

a proven job creator, Congress has been caught up in partisan fights. Let's do what Americans are demanding. Let's work together to create jobs and strengthen our economy, as well as our energy security. Let's pass the PTC as soon as possible—ASAP.

I will be back tomorrow, and I will talk more specifically about the importance of the PTC to my home State of Colorado. We are home to thousands of renewable energy jobs, including high-paying manufacturing ones. But that could change literally overnight if the PTC is not extended.

For the good of our economy, I ask all of my colleagues from both sides of the aisle to work with me. Let's work together to get the PTC extended.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

CYBERSECURITY

Mr. NELSON of Nebraska. I rise today to discuss an amendment that I am proposing to the 2012 farm bill that we are debating in the Senate. Before I speak to that, I also want to associate myself with the leader's comments about the importance of taking care of our cyber defense, putting ourselves in a position to be able to deflect and deter cyber attack from terrorists and otherwise against our industries and against our Federal Government.

As chairman of the Strategic Forces Subcommittee of the Senate Armed Services Committee, cyber command is part of our responsibility. The leader is exactly on target with his comments about the need to move forward to protect our country against future cyber attacks—which we encounter daily—recognizing that we perhaps do know what we know, but we are in that unfortunate position of not knowing what we don't know.

To modernize and move forward is absolutely essential to maintain our vigilance against cyber attacks in the future.

DIRECT FARM PAYMENTS

Mr. NELSON of Nebraska. Mr. President, the amendment I wish to talk about today and propose is about fairness. It is about fairness for America's farmers and ranchers and fairness to all taxpayers.

First, I note that one of the key elements of the 2012 farm bill that we drafted in the Senate, and is now on the floor, is about reform. In particular the bill reforms a program of Federal subsidies that have gone to farmers regardless of whether farm prices were high or low.

These subsidies are known as direct farm payments. They were established by the 1996 farm bill as a way to transition producers away from a government-controlled system of agriculture to more market-based agriculture.

These direct farm payments, which are outdated government subsidies, were supposed to be temporary, and the 2012 farm bill takes the necessary step to eliminate them and remove them from the future.

When this change is enacted, farmers will not be paid for crops they are not growing on land they are not planting. Eliminating these direct payments will save \$15 billion over 10 years, which will be used for deficit reduction.

Producers in my State understand that given our Nation's fiscal problems, we have to have shared sacrifice to get the debt and deficit under control. If we end these outdated subsidies, the farm bill establishes that crop insurance will be the focal point of risk management by strengthening crop insurance and expanding access so that farmers are not wiped out by a few days of bad weather or bad prices.

Crop insurance is a shared private-public partnership that maintains the safety net we all need to sustain American agriculture. In my efforts to identify other areas where shared sacrifice for deficit reduction can be pursued, I am proposing an amendment to eliminate another set of government subsidies which are unnecessary and should be eliminated. These subsidies go to just 2 percent of the Nation's livestock producers. They receive substantial taxpayer-paid subsidies for grazing on public lands.

In the interest of fairness to all livestock producers and the taxpayers, we need to reform Federal grazing subsidies. My amendment would require that ranchers pay grazing fees based more closely on the market value for their region when grazing on public lands. Today, the 2 percent of livestock producers grazing on public lands pay far below market value that other market producers are paying.

Given our huge Federal debt and deficit, we can no longer afford to heavily subsidize an elite group of ranchers to graze their cattle on public lands at the taxpayers' expense. These ranchers receive a special deal—Federal “welfare” so to speak—that they don't need, most ranchers can't get, and taxpayers should not be paying for.

It is a matter of fairness to level this playing field, and it will help balance the budget as well. This 2 percent of the country's ranchers have grazing rights on public lands that cost the government, by lost income, \$144 million a year to manage. But the government collects only about \$21 million a year in grazing fees from ranchers, according to a 2005 study by the GAO. That leaves a net cost to taxpayers of more than \$120 million a year. Losing the \$120 million of tax money per year isn't fair to taxpayers, nor is it fair to producers who then are required to subsidize their competition.

This report also found that the two agencies that manage most of the Federal grazing lands—the Bureau of Land Management and the U.S. Forest Service—actually reduced grazing fees during years when grazing fees on private lands increased. Get that: The Federal Government reduced fees on public lands when fees are being raised on private lands.

The GAO found that from 1980 to 2004, BLM and Forest Service fees fell by 40

percent. At the same time, grazing fees charged by private ranchers rose by 78 percent. By an actuary's term, that is disintermediation. One is going one direction and the other another direction.

Furthermore, GAO found if the goals of the grazing fee were to recover expenditures, BLM and the Forest Service would charge \$7.64 and \$12.26 per “animal unit month.” That is much higher—get this—than the current \$1.35-per-animal unit ranchers pay to graze on public lands. That is not fair.

The GAO stated that the formula used to calculate the fee includes ranchers' ability to pay and is not “primarily to recover the agencies' expenditures or to capture the fair market value of forage.” No kidding. That is what they said and what they think this program is all about.

In Nebraska, it costs livestock producers who get this special deal \$1.35 per cow to graze on public lands. But it costs other producers who don't graze on public land an average of \$30 per cow to graze on private land just in northwest Nebraska. It costs an average of \$38 per cow on private land just across all of northern Nebraska. That is according to the University of Nebraska's agriculture economics department.

I note that I am aware others before me have tried to reform Federal grazing fees, and they are saying to me right now: Good luck. Given today's critical need to get our Nation's fiscal house in order, it is time to bring grazing costs on public lands more in line with what it costs producers to graze on private lands. There is no fairness in this disparity.

I urge my colleagues to join me in working to improve the 2012 farm bill reforms by ending unfair and outdated Federal grazing subsidies. Doing so would bring fairness to all livestock producers and have the added benefit of saving taxpayers more than \$2 billion over the next decade—savings that could help pay down the national debt and reduce our deficit in the meantime.

With that, I yield the floor.

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

AGRICULTURE REFORM

Ms. STABENOW. Mr. President, in a short while—I think this afternoon—we will officially be back on consideration of what is dubbed the farm bill—the Agricultural Reform, Food, and Jobs Act. This is something we do every 5 years to secure the safest, most affordable, reliable food supply in the world. We are very proud of what our farmers and ranchers do.

The largest investment in land and water conservation we make as a country on working lands is made through the farm bill—protecting our Great Lakes, the Chesapeake Bay, and supporting farmers who have environmental challenges and managing those on their lands. So these are very important investments.

We also make important investments in nutrition for families who need temporary help, as many families certainly have during this economic downturn, and many other exciting opportunities that create jobs.

The Presiding Officer, I know, cares very deeply about manufacturing, as do I. One of the areas in which we are growing the economy is by making things, growing things, and bringing those together in something called bio-based manufacturing, which I will be talking more about as we proceed, but the idea is to use agricultural products to offset chemicals, to offset oil and plastics. This is an exciting new opportunity for us. We expand upon that through opportunities in what we call the farm bill.

The bottom line is this is a jobs bill. There are 16 million people at work in this country—and there are not too many bills that come to the floor that have the number 16 million—that are in some way related to agriculture and food production. It may be processing, it may be production, it may be in the sales end, but 16 million people work in this country because of agriculture in some way, and so it is important we get this right.

We also have a major trade surplus in this country coming from agriculture. So we are producing it here and then we are selling it overseas. I certainly wish to make sure we are focusing on exporting our products, not our jobs. The shining star of that is in agriculture, where we have seen just in the last few years a 270-percent increase in agricultural exports. So this is a big deal for us and it is part of why this is a jobs bill and very important.

We also know we need to reform agricultural production policies. This bill is very much about cutting subsidies as well as creating jobs. So what are we doing? We have taken the view in this farm bill where rather than focusing on protecting individual programs that have been with us a long time, we have focused on principles: What is it we need to do to have a strong economy, to support our farmers? Whether it is a weather disaster, such as we have had in Michigan, or whether it is a disaster in markets and prices, we don't want our farmers losing their farms because of a disaster beyond their control. We all have a stake in that. There is nothing more risky, in terms of a business, than agriculture, where one is at the whim of the weather and other market forces. So we want to make sure we are there.

We also know that for too long we have paid government money to folks who didn't need it for crops they didn't grow. We are not going to do that anymore. This is a huge reform in public policy, where we are moving to risk-based management. We are focusing on what we need to do to cut the deficit and strengthen and consolidate and save dollars but also provide risk management. In fact, in this bill, we are reducing the deficit by \$23 billion.

We have not had the opportunity to have in front of us a bill on the floor that cuts the deficit, with strong bipartisan support around policies that make sense and that we agree to. This is an area where we have come forward. In fact, I am very proud of the fact our Agriculture Committees—in the fall, when the deficit reduction effort was going on—came forward with a House-Senate bipartisan agreement on deficit reduction. In fact, if every committee had done that, we would have gotten to where we needed to go.

I wish to thank my friend and ranking member Senator ROBERTS for his strong leadership, as well as the chairman and ranking member in the House for their joint efforts in that way.

But when that didn't happen, we decided we would keep our commitment to deficit reduction and move forward on policies that would achieve that and we have done that with \$23 billion in cuts. We do that by repealing what is called direct payments that go to a farmer regardless of what is happening, whether it is good times or bad.

In fact, we replace four different farm subsidies with a strengthening of crop insurance and additional risk-management efforts when there is a loss by the individual farmer, at the county. We focus on loss. As I indicated, we will support farmers for what they plant.

We strengthen payment limits in terms of where we focus precious taxpayer dollars, and we also took a scalpel as we looked at every part of the USDA programs. We looked for duplication, what made sense, what was outdated, and we eliminated 100 different programs and authorizations within this farm bill policy. Again, I don't know many committees that have come forward with that kind of elimination.

That doesn't mean we are eliminating the functions, the critical areas of supporting farmers and ranchers or conservation or expanding jobs through renewable energy or our nutrition efforts or so on—farm credit, other beginning farmers, and all the efforts we are involved in. We are just doing it in a more streamlined way. We are cutting paperwork.

In rural development, which affects every single community, every town, every village, every county outside our urban areas, we want to make sure a part-time mayor can actually figure out rural development and use the supports that are there to start businesses, to focus on water and sewer infrastructure or roads, that it is actually simple and available and doable from their standpoint. We have spent our time working together to come up with something that makes sense for taxpayers, for consumers of food, for those who care deeply in every region of our country about how we support farmers and ranchers and for those who care very deeply about our land and water and air resources on working lands and how we can work together to actually do that.

We are moving forward now to the next phase on our farm bill consideration. Senator ROBERTS and I are working closely together to tee up some amendments—both Democratic and Republican amendments—so we can begin the process of voting. We know there is a lot of work to do. Colleagues have a lot of ideas. Certainly, some of those ideas I will support, some I will not support, but the process of the Senate is to come forward and offer ideas, debate them, and vote.

So we are working hard, hopefully to tee up some votes this afternoon or tomorrow that would give us the opportunity to move forward. We know there is a lot more work to do. We have a lot of ideas that colleagues have, and we will continue to negotiate moving forward on a final set of amendments. But we think it is important to get started.

I wish to thank all our colleagues who came together on the motion to proceed. It was extraordinary. After a strong bipartisan vote in committee, we are very appreciative of the fact our colleagues are willing to give us the opportunity to get this done with such a strong bipartisan vote on the motion to proceed.

Also, before relinquishing the floor, I notice my colleague from South Dakota is here, and I wish to personally thank him for his leadership on this bill, with extremely important provisions in the bill, both on risk coverage. The proposal to support farmers who have a loss came from a very important proposal Senator THUNE and Senator SHERROD BROWN put forward, along with other colleagues, which is the foundation of what we are doing to work with crop insurance to support farmers. Also, Senator THUNE has been pivotal in a very important part of conservation that ties what we call the sodsaver amendment to the protection of prairie sod, prairie land, to crop insurance. If someone is breaking up the sod, there would be a penalty on the crop insurance side. So it is an important way of bringing together accountability and crop insurance and protecting our native sod. This is something, among many other things, Senator THUNE has been involved in and shown real leadership.

As I said, this has been a strong bipartisan effort. Again, I thank my colleague from Kansas who has been a partner in this effort.

I look forward to having the opportunity to bring all our amendments to the floor and to give people the opportunity to move forward in good faith. It is going to be critical that we move forward in good faith so we can begin to debate, to vote, and to get this bill done.

All the policies we have talked about actually end on September 30 of this year, with very disastrous results for farmers and ranchers if we don't get this done. They need economic certainty. The 16 million who work because of agriculture are counting on us to get this done so they can make their

decisions on what they are going to plant and how their business is going to work.

I am proud of the effort so far, our coming together and having folks join in this wonderful bipartisan effort to get to work.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from South Dakota.

Mr. THUNE. Mr. President, I ask unanimous consent that my Republican colleagues, Senators McCAIN and AYOTTE, and myself be permitted to enter into a colloquy for up to 30 minutes.

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

DEFENSE SEQUESTRATION

Mr. THUNE. Mr. President, I come to the floor, along with my colleagues, Senators McCAIN and AYOTTE, to talk about the significant uncertainty surrounding sequestration and its threat to our national security.

The triggered reduction in spending is \$1.2 trillion. After accounting for 18 percent in debt service savings, the required reductions amount to \$984 billion to be distributed evenly over a 9-year period or \$109.3 billion per year. So what we are talking about is \$54.7 billion in reductions will be necessary in both the defense and nondefense categories, despite the fact—despite the fact—defense funding constitutes just 20 percent of the budget.

As my colleagues Senators McCAIN and AYOTTE are well aware, this sequester disproportionately impacts defense spending, putting our national security at risk.

It has been almost a full year since the Budget Control Act was passed, and Congress needs a precise understanding from this administration as to the full effects of sequestration on national security funding. Both Senator McCAIN and I, along with Senators SESSIONS, AYOTTE, and others, have called on the administration to detail the impact of sequestration on defense accounts.

This information is necessary for Congress to address the deep and unbalanced defense budget cuts that are expected under sequestration—which are in addition, I might add, to the \$487 billion in reductions that were carried out last August.

What little information has been made available from the administration about the planned cuts to defense should give all of us pause about our Nation's security if sequestration proceeds without any modifications.

In a letter to Senators McCAIN and GRAHAM this past November, Secretary Panetta said that over the long term, sequestration means we will have the smallest ground force since 1940, the smallest fleet of ships since 1915, and the smallest tactical fighter force in the history of the Air Force.

If sequestration were to go into effect, we risk turning back the clock on our military strength to where it was during the early 20th Century, before

World War II. That clearly cannot be allowed to happen if we hope to have a future in which we are secure, prosperous, and at peace in the world.

I wish to turn now to my colleague Senator McCAIN, who is the ranking member of the Armed Services Committee. He has been a leader in calling attention to this cloud of sequestration cuts looming over the Defense Department and its threat to our national security. He is, obviously, one of the foremost experts in the Senate when it comes to the issue of national security, and someone who has been raising the issue of sequestration and its impact to our national security interest for some time.

I would ask Senator McCAIN if he might comment on his observations with regard to this issue and its impact on national security.

Mr. McCAIN. I thank my colleague from South Dakota and appreciate very much his leadership on this issue and my colleague from New Hampshire, Senator AYOTTE, who has done a preliminary study on the effect of these sequestrations on our defense industries and jobs and employment in States across America.

In fact, she has been asked by the Conference of Mayors to give them assessments. One of the problems we have is not only sequestration itself, as my colleague from South Dakota mentioned, but the American people don't fully understand the impact—not only from a national security standpoint but from an economic standpoint.

I appreciate and admire our Secretary of Defense who continues to say that sequestration would be devastating to our national security, the effects would be Draconian in nature. He has described it in the most graphic and, I think, accurate terms. But we don't know exactly what those impacts would be and, unfortunately, the Secretary of Defense and the Defense Department have not given us information as to what those impacts would be. The American people need to know and they deserve to know what these impacts would be.

That is why we put in the Defense authorization bill a requirement that the Secretary of Defense send to the Congress and the American people the exact effects of this sequestration, which he has refused to do, up until now.

Since we have not taken the bill to the floor—and it may not be signed until the end of this year—that is why I have an amendment pending on the farm bill, to seek that same reporting, because Members of Congress, elected representatives, and the American people deserve to know the effects of sequestration.

One, they need to know from the interest of our national security, but I would argue to my friend they also need to know from the impact on an already faltering economy. I want to thank the Senator from New Hampshire, who has done more on this issue.

In fact, she has given every member of our conference a rough readout as to exactly what the impact would be in our States. But obviously, the Senator from New Hampshire and I don't have access to the same database the Secretary of Defense has as to these Draconian effects.

So in summary, I would say we are facing what is now known as the fiscal cliff: the debt limit, which needs to be raised; the sequestration issue; the expiration of the Bush tax cuts; and several other issues, which we are all going to now address in a lameduck session. That is a Utopian vision for a lameduck session that, frankly, is not justified by history.

One of the aspects of this sequestration, the reason we need to address it now, is because the Pentagon has to plan. They have to plan on a certain budget. They can't wait until the end of this year, or early next year when it kicks in, until January 2, I believe it is, of 2013, in order to adjust to it. So, one, we need the information.

And, two, Members of Congress need to know that the sequestration issue should be, and must be, addressed. I thank Senator THUNE not only for his outstanding work on the farm bill but also for his leadership on this important issue.

I yield to my colleague from New Hampshire, who has done probably a more in-depth study of this issue and its impact on the defense industry in America and jobs and employment than any other Member.

Ms. AYOTTE. I thank Senator McCAIN for his leadership as the ranking Republican on the Armed Services Committee. No one knows these issues better in the Senate than JOHN McCAIN. So it is an honor to be here with him, and also my colleague Senator THUNE, with whom I serve on the Budget Committee. Senator THUNE has been very concerned about the impacts of sequestration on our national security. I call sequestration the biggest national security threat you have never heard of. The American people need to know this threat to their national security, to the protection of our country, which is our fundamental responsibility under the Constitution.

I fully support the amendment Senator McCAIN has brought forward on the farm bill that he championed, along with Senator LEVIN, on the Defense authorization, because we can't afford to keep hiding the details of what will happen to our Department of Defense and our military if sequestration goes forward.

To be clear, as Senator THUNE has already identified, the Department of Defense is taking significant reductions. In the proposed 2013 budget from the President, the Department will take approximately \$487 billion in reductions over the next 9 years. That already means a reduction of approximately 72,000 of our Army and a reduction of 20,000 of our Marine Corps. But what we are here talking about today