, enter the country and change hands several times. Right now we can know a lot more from a bar code on a gallon of milk than from a bar code on medication. That seems absurd to people at home.

I take a moment again to thank the Chair and ranking member for their commitment to working together to meet the challenge of developing a uniform traceability system. This is something that has been worked on for over a decade in this town, and we are finally this close to making it the law of the land.

I thank, in particular, my colleague, RICHARD BURR, a Republican from North Carolina, for being such a great partner in this work. FDA, the HELP Committee staff, Pew, and other stakeholders across the supply chain have been meeting for weeks with my staff and with Senator BURR's staff, all in good faith. Our goal is to finalize a plan after we wrap up this Senate bill.

Let me talk about another very exciting part of this bill. If we pass this bill, for the first time the FDA is going to be able to apply 21st-century science to the approval of drugs, particularly drugs that are breakthrough medications, drugs that we know will work in one subset of populations even if they might not work so well in another.

This is very important to cancer patients all across the United States who are looking to access these breakthrough therapies. So from the standpoint of driving an industry in this country that in my own State has a median salary of roughly $74,000, and from the point of view of patient health and protecting our supply chain, this FDA reauthorization is a must pass.

I thank the members of the committee and especially the chairman and the ranking member for establishing a model for how this Senate should operate.

I yield the floor.

The PRESIDING OFFICER (Mr. BENNET.) The Senator from New Hampshire.

Mrs. SHAHEEN. I applaud my colleague from Colorado, Senator BENNET, for the work he has done on the FDA legislation—as he pointed out, the good work that has been done by our colleagues on both sides of the aisle to get to this bill, to move it forward and to have a responsible and reasonable amendment process. So I hope we can move it forward this week and actually see its passage on the floor because it is so important to so many people who are dependent on what the Food and Drug Administration does in this country.

(The remarks of Mrs. SHAHEEN pertaining to the introduction of S. 3218 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mrs. SHAHEEN. I yield the floor.

AMENDMENT NO. 2149

Mr. KOHL. Mr. President, the inappropriate overuse of antipsychotics—which are associated with a higher risk of death in frail elders—is a well-recognized problem that warrants new policy to ensure that these drugs are targeted to people suffering from serious mental illness, and not to curb behavioral symptoms of Alzheimer's or other dementias.

Addressing these concerns requires additional transparency and accountability on how antipsychotics are being used today in older adults with dementia. I am pleased to be joined by Senators GRASSLEY and BLUMENTHAL in filing an amendment to S. 3187, the Food and Drug Administration Safety and Innovation Act S. 3187, which would require the HHS Secretary to develop standardized protocols for obtaining informed consent, or authorization, before administering an antipsychotic for a use not approved by the Food and Drug Administration. Authorizations would be provided by patients or, as appropriate, their designated health care agents or legal representatives. These informed consent protocols would provide valuable information to patients and their families, including possible risks and known side effects associated with the antipsychotic, as well as alternative treatment options that may be available.

This bipartisan amendment also calls for a new prescriber education program to promote high-quality, evidence-based treatments, including non-pharmacological interventions. The prescriber education programs would be funded through settlements, penalties and damages recovered in cases related to off-label marketing of prescription drugs.

While the Food and Drug Administration—FDA—has approved antipsychotic drugs to treat an array of psychiatric conditions, numerous studies conducted during the last decade have concluded that these medications can be harmful when used by frail elders with dementia who do not have a diagnosis of serious mental illness. In fact, the FDA issued two ''black box'' warnings citing increased risk of death when these drugs are used to treat elderly patients with dementia.

Last year, the Health and Human Services Office of the Inspector General—HHS OIG—issued a report showing that over a 6-month period, 305,000, or 14 percent, of the Nation's 2.1 million elderly nursing home residents had at least one Medicare or Medicaid claim for atypical antipsychotics.

The HHS OIG also found that 83 percent of Medicare claims for atypical antipsychotic drugs for elderly nursing home residents were associated with off-label conditions and that 88 percent were associated with a condition specified in the FDA box warning. Further, it showed that more than half of the 1.4 million claims for atypical antipsychotic drugs, totaling $116.5 million, failed to comply with Medicare reimbursement criteria.

I hope this policy will send a strong signal that Congress is committed to improving the quality of treatment provided to millions of our most vulnerable Americans—older adults with dementia and the families who support them.

Ms. COLLINS. Mr. President, I rise in support of the Food and Drug Administration Safety and Innovation Act,

which will help speed safe and effective drugs and medical devices to the patients who need them. This bipartisan, consensus bill was developed through a long and collaborative process involving the FDA, stakeholders, and Senators from both sides of the aisle. I commend the chair and ranking member of the HELP Committee for their tremendous leadership and hard work on this very important bill.

The legislation we are considering today reauthorizes existing user fee programs for prescription drugs and medical devices and creates new user fee programs for generic drugs and biosimilar biological products. In addition, the bill reauthorizes programs that have helped make medicines safer for children, upgrades the FDA's tools to police the global supply chain, increases incentives for the development of new antibiotics, and expedites the development and review of certain drugs for the treatment of serious or life-threatening diseases and conditions.

I particularly want to commend my colleagues for including provisions based on legislation I sponsored with Senator KLOBUCHAR to address the shortages of drugs that are causing significant disruptions in care and putting patients at risk.

I continue to hear from doctors, emergency medical personnel, and other medical professionals in Maine who are extremely concerned about this issue. Many of the drugs in short supply are vital, used in hospitals and cancer centers for anesthesia, chemotherapy, and treatment of infections. There are also continuing shortages of drugs used in emergency rooms and intensive-care units.

These shortages are causing serious problems around the country, including forcing some medical centers to ration drugs or postpone elective surgeries. Oncologists have told me of situations where they were forced to change a patient's chemotherapy regime midcourse because they suddenly encountered a shortage of a particular drug. Moreover, for some drugs, there are no effective substitutes.

This crisis is widespread, with more than 80 percent of hospitals reporting that they have had to delay treatment due to shortages. That is why I joined my colleague from Minnesota in sponsoring the Preserving Access to Life Saving Medications Act to give the FDA tools to better manage, and hopefully prevent, shortages of life-saving medications, including requiring manufacturers to provide an ''early warning'' when a drug will not be available.

Providing early warning when a drug will not be available will help both doctors and patients. It builds on the successful model of the FDA's Drug Shortage Program which encourages manufacturers to report potential or existing shortages so that problems can be addressed or other manufacturers can ramp up production. Through this voluntary approach, the FDA was able to avert almost 200 shortages last year.

The legislation we are considering today will give the FDA the information and tools it needs to help address and prevent drug shortages. It will also promote innovation, improve safety, and increase access to the drugs and devices that are critical to our health. Again, I commend Senators HARKIN and ENZI for their leadership and encourage all of my colleagues to join me in supporting this important legislation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN of Ohio. 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. BROWN of Ohio. Mr. President, I ask unanimous consent to address the Senate as in morning business for no more than 10 minutes.

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

MANUFACTURING

Mr. BROWN of Ohio. Mr. President, last week the Vice President was in my State in the Mahoning Valley, in the Youngstown area, northeast Ohio. He saw what I have been seeing in my State for the last several months, and he heard what I have been hearing from so many Ohioans in the last several months. He went to the Lordstown auto assembly plant, which assembles the Chevy Cruze. He saw what we have been seeing in my State, where manufacturing finally is coming back.

From early 2000 to January 2010, about a 10-year period, the manufacturing sector in this country lost a huge number of jobs—more than 5 million jobs. In the 35 years before that, manufacturing jobs in this country were pretty constant, up and down. In 1997 or 1998, we had about the same number of manufacturing jobs in America that we had in 1965—a smaller percentage of the workforce, or smaller percentage of GDP, perhaps, but roughly the same number of jobs. From January of 2000 to January of 2010, some estimates were as high as one-third of our manufacturing jobs. We know there were at least 5 million jobs and some 60,000 plant closings in that 10-year period, from 2000 to 2010. It is almost impossible not to ascribe at least part of that to trade policy and tax policy—a tax policy that far too often has given manufacturing companies an incentive to shut down and move overseas. If you shut down a plant in Warren, OH, or Mansfield, OH, or Springfield, OH, and move to Wuhan or Zihan or Shanghai, you can deduct the moving expenses and save on your Federal taxes. It is hard to do anything but to ascribe at least a part of that to some of the trade agreements we have signed, such as NAFTA, which the President pushed through Congress. And it was both parties. I was just as critical of President Clinton for NAFTA as I was President Bush on CAFTA.

We know what the Central American Free Trade Agreement and the North American Free Trade Agreement have meant, and we know what PNTR with China did, where we went from not much more than a $10 billion trade deficit in 2000 to trade deficits that were, I believe, $10 billion to $15 billion a month with China later in the decade. And we know from the policy of tax cuts that went overwhelmingly to the wealthiest Americans that passed in 2001 and 2003, going into two wars and not paying for those, a Medicare drug law that in the name of privatization basically gave away huge incentives to the drug and insurance companies—all that played into an economic policy that didn't work for the American people. We lost more than 5 million manufacturing jobs, with 60,000 plant closings between 2000 and 2010.

What happened in 2009 and 2010 to finally turn that around? The House and Senate and the President of the United States rescued the auto industry. We know the kind of job loss we were seeing and now look at what we have. It is not great yet. We are not seeing a huge growth in manufacturing, but almost every single month since early 2010, in Ohio and across the country, we are seeing job growth in manufacturing. So far, since early 2010, after that 5 million jobs lost in manufacturing—from early 2000 to early 2010—we have seen a 400,000-plus net job increase in these 2-plus years. Again, that is too anemic—it is not enough—but it is the direction we need to go.

Let me give a couple of examples as to why this auto rescue meant so much to my State and the rest of America. The Jeep Wrangler and the Jeep Liberty are assembled in Toledo, OH. Prior to the auto rescue, these workers assembled the Wrangler and the Liberty with only 50 percent American-made components. After the auto rescue—today—about 75 percent of the components that go into the Wrangler and the Jeep Liberty—assembled in Toledo, OH—come from components made in the United States.

Look at what has happened in Lordstown, OH. The engine is made in Defiance, OH, the bumper comes from Northwood, OH, the transmission comes from Toledo, the speaker system comes from Springboro, OH, the steel comes from Cleveland and Middletown, OH, the aluminum comes from Cleveland, OH, the stamping is done in Parma, OH, and this is put together—all these parts come together in Lordstown, OH, near Youngstown, assembled by 5,000 workers on three shifts. Almost none of that would have happened without the auto rescue.

Do you know what else the auto rescue was all about? It didn't just help Chrysler and GM, which had, in fact, gone into bankruptcy. The auto rescue was also supported by Ford and Honda in my State. We have huge Ford and Honda investments in my State. Why

would they have supported the auto rescue when the support from the government—the loans from the government, if you will—went to Chrysler and GM, not to Ford and Honda? Because they knew the importance of the supply chain. Because the supply chain for Chrysler and GM had collapsed, as it would have if those two companies had gone into bankruptcy and not been restructured and financed so they could come out of bankruptcy. If that had happened, the supply chain for Ford and Honda also would have partially collapsed. We see evidence of that in what happened with the tsunami in Japan, where Honda and others had to shut down for a period of time because they couldn't get the supply components they needed—some of them—from Japan.

So the point is that we stepped in with the auto rescue not just for Chrysler and GM, not just for Honda and Ford in my State—where 800,000 jobs, it is officially estimated, are affiliated with the auto industry—but also because it was important for these jobs at our tier 1 suppliers. Some of these tier 1 suppliers were about to collapse. So the rescue of the auto industry also directly helped to rescue some of those tier 1 suppliers. I have seen those tier 1 suppliers—Magnum in a suburb of Toledo. I have been there; Johnson Controls, which makes seats in Warren, OH—they make seats for the Chevy Cruze. I left that one out. All those tier 1 suppliers were in trouble.

We also knew the tier 2, 3, and 4 suppliers for the auto industry—making components you might not know what they were for or recognize them if you held them in your hands but that go into the Chrysler and the Ford and the GM and the Honda—were not able to get financing many times, and so we helped them through that with the auto rescue.

So the point is that what Vice President BIDEN saw in Youngstown and in Lordstown, OH, and what I hear in Dayton and Columbus and Mansfield and in Toledo and Rossford and Parma and all over my State is these workers saying they understand this auto rescue, where the government invested because nobody else would have—these companies are paying these investments, and that rescue saved all these jobs. It is why manufacturing is beginning to turn around.

There are other factors, of course, and one of them is the President of the United States enforcing trade law. We see a new steel mill in Youngstown in part because the President stood up to the Chinese and enforced trade law when the Chinese were gaming the system on something called oil country tubular steel, used in drilling for oil and for natural gas. All of that has mattered to this manufacturing job growth.

We are not there yet. We need the administration to step up on a real policy for manufacturing, a real strategy. I think they are starting to do that on better tax law, better trade law, and better enforcement of trade laws. We want to assist manufacturing when we can partner with them—not picking winners and losers but understanding that to create wealth, you either grow it, you mine it, or you make it. My State does all three and does it very well and will continue to do so with this kind of partnership as we move forward.

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

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

MORNING BUSINESS

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

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

ENHANCED ISRAELI MISSILE DEFENSE

Mr. NELSON of Florida. Mr. President, on April 19, 2012, I introduced S. 2325, the Iron Dome Support Act, along with my colleagues Senators BOXER and KIRK. This bipartisan bill authorizes further assistance to Israel for the Iron Dome anti-missile defense system. As of today, 17 of our colleagues have also joined us on this bill, because we all recognize that an investment in the Iron Dome is an investment in peace and security in the region.

The Iron Dome system uses small radar-guided missiles to blow up Katyusha rockets and mortar bombs in midair coming from 3 to 45 miles away—and can do so in any weather condition. The Israeli Defense Force reports that Iron Dome has already proven itself to be 90 percent successful intercepting rockets well before they could potentially hit residential neighborhoods, busy highways, shopping centers, or crowded streets in southern Israel.

This is an incredible piece of technology. Right now, there are 3 Iron Dome batteries in the south of the country. But Israel remains vulnerable to attacks on other fronts from terrorist groups. That is why I encourage my colleagues to join me in supporting S. 2325. Increased support for this legislation will send a strong message to include additional funding for Iron Dome batteries in order to protect all of Israel.

The Iron Dome is just one of the ways the United States supports Israeli missile defense. The Arrow Weapons System and David Sling protect Israel from medium and long distance threats to the country's existence.

We are developing these systems in cooperation with the Israeli government, so we can harvest the technology for future American systems. Our backing is important to keep the deployment of these systems on track as they must keep pace with the aggressive development of threat missiles.

As the markup of the various defense bills moves ahead this month and next, I urge my colleagues to fully support the accelerated deployment of anti-missile systems vital to the survival of our Israeli allies.

TAIWAN'S PRESIDENTIAL INAUGURATION

Mr. WICKER. Mr. President, I congratulate President Ma Ying-jeou on his inauguration as President of Taiwan. From his education at Harvard University, to becoming the youngest cabinet minister in the history of Taiwan, to his election to the Presidency of Taiwan in 2008, President Ma has faced difficult challenges. As Justice Minister he took on the task of rooting out political corruption. As President he has faced the daunting charge of navigating Taiwan through the economic downturn, and after just a few years Taiwan has seen successful economic growth. In addition, President Ma has made notable progress in improving cross-strait relations. During his first term, he successfully negotiated 16 trade agreements with the People's Republic of China, increasing economic cooperation between these two countries.

For all of his hard work and success, I congratulate President Ma and wish him well on his second term in office. I hope the U.S. and Taiwan can continue to advance our shared interests and goals and to strengthen our valued relationship.

ADDITIONAL STATEMENTS

GOLDEN GATE BRIDGE

• Mrs. BOXER. Later this month, California residents and visitors from around the world will gather to celebrate the 75th anniversary of a beloved California landmark: the Golden Gate Bridge.

The Golden Gate Bridge is without doubt one of the greatest structures of the 20th century. This seamless stretch of cables and steel beams was the vision of renowned bridge architect and engineer Joseph Strauss, whose prior experience prepared him to design the longest suspension bridge of its day, which many said could never be built.

But built it was, even in the middle of the Great Depression. After more than 4 years of construction, the Bridge opened on May 27, 1937. Hailed as an architectural masterpiece for its complex construction and structural elegance, it soon became a cornerstone