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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

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

Let us pray.

Father in Heaven, we proclaim Your greatness for what You have done, are doing, and will do. Thank You for Your generosity to us. Lord, we are grateful to live in a nation where we can worship You in spirit and truth according to the dictates of our conscience. Thank You for protecting this land we love, for guiding its leadership, and for abiding in us by Your Holy Spirit.

Give our Senators this day the wisdom to take advantage of the opportunities You give to make a substantive difference in a needy world. Use them to alleviate the suffering of the marginalized and to cause justice to roll down like waters and righteousness like a mighty stream. Give our lawmakers today a deeper reverence for You.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 27, 2012.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SMALL BUSINESS JOBS AND TAX RELIEF ACT—MOTION TO PROCEED

Mr. REID. Madam President, I move to proceed to Calendar No. 341, S. 2237.

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

The assistant legislative clerk read as follows:

Motion to proceed to Calendar No. 341, S. 2237, a bill to provide a temporary income tax credit for increased payroll and extend bonus depreciation for an additional year, and for other purposes.

SCHEDULE

Mr. REID. Madam President, the next hour will be equally divided, with the majority controlling the first half and Republicans controlling the final half. We will continue to debate flood insurance. I hope we can reach an agreement to complete action on this bill. We also need to consider the transportation and the student loan extensions before the end of this week.

There are a lot of things going on on Capitol Hill today. We have been in touch with the Speaker's office. Our staffs have been meeting. When we come to these kinds of bills, the Finance Committee is extremely impor-

tant. And Senator BAUCUS and I have had many meetings with him and conversations with him. The Senator is key to getting everything done. He is needed on the highway bill, he is needed on the flood insurance bill, and he is needed in student loans. He realizes that and has a tremendous obligation and burden to bear, but he always comes through. He has a good relationship with his counterpart in the House, DAVID CAMP.

I am cautiously optimistic we can end this week tomorrow even, with a little bit of luck, but we may not be able to. We have to see what happens in the next 24 hours, which will be key.

IMMIGRATION REFORM

Monday's U.S. Supreme Court decision striking most of the unconstitutional Arizona immigration law reaffirms something most of us already knew: the onus is on Congress to repair our broken system. No one denies that the system is broken. But in the 40 hours since the Supreme Court's ruling, Republicans have engaged in revisionist history to explain why it has taken so long to fix it.

Here are the facts. When Democrats brought a comprehensive immigration reform bill to the floor in 2007, Republicans filibustered the legislation. This legislation was led by Senator MCCAIN and Senator Kennedy, among others. The Republicans filibustered this legislation even though Republican President Bush supported it. They twice filibustered the DREAM Act, which would allow children brought to the United States by their parents to go to college, serve in the military, and work toward citizenship.

Democrats have done everything that is humanly possible to pass comprehensive immigration reform. We have been trying to do it for years. Two Congresses ago, we spent more time on immigration on the floor than any other issue, and we were spending that time because we were being slow-walked by the Republicans.

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



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The Republicans are divided on this issue; we are not. Ninety percent of Democrats support comprehensive immigration reform and, of course, the DREAM Act. Everytime Democrats offer to work together on comprehensive immigration reform, even bringing to the floor bipartisan ideas originally proposed by Republicans, the other side finds an excuse not to support the change.

On the floor today is the senior Senator from Illinois, the assistant majority leader. He was one of the pushers of the DREAM Act. He had with him two Republican Senators who were pushing just as hard, but those two Senators have disappeared in supporting the legislation. Yet Republicans blame Democrats for inaction. Well, they cannot have it both ways—they cannot blame Democrats for not passing a bipartisan immigration bill when they are the ones who blocked the bill.

Moving forward, Congress has two things in its favor. Thanks to President Obama's decisive action, the specter of deportation no longer hangs over the heads of 800,000 young men and women brought to the country as children. And the Supreme Court offered yet another affirmation that a long-term fix for a broken immigration system must come from Congress and not from the States.

Now is not the time for Republicans to continue this harangue that they have had: It is not our fault. It is time for them to work with us for a reasonable solution, one that continues to secure our borders, punishes unscrupulous employers who exploit immigrants and undercut American wages, improves our dysfunctional legal immigration system, and finally requires the 11 million people who are undocumented to register with the government, pay fines, taxes, learn English, and then they do not go to the front of the line, they go to the back of the line. They do this in order to change their status. If my Republican colleagues truly care about changing the status quo, they should step forward now and work with Democrats, not criticize from the sidelines. Unfortunately, Republicans who once favored a permanent solution for America's broken immigration system are deserting efforts to find common ground.

The only decisive Republican voice on this issue today seems to be from Mitt Romney, who has called the unconstitutional Arizona law the "model for the Nation." That is what he said. He has also promised to veto the DREAM Act. He said that, I didn't. Democrats believe that the kind of institutionalized racism in the Arizona law is hardly the "model for reform" in a country that stands for liberty and justice for all. We believe upstanding young people who have never known any home but the United States of America should be able to go to college, fight for their country, and contribute to society, not face deportation. But at least we know where Mitt

Romney stands on those issues, even if we disagree with him. He is for vetoing the DREAM Act, and he believes the Arizona law is the "model" for our country. That is really too bad.

As long as Republicans remain unwilling to vote for comprehensive, bipartisan immigration reform, we will remain at an impasse. I want my Republican colleagues to know this: As soon as they are willing to join us to craft a commonsense legislative solution that is tough, fair, and practical, we are ready to join them.

RESERVATION OF LEADER TIME

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

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. Under the previous order, the following hour will be equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

The Senator from Illinois.

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

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

IMMIGRATION REFORM

Mr. DURBIN. Let me follow up on what the majority leader spoke to on the issue of immigration because this is the right time to bring it up.

I had several meetings yesterday that were as touching emotionally as anything I have witnessed as a Senator. They were students who came from all over the United States of America to walk peacefully in front of the Supreme Court. They were DREAMers, undocumented students who have attended schools or are attending colleges and schools in America. They are not asking for special treatment, they are asking for a chance—a chance to earn their way into the only country they have ever called home.

These poor kids out there literally have no country. They were brought here to the United States as babies and infants. They did not have a choice in the matter. They were packed into a car or onto a bus. They grew up in America. As Senator MENENDEZ from New Jersey often says—he comes to the floor and reminds us that these kids put their hands on their hearts and they pledge allegiance to flags every day. They only know one national anthem: America's. They are just asking for a chance to be part of this country.

Eleven years ago, I introduced a bill called the DREAM Act. It was a bipartisan bill, as Senator REID said. Senator ORRIN HATCH of Utah was my co-sponsor. In fact, we had words over who would be the lead sponsor. I bowed in his direction because he was the chairman of the Senate Judiciary Committee. I felt, well, that will help us

pass the bill. Sadly, today there are only a handful of Republican Senators who will even vote for it and virtually none who openly sponsor it at this moment. What has happened in 11 years? These kids have not changed. Their problems are the same. The country has not changed; it is still a nation of immigrants. Yet the Republican Party has decided it has no use for this approach. There are exceptions. I thank those exceptions.

Senator DICK LUGAR of Indiana, a courageous man, 2 years ago wrote a letter with me to President Obama asking him to give temporary protected status to the DREAM Act students. I called Senator LUGAR the morning of that announcement, on June 15, to thank him for his courage. It is rare, and it should be recognized. In his case, I believe it will be recognized by many.

Senator LISA MURKOWSKI of Alaska voted with me on the DREAM Act. That was a courageous move on her part. I thanked her for it. She is a very independent person. She said that there are Hispanics in Alaska—though you may not think it—and they are watching this carefully and closely.

Let me also salute Senator MARCO RUBIO. Some of my colleagues have criticized him for what he said about the DREAM Act. I have not. I am glad he is trying. I need Republican votes to break the Republican filibuster on the DREAM Act. MARCO RUBIO came to my office and offered a good-faith effort to do it. I told him: I will stand by you. I think what you are trying to achieve is not what I want completely, but it is on the path to that goal. Let's work on it together.

He tried. I salute him for trying. I hope he will try again.

I look at the situation in this country today on immigration and wonder, can this Congress come together on a bipartisan basis and even honestly debate the issue? That is a challenge we should face because the problem is out there.

The other day my friend—and he is my friend—Senator MCCAIN of Arizona came to the floor and talked about border problems in Arizona. It is a legitimate concern in his State and the border States. But I also would call to his attention an article I read this morning in the National Journal Daily that was written by Major Garrett. It talks about what we have done on the borders of America. Now, I was one of those who thought we were going overboard—too many agents, too much money, too many different ideas.

But I bought into it and said if we have to do this first, let's do it. Even if it is more than I think is necessary, let's do it to prove our bona fides in terms of wanting to stop illegal immigration. Here is what Major Garrett wrote in the National Journal Daily:

After President George W. Bush's attempt at comprehensive immigration reform failed, Congress adopted a default presumption in favor of spending more every year on border

control. From 2008 to 2012, Congress devoted \$17.8 billion for U.S. Border Patrol agents and equipment. From 2006 to 2012, the number of Border Patrol agents has increased 73 percent (from 12,350 agents to 21,370). The number of agents assigned to the nation's Southwest border increased 67 percent (from 11,032 to 18,415).

The House Homeland Security spending bill for fiscal 2013 devotes \$11.7 billion to Customs and Border Patrol, \$77 million more than President Obama requested. It also pegs spending for ICE (Immigration Control Agency) at \$5.8 billion, a \$142 million increase over Obama's budget request.

The nation now has more Border Patrol agents and ICE detention beds (34,000) than at any time in history. For context, Border Patrol apprehensions totaled 340,252 in fiscal 2011. That's down 53 percent from 2008 (due in part to the recession and lack of available work). But that number of apprehensions was one-fifth the 2000 total.

Criminal and noncriminal deportations are also up. Way up. This, too, is a bipartisan achievement.

He goes on to cite numbers showing that the Obama administration has deported more in the name of prioritizing deportations than even the Bush administration.

So to those who say we need to get tough at the border and tough in terms of deportation, I say the evidence is there. In fact, it is overwhelming that we have done that. My challenge back to them is: Now can we talk about what to do about the 10 million or 11 million Americans living here who are in questionable status or undocumented? Can we come up with a reasonable approach that is fair to them, to their families, to the Nation, and to the workers of this country? I think we can and we should. Why else are we elected if we don't face an issue like that?

The State of Arizona basically lost in the U.S. Supreme Court this week. Out of four major provisions in the law, three were stricken, and one was put on probation. The Supreme Court said we are going to watch you, Arizona, and if you do this wrong, we will be back. In fairness to Arizona, their argument is that until there is a national immigration law, we are going to take matters in our own hands. The Supreme Court said: Not so fast. And that doesn't absolve us from our responsibility to Arizona and other States.

We have to move together to get this done. I have been listening carefully, and I know where President Obama is on this issue. I sat a few feet away from him in this Chamber working on comprehensive immigration reform with Senators Obama, MCCAIN, and Specter, trying to get this done. I know it was a genuine effort. I don't know where Governor Romney stands. He said he would veto the DREAM Act. Is that the starting point of his immigration policy? I hope not. I hope he will reconsider that. I hope he will say—as I hope others will say—what the President did in granting temporary renewable protected status to these DREAM students is going to be the standard until we pass a permanent law. That is only fair. Looking in the eyes of those

students yesterday, I have to tell you that is our responsibility—to do the humane, just thing.

I will close because I see my colleague from Rhode Island on the floor, and he wants to speak in morning business. I got started in this journey because of a young lady named Theresa Lee. She was a Korean living in Chicago, who was from a very poor family and decided that her only ticket to a future was the piano. She became an accomplished pianist, to the point where she was seeking admission to Juilliard in the State of New York, and the Manhattan Conservatory, and only when it called for a Social Security number did she realize she had a problem.

She had been brought here at the age of 2 from Brazil, where she was born, by her Korean parents, and they never filed a paper. She called our office and we found out there was no recourse for her, no place to turn. The law said leave the country for 10 years and apply to come back in. That isn't fair. So she went on to school at Manhattan Conservatory of Music to study piano. Two families—the Foreman family and the Harris family—in Chicago paid for her education because they believed in this young girl.

There is a happy ending to her story. She not only graduated from the Manhattan Conservatory of Music, she played in Carnegie Hall. She had her debut concert there and is now studying for a PhD in music at the Manhattan Conservatory. She married a young man, and she is now a citizen. She could have been lost. Her talents could have been lost to this country if the law had been followed 11 years ago as it was written. She was given a chance and proved she was a person of quality who had something to give back to this great Nation with her musical skills and, ultimately, her talents in writing and teaching music.

It is a great story and a lesson for all of us about the DREAM Act and what it needs to be. I urge my colleagues, many of whom have turned a blind eye to this, to meet these young people, look them in the eye, and they will come to know this isn't just a legal issue, this is a human issue that will define us not only as a Congress but as a Nation.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. WHITEHOUSE. Madam President, before I embark on my own remarks, let me say how pleased I am to have a chance to follow the Senator from Illinois. I have had the chance to preside in the Senate, as the Senator from New York is doing now, on several occasions, and to be present on the floor on other occasions when Senator DURBIN has come to the floor to speak about the DREAM Act and his passion for the opportunity it provides to young people who are in this country through no fault of their own, who

know no other home in the world, and who will one day be great Americans—people who will be leaders and performers and experts and scientists and provide great value to our country—I am delighted he is doing it again. His persistence matches his passion. And, finally, with the President's decision the other day, it is beginning to reap some rewards. I hope there is more to come in the future.

Madam President, I ask to speak as in morning business.

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

ENVIRONMENTAL HEALTH

Mr. WHITEHOUSE. Madam President, I will speak on carbon pollution and the damage we are doing to our world. As I try to point out every week—and last week I was not able to, but Senator KERRY made a wonderful, marvelous, very compelling speech on this subject. We have kept the floor busy every week between the two of us. I hope other Senators will join us more and more.

This is an issue we have to address. It is a disgrace, frankly, that this is one of the very few buildings in this country in which climate denial is still happening wholesale. Here and the boardroom of ExxonMobil are probably the two holdout locations.

I want to address a few things that happened this week. I want to begin by correcting an error I made in remarks last week when I came to the floor and spoke in favor of EPA's mercury and air toxic standards for powerplants.

This is very important to Rhode Island, as we are a downwind State—as is a good deal of New York—and we are bombarded by Midwestern powerplants that, frankly, deliberately send polluted air into the atmosphere through high smokestacks so that it will land elsewhere. Guess what. We are the elsewhere.

We were about to vote on a resolution that would have avoided these standards and put Rhode Island at considerable peril. It would have gone so far as to bar the EPA from ever issuing a similar rule. It would have had a lasting, as well as damaging, effect. It was a reckless proposal. I am pleased we defeated it in the Senate.

During my remarks about this rule, I discussed the health hazards that mercury pollution poses for the people of my Rhode Island, the pollution that comes out of these tall smokestacks, very often with no scrubbers of any kind, and which spews right out and comes to Rhode Island in the form of ozone, which causes us to have "bad air days," where children, people with breathing difficulties, and old folks have to stay indoors. They are basically kept prisoners indoors because of out-of-State polluters who won't clean up their act. The other thing is mercury and mercury poisoning, which is serious in my State.

The Rhode Island Department of Health warns that "high-risk" populations—pregnant women, women who

may become pregnant, and small children—should not eat any freshwater fish in Rhode Island because of the danger of mercury poison and mercury contamination. That is sadly correct. I also said that the health department warns that no one should ever eat any of the fish caught in three bodies of water in Rhode Island—the Quidnick Reservoir, Wincheck Pond, and Yawgoog Pond. That sadly is also true.

Finally, I said the health department suggests that anyone who catches freshwater fish in Rhode Island should limit their intake to one serving of this fish a month to protect their health from mercury contamination. In fact, it is more nuanced than that. The health department has issued different warnings for the general population depending on the body of water. So it is not always true that anybody who catches freshwater fish should limit it to one serving a month. I suggest Rhode Islanders consider consulting the health department's Web site, where the agency lists fish advisories by pond and river. That way they can make an informed decision for themselves and their families as to where and when fish are safe to eat.

It doesn't obviously change the larger point that mercury contamination is a continuing public health problem in Rhode Island, and one we can do little about without EPA defending us, because in these other States it is a great deal for them to be able to poison our State's water but get cheaper power in their States because they don't force their utilities to put scrubbers on and to keep themselves operating at appropriate levels of pollution control.

On that same front, this was a good news week from the EPA. They have fought hard to show that carbon dioxide is in fact a pollutant under the Clean Air Act. That case was taken all the way to the Supreme Court, and the Court agreed that could be the case if the EPA determined those greenhouse gases might "reasonably be anticipated to endanger public health or welfare." The EPA went forward and, in 2009, they made this endangerment finding. There have been delays along the way, but I won't get into the history of that rule under the Bush administration now.

The EPA made that endangerment finding and promulgated three additional rules, which are the tailpipe rule, which sets greenhouse gas emissions for motor vehicles; the timing rule, which clarifies when the stationary sources are required to meet pollution standards for greenhouse gases; third is the tailoring rule, which limits the application of this rule to the big polluters so that you are not going after small or inconsequential sources, you are targeting the folks who are putting out tons of pollution.

That was a very good day. The DC Circuit decision was quite strong. I will take a moment to read some of it into the RECORD:

Industry Petitioners also assert that the scientific evidence does not adequately sup-

port the Endangerment Finding. As we have stated before in reviewing the science-based decisions of agencies such as EPA, "[a]lthough we perform a searching and careful inquiry into the facts underlying the agency's decisions, we will presume the validity of agency action as long as a rational basis for it is presented."

They went on to say this:

The body of scientific evidence marshaled by EPA in support of the Endangerment Finding is substantial. EPA's scientific evidence of record included support for the proposition that greenhouse gases trap heat on earth that would otherwise dissipate into space; that this "greenhouse effect" warms the climate; that human activity is contributing to increased atmospheric levels of greenhouse gases; and that the climate system is warming.

Based on this scientific record, EPA made the linchpin finding: in its judgment, the "root cause" of the recently observed climate changes is "very likely" the observed increase in anthropogenic greenhouse gas emissions.

And they continue below:

Relying again upon substantial scientific evidence, EPA determined that anthropogenically induced climate change threatens both public health and public welfare. It found extreme weather events, changes in air quality, increases in food-borne and waterborne pathogens, and increases in temperature are likely to have adverse health effects. The record also supports EPA's conclusion that climate change endangers human welfare by creating risk to food production and agriculture, forestry, energy, infrastructure, ecosystems, and wildlife. Substantial evidence further supported EPA's conclusion that the warming resulting from the greenhouse gas emissions could be expected to create risks to water resources and in general to coastal areas—

Such as my home State of Rhode Island, I will interject—

as a result of expected increase in sea level. Industry Petitioners do not find fault with much of the substantial record EPA amassed in support of the Endangerment Finding—

Nor could they, I would interject—rather, they contend that the record evidences too much uncertainty to support that judgment. But the existence of some uncertainty does not, without more, warrant invalidation of an endangerment finding.

As we have stated before, "Awaiting certainty will often allow for only reactive, not preventive, regulation. This language [in the Clean Air Act describing endangerment findings] requires a precautionary, forward-looking scientific judgment about the risks of a particular air pollutant, consistent with the Clean Air Act's "precautionary and preventive orientation."

So here we have three judges of the rather conservative District of Columbia Court of Appeals throwing out all of the challenges to the endangerment findings—the "tailpipe" rule, the "timing" rule, and the "tailoring" rule—and recognizing that although there may be some doubt on the fringes, there is plenty of evidence for reasonable people to take sensible precautions and to do what is right.

As I have said before in other speeches, there is a strategy that is being pursued by the polluting industries, and it is to create enough doubt not to affect what is really happening out there but to affect public judgment; to

put enough propaganda into the system that people think: Oh, maybe we shouldn't be so sure about this.

The context I put that doubt in is how prudent a parent would be for the care of a child. The statistics are that 97 percent of practicing climate scientists acknowledge climate change is happening, that we are causing it with carbon pollution, and we have to get serious about it—97 percent.

So translate that to your own life as a parent. Your child has symptoms, doesn't look right, and you go to the doctor. The doctors says: I am pretty sure she has this condition and she needs treatment.

The treatments may be a little unpleasant, a little expensive, so you want to be careful and you decide to get a second opinion. You go to another doctor, and the doctor says the exact same thing. But you have a friend who is a doctor, and so you decide to get a third opinion. You go to your friend and you get a third opinion. At that point most prudent parents would probably act.

What the polluting industry and the people who support them in this Chamber expect us to do is to act like that parent except go to 100 doctors, get 99 second opinions, and then, when only three of them say your kid is OK, don't worry about it, you don't need to do a thing, or there is some doubt about what the disease is, even though 97 percent of those doctors say, yes, she is sick, you better get her this treatment—and ignore the 97 percent. Listen to the 3 percent. No decent parent would do that. In fact, you would probably lose your right to continue to be a parent for your child in those circumstances if the child welfare agency became aware of the kind of risk you were putting your child in in those circumstances. But that is the way they want us to behave in this institution.

I am at a loss for a word to describe what kind of logic it is that would be appropriate to the dignity and decorum of this particular Chamber.

There is a magazine—a rather conservative magazine—called *The Economist*. It is hardly associated with liberal or environmental causes. It is a world magazine. They have just done a special that is called "The Vanishing North," about what is happening in the Arctic. In the summary of the report, they say:

The Arctic's glaciers, including those of Greenland's vast ice cap, are retreating. The land is thawing: the area covered by snow in June is roughly a fifth less than in the 1960s. The permafrost is shrinking. Alien plants, birds, fish and animals are creeping north: Atlantic mackerel, haddock and cod are coming up in Arctic nets. Some Arctic species will probably die out.

It is a stunning illustration of global warming, the cause of the melt. It also contains grave warnings of its dangers. The world would be mad to ignore them.

It is printed in England, so "mad" has the English sense of the word "insane."

The report continues:

The main reason appears to be a catalytic warming effect, triggered by global warming. When snow or ice melt, they are replaced by darker melt-water pools, land or sea. As a result, the Arctic surface absorbs more solar heat. This causes local warming, therefore more melting, which causes more warming, and so on. This positive feedback shows how even a small change to the Earth's systems can trigger much greater ones.

The report continues:

The worry that needs to be taken most seriously is climate change itself. The impact of the melting Arctic may have a calamitous effect on the planet. It is likely to disrupt oceanic circulation—the mixing of warm tropical and cold polar waters, of which the gulf stream is a part—and thawing permafrost will lead to the emission of masses of carbon dioxide and methane, and thus further warming. It is also raising sea levels. The Greenland ice sheet has recently shed around 200 gigatonnes of ice a year, a four-fold increase on a decade ago. If the warming continues, it could eventually disintegrate, raising the sea level by seven meters.

The ocean State of Rhode Island could ill-afford a sea-level rise of 7 meters.

Many of the world's biggest cities—

And the Senator from New York, who is presiding, represents one of the world's biggest—
would be inundated long before that happened.

That is from the summary of The Economist report. If I go into the actual report itself, there are a few other compelling parts, speaking to the Arctic.

The summer sea ice is at its lowest level for at least 2,000 years. Six of the hottest years on record—going back to 1880—have occurred since 2004. . . . The last time the polar regions were significantly warmer was about 125,000 years ago. This transformation is in fact happening faster than anyone had predicted. According to an authoritative 2011 assessment for the Arctic Council, “it is now becoming very clear that the cryosphere—

That is the frozen part of the Arctic—
is changing rapidly and that neither observations nor models are able to tell the full story.”

This is not without cost. Further quoting from The Economist:

The World Bank estimates the cost of adapting to climate change between 2010 and 2050 at \$75 billion-\$100 billion a year; other estimates are higher.

Here is what they conclude:

Sooner or later such arithmetic is going to force governments to get serious about dealing with climate change. It is already clear what is required; policies to put an appropriate price on carbon emissions through a tax or market-based system, that is sufficient to persuade polluters to develop and adopt cleaner technologies. These are already available, and so is the ingenuity needed to force down their costs and bring them to market.

But then, in a sentimental closing, the article concludes:

But the Arctic will nonetheless be radically changed. . . . This much is already inevitable.

So the denial that continues in this body continues to have a high price. As I have pointed out, the science on this

is neither new nor questionable. The scientist Tyndall, back at the time of the Civil War, first determined that a carbon CO₂ blanket creates a warming effect. That was nearly 150 years ago. So there is nothing new about this.

The fringe scientists who are used by the polluters to create this doubt for propaganda purposes are indeed a fringe, as this resounding decision from the U.S. District Court shows. The perils our planet is facing are manifesting themselves now in the Arctic. As one of the scientists said in The Economist report—and I will have to paraphrase because I don't have the quote in front of me—when you get up here, Greenland, Norway, the Arctic, climate change is not a theory, it is an observation. It is what is happening around us. It is happening in the polar regions because they are more vulnerable, but we are seeing it everywhere.

Wildfires tear through the West, Florida is beaten under unprecedented levels of rainstorms, and insurance companies across the country are predicting even worse storms. The biggest insurers and reinsurers came to Washington to join with environmental Senators to say: You have to do something about this. This is really coming.

These aren't liberals, these aren't environmentalists, these aren't people from the Sierra Club. These are the flinty-eyed accountants of the major international insurance and reinsurance companies, and their warnings deserve listening to.

My time has expired, Madam President. I yield the floor at this point, 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. THUNE. 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.

THE ECONOMY

Mr. THUNE. Madam President, I come to the floor today to talk about our economy, the threat of the pending fiscal cliff, and the need to address the challenges we face.

Two years ago last week, the Obama administration hailed the advent of the “Summer of Economic Recovery.” The President claimed, “The economy is headed in the right direction.” Vice President BIDEN confidently predicted the creation of 250,000 to 500,000 new jobs a month. Meanwhile, Treasury Secretary Tim Geithner published an op-ed in the New York Times boldly entitled, “Welcome to the Recovery.”

Well, 2 years later, Madam President, Americans are still waiting for the recovery. Today's jobs figures are well below the 250,000 to 500,000 jobs per month Vice President BIDEN forecasted.

This year, the economy created a dismal 77,000 jobs in April and just 69,000 jobs in May—less than half the 150,000

jobs that are needed each month just to keep up with population growth.

Unemployment—which the White House predicted would shrink below 6 percent by April of 2012—has remained at or above 8 percent for 40 straight months.

Looking at the facts, it is clear the private sector is not doing fine. In fact, the President's economic policies have made the economic situation in this country worse. The President seems to prefer more stimulus spending from Washington, DC, but the President's \$831 billion in stimulus money has not led to the job creation he claimed it would. Under this administration, there has been a record 4 years with deficits over \$1 trillion. The Federal Government now borrows roughly 40 cents out of every \$1 it spends.

The fact is we do not need more government spending that explodes the national debt. Instead, we need to cut reckless government spending and tackle the mounting debt crisis through tax entitlement reform.

If we don't take action soon, our country could end up in the kind of financial disaster that Greece and Spain are now facing. The economic situation in Europe is a clear warning sign for our country that if we don't get on a sustainable fiscal path, we will face a similar fiscal crisis.

Our children and grandchildren should not have to pay for Washington's inability to stick to a budget. We owe it to the next generation to leave the country better than we found it. Yet it has now been over 3 years since the Senate last passed a real budget.

In part because of the Senate's failure to pass a balanced budget, we face a pending fiscal cliff that must be addressed before the end of the year. Financial markets and job creators are going to react to the uncertainty coming out of Washington. We need to act now, rather than kick the can down the road to a lameduck session of Congress at a time when it will be very difficult to make these types of decisions, where things are going to be rushed and Members are not going to have an opportunity to focus in a thoughtful way on the right solutions for this country's future.

One aspect of the fiscal cliff we are talking about is the pending \$1.2 trillion sequestration scheduled to go into effect on January 2, 2013. I, along with Senator SESSIONS and others, have pushed for more transparency from the administration as to how they plan to implement sequestration, a provision that was adopted just last week as part of the farm bill. This information is critical so Congress and the American people have a full understanding of sequestration's impact. If Congress is going to consider delaying or replacing the defense sequester, we need this information in order to make those decisions.

House Republicans passed a bill last month that replaces the defense sequester scheduled to go into effect next

year, and it does so by finding savings elsewhere in the Federal Government. Yet the administration continues to stonewall requests by Congress to help us better understand where the planned sequester cuts will take place.

On the tax side, a family of four earning \$50,000 per year would see their tax bill increase by \$2,200 next year, according to the House Ways and Means Committee and the Joint Committee on Taxation.

The Joint Committee on Taxation also estimates that nearly 1 million business owners would face higher taxes if the top two tax rates increase. Yet not one vote has been scheduled in the Senate to prevent this "taxmageddon."

In contrast, House Republican leaders have a different view, and it is expected the House will consider an extension of the current tax rates next month which will then come to the Senate.

The economy continues to grow at a very slow rate. Unemployment remains above 8 percent. Congress must get to work to jump-start our economy and put this country on a sustainable fiscal path. We need to act now rather than to kick the can down the road.

To put a fine point on that, we already know the fiscal cliff we will run into at the end of the year is going to have a profound impact on the economy next year because the Congressional Budget Office and other analysts have looked at it and determined it could cost us as much as 1.3 percent of economic growth in the first half of next year—which, translated into actual jobs numbers, is about 1.3 million jobs that would be lost—because of this fiscal cliff, if it is not dealt with.

But there is also a more immediate concern. That is the uncertainty created by the fiscal cliff. Decisions that are being made right now by people across this country, by job creators, small businesses, and investors are shaped by and based upon the fiscal cliff that is going to occur at the end of the year. The Congressional Budget Office has also suggested this is not only something that is going to have an impact down the road, but it also could have an impact right now as the economy contracts as a result of that uncertainty and investors and small businesses and job creators take their capital and keep it on the sidelines as opposed to putting it to work creating jobs and growing their businesses. The Congressional Budget Office has suggested it could cost us one-half percent of economic growth, not next year but this year.

That is why it is so important we work together to address the fundamental issues that are going to impact this economy before the end of this year. As I said, we have to address the rates. The rates that are going to expire at the end of the year include the marginal income tax rates, the dividend rates, the capital gains rate, estate taxes, and all kinds of other provi-

sions in tax law that expire at the end of this year. If one is a small business or an investor and they are thinking that starting January 1 of next year they are going to be facing a massive tax increase, obviously, they are going to think long and hard about putting their capital to work now to create jobs and grow the economy.

In fact, I think for many small businesses, as they look at the circumstances they find themselves in, they are faced not only with the fiscal cliff, the potential tax increases, but also a massive amount of regulation that makes it more difficult and more expensive for them to create jobs.

Those are the issues we should be focused on because the most important thing we could be doing right now is getting the economy growing and expanding again and creating jobs for American workers. That is not going to happen if we don't take steps to avert what is clearly a terrible disaster waiting in the future with the fiscal cliff and all the tax increases that are going to occur at the end of the year.

The Joint Committee on Taxation has said 53 percent of passthrough income would face higher taxes on January 1 of next year. That is all the S corporations, all the small businesses, all the folks out there in our economy, the entrepreneurs, who are the people we rely upon to get our economy going again and to put people back to work. They are looking at those types of tax increases, starting January 1 of next year, that are going to make it very difficult for them to make the investments that are necessary to get this economy growing at a rate that will generate the kind of job creation that will get Americans back to work, that will get this unemployment rate back down, and start creating confidence in the American public about the future of our economy.

I would close by again saying this is not something we can afford to kick down the road. We have done that for way too long. We have a massive problem ahead of us with regard to entitlement spending which has to be addressed in the form of entitlement reform. We need to reform our Tax Code to make it more simple, more clear and more fair and to create a more competitive Tax Code with the countries around the world with which we have to compete. We need to do something about this burden of regulation being placed upon our businesses, which is making it more difficult for them to compete in the world marketplace and certainly making it more difficult for them in the near term to do what is necessary to get jobs created in this country and get Americans back to work.

I hope we can do that. It would be my expectation that the Senate, if and when the House passes legislation to extend the tax rates—which I am told they are going to do sometime next month. I hope the Democratic majority in the Senate will take that up and

that we will put a bill on the President's desk that will provide the kind of certainty that is necessary for our small businesses and our job creators as they look at the future that will enable them to move forward with those investments, put their capital to work, and put American workers back to work.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

A SECOND OPINION

Mr. BARRASSO. Madam President, I would like to compliment my colleague from South Dakota for his commitment and continuing focus on jobs and the economy and the impact it has on our Nation and our future.

I come, as I have week after week, with a doctor's second opinion about the health care law—which is, in many ways, directly tied to the economy and the economic situation that my colleague from South Dakota was commenting on.

We have seen continual unemployment of over 8 percent—now 8.2 percent—with people graduating from college who can't find work are going back to live with their parents. It is because the President focused on a health care law—and the Supreme Court will rule on it tomorrow, but he focused on that instead of focusing on what people at home are concerned about: jobs and the economy, getting the economy moving again and bringing the economy back to health. A healthy economy is what people were looking for.

I come to the floor to talk a bit about things that have happened since the health care law was passed, because President Obama and Democrats repeatedly promised the health care law would do several things.

One, they said it would make health insurance more affordable, and they also said it would help create jobs for millions of Americans—millions of Americans, they said.

In fact, after the Senate completed passage of the health care law, Majority Leader REID said: "This of course is a health bill." He said, "It's also a jobs bill." He went on. He said it was also an economic recovery bill. He said it was a deficit-reduction bill. He said it was an antidiscrimination bill. He said it was truly a bill of rights. He went on to say: "And now it is the law of the land." An economic recovery bill, he said; a jobs bill, he said.

Former Speaker NANCY PELOSI added: "It's about jobs." She said: "In its life, health care reform would create 4 million jobs—400,000 jobs almost immediately." That has not happened—another broken promise to the American people.

That is why I have come to the floor week after week to point out issues with this health care law, which I continue to believe is bad for patients, bad for the providers, the nurses and the doctors who take care of those patients, and terrible for taxpayers.

One of the key components of the health care law that the President

promised would help create jobs was what he referred to as the small employer health insurance tax credit. Back in April of 2010, the President said: "This health care tax credit is pro-jobs, it is pro-business, and it starts this year." In essence, the credit was supposed to offset the cost of health insurance for small businesses so they could provide insurance to their employees.

The President's Council of Economic Advisers made some estimates. They estimated that about 4 million—4 million—small businesses, they said, would be eligible for the credit. The administration was so proud of the initiative that they sent out millions of postcards to small businesses. I believe they actually never read it, didn't understand it, didn't understand how it worked, because SUSAN COLLINS, the Senator from Maine, stood on the floor of the Senate and said:

Look at how it really works. It is not going to work the way you have described it.

But, no, this administration that knows better than anyone, they were so proud of the initiative, they sent out millions of postcards. According to the IRS, 4.4 million postcards were sent out. Who paid for it? The taxpayers. Do you remember them? They are the people at home, where only one in three of them thinks the country is heading in the right direction, and so many of them believe the tax dollars they send to Washington are not being used well.

The White House ignored them and urged small businesses to look at the tax credit criteria and to take advantage, they said, of the credit that would be available.

So what has been the response across the country of the over 4 million small businesses that received the postcards saying, Hey, look what we are doing for you.

According to the nonpartisan Government Accountability Office, only about 170,300 employers were able to claim the credit, not 4 million. No. Of these 4 million that got the postcards, how many were able to take full advantage of the credit? Only 28,000. In other words, the credit only benefited about 4 percent of the businesses that the President promised to help. Ninety-six percent of the businesses that the President promised to help got nothing. Only 4 percent of the businesses were able to benefit at all, and even a smaller number than that were able to take full advantage.

The Wall Street Journal analyzed this issue in a recent article. The article featured Michael Griffin, the owner of a small advertising agency in St. Louis, MO. Michael had this to say about the tax credit the President promised and held up as some wonderful thing he was doing:

You're penalized for giving people a higher wage and more professional opportunity.

Is that what the Democrat's believe, that we should penalize businesses for giving people a higher wage and more professional opportunity?

Michael went on to say:

I appreciate any kind of tax reduction, but I can certainly not applaud a reduction that limits growth and the opportunity for employers to pay more to their employees. But that is exactly what this tax credit did. It limits the growth of a company, and it limits the opportunity for employers to pay more to their employees.

Mr. Griffin is not the only small business owner who has had problems with this tax credit, this big promise by the President. Jeffrey Berdahl, an accountant from Allentown, PA, spoke to the Associated Press about this very issue. He described the calculations required for the tax credit as "mind-numbing."

People pass laws here. I wonder if they read them or understand the implications. I believe they do not. He described what this Congress passed, what the President touts, as mind-numbing and also pointed out that for many of his clients—this accountant's clients—he said the money they received from the tax credit was offset by the money they had to pay their accountants to try to figure out if they could receive any of these credits.

In this same AP article, Terry Gutierrez from Raleigh, NC, stated, "In some cases, it's [the tax credit] more hassle than it's worth."

The GAO—the Government Accountability Office—confirmed these experiences in their report. They found that many small businesses are deterred from claiming the credit. Why? Because, like so much that has come out as part of this health care law, it is so complex. The report highlighted the fact that it requires 15 separate calculations. The President sends out a postcard to 4.4 million people, paid for by the taxpayers, to say: You may get a tax credit. Ninety-six percent of the people who get the postcard end up with nothing. Why? Did anybody look at this? There are 15 separate calculations and 7 separate worksheets just to calculate the amount of the credit.

The GAO was told by tax preparers that it would take their clients anywhere from 2 to 8 hours or possibly longer to gather the necessary information to just start to calculate the credit. On top of this, they found that tax preparers spent in general 3 to 5 hours calculating the credit. This from a postcard from the President that says he is going to do things for you? This is not the kind of help from Washington that small businesses are looking for or want or deserve. The American people deserve better.

For all of this trouble, GAO determined that the average amount claimed per small business across the country is less than \$3,000—\$2,700 is the average amount claimed. It is clear that this policy is just another broken promise of the President's health care law.

Since the President recently said that the private sector is doing fine—we remember it; we have seen him from the White House giving a speech saying the private sector is doing fine—the in-

effectiveness of his small business tax credits may not bother him one bit but it does bother most Americans. As I speak with my neighbors across Wyoming, I know the truth of their lives is very much different from what the President may believe.

Many Americans are also concerned about the fact that bureaucrats at the Internal Revenue Service seem to benefit the most from the tax provisions in the law. According to the Inspector General for Tax Administration, the IRS will need nearly 1,300 new Federal employees in 2012 to implement the President's health care law. That is what they are asking for—1,300 new Federal employees for the IRS.

In a report issued on June 14 of this year, just a week or two ago, the inspector general pointed out that enforcing the small business health insurance tax credit, he said, is one of the reasons why the Agency must expand. They need 1,300 new Federal employees so they can put forward and deal with this so-called tax credit that only 4 percent of the people whom the President said it would help have actually received any credit. And the amount they received is so very low that for most of them it was not worth even doing the paperwork.

While the President and Washington Democrats may believe that adding employees to the IRS is the key to job creation, I respectfully disagree. The private sector is not fine, and the government does not need to get any bigger. This is why I have fought and will continue to fight to replace the President's health care law with real reforms that will improve competition, increase consumer choice, and lower the cost of care for all Americans. That is what this was all supposed to be about in the first place—patient-centered care; giving people the care they need from a doctor they choose, not that the government chooses, not that the insurance company chooses, but that they choose, at lower cost.

That is why I come to the floor week after week with a doctor's second opinion about a health care law at a time that I still believe the health care law that the Supreme Court will rule on tomorrow is one that is bad for patients, bad for providers—the nurses and doctors who take care of those patients—and it is terrible for our taxpayers.

I yield the floor. 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.

Mrs. HUTCHISON. 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.

MEASURE READ THE FIRST TIME—S. 3342

Mrs. HUTCHISON. Madam President, I understand there is a bill at the desk, and I ask for its first reading.

The ACTING PRESIDENT pro tempore. The clerk will read the title of the bill for the first time.

The legislative clerk read as follows:

A bill (S. 3342) to improve information security, and for other purposes.

Mrs. HUTCHISON. I now ask for a second reading, and in order to place the bill on the calendar under the provisions of rule XIV, I object to my own request.

The ACTING PRESIDENT pro tempore. Objection having been heard, the bill will be read by title for a second time on the next legislative day.

Mrs. HUTCHISON. Madam President, I rise today because we have introduced a new version of the Strengthening and Enhancing Cybersecurity by Using Research, Education, Information and Technology Act of 2012, a bill known as the SECURE IT Act.

Senator MCCAIN and I, along with Senators CHAMBLISS, GRASSLEY, MURKOWSKI, COATS, BURR, and JOHNSON, are reintroducing the SECURE IT Act after making improvements and clarifications in response to constructive feedback we received from the first bill we introduced.

We are employing rule XIV on this bill because it is clear it will not receive the benefit of the traditional committee process, and the majority leader has indicated he intends to debate this issue on the Senate floor in July. What those of us who are cosponsors of this bill are trying to do is have our version of a cybersecurity bill on the floor, introduced, so that everyone will be able to see it. Then, when the Senate turns to this issue, we will be able to see the differences between the bills.

The sponsors of our bill include eight ranking members of committees and subcommittees that have jurisdiction over cybersecurity. We have combined our expertise to develop a balanced piece of legislation that we believe will greatly enhance our country's cybersecurity of the infrastructure that could be affected. We believe it is now time for Congress to act. The Nation faces an evolving array of threats from hackers, criminal groups, and terrorists who seek to sabotage networks, gain access to sensitive government information, and steal valuable intellectual property.

SECURE IT is centered on consensus items. It sets aside controversial provisions that are of questionable value at this time, and we believe our bill can pass both Chambers. It offers a balanced approach that will significantly advance cybersecurity in both the public and private sectors by focusing on four issues and areas on which we believe everyone can agree: first, to facilitate sharing of cyber-threat information among private sector entities, and to and from the government; second, to better secure Federal networks, including requiring Federal contractors to notify the Federal agencies of cyber attacks that would threaten government networks; third, to strengthen

the ability to prosecute cyber crime; and fourth, to prioritize cybersecurity research and development so that our Nation will continue to lead the world in this area.

Let me start with No. 1, facilitate sharing of cyber-threat information.

SECURE IT helps the private sector combat cyber attacks by breaking down barriers to sharing information about threats and vulnerabilities. Currently, antitrust laws and liability concerns inhibit private companies from exchanging information that we believe is necessary to defend against and respond to cyber threats.

I was talking to someone last night who is in the high-tech Internet field. There are great concerns about their company calling a competitor and saying: We are seeing signs of a possible threat here, and we wanted to share what the type of red flag we are seeing is so that you would be able to check your networks to see if you are getting the same thing.

These are two competitors, but this is not an anticompetitive situation. It is not something that should not be, we believe, subject to antitrust. They are still competitors, but everybody wants security for all of our networks in this country against any kind of intervention, whether it is criminal or foreign intelligence.

Our bill's liability protection and limited antitrust exemptions will allow these companies to rapidly respond so that they do not have to go to a lawyer and say: Would it be anticompetitive if we called our competitor and started sharing this information right away?

So it needs to be timely, fast, and safe. Those are the criteria.

Sharing should be a two-way street. Our bill sets up a framework that promotes timely sharing of classified, declassified, and unclassified information by the Federal Government with trusted private sector entities, while allowing private sector companies to share cyber-threat information with the government.

Since the introduction of SECURE IT, we have been working with stakeholders in all of the areas of infrastructure and Internet access to make a number of improvements and clarifications to the bill. I am pleased that we introduced the bill early, that we got the feedback from the different stakeholders and we have now been able to make adjustments to provisions that would help the bill but also protect privacy and preserve the issue we are trying to address, which, of course, is safety and cybersecurity.

We tightened the definition of what information is shared. We refined the process for sharing it. This will ensure that only essential information is shared and that it is handled appropriately. For example, it is vital that Federal agencies be informed if their systems are compromised. Our bill requires Federal contractors to coordinate with their supervisory agencies and to notify them of significant cyber

incidents that would impede their mission. We have added explicit and strong privacy protections and increased oversight throughout our revised bill. At every stage of information sharing, there are statutory safeguards that will ensure cyber-threat information is handled in a manner that will protect the privacy and civil liberties of all Americans while preserving the ability to address cyber threats that could affect them as well as other members of the public.

No. 2, secure Federal networks. The government needs to do a much better job of securing its own networks. To address this problem, SECURE IT provides necessary reforms to the Federal Information Security Management Act by modernizing the way the government monitors and mitigates its own cyber-risks. SECURE IT requires agencies to use automated realtime network monitoring by upgrading their current primarily paper-based reporting. Our revisions also ensure that agencies will be continuously updating their technologies to prevent and remediate significant cyber incidents.

No. 3, we facilitate the prosecution of cyber crime. We update the Federal criminal statutes and streamline existing confusing penalties to facilitate the prosecution of cyber criminals. No. 4, cybersecurity research and development is essential to harness innovation and to train IT professionals to counter future attacks.

If we focus on these four areas, we believe we can significantly improve the cybersecurity of our country by facilitating the sharing of cyber-threat information in the private sector, securing Federal networks, strengthening criminal penalties for cyber crimes and prioritizing cybersecurity research and development.

Equally important is what our bill does not do. Secure IT does not give the Department of Homeland Security open-ended power to regulate networks for infrastructure that it deems to be critical. It does not give them the power to determine what is critical infrastructure. Instead, we take a different approach that is not heavy-handed and regulatory. It sets up a true partnership between the public and private sector to combat these cyber threats.

We will not improve this country's cybersecurity by creating an adversarial system based on a regulatory compliance structure. We believe subjecting industry to more regulation from an agency that is ill-equipped to understand the private sector system will ultimately erode the ability of business to provide effective, nimble, and innovative responses to cyber threats.

Diverting precious resources from security and innovation to regulatory compliance could ultimately harm security, not improve it, which is why we are taking the different approach from the more heavy-handed regulatory approach of the other bill sponsored by

my colleagues. We do not want Americans to be fooled into a false sense of security by imposing an unproven prescriptive regulatory framework that no agency could effectively implement, and that we do not think that the Department of Homeland Security could implement. I encourage my colleagues on both sides of the aisle to join us in supporting the SECURE IT Act of 2012. I will just reiterate again that our bill is sponsored by Senator MCCAIN and myself, Senator CHAMBLISS, Senator GRASSLEY, Senator MURKOWSKI, Senator COATS, Senator BURR, and Senator JOHNSON of Wisconsin, all of whom are either ranking members of full committees or subcommittees that have a jurisdiction in this area. We have worked very hard with all of the different interest groups, including privacy groups, the groups that handle the private sector networks, and the groups that are Federal contractors to assure we are doing the best balanced approach that can possibly be done to take the next step with a bill we believe we can pass not only in the Senate, but also the House and then to the President. I believe he will sign it because it is a major first step forward.

I thank the chair.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Madam President, I want to indicate, while listening to the remarks of the Senator from Texas about the introduction of a bill apparently on cybersecurity, how critically important that is to the country. I am a relatively new member of the Intelligence Committee, but if there is anything I have learned, it is what a major threat this is to our country and how critically important it is we address it. So I commend the Senator from Texas for her leadership and I appreciate that she and her colleagues have taken this step of actually introducing legislation.

Mrs. HUTCHISON. Madam President, I thank the Senator from North Dakota. I appreciate very much that the Senator is on the Intelligence Committee and that he knows the sensitivities and all of the stakeholders we must work with in order to do the right thing for our country, both in the private sector as well in our government infrastructure. As always, the Senator from North Dakota is a person who is a visionary and one who looks out for the best interest of our country, and I hope we come together on this bill.

Mr. CONRAD. I thank the Senator. I look forward to reviewing her proposal and, hopefully, together we can find a way to get something passed that will further protect our country.

THE ECONOMY

Mr. CONRAD. Madam President, I come to the floor today to talk about the state of our economy, where we have come from, where we are headed, and the critical challenges facing our Nation. I want to go back and remind people of where we have come from. I

think it is very important to put in context the circumstances we now confront.

First of all, the economic crisis of 2008 and 2009 was the worst recession since the Great Depression. By the way, this was not the creation of Barack Obama. He inherited this mess, and he has done quite a good job of getting us moving in a better direction, but more of that later.

In the fourth quarter of 2008—that is the last quarter before this President took office—the economy was actually shrinking at a rate of almost 9 percent. In the first month of 2009, we lost 800,000 jobs. The housing market was in crisis, home building and sales were plummeting, we faced record foreclosures, and the financial market crisis was threatening global economic collapse.

In fact, I will never forget being called to a meeting in the Capitol in the fall of 2008, and I was the last one to arrive. It was the leaders of the House and the Senate, Republicans and Democrats, and there was the Chairman of the Federal Reserve and the Secretary of the Treasury in the Bush administration telling us they were going to take over AIG the next morning. They told us if they did not, there would be a financial collapse in this country within days. I have to say, that gets your attention. But those were the circumstances that were being confronted in late 2008.

Since that time, we have seen a dramatic improvement. Here is the economy in the fourth quarter of 2008 before President Obama took office, shrinking at a rate of almost 9 percent. In the subsequent quarters it continued to shrink until it began to get better in late 2009, frankly, because of the stimulus and TARP that helped start to turn our country around.

Since that time we have had consistent growth in the economy—not as robust as we would like but nonetheless consistent growth. It was a rather remarkable turnaround given how serious the economic downturn was. We also see the same pattern with respect to the private sector jobs picture.

Again in January 2009, in 1 month alone we lost more than 800,000 jobs, and those were private sector jobs—more than 800,000 jobs in a month. Again, in 2009 things began to turn and we got back to growing jobs. In fact, we have had over 4½ million jobs in the private sector created since the turnaround began. Again, job growth was not as robust as we would like, but nonetheless it was quite a remarkable turnaround from where it was.

What we have seen in looking at previous crises is that economic recovery is shallower and takes much longer after a financial crisis. So we can't compare this to the garden variety of recessions we faced since World War II. I think we have had nine recessions since World War II, but this went far beyond a typical recession. This was enormous damage to the financial sec-

tor. In looking back, historically, here is what Dr. Reinhart of the Peter Peterson Institute for International Economics and Dr. Vincent Reinhart of the American Enterprise Institute have found in their research:

Real per capita GDP growth rates are significantly lower during the decade following severe financial crises . . . In the ten-year window following severe financial crises, unemployment rates are significantly higher than in the decade that presided the crisis.

That is the circumstance we are in. That is not the fault of President Obama. He inherited this mess. The fact is after a financial crisis, if we look back historically, it takes up to 10 years to recover. For those who say, well, the Federal Government response didn't work or that it hasn't made any difference, I don't think that is true. I don't think that will stand up to scrutiny.

Two of the most distinguished economists in the country, Alan Blinder, who was a former Vice Chairman of the Federal Reserve, and Mark Zandi, who was actually one of the economic advisers to the JOHN MCCAIN campaign, said:

We find that its effects—

Talking about the Federal Government's actions to deal with the crisis—on real GDP, jobs, and inflation are huge, and probably averted what could have been called Great Depression 2.0.

They went on to say:

. . . When all is said and done, the financial and fiscal policies will have cost taxpayers a substantial sum, but not nearly as much as most had feared and not nearly as much as if policymakers had not acted at all. If the comprehensive policy responses saved the economy from another depression, as we estimate, they were well worth their cost.

Madam President, here are two of the most distinguished economists in the country telling us that had we not taken the actions that the Federal Government did, we would have had a depression. They also looked at what would have happened without the Federal response on the jobs front.

Here is what they found running their econometric models. The green line is the response with the Federal response, the red line is what they estimate would have happened without the Federal response. We can see they find a difference of 8 million jobs. In other words, we have 8 million more jobs than we would have otherwise had had the Federal Government done nothing.

I just say this to my colleagues who say, well, the stimulus and TARP didn't work because we are not growing as rapidly as we would like. Let's think back. What was happening when those steps were taken? The economy wasn't growing; the economy was shrinking. We weren't getting more jobs; we were losing jobs at a record rate. So to those who say none of these Federal actions were successful, I say I don't think that is what the record shows.

I think what the record shows is they didn't accomplish all we would like,

but they really led to quite a dramatic turnaround from the worst recession since the Great Depression. Here are the positive signs we see now that are facts. They are not projections; they are facts. We have had 27 consecutive months of private sector job growth. We have had 11 consecutive quarters of real GDP growth. The unemployment rate is down from the 2009 peak. Manufacturing has expanded for 34 consecutive months. The U.S. auto manufacturers have returned to profitability. And State revenues are now showing signs of improvement.

So, again, this isn't political talk. These are facts, and facts matter. The facts demonstrate there has been quite a remarkable turnaround. Again, these aren't projections; these are facts. These are things that have occurred.

If we then compare the U.S. performance to other countries with which we compete, we can see the United States has done the best in terms of the comparisons here. Some developing nations have certainly done better than we have, but if we look at the developed world, the United States is doing the best. This chart shows our economic performance, the top line, which is far better than the eurozone, all the European countries, which is the green line. Japan is the red line and we are doing much better than them. We are doing much better than the United Kingdom. If we look at how well we have done compared to the rest of the world, we are doing much better, at least in terms of the developed nations.

We know Europe has gone in a somewhat different direction. They have imposed austerity without regard to growth policies. Here are the headlines from the International Herald Tribune: "Austerity Is Strangling Europe." I pulled out a paragraph because I think it speaks very well of what has been the effect of the European strategy:

The direction of European economic and financial policy must change, away from pure austerity toward growth. Greece, Ireland, Portugal, Italy and Spain have made substantial progress in stabilizing their finances. But the economic and political situation in these countries shows that austerity alone is not the way to resolve the crisis. On the contrary, there is a danger of half-strangling national economies with a strict policy of austerity. We would therefore be well advised to cushion harsh austerity measures with programs for growth.

I believe there is a lesson in that for us as well. I am an unvarnished deficit hawk. I have been my entire career. I have called repeatedly for us to get our fiscal house in order. I believe it is imperative that we do that, but it is also imperative to recognize that we don't impose austerity on a weak and struggling economy. We would only make things worse. Getting back on a more sustainable financial path has to be done in a measured way. Absolutely, we need a long-term plan to take on our deficits and debt. I have made that speech 500 times. Absolutely, that has to be done. But that has to be done in a phased way, and the austerity should

not be imposed until we are on a stronger growth path. I think economic history tells us that, and that is a lesson we need to learn.

What is holding back the U.S. economy from a stronger recovery? Well, we have identified these elements: No. 1, the European debt/financial crisis has thrown a cloud over global markets, and they are still our biggest trading partners. So a chilling of economic activity in Europe has had an adverse effect on our own economic performance.

No. 2, the Iran/Middle East situation has threatened to disrupt oil supplies. That creates uncertainty, because we know the Straits of Hormuz would close, prices would jump, economic activity would weaken, and we would be hurting. That has led companies, even though they have \$2 trillion on their balance sheets, to be very cautious about expanding their investment and expanding their hiring.

Federal, State, and local government cutbacks have also created economic drag. I will go to that issue in a moment.

The political deadlock on fiscal issues here in Congress has also created uncertainty, and we face, of course, the threat from the fiscal cliff. The fiscal cliff is the fact that at the end of this year, all of the Bush tax cuts are going to expire, which means an automatic tax increase for virtually every American. We also face additional spending cuts, including \$1.2 trillion from the so-called sequester, evenly shared between defense and nondefense. That would reduce demand. That would further reduce economic growth. Also, of course, the housing market continues to pose a threat, at least in many parts of the country. Certainly in Nevada, Arizona, Florida, and in parts of California, the housing market crisis still leaves an overhang.

I thought this article in the New York Times on Saturday, May 5, was very interesting. I think if we gave a quiz to the American people listening to the debates here, they would conclude that government has gotten bigger and bigger during the Obama administration, but that is not true. A previous President said "facts are stubborn things," and these are facts. If we take State, local, and Federal Government and we combine them, the government is getting smaller in the United States. In fact, again, I pulled out a paragraph:

For the first time in 40 years, the government sector of the American economy has shrunk during the first three years of a presidential administration. Spending by the Federal Government, adjusted for inflation, has risen at a slow rate under President Obama. But that increase has been more than offset by a fall in spending by State and local governments, which have been squeezed by weak tax receipts.

In the first quarter of this year, the real gross domestic product for the government—including State and local governments as well as Federal—was 2 percent lower than it was 3 years ear-

lier, when Barack Obama took office, in early 2009.

All the talk we hear on this floor about the exploding size of government is bloviation. It is bloviation. Let's get real. The government in the United States is shrinking. Facts are stubborn things.

This is what is happening to the U.S. Government workforce under this President. Obama took office in January of 2009. This chart shows millions of Federal, State, and local employees. We had more than 22.5 million Federal, State, and local employees. Look what has happened. Do we have more employees in government today than when President Obama took office or do we have less? We have less, and we have a lot less. This chart shows very clearly the number of employees has gone down dramatically—dramatically—during the years of this administration. Facts are stubborn things.

What is underlying our current weakness? Well, before the Budget Committee, we had Dr. Joel Prakken, the chairman of Macroeconomic Advisers. This is the testimony he gave earlier this year:

The No. 1 problem that [small businesses] say they have to deal with right now is lack of demand.

Are my colleagues paying attention? Can we pass a quiz? What is the problem? The problem is a lack of demand. Further tax increases or further spending cuts will only weaken demand in the short term. So we have to be paying attention to what we do here.

Some of our colleagues say, Let's slash spending some more, make government even smaller. Guess what that will do to demand? It will weaken it. That will make the economic recovery even more tepid, even weaker. That is not the answer. Yes, it is absolutely the case over the longer term. We have to be aggressive at reducing spending and reforming entitlements and reforming the tax system. I have been part of virtually every effort here to do that. I was part of Bowles-Simpson and part of the group of six. I am actually actively engaged in that effort now. We have to be able to walk and chew gum at the same time. What we need to understand is we need a two-step strategy: strengthen growth in the short term, and then pivot and deal with our deficits and debt over the longer term. We cannot get confused about this and think the answer is to impose immediate austerity now. We have already imposed a fair amount of austerity, which I will get into in a minute, with the budget cuts that were included in the Budget Control Act passed last year.

I want to repeat the testimony of Dr. Prakken:

The No. 1 problem that [small businesses] say they have to deal with right now is lack of demand. They do not say access to capital. They do not say burden of regulation. They say their order books are thin.

I say to my colleagues, let's pay attention to what the problem is: weak

demand. We have to take steps to strengthen demand in the short term while at the same time putting in place a longer term plan to get us back on track with our Nation's finances.

One reason we have a weak demand is we have made weak investments in infrastructure. Look at where we are compared to our global competitors. China is investing 9 percent of their GDP on infrastructure. Europe is spending 5 percent, and here we are at 2.4 percent. One of the reasons we have a weak recovery is we are not investing sufficiently in roads, bridges, airports, rail, and, as a result, our infrastructure across America is becoming second rate. That is about as clear as it can be.

I hear my colleagues say: Well, our problem is the Senate has not passed a budget in over 1,000 days. Sometimes I wonder if our colleagues pay very close attention to what they are voting on here, because last year, instead of a budget resolution we passed the Budget Control Act—a law. What is the difference between a resolution and a law? I think any high school student could tell us a resolution is weaker than a law. Yet our colleagues continue to come to the floor and complain and say we have not passed a resolution in more than 1,000 days. That is true. What we did do is pass a law called the Budget Control Act. We passed it last year with an overwhelming vote here in the U.S. Senate—a bipartisan vote. It also passed in the House of Representatives and was signed into law by the President.

A budget resolution never even goes to the President. A budget resolution is purely a congressional document. So a law is stronger than any resolution, and it is true, we didn't pass a budget resolution last year, we passed a law called the Budget Control Act. That law, in part, said:

The allocations, aggregates, and spending levels set in subsection (b)(1) shall apply in the Senate in the same manner as for a concurrent resolution on the budget.

That is about as clear as it can be. The Budget Control Act says that the spending levels will apply in the same manner as a budget resolution.

So all these speeches that have been given—oh, we have not had a budget resolution in a thousand days—is not telling people the rest of the story. Instead of a budget resolution, we passed a budget law called the Budget Control Act.

What did that law do? One of the things it did was cut spending \$900 billion over the next 10 years. I can tell you, it put in place 10 years of spending caps—10 years of spending caps. A typical budget resolution only deals with 1 year. The Budget Control Act—the law we passed last year—put in place 10 years of spending caps, saving \$900 billion.

In addition, it said: We are going to create a special committee to deal with the entitlement programs and the tax system. We are going to say to that

special committee: If you can come to an agreement, you will not face a filibuster. You will not face delays, you will be able to bring that proposal right to the floor of the Senate and get a vote.

They further said: But if you do not agree, there will be another \$1.2 trillion of spending cuts imposed. Of course, we all know now the special committee could not agree. So that additional \$1.2 trillion of spending cuts is now the law of the land, on top of the \$900 billion of spending cuts that was in the Budget Control Act as well.

So let's do the math: \$900 billion of discretionary savings in the Budget Control Act, plus this sequester—the \$1.2 trillion of additional spending cuts focused on defense and nondefense spending—for a total of \$2.1 trillion of spending cuts that were in the Budget Control Act passed last year that is now the law of the land. That is the biggest spending cut package in the history of the United States.

I think facts are stubborn things, and we need to remind our colleagues of what the facts are.

Here is another unfortunate fact: We are borrowing almost 40 cents of every \$1 we spend. We can do that for a while. We cannot do it endlessly. We are borrowing almost 40 cents of every \$1 we spend, so we have to deal with that.

What does it mean in terms of our debt? This is what is happening to our debt: Gross debt as a percentage of our gross domestic product under what is called the CBO alternative fiscal scenario—that is their prediction of what we might do here—shows the gross debt of the United States is going to be 104 percent of our gross domestic product at the end of this year—104 percent of our gross domestic product. It shows, if we do not do anything, that is going to go up to 119 percent. Our gross debt will be 119 percent of the size of our economy by 2022 if we do not do anything.

That is not a path we should allow to be followed. Why not? Because the best economic analysis that has been done, by Reinhart and Rogoff, "Growth in a Time of Debt," found that once we get a gross debt of more than 90 percent of our GDP, our future economic prospects are diminished. It does not happen all at once. It is not like falling off a cliff when we get to gross debt that is 90 percent of our GDP. It is more like a long, slow decline in terms of our future economic prospects.

So here is what they concluded after studying 200 years' of economic history, 44 different countries:

We examine the experience of 44 countries spanning up to two centuries of data on central government debt, inflation and growth. Our main finding is that across both advanced countries and emerging markets, high debt/GDP levels (90 percent and above)—

Again, this is gross debt, when we get to a gross debt of 90 percent or more.

are associated with notably lower growth outcomes.

So this is not just about numbers on a page. This is about future economic prospects, future economic opportunity, future job prospects, that the future wealth of a nation is hurt when they get to a gross debt of more than 90 percent of their GDP.

The previous chart I showed is that we will be at 104 percent of GDP at the end of this year. So absolutely we have to focus on deficits and debt. But we should not lose sight of the fact that we cannot pivot and do that when the economy is weak or we will make the economy even weaker. So the initial steps we need to take are to strengthen growth. At the same time, we ought to put in place a plan that gets us back on track fiscally that deals with this debt problem for the longer term because this is not a matter of we get to this point and fall off the cliff. It does not work that way.

What is critically important is that we adopt the right economic policies now to strengthen the economy, to lift growth, but at the same time to put in place a longer term plan that deals with deficits and debt.

As shown on this chart here is where we are headed if we fail to act. This is according to the Congressional Budget Office. It is nonpartisan. We have gross debt that I was referencing before: 104 percent. Look at this and you will say: Gee, it is not 104 percent on this chart. That is because this is not gross debt. This is debt held by the public, which most economists like to talk about. I talk about the gross debt because gross debt includes what we owe to the trust funds, and the work of Reinhart and Rogoff focused on gross debt. So if we are going to compare ourselves to the research they did, we have to be talking about gross debt.

This is debt held by the public, and this is what CBO says is going to happen to debt held by the public if we fail to act: We are going to have a debt more than 200 percent of GDP. That is the track we are on. So, hey, we have to sober up. We need a plan that gets us back on track.

When we analyze how we got in this situation, what is critical is that we look at spending and revenue because it is that mismatch which leads to deficits. It is when we are spending more than we are taking in. It is when our outlays are greater than our revenues that we have deficits. It is the accumulation of deficits that is the debt. Right. The debt is adding up all the deficits over all these years.

The red line on this chart shows the spending of the United States. The green line shows the revenue. What jumps out at you is that spending is near a 60-year high. That is not surprising because we just had the biggest economic downturn since the Great Depression.

What happens when we have a strong economic downturn? What we call the automatic stabilizers kick in to prevent us from going into a depression. What are the automatic stabilizers?

Things such as unemployment insurance, spending on food stamps, other things that are done to prevent going from a recession into a depression. Those things kicked in, and the result is—and, of course, we had TARP and we had stimulus, which I have already demonstrated worked actually quite effectively. Without them, the best economists in the country tell us we would have been in a depression.

Spending is near a 60-year high. But look at revenue. Revenue is near a 60-year low. Low revenue, high spending, big deficits, big additions to debt. That is what is happening to us. We can see, the spending has come back somewhat now. Revenue has improved somewhat. So things are starting to get better, but we still have a big gap and a deficit of \$1.2 trillion for this year—staggering. That over time has to be addressed.

The Budget Control Act we passed last year—the law our friends over there say: Oh, you have not passed a budget resolution for a thousand days. Wow. Did they forget they voted on a law called the Budget Control Act that cut spending by the biggest amount in the history of the United States?

Look what has happened to discretionary spending. Under the Budget Control Act, discretionary spending is going to go to a historic low. So all this talk about the runaway spending around here—yes, spending went up when we had a deep economic decline in order to prevent that decline from becoming even worse and becoming a depression. But do you know what. We have already taken steps to rein that spending back in in the future in the Budget Control Act.

Look how it is going to do it. We saw, back in 1968, discretionary spending—in Federal spending there are two kinds of spending. There is mandatory spending—things such as Social Security, Medicare, that is mandatory spending. Then there is discretionary spending; that is things such as education, law enforcement, parks. And back in 1968, 13.6 percent of budget outlays went to discretionary spending.

In 2012, even after this uptick, we are still far below where we were in 1968. Only 8.4 percent of budget outlays are going to discretionary spending. But look what happens under the Budget Control Act. Discretionary spending, as a share of the total budget, will drop to less than 5 percent. We have not been there going way back. That is a historic low.

So those who say, well, we have runaway spending, nothing has been done about it, they have not done their homework, and they, obviously, have not paid attention to the laws that have been passed. The Budget Control Act that passed last year is taking us to spending for discretionary programs that is a historic low.

Where is the spending going up? Well, it is those mandatory accounts. That is where the spending is going up. Of course, as shown on this chart, this is

the picture on Social Security. Again, this goes back to 1972. Social Security was 3.3 percent of GDP. Here we are in 2012 and it is up to well over 5 percent of GDP. It is headed for over 6 percent of GDP as the baby boomers retire. That is not a projection. The baby boomers have been born. They are alive today. They are going to retire. I am a baby boomer. I see a number of others in front of me in the Chamber. That is not a projection. That is baked in the cake. So we know we have gone in 1972 from Social Security being 3.3 percent of GDP to being 6 percent of GDP. That is not because we have had increases in the program; it is because we have increases in the number of people who are eligible for the program.

The same is true in other mandatory parts of the budget.

Here is Medicare. Medicare, Medicaid, and other Federal health spending—if we added it all up in 1972—was 1.1 percent of GDP. In 2050, we expect that to increase to 12.4 percent of GDP. So if we are looking for where the spending is really increasing, it is certainly not in the domestic accounts. That has gone down as a share of GDP.

For Social Security, we have seen an increase because of increased people eligible because of the baby boom generation. But the big place we have seen an explosion is in the health care accounts.

Now, that is not because of the law that was passed—what some people call ObamaCare. That has nothing to do with this. This is long-term trends because of the increase in the cost of medicine and because of the baby boom generation.

That is where we see a large increase in Federal spending. We are seeing Medicare enrollment soaring. Back in 1970, there were 20 million people eligible for Medicare. In 2085, it is going to be 115 million. So a key reason we are seeing increases in costs in the so-called mandatory programs is a dramatic increase in the number of people who are eligible. That is no fault of the program. That is a demographic reality, and we have to cope with this reality.

If we are going to have a Medicare Program that gives an assurance that people in their senior years have medical treatment available to them, we have to deal with this reality of a dramatic increase in the number of people who are eligible for Medicare.

An aging population is the primary driver of Medicare, Medicaid, and Social Security cost growth—an aging population. The world is changing. As a population, we have a much bigger group that is eligible for these programs—Social Security, Medicare, Medicaid. It is absolutely essential that those programs be maintained in order for our seniors to have a comfortable retirement and in their aging years to have security.

That is the genius of Social Security and Medicare and Medicaid. They have transformed lives for people in their

senior years. But we also have this reality to confront that because we have a growing number—because of the baby boom generation the costs to the Federal Government are swelling. Again, it is not on discretionary spending. That part of the budget, as I have demonstrated, is going down as a share of the economy. It is in these areas where our budget is sensitive to the growing number of people eligible for Social Security, Medicare, and Medicaid.

Interestingly enough, the Medicare trustees say the health care reform law passed has reduced long-term Medicare costs. I hear people, especially our friends on the other side, say the law we have passed has increased these costs. That is not what the Medicare trustees have found. The Medicare trustees have said the “projected Medicare costs over 75 years are substantially lower than they otherwise would be because of provisions in the ‘Affordable Care Act’ or ACA.

Our colleagues say they want to repeal the Affordable Care Act. They are talking about making the situation worse, not according to KENT CONRAD but according to the Medicare trustees. The Medicare trustees—I wish to repeat this—said the “projected Medicare costs over 75 years are substantially lower than they otherwise would be because of provisions in the Affordable Care Act. . . .”

So our colleagues who are lining up to say they want to repeal the affordable care act are lining up to increase Medicare costs. By the way, they are lining up to increase the debt because the Congressional Budget Office has told us that in the first 10 years of the affordable care act, it saves more than a hundred billion dollars in the deficit, but in the second 10 years, it saves well over \$1 trillion on deficits and debt.

Let me repeat that. The Congressional Budget Office tells us the affordable care act, which some of our colleagues are lining up to repeal, will reduce deficits and debt in the second 10 years by well over \$1 trillion. So my friends who are lining up—they want to repeal the affordable care act—they are lining up to increase Medicare costs. They are lining up to increase the debt of the United States, according to the Congressional Budget Office, which is nonpartisan.

This is what the Medicare trustees project in terms of reduction in Medicare costs. The percent change in average per beneficiary cost from 2001 to 2011 was up 94 percent. From 2011 to 2021, they predict it will go up 37 percent, a dramatic slowing of the rise in costs because of the affordable care act.

We also hear colleagues on the other side say the answer to this deficit and debt situation is to have further tax cuts that primarily benefit the wealthiest among us. Really? I have just shown a chart that showed our revenue is near a 60-year low. So does digging the hole deeper make much sense before we start to fill it in? I do not think so.

We hear our colleagues say: If we look in the last 40 years, revenue has been about 18 percent of GDP. That is true. But you know what, the five times we have balanced the budget since 1969 the revenue has not been at 18 percent of GDP. The revenue has been at 19.7 percent of GDP, 19.9 percent, 19.8 percent, 20.6 percent, 19.5 percent of GDP. So these friends who say they want to balance the budget, let's study their numbers. It does not add up. It does not add up.

They want to cut the revenue, which already is near a 60-year low—cut it some more. They say: Sometimes it is going to get back toward historic average. That is not going to cut it, because we can see the times we have balanced the budget, the revenue has not been at 18 percent of GDP. Right now, it is at less than 16 percent. Revenue has been about 20 percent of GDP. I do not know what could be more clear; that we need tax reform in this country. The Tax Code is out of date. It is inefficient. It is hurting U.S. global competitiveness. Complexity imposes a significant burden on individuals and businesses. The expiring provisions create uncertainty and confusion. We are hemorrhaging revenue to the tax gap, the tax havens, to abusive tax shelters.

I have shown on this floor many times a picture of a little five-story house called Umland House. Umland House—I am going to put it up in just 1 minute—claims to be the home to 8,000 companies. They all say they are doing business out of this little five-story building. Really? Is that what they are doing? We will talk about that in a moment.

But we are hemorrhaging revenue to the tax gap, the tax havens, to abusive tax shelters. We need to restore fairness. The current system is contributing to growing income inequality. I do not know how anybody can deny this. We have seen a dramatic growth in income inequality in our country.

One of the reasons is we have a Tax Code which favors those at the very top, at least some of them. Very interesting because not all people at the top pay a lot of taxes. Some people at the top and some companies pay nothing, even though they are highly profitable. That is not fair. It is not right. It is hurting the country.

Our long-term fiscal imbalance must be addressed. Revenue must be part of the solution. Martin Feldstein, a distinguished conservative economist—nobody ever accused Martin Feldstein of being a liberal—said this:

Cutting tax expenditures is really the best way to reduce government spending. . . . [E]liminating tax expenditures does not increase marginal tax rates or reduce the reward for saving, investment or risk-taking. It would also increase the overall economic efficiency by removing incentives that distort private spending decisions. And eliminating or consolidating the large number of overlapping tax-based subsidies would also greatly simplify tax filing. In short, cutting tax expenditures is not at all like other ways of raising revenue.

In this case, I think Martin Feldstein has it about right. One way we can raise additional revenue is to reform the current tax system, making our system more competitive and at the same time raising additional revenue that can be used to help reduce the deficit, along with reform of entitlement programs, along with additional spending restraint.

These tax expenditures go overwhelmingly to the top 1 percent. Here is the increase in aftertax income from tax expenditures. We can see the middle quintile. They get \$3,200 a year of value. But look at the top 1 percent. The top 1 percent get over $\$4$ million a year in benefits from tax expenditures. Overwhelmingly, those tax expenditures that are now costing us \$1.2 trillion a year are going to the wealthiest among us.

I have nothing against wealth or people who succeed—all for it. I am for there being a fair distribution of the burden of raising the revenue necessary to support the country, and this is not fair. It is not fair when the top 1 percent get $\$4$ million in value every year from these tax expenditures. That gets almost no attention.

This is the picture I was talking about. This is a little building in the Cayman Islands, a five-story building called Umland House. Now, 18,857 companies call this building home. Truly. That is the most efficient building in the world. Can you imagine all these companies doing business out of that little building, 18,857 companies? Are they truly doing business out of that little building? The only business they are doing out of there is monkey business, and the monkey business they are doing is to avoid the taxes they legitimately owe in this country. That is what is going on in this building in the Cayman Islands, the avoidance of taxes, legitimate taxes in this country. There is a reason there are some very large companies that even though they are hugely profitable pay absolutely nothing in taxes. That is not right. That is not fair. It should be stopped. Our colleagues on the other side, they do not want to stop it. They are against it. In fact, they have taken a pledge that they will not increase tax revenues by closing down this kind of tax dodge. They have taken a pledge not to do anything about it. Virtually every Republican has taken a pledge that this would be a tax increase to shut down this kind of tax dodge. That is not right.

When we look at the longer term deficit and debt problem—I have tried to be clear—what we need to do is a two-step approach. The first step, we need more economic growth. We need things to support this economic recovery. We need more investment certainly in infrastructure where we are falling badly behind. But we also need a comprehensive long-term plan to get us back on track, to face up to these deficits and debt. What is the best way to do that? Here is what the American people say: We need a balanced approach.

Some people say cut spending. That is where 17 percent of the American people are. Some say increase taxes. That is where 8 percent of the American people are. But 62 percent of the American people say we have to do some of both. We have to cut spending. We have to raise revenue. We ought to have a balanced plan.

So that is what the American people are telling us. Interestingly enough, that is what the President's fiscal commission concluded, the Bowles-Simpson Commission. I was a member of it. There were 18 members, and 11 supported the recommendations of the commission—5 Democrats, 5 Republicans, and 1 Independent. That is as bipartisan as you can get. We took that balanced approach.

We reformed the revenue system to have a more fair tax system and shut down abusive tax havens and loopholes but also had further savings on the spending side of the equation.

On this chart is an overview of the budget plan I developed based on the fiscal commission's plan: \$5.4 trillion in deficit reduction over 10 years; lowers deficit to 1.4 percent of GDP in 2022, which is around 10 percent of GDP; stabilizes gross debt by 2015; reduces discretionary spending to 4.8 percent of GDP by 2022, which has already been done; builds on health care reform savings; calls for Social Security reform, with the savings to be used only to extend the life of Social Security itself.

Social Security was not part of the deficit reduction plan because Social Security has not been a contributor to building the deficit and debt. We also know Social Security is in trouble. Its solvency is in question. We recommended that any changes to Social Security be purely for the purpose of extending the life of Social Security itself given the incredibly important role it plays in our country.

We also included fundamental tax reform to raise revenue and to go after these tax havens, these abusive tax shelters, and, yes, to ask the wealthiest among us, some of whom—not all—have gotten away with paying very little, to pay their fair share.

This is what would happen to the deficit as a percentage of GDP under that plan. You can see on this chart that it would be reduced dramatically—from 7.6 percent of GDP this year to 1.4 percent of GDP by 2021, really dramatic reductions as a percentage of GDP by 2016. This chart is what would happen to the debt. Instead of it continuing to grow to more than 119 percent of GDP by 2022, that debt would be at 93 percent of GDP by 2022. In the near term, debt would go up some more, absolutely, because we have to deal with this economic weakness, but over the full 10 years of the plan, the debt would be brought under control and be brought down somewhat.

Those are the elements of the plan. I say to my colleagues that we have to find a way to come together. It is important to the country that we do. I am

retiring at the end of this year, but I hope we can find a way to reform the tax system and make it more fair, reform entitlements in recognition that the baby boom generation is upon us. They are going to retire, and they are putting stress on these programs. These programs are critically important to life in America—certainly the lives of our senior citizens. And we are going to have to do more about the discretionary accounts because, as I have indicated, they have already been hit repeatedly, and we are headed for a share of our budget going to the discretionary accounts that are a record low. I personally don't believe going back and cutting them more, beyond what has already been done in the Budget Control Act passed last year, is a winning strategy.

I think this is an important and defining moment in this country's history. These are problems that are real. Certainly, to the millions of people who are without a job, we have an absolute obligation to do everything we can to strengthen this economy. We also have an absolute obligation to take on this debt threat because that hangs over the country as well.

We can do this. We have done it before. In the Clinton administration, we got back to balanced budgets and strong economic growth, with the creation of more than 20 million jobs, and a country that was prospering and doing better than any competitor on the face of the globe. We can do it. I believe we will.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. SANDERS. Madam President, the American people are angry because they are living through the worst recession since the Great Depression. Unemployment is not 8.2 percent; real unemployment is closer to 15 percent. Young people who are graduating from high school and college are going out into the world, and they want to become independent and create jobs. There are no jobs. There are workers out there—and I am sure you know them—who are 50, 55 years old who intended to work out the remainder of their work lives, and suddenly they got pink slips and their self-esteem was destroyed. They will never have another job again, and they are worried about retirement security.

What the American people are angry about is that they understand they did not cause this recession. Teachers did not cause this recession. Firefighters and police officers, who are being attacked daily by Governors all over this country, did not cause this recession. Construction workers did not cause this recession. This recession was caused by the greed, recklessness, and illegal behavior of the people on Wall Street.

What these people on Wall Street did was spend billions of dollars trying to deregulate Wall Street, and they got their way. Five billion dollars in 10

years is what they spent. And then they were able to merge investment banks with commercial banks with insurance companies, and they got everything they wanted. They said: Get the government off the backs of Wall Street. They got it. The end result was that they plunged this country into the worst recession since the Great Depression.

Four years after the financial crisis caused by JPMorgan Chase, Bank of America, Goldman Sachs, and the other huge financial institutions, one might have thought that perhaps they learned something, that maybe the lesson of the great financial crisis was that you cannot continue to maintain the largest gambling casino in the history of the world. But apparently they have not learned that lesson. They are back at it again. We have recently seen the \$2 billion or \$3 billion gambling losses at JPMorgan Chase.

What we need from Wall Street if we are going to put people back to work is investment in the productive economy. Small and medium-sized businesses all over this country need affordable loans, and that is what financial institutions should be doing. They should be helping us create jobs, expand businesses, not continuing to engage in their wild and exotic gambling schemes.

When we talk about why the American people are angry, they are angry because they understand that Wall Street received the largest taxpayer bailout in the history of the world. But it was not just the \$700 billion that Congress approved through TARP. As a result of an independent audit that some of us helped to bring about in the Dodd-Frank bill, we learned that the Federal Reserve provided a jaw-dropping \$16 trillion in virtually zero-interest loans to every major financial institution in this country, the central banks all over the world, to large corporations in America and, in fact, even wealthy individuals. What the American people are saying is that if the Fed can provide \$16 trillion to large financial institutions, why can't they begin to move to protect homeowners, unemployed workers, and the middle class of this country?

The American people are looking around them. They are angry not just because unemployment is high, they are angry not just because millions of people have lost their homes and life savings, they are angry because they understand that the middle class of this country is collapsing, poverty is increasing, while at the same time the people on top are doing phenomenally well. The taxpayers bailed out Wall Street, and Wall Street recovers, Wall Street does well, but now we have kids in this country graduating college deeply in debt, can't find a job, and we have older workers losing their jobs, and people are saying: What is going on in America?

I believe the American people ultimately are angry because they are

looking at this great country—a country for which many of our veterans fought and died—and what they are seeing is this Nation is losing its middle class, losing its democratic values, and, in fact, is moving toward an oligarchic form of government, where a handful of billionaires control the economic and political life of this Nation.

In the United States today, we have the most unequal distribution of wealth and income since the 1920s. You are not going to see what I am talking about now on Fox or NBC or CBS, but it is important that we discuss this issue because it is one of the most important issues facing America.

Today, the wealthiest 400 individuals in America own more wealth than the bottom half of America, 150 million people—400 to 150 million. Today—and this is really quite amazing—the six heirs to the Walmart fortune—the Walmart company started by Sam Walton, his children—one family now owns more wealth than do the bottom 30 percent of the American people. One family owns more wealth than the bottom 30 percent or 90 million Americans. Today, the top 1 percent owns 40 percent of all of the wealth in America. The top 1 percent owns 40 percent of all the wealth in America.

What do we think the bottom 60 percent of the American people own? I ask this question a lot around Vermont. I have a lot of meetings. I say that the top 1 percent owns 40 percent, and people say: That is not good, but we understand that.

Then I ask: What about the bottom 60 percent?

Maybe they own 15 or 20 percent, they say.

The answer is that they own less than 2 percent—less than 2 percent. So you have the bottom 60 percent of the American people owning less than 2 percent of the wealth, and the top 1 percent owns 40 percent of the wealth.

Here is another astounding fact. We don't see it much in the media and many colleagues don't talk about it too often, but, incredibly, the bottom 40 percent of the American people own three-tenths of 1 percent of the wealth in this country.

I know we have some of my colleagues coming up and saying: Look, not everybody in America is paying taxes. You have millions of people not paying any taxes.

No kidding. Well, they don't have any money. All of the money is on the top.

According to a new study from the Federal Reserve, the medium net worth for middle-class families dropped by nearly 40 percent from 2007 to 2010, primarily because of the plummeting value of homes. That is the equivalent of wiping out 18 years of savings for the average middle-class family.

I have talked about distribution of wealth. That is what you accumulate in your lifetime. Let me say a word about income, which is what we earn in a year. The last study that was done on

income distribution was done recently. This is what it told us, and this is literally quite hard to believe. The last study on income distribution showed us that between the years 2009 and 2010, 93 percent of all new income created in the previous year went to the top 1 percent. Ninety-three percent of all the new income created between 2009, 2010—the last information we had—went to the top 1 percent, while the bottom 99 percent had the privilege of enjoying the remaining 7 percent. In other words, the wealthiest people in this country are becoming phenomenally wealthier, the middle class is disappearing, and poverty is increasing.

When we talk about an oligarchic form of government, what we are talking about is not just a handful of families owning entire nations, we are also talking about the politics of the nation. As a result of this disastrous Citizens United decision, which is now 2 years of age—one of the worst decisions ever brought about by the Supreme Court of this country and a decision they just reaffirmed a few days ago with regard to Montana—what the Supreme Court has done is to say to the wealthiest people in this country: OK. You own almost all the wealth of this Nation. That is great. Now we are going to give you an opportunity to own the political life of this Nation, and if you are getting bored by just owning coal companies and casinos and manufacturing plants, you now have the opportunity to own the U.S. Government.

So we have people such as the Koch brothers and Sheldon Adelson—the Koch brothers are worth \$50 billion. That is what they are worth. They are worth \$50 billion and they have said they are prepared to put \$400 million into this campaign to defeat Obama, to defeat candidates who are representing working families. Sheldon Adelson, who is only worth \$20 billion—he is kind of a pauper—is willing to spend what it takes to buy the government. If we look at it, that ain't a bad deal. If someone is worth \$50 billion and they spend \$1 billion or \$2 billion, they can buy the U.S. Government. That is a pretty good investment, and that is what they are about to do.

On the one hand, we have a grossly unequal distribution of wealth in income. These guys control the economy. We have the six largest financial institutions in this country that have assets equivalent to two-thirds of the GDP of America—over \$9 trillion—and these six financial institutions write half the mortgages and two-thirds of the credit cards in America. That is a huge impact on the economy. But that is not enough for these guys. The top 1 percent own 40 percent of the wealth—not enough for these guys. Now they have the opportunity to buy the U.S. Government.

So that is where we are. In my view, working families all over this country are saying enough is enough. They want this Congress to start standing

for them and not just the millionaires and the billionaires who are spending unbelievable sums of money in this campaign. It seems to me what we have to do is start listening to the needs of working families—the vast majority of our people—and not just the people who make campaign contributions.

I know that is a very radical idea. I do know that. But it might be a good idea to try a little bit to reaffirm the faith of the American people in their Democratic form of government. We could let them know just a little bit that maybe we are hearing their pain—their unemployment, their debt, the fact they are losing their houses, the fact they do not have any health care, the fact they can't afford to send their kids to college. Maybe, just maybe, we ought to listen to them before we go out running to another fundraising event with millionaires and billionaires.

I do know, however, that is a radical idea. So let's talk about what we can actually do for the American people. In the midst of this terrible recession, where real unemployment is closer to 15 percent if you include those folks who have given up looking for work and those people working part-time when they want to work full time, we know the fastest way to create decent-paying jobs is to rebuild our crumbling infrastructure.

I see the Senator from Minnesota has taken the chair and is now presiding, and I don't know about Minnesota, but I do know in Vermont many of our bridges are in desperate need of repair, our roads are in need of repair, and our rail system is falling further and further behind Europe and China. We have water systems that desperately need repair, wastewater plants, and we have schools that need repair. We can put millions of people back to work making our country more competitive and more efficient by addressing our infrastructure crisis. Let's do it.

It is beyond my comprehension why we can't even get a modest transportation bill. I know Chairwoman BOXER and Senator INHOFE are working on a modest transportation bill, but we can't even get that through the House. In fact, we have to do a lot more than that, but at least they are making the effort.

At a time when we spend some \$300 billion a year importing oil from Saudi Arabia and other foreign countries, at a time when this planet is struggling with global warming and all the extreme weather disturbances we see, and the billions of dollars we are spending in response to these extreme weather disturbances, we need to move toward energy independence. We need to reverse greenhouse gas emissions. In other words, we need to transform our energy system away from fossil fuel into energy efficiency and into sustainable energies, such as wind, solar, geothermal, and biomass. When we do that, we also create a substantial number of decent-paying jobs.

By the way, in the midst of a very competitive global economy, what we should not be doing is laying off teachers and childcare workers. We should be investing in education, not laying off those people who are educating our kids.

I know there is a lot of discussion on the floor with regard to the national debt—almost \$16 trillion—and the deficit—over \$1 trillion. That is a serious issue and we have to deal with it. But my view is a little different than many of my colleagues in terms of how we deal with it.

I think most Americans understand the causation of the deficit crisis; that is, President Bush went to war in Iraq and he went to war in Afghanistan, and he just forgot something. We all have memory lapses, don't we? We go shopping and we forget to buy the milk or the bread. He had a memory lapse. He forgot to pay for those wars—a couple trillion dollars' worth. He forgot to pay for them. To all of our deficit hawks out here, all those folks who say we have to cut food stamps, we have to cut education, we have to cut health care—oh, two wars, \$2 trillion, \$3 trillion, \$4 trillion? Hey, no problem, no problem at all.

For the first time, as I understand it, in the history of this country, we went to war—which is an expensive proposition—and at the same time not only did we not raise the money to pay for the war, we went the other way and decided to give huge tax breaks, including to the wealthiest people in this country. We spent trillions going to war and we gave tax breaks to the wealthiest people in this country. That begins to add up. That is called creating a deficit.

Then, on top of that, because of the greed and the recklessness and illegal behavior on Wall Street, which drove us into this recession—and when you are in a recession and people are unemployed and small businesses go under, less revenue is coming into the Federal Treasury. If we are spending a whole lot, less revenue is coming in, so you have a deficit crisis.

Some of my Republican friends say—and some Democrats say—maybe we should have paid for the war. Yes, you are right. Maybe we shouldn't have given those tax breaks to the rich. Maybe you are right. But be that as it may, we are where we are and we need deficit reduction and we know how to do it. We are going to cut Social Security.

My friends back home, when you hear folks talking about Social Security reform, hold on to your wallets because they are talking about cuts in Social Security—nothing more, nothing less. I don't know about Minnesota, Mr. President, but in Vermont no one has heard of the concept of chained CPI. I have asked them, and they do not know what chained CPI is, which is what they are trying to pass here. It is this belief—and senior citizens back home will start laughing when I say

this—that COLAs for Social Security are too high. Seniors back home are scratching their heads, saying: Wait. We just went through 2 years when my prescription drug costs went up, my health care costs went up and I got zero in COLA and there are people in Washington—Republicans, some Democrats—who think I got too much in COLA? What world are these people living in? That is the reality.

So some of the folks here want to pass something called a chained CPI, which, if it were imposed—and I will do everything I can to see it does not get imposed—would mean seniors between the ages of 65 and 75 would lose about \$550 a year. Then, when they are 85 and they are trying to get by on \$13,000 or \$14,000 a year, it will cost them about 1,000 bucks a year. That is what some of our colleagues want to do—virtually all the Republicans want to do it and some Democrats want to do it as well. I am going to, as chairman of the Defend Social Security Caucus, do everything I can to prevent that.

They also want to cut Medicare and Medicaid. We have 50 million people without any health insurance at all, we have people paying huge deductibles, Medicaid covering nursing home care, and they want to cut Medicare and Medicaid. They have the brilliant idea, some of them, that maybe we should raise the retirement age for Medicare from 65 to 67. Tell me about somebody in Minnesota who is 66 and is diagnosed with cancer, and if we do what the Republicans want us to do in the House, which is to create a voucher plan for Medicare, we would give that person a check for, I don't know, \$7,000, I think, or \$8,000, and we would say: Go out to the private insurance market, anyone you want, here is your \$7,000 or \$8,000—remember, they are suffering with cancer—and go get your insurance. I guess that would last them maybe 1 or 2 days in the hospital is what it would do. But that is the Republican plan.

I agree that deficit reduction is a real issue, and I think we have to deal with it. But we are not, if I have anything to say about it, going to deal with it on the backs of the elderly, the children, the sick, the poor, and the hungry. The way we deal with deficit reduction in a responsible way, in a fair way, is to look to the billionaires in this country who are doing phenomenally well and make the point that Warren Buffett made, that there is something a little absurd about millionaires and billionaires today, in the midst of the deficit crisis, paying the lowest tax rates they have paid in decades. Yes, we are going to have to ask the wealthiest people in this country to start paying their fair share of taxes.

I saw a piece in the paper the other day which was quite incredible. Rich people, apparently, are giving up their citizenship. They are leaving America and going abroad. These great lovers of America who made their money in this country, when we ask them to start paying their fair share of taxes, start

running abroad. We have 19-year-old kids who have died in Iraq and Afghanistan who went abroad not to escape taxes; they are working-class kids who died in wars. Now the billionaires want to run abroad in order to avoid paying their fair share of taxes. What patriotism; what love of country.

We have to deal with deficit reduction, but we don't have to cut Social Security, we don't have to cut Medicare, we don't have to cut Medicaid, and we don't have to cut education. We can ask the wealthiest people, the millionaires and billionaires, to start paying their fair share of taxes. We can end these outrageous corporate loopholes Senator CONRAD talked about. He showed a picture of a building in the Cayman Islands where there are 18,000 corporations using the same postal address in order to avoid paying their taxes. We are losing about \$100 billion a year. We have large corporations making billions, and paying, in some cases, nothing in taxes. That is the way to get to deficit reduction, not on the backs of people who are already hurting.

We are at a very difficult moment in American history. We are in the process of losing the great middle class. We are seeing more of our people being poor. We are seeing savage attacks being waged against the elderly in terms of cuts in Social Security and Medicare, attacks against those who get sick in terms of going after Medicaid and Medicare.

I think what the American people are saying is enough is enough. This great country belongs to all of us. It cannot continue to be controlled by a handful of billionaires who apparently want it all.

I cannot understand why people who have billions of dollars are compulsively driven for more and more. When is enough enough? How many children in this country have got to go hungry? How many people have got to die because they don't go to a doctor because you want to avoid paying your taxes? That is not what America is about. That is not what people fought and died to create.

We have a fight on our hands. The job of the Senate is to represent the middle-class working families of this country, all of the people, and not just the superrich. I hope we can begin to do that.

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

The PRESIDING OFFICER (Mr. FRANKEN). The clerk will call the roll. The bill clerk proceeded to call the roll.

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

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

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

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

WESTERN WILDFIRE POLICY

Mr. TESTER. Mr. President, I rise today to make sure that Congress is aware of what is happening across the American West. Some 32,000 people were just evacuated from their homes in Colorado. In Utah and New Mexico, hundreds of homes have been destroyed or are under threat. In my State of Montana, five counties are in states of emergency as seven major fires rage across the State. We have evacuated over 200 homes in Helena alone, with plumes of smoke billowing behind the State capitol. The Signal Peak coal mine in eastern Montana has been evacuated and fires that threaten it have burned nearly 60,000 acres in less than a day. Experts on the ground are saying they have never seen conditions like these so early in the fire season, with wildfires burning through beetle-killed areas with increasing speed. These beetle-killed areas are areas that are dead due to pine bark beetle infestations. The trees are dead and dry and they explode when they catch on fire.

Yesterday, wind gusted up to 55 miles per hour, grounding aircraft and preventing them from attacking the fires early. But the conditions for these wildfires did not happen overnight. The problem is the dry climate, the lack of preparation, and lack of resources available to contain these fires.

I first want to express my sincerest appreciation to the brave firefighters battling these blazes. On behalf of Montanans and folks across the West, I want to thank you for all you do. Firefighters risk their lives every day for folks they have never met. We owe you our respect and our gratitude, and my thoughts and prayers are with you.

We also owe them the resources they need to efficiently fight these fires and we owe them the policies that will best benefit the landscape they are working so hard to protect. Forest Service fire officials say there are three parts to preventing and controlling wildfires. The first is reducing hazardous fuels, especially in the wildland-urban interface. The second is protecting towns with community wildfire plans and implementing defensible space around structures. And the third is we must provide and be ready with the resources to fight fires once they have started.

Yet Congress has consistently reduced the resources set aside for the Forest Service to proactively reduce the risk presented by fires. Hazardous fuels reduction funding has declined over the past few years, and this year the administration proposed to continue reducing these funds. The House of Representatives is also failing to give the Forest Service the tools it needs to address this growing problem by playing politics that will prevent solutions that will improve the health of the exact forests where these fires are raging in Montana and Colorado.

For 4 years I have worked to pass a forest management bill that would reduce these trees that are providing

dangerous fuel for two of these fires in Montana. Additionally, the Senate created the FLAME wildfire account to specifically put money aside for this exact kind of emergency situation. Yet this year the President's budget reduces the FLAME account by nearly \$½ billion.

We have been robbing this account to keep the Forest Service afloat, but the Forest Service has still lost nearly 40 percent of its purchasing power over the last 20 years as the number, cost, and frequency of these fires increased. Back in 2000, not that long ago, there were more than 40 forest firefighting planes. Today there are 10, and 9 of them are from a fleet of planes used during the Korean war.

This spring I asked the Chief of the Forest Service if we were ready in case of a bad fire season this year. He admitted that the Forest Service did not have the resources to deal with an above-average fire year.

This issue will not go away when the fire season comes to an end. With large parts of the West getting hotter and drier over the past few decades, our efforts to improve forest health and give the firefighters the resources they need cannot stop when the weather gets cold. We need to commit to providing proper resources to the firefighters who are protecting our communities, and we also need to provide the Forest Service and the Bureau of Land Management with the tools and resources they need to prevent catastrophic wildfires in the first place.

Some of us have been talking about hazardous fuel reduction in western forests before today, but it has fallen on deaf ears. Now I ask you to heed the call on you to provide the necessary resources. Montanans and folks all across the West are evacuating their homes. Firefighters are risking their lives. We need to step up and help them today and we need to responsibly invest in resources and land management policies that will make a difference in the future.

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

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

The Senator from Arkansas.

FLOOD INSURANCE

Mr. PRYOR. Mr. President, I rise today to discuss the National Flood Insurance Program and the status of the bill that is in the Senate today. This is a bill the Banking Committee has been working on, and we certainly appreciate the chairman and ranking member and all of the members of the Banking Committee for working on this very important piece of legislation.

I will note that when the bill came through the Banking Committee, the chairman and ranking member asked that no amendments be offered and that these be handled on the Senate floor at a later time. Here we are today, and it is time for us to handle those amendments and those changes to this very important piece of legislation. Unfortunately, we hear rumors that in the House and the various negotiations going on with the Transportation bill—as well as the student loan bill—they are trying to include the flood insurance bill with those. I think that is a tragic mistake. I think that endangers the very high chances of those two bills passing the Senate.

In fact, what endangers the passage is the national flood insurance bill needs work. We need to let the Senate work on it. We need to let the Senate be the Senate and offer amendments and debate, and we need to bring this bill to a final vote. But we also need the opportunity, as Senators, to offer amendments to this very important piece of legislation.

I just want to say the fundamental problem—and it is not only me—many of us have with this very important legislation deals with flood insurance. Insurance is a concept that should be based on risk. Flood insurance has always been based on risk. In fact, if you talk to any private insurance company, that is what they are doing. They manage risk, they assess risk, and they look at risk. They are looking at the chances of something going wrong and some damages occurring, and the third party, the insurance company, pays for those damages and makes people whole.

Well, flood insurance is no different. It has never been any different. For years and years the private sector offered flood insurance. Now I think the Federal Government is the only one offering it in the whole country. There may be a few isolated areas where they do offer it, but I think the private sector has gotten out of the flood insurance business because of the enormous costs when there is a flood. They basically priced themselves out of the market because the premiums don't cover the payouts now. Nonetheless, the risk has always been fundamental to the whole concept of insurance.

This bill changes that. This bill says if someone lives behind a levee or near a dam or some other flood-control structure, then they are going to have a requirement to purchase flood insurance regardless of the risk. If they live behind a levee, near a dam, or some other flood-control structure and they are in the 100-year floodplain, they are going to be required to purchase flood insurance. It is not based on risk. It is a per se mandatory requirement based on location. I am not sure if we can find anything in the insurance world equivalent to this.

Certainly, I think it is bad public policy. There are many reasons it is bad public policy. But the most important

reason is we are going to be requiring millions and millions of Americans to purchase flood insurance in areas that will never flood. They will never need it. The reason they will never need it is because they are protected by levees and dams and other flood-control structures. Those structures work.

I will give an example in a minute of the Mississippi River and tributary system. Before I give that example, let me say those structures work. When floods happen, those areas that would otherwise flood don't flood. This bill treats those areas as if there are no levees at all or infrastructure there to protect people.

Senator DURBIN has told me the story of an area on the St. Louis side of Illinois—down in the southern area of Illinois, southwest of where they have had flooding. The people locally raised their taxes so they could build levees and design those levees and maintain those levees so that flooding will never happen again. They have done this. They have taken responsibility.

Unfortunately, this bill would say they are going to have to pay twice. They are going to have to pay their taxes to build and maintain those levees, and their people are going to be required to purchase flood insurance. This is flood insurance they will never need or ever use. If they live behind a certified levee—and there are ways for levees to be decertified. If a levee is not safe or up to standards, it should be decertified. But when someone lives behind a certified levee or dam or some other flood structure that will prevent flooding, the Congress should recognize that fact and not require people to purchase flood insurance.

Let me go to this map. Some people may not realize they have levees in their State. This map shows there are levees in basically every State of the Union. For our visual purposes, we did not put Hawaii and Alaska on this map because it would take up so much space. But they have levees as well. Every dark green area shows counties where there are levees. That doesn't mean, obviously, that every single person in that county is protected by that levee, but there are levees in that county. We can see there are levees coast to coast in this country. I don't know if all 50 States have one. There may be one or two that don't, but basically they are everywhere. They are all over the country. These levees work.

Let me talk for a moment about the Corps of Engineers. Everybody here knows I have had occasions where I have criticized the Corps of Engineers when I didn't agree with what they did or when they didn't do something right or they did something I thought was dumb or whatever the case may be. But on this issue, none of us should have any criticism of the U.S. Army Corps of Engineers because they know how to do a lot of things, and one of the things they know how to do is how to design, build, and maintain levees.

This map shows they have something called the Mississippi River and tributary system, and that is up and down the Mississippi with some of the tributaries going up and down the Mississippi. The Corps of Engineers, which designs and builds and maintains those MR&T levees—and this is a very important point—have never failed. They have been around since 1928 with zero failure. Not one time have they failed.

Nonetheless, this legislation that may be included in this package that is coming over from the House is going to require millions and millions of Americans who live behind the safest levees in the world to buy flood insurance for no reason. They are never going to flood. As long as we have the MR&T and as long as the Corps of Engineers is designing and maintaining these, we are going to get a big return on our investment.

In fact, the return on our investment for the MR&T is something like \$35 to \$1. We get a huge return. For every dollar we put in, we save \$35 based on that investment. The MR&T has prevented \$478 billion—with a “b”—worth of property damage in this country. That is \$478 billion in savings, and we are going to require all those people to buy flood insurance. The Congress is going to enter into a legal fiction. They are going to pretend as if those levees are not even there. If people are in the 100-mile flood zone, they don't get any benefit from the fact that they live behind this levee system.

Let me say one more thing about the MR&T levee; that is, it not only is the safest in the world, it is the envy of the world. The Corps of Engineers travels around the world, and the world travels to the United States of America to see the levee system and the locks and dams and the other flood-control structures the U.S. Army Corps of Engineers has built on our rivers. They are the model that other countries are trying to follow. Why are they the model? Because they work. They design them right, build them right, and maintain them right.

Again, we get \$35 to \$1. For every \$1 we put in, we get a \$35 return on that investment. There are over 4.1 million people protected just by the MR&T. That is a small fraction of what the Corps of Engineers does. Again, there are 4.1 million people protected by the MR&T.

Over half the U.S. population lives somewhere near a levee. We don't know exactly how FEMA will administer this law because we don't know exactly what is going to come out of the House, if it does pass. But I can guarantee what is going to happen is very simple. As soon as this takes effect, we are going to have thousands and thousands of people calling us, e-mailing us, and writing us. They will be saying: Why is the Congress making my mortgage payment go up? Because that is how this is going to work. Those lenders and the Federal Government are going to require that people purchase flood insurance.

Again, we don't know the exact numbers because we don't know how this is going to be structured or how it is going to be applied just yet. Our best guesstimate is the average homeowner in this country is going to owe somewhere between \$1,000 to \$2,000 a year. It is not a one-time deal, but \$1,000 to \$2,000 a year in flood insurance that they will never need and they will never use. For some people that will be \$100 or more a month. Of course, it depends on their house and on a lot of other circumstances, but that is serious money for people especially if we are requiring them to spend that for no good reason at all.

Let me just talk about the Mississippi River and tributary system again for a moment.

Everybody remembers that last year we had the potential of horrendously bad flooding in the midsection of the country. There is no doubt that our levees in Arkansas were stressed. Even the Mississippi River and tributary system levee was stressed last year; there is no question about it. There is a reason for that. In 2011, we saw the flood of record on the Mississippi River. Some people are saying it is actually the 500-year flood. These levees can be built to withstand up to 500-year floods. Some people are saying this was the 500-year flood. That hasn't been certified yet, but certainly there was a huge amount of water flowing through the Mississippi River. It was in every station on the Mississippi from Cairo, IL, to Natchez, MS. They broke the record last year—every single station. And here is the key: Not one levee broke. The biggest flood we have ever had, and not one levee broke.

The Senate bill will say that even though those levees don't break, even though they are the best in the world, even though they can withstand the 500-year flood, we are going to make those people buy flood insurance. I don't think that is right. I don't think that is fair. I think the people should be outraged if we make that requirement on them. That infrastructure last year prevented \$110 billion in damages—in one flood, in one spring, \$110 billion worth of damages. It protected 10 million acres of land up and down the Mississippi River. So 10 million acres and nearly 1 million structures were spared because of MR&T. We did not lose one life, no flooding where it was not supposed to flood.

My colleagues will remember last year they blew the levee at Birds Point, by design. That is part of the levee system. When the water gets so high and so enormous, we start to get these 500-year levels, they build these safety valves up and down the river. They had to use one last year. They blew the levee at Birds Point in Missouri. It worked exactly as it was supposed to work. I know the farmers up there weren't real happy, but they understood the risks of where they live and how that works. That has been the deal up there for a long time. They

blew that levee. The water spilled into there. It took pressure off the river and off the levees. That is what happened, and it works.

Let me show my colleagues this chart. This is sort of an artist's rendering, if you will, of the levee. There is a lot of science and engineering that goes into these levees. The flood of 1927 is so famous because it did change everything in this country. For the first time ever, the Federal Government took responsibility for levees up and down the Mississippi River and took it in a national way and created a national system.

By the way, there is a great book by John Barry called “Rising Tide.” If my colleagues haven't read it, it is worth reading. It is a good book about the flooding of 1927. That is the flood everybody talks about because back then we had a very inadequate levee system. There were floods all up and down the whole Mississippi River Valley, the whole watershed. I think it started raining that year on Christmas Eve of 1926, or somewhere in there, and it basically rained every day through Easter. It rained and rained and rained and rained through that area, and we didn't have the flood control to protect it. We had some levees, but they weren't scientifically done and they weren't engineered properly. They weren't big enough or strong enough. After that flood, the U.S. Government took over. So the levee system on the MR&T goes back to 1928, the year after this 1927 flood.

Anyway, the way a levee works is they design most levees—kind of the standard design—for a 100-year flood. That means there is a 1-percent chance every year that we are going to get to a certain level. Once every 100 years, that is what it is going to do, a 1-percent chance. We can see the way the MR&T is built, that isn't the half of it, because they actually built beyond the 500-year flood. In 1937, we saw a much bigger flood than the 1927 flood, but guess what. The levee system worked. They had it built and completed and it worked. It did great.

Levees are very important. We may not think they are very exciting, we may not think they make a lot of headlines, but they work. We can see an example right here. Here is a rural area, a farmland area, protected by a levee, right there. We see a lot of water down here, but there is no water over here, and that is exactly the way they are supposed to work, and they do work.

The point is the Senate bill would say even though we have this levee, these people living over here are going to have to buy flood insurance. It is not going to flood. It is never going to flood there. We have it protected. But they are going to have to buy flood insurance. It is generally unfair and it is not right and we should not do that to our people.

Let me say a few other words here before I move on. This map right here I think says a lot. This is the one I

started with. We really do have levees everywhere, all around the country. There are 881 counties that have levees. Those counties contain more than 50 percent of the population of the United States. So, again, this legislation that is now trying to be attached to whatever vehicle is coming back through is going to adversely affect about half of the U.S. population in one way or the other.

Also, if someone lives in an area that has levees, they can forget about economic development—just forget about it. Once they start doing this and saying everybody has to have flood insurance living in this flood plain—even though it is not going to flood, we are still going to require that—forget about economic development. It is going to be extremely difficult for people to stay there and to have insurance in those areas.

This bill that came out of the Banking Committee I think is a good bill. I think we need to do it. We need to pass it. I am not trying to slow it down at all. In fact, I started this week thinking that we would have a chance to vote on the bill this week, that we would have a chance to debate the bill and offer amendments to the bill. I understand now there are some non-germane, nonrelevant amendments to the legislation. I think that is unfortunate. Hopefully, we can work through that. But I have an amendment that is very germane. In fact, at one point we had to change the language because the Senator from Alabama wanted to do a substitute, so we have changed our language. We still think we have anywhere from 13 to 15 cosponsors on my amendment. Senator HOEVEN and many others have joined me—again, about 13 to 15 Senators. In addition, after checking with Senate offices, we have about 50 votes that we know of. I am counting 51. We have about 20 offices that are looking at it that may be leaning toward voting for it, but they haven't committed to saying yes.

I think it is very likely, if we allow the Senate to be the Senate, we will take care of the problem in this Banking Committee bill. I think we can do that. I think we can have that vote. I think the Pryor-Hoeven amendment carries the day. I don't know that. We don't know until we debate and get in here and have a vote and see how it goes. I think right now what we need to do is let the Senate be the Senate and let the Senate debate, let the Senate argue. We fuss with each other sometimes, I know that, but let's have a vote on this amendment. I think there are well over 50 votes in this Chamber right now to take these provisions—it is section 107—out of this legislation and leave in a couple of studies. We think it is fine to have studies. We think we should study this. That is good. Again, we are not trying to slow this down. We are not trying to bury our head in the sand saying we don't think there is any risk at all. So let's study it, let's look at it, and let's see what makes sense.

I will tell my colleagues what doesn't make sense. It doesn't make sense to ignore the best levee system in the world.

Let me also say this: There are several levees around the country that are not done by the Corps of Engineers. They don't have the kind of resources and expertise the Corps brings to building levees and flood control. We need to acknowledge that. There are levees in this country that should be decertified; they don't meet the standards; they maybe weren't built correctly and/or they haven't been maintained correctly. We have to maintain these levees carefully. We have to trim the vegetation. We have to be watching for things such as sand boils and structural defects. We need to go in and make adjustments from time to time. It is the reality of operating a system of levees. Honestly, there are places around the country where that hasn't been done. Those levees should not be certified unless they are repaired and brought up to standards. And the people behind those levees don't have real flood protection, so maybe they should pay for insurance. I am not opposed to that. I think they probably should. I think that is what these studies will help us sort out: How do we draw that line? How do we make that decision? Why don't we take a little time to study this and try to make sure we get this policy right so we are not charging the people for insurance they will never need?

Let me also say we do have several others here in the Senate who are for this. They have been very supportive from the very beginning. I have several colleagues I wish to thank publicly. I think some do want to come over and talk about this development today, where we may not get a chance to vote on the amendment. Pretty much everybody, almost without exception, maybe one or two exceptions, but almost without exception, pretty much everybody who was with the original amendment is going to stick with this amendment, even though it is structured a little differently because it amends the substitute and it also leaves in these two studies, but that is fine. We have never had a problem with the two studies. Again, if we adopt the Senate bill, the Senate proposal, if it comes over from the House without us having a chance to even offer our amendment, I think we are negating a very wise investment we have made around the country in the levees that the Corps of Engineers has built for us.

It is not logical that we would not consider the actual risks involved and where people live. It is not logical that we would pretend these levees aren't even there. It doesn't make sense. It doesn't make sense in any way, shape, or form, and that is what we are being denied today as Senators. We should have a chance to look at this legislation, open it and read it, to pick at it, to find things we don't agree with, ask questions about it. Certainly I have

gone through here. My colleagues can see that I have highlighted this bill and I have written on it and made notes in the margin and have questions about it. I am trying to do what Senators should do. We should work on legislation, be very constructive, if we have problems with it, try to get it amended, try to convince our colleagues that our arguments should carry the day and that we should prevail and that we should amend legislation.

We all recognize the Banking Committee has worked very hard on this issue. We appreciate the chairman and the ranking member for their hard work and the hard work of all their staff. They have been great. But since the bill did not get amended in the committee, it ought to at least have a chance to be amended on the Senate floor, especially when there is at least one amendment where it looks as though well over 50 Senators support that amendment. It would be an injustice if this provision was not included in what is coming over from the House. As I said before, it also endangers the passage of the surface transportation bill as well as the student loan provisions that are very popular with people. I think we have plenty of votes to pass both of those, but if the cost of that means—if the tradeoff for that means we are going to be charging people for flood insurance they don't need—it is mandatory now. This is not an option. It is mandatory. They have to buy flood insurance. I do not think that is a tradeoff we should make.

Also, I was talking to someone earlier, and they said: We need student loans. I agree with that. I am all for lowering the rate of student loans. But I can guarantee it is going to be less money out of pocket for people on the student loans than it is to be buying this flood insurance every year—no doubt about that—because this stuff is very expensive and the difference in the student loans is not going to be \$1,000 or \$2,000 a year. The difference in student loans is maybe going to be a few hundred dollars a year. It is significant and it helps and we want people to go to college—and I am all for that—but this is the pocketbook issue: the fact that we are going to be requiring people to purchase insurance they do not need.

So what my amendment does is remove the mandatory language in section 107. It basically says people are not going to be required to purchase flood insurance just merely because they live behind a levee or near a dam or some other flood control structure.

As I said, right now the way the banking bill is drafted, it is a per se requirement based on location, not based on risk. It is based on location.

Let me also say something about the Senator from Alabama. He reached an agreement with one of the Senators from Mississippi, and I appreciate that. That amendment does make the bill a little better—it does—because the way the bill was originally structured, it

did not matter if someone lived in a 100-year floodplain or a 500-year floodplain, it did not matter; they were going to buy that insurance.

What Senator COCHRAN of Mississippi was able to work out was to at least restrict it to a 100-year floodplain. That is good. It is an improvement. But the fundamental principle still applies: We are requiring people to purchase insurance they are never going to need because they are protected by the levees.

With that, I know we have some other Members who want to come over and speak. I think what I will do right now is yield the floor and await my colleagues to come over.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARDIN). The clerk will call the roll.

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

Mr. DURBIN. Mr. President, the bill to reauthorize the National Flood Insurance Program may be included in a package we will consider tomorrow—the package of bills that might include the Transportation bill and the student loan bill as well.

The National Flood Insurance Program needs to be addressed, and part of the new reauthorization makes significant changes and necessary improvements in the program.

I do want to join my colleague Senator PRYOR from Arkansas in raising concerns about one particular section in the bill. It creates a burden for many people across the United States—in Illinois, in Arkansas, in Pennsylvania, in California, and other places. It is called section 107. It deals with mandatory insurance coverage areas. It redefines special flood hazard areas.

Under section 107(B), everyone in the United States living behind a levee, near a dam or near any other flood control structure—a so-called residual risk area—will be required to purchase flood insurance—everyone. FEMA estimates that well over 50 percent of America's population lives near a levee. Senator PRYOR has a very revealing map of the United States. We have a lot of waterways and a lot of levees. There are levees in 881 counties throughout the United States. As many as 800,000 people in my State of about 12.5 million live in these areas.

Many people living near a levee do not even realize it because the levees work. They have never had a flood. But under this provision, they are still required to buy insurance.

The same holds true for people living near dams. There are nearly 1,400 dams in Illinois alone. Think of how many people live near those dams nationwide. Those people would also be required to purchase flood insurance under this provision.

Under this section of the bill, the mandatory purchase requirement would apply to people living in residual risk areas regardless of the status of the flood control structure. That is where I take exception to this approach. So even in communities where levees and dams have been certified safe—in many cases by the U.S. Army Corps of Engineers—the people living behind those levees would have to purchase flood insurance.

Let me give one specific example that I think is illustrative of the unfairness. The people in these so-called residual risk areas already pay for their flood control structures in one way or another.

Take the Metro East area, where I grew up, across the river from St. Louis on the Mississippi River—St. Claire, Monroe, and Madison Counties. The community agreed in that area to raise taxes on themselves to pay for improvements to the levees. In other words, they were not pointing to Washington, saying: Come in and fix our levees. They said: We will take on the responsibility, and we will pay for it.

Thanks to the leadership of the Metro East levee district and people such as Les Sterman, with the Southwestern Illinois Flood Prevention District Council; Alan Dunstan, board chairman of Madison County; Mark Kern, board chairman of St. Claire County; and, of course, my friend, Congressman JERRY COSTELLO in the House of Representatives, Metro East raised the money to improve its levees to ensure they would be recertified as safe by FEMA.

They are doing the right thing. They are accepting responsibility, and they are paying for it. People in communities across the country are paying to make sure their levees are sound and they will not have to worry about a flood.

Yet under this bill's mandatory purchase requirement, as it is written and as I understand it, they also will be forced to pay for flood insurance. If they had done nothing, they would face the flood insurance premium. They did the responsible thing, and they are still being charged.

Not only are they paying higher taxes to strengthen their levees, they will pay for flood insurance for floods that are not likely to ever happen—precisely because of the improvements they are making to those levees which protect them.

To add insult to injury, if these areas are mapped into a special flood hazard area, the communities will have to pass an ordinance that FEMA requires for participation in the flood insurance program. This ordinance will restrict land use. In many cases, these ordinances diminish property values and reduce the number of jobs in the area.

My colleague Senator COCHRAN of Mississippi worked with Senator SHELBY of Alabama in the Banking Committee to develop a compromise to this section. The compromise is a move

in the right direction, I will concede, but it does not go far enough to help the people living near flood control structures.

The new section 107 strikes the language restricting land use in residual risk areas, but it does not remove the mandatory flood insurance purchase requirement. The new language only delays that requirement until FEMA can develop a new way to measure each levee's and dam's strength and efficiency—but then the people who live in these areas will be forced to buy insurance.

Adding up to 50 percent of the U.S. population into the National Flood Insurance Program, simply because they live near a flood control structure, I think does not take into account the actual reality on the ground what is being done, what has been done to keep the area safe. I support my colleague, Senator PRYOR of Arkansas. He wanted to strike section 107 to this bill. It is unreasonable to expand flood hazard areas to include communities in which people are already paying to prevent flooding.

Chairman TIM JOHNSON of the Senate Banking Committee and ranking Republican Senator DICK SHELBY put together a strong bill with many important reforms. But the residual risk title is bad for communities such as Metro East in Illinois, and I hope the committee will either modify or drop this provision.

Let me close my remarks by saying that Senator PRYOR has been an extraordinary leader on this issue. We have talked about it. I have been happy to join him. I don't know if, when the final bill package comes before us, we will have our chance to vote up or down or offer the Pryor amendment, which I support. But at the end of day, this is fundamentally unfair, although it will not take place, if it goes unchanged, for several years. In the meantime, if the bill passes with this provision, I can assure my colleagues—and I think Senator PRYOR would agree with me—we are not going to quit on this issue. We are going to demand basic fairness for those people across America who are struggling in this economy and now face the prospect of dramatically increasing flood insurance premiums.

I think there is a way to do this that is responsible, that recognizes when people do what is right and families and communities step up to their responsibility, and I do not believe the Shelby-Cochran amendment does that. I hope we will have a chance to revisit this soon.

I thank Senator PRYOR for his leadership.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. First, let me thank my colleague and friend from Illinois for his comments and his insights. He is fighting hard for his people in Illinois. We have similar stories in our State, and my guess is that virtually every

Senator who is a Member of this body has a similar story where the people in these areas with levees are taxing themselves. They are taking on the responsibility to protect their property and their communities from floods.

There is no doubt at all that these folks who live behind levees are in a better position than folks who are not behind levees, and the Flood Insurance Program should recognize that fact. In listening to Senator DURBIN a few moments ago, I had a thought, and that is, if we are going to do this, if we are going to select the people in these darker areas on this map and we are going to say: Hey, just because you live in an area that has a levee, you are going to have to pay more, is not fair.

I would prefer that we just make everybody pay. Why don't we make every mortgage owner in the country pay for this? Why don't we just say: Look, if you have a mortgage, you are going to have to pay \$5 a month, or whatever the number is, just to help subsidize everybody else.

That is a fairer way to do it. Why are we singling out people who live behind levees and dams and have other flood-control infrastructure there? It makes no sense. In fact, those people are more protected than other people.

I know that in the Banking Committee the Presiding Officer had an amendment he was interested in that dealt with the people who have existing mortgages. In effect, when you sign a mortgage, it is maybe a 30-year contract, 15-year contract—however long your mortgage is—and pretty much what you bargain for is what you bargain for. And it changes the equation right now if suddenly, because you live in a certain area, you are going to have to now pay an additional \$100, \$200 a month for flood insurance. That totally changes the equation for people. We shouldn't do that.

I know the Senator from Oregon offered or talked about an amendment in the committee to say that these new laws, these new regs should not apply to folks with existing mortgages because it is not what they bargained for. I think there is value in that. I think we ought to talk about that. But there again, if some of these folks get their way around here, we are not going to have a chance to have that discussion and offer that amendment.

But the Pryor amendment actually covers that situation the Senator from Oregon has been concerned about because what we do is we say: Do these studies. There are two studies that we include. They are also in section 107 of the bill. Do those two studies. Give this some time. And let's analyze it and look at it and figure out the best way forward. But in the meantime, we are not going to charge people with existing mortgages or people who are trying to get mortgages today—we are not going to charge them unfairly, we are not going to single them out merely because they happen to live in a place that has a levee or a dam or some other flood-control structure.

I know we have others who are coming over soon to discuss this. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. KLOBUCHAR). Without objection, it is so ordered.

Mr. HOEVEN. Madam President, I rise to discuss national flood insurance today.

Flood insurance is vitally important to our Nation. It is vitally important to my home State of North Dakota, and I know it is vitally important to our sister State of Minnesota, which the Presiding Officer represents.

Last year, in 2011, flooding in North Dakota included flooding in the Red River Valley, which is the Red River of the north. That included both sides of the border, North Dakota and Minnesota as well.

We also had flooding in the James River Valley, in the Cheyenne River Valley, and in the Missouri River Valley. Also, the Little Missouri River flooded in the very western part of our State. We had ongoing flooding in Devil's Lake, and we had flooding in the Souris River Valley.

In fact, when the Souris River flooded, one of the communities that was flooded was Minot and the surrounding area. Minot is a community of about 40,000 people. It is growing rapidly. I think it is the eighth fastest growing community under 50,000 in the country now. So it is a rapidly growing, dynamic community of 45,000 people, and last year we had to evacuate 12,000 people from their homes. More than 4,000 homes were destroyed or severely damaged. FEMA, of course, has been in there helping. It is FEMA's third largest housing effort in its history. The largest housing effort was after Hurricane Katrina. The second largest housing effort was after Hurricane Ike. And the third largest housing effort for FEMA in history is in response to the flooding in Minot, ND.

So in my State we understand flooding, we understand the challenge, and we strongly support reauthorizing the national flood insurance legislation. There is no question. However, we need to get it right. We need to get it right, and there are some important policy implications in the bill that are being put forward in the package that we likely will be voting on, along with the highway bill, as well as student loans.

So we are looking at a package that includes reauthorization of national flood insurance, a package that addresses the interest rate on student loans—something I absolutely believe we need to do—and also a package that includes the highway legislation.

But there is policy that is being inserted into the flood insurance bill that

involves something called residual risk. It is a new policy, and we haven't carefully considered it. We haven't voted on it, and we need to. We need to vote on this policy provision.

In fact, the flood insurance bill that was passed in the House did not include this residual risk provision. It was not included in the House package, but now we are looking at a package including all three of these large pieces of legislation—the highway bill, student loans, and national flood reauthorization—and we have this new residual risk policy in there. That is not the approach we should take, and that is what I am here to address along with my esteemed colleague Senator PRYOR from Arkansas.

I want to thank him for his leadership on this issue. In fact, Senator PRYOR and myself have an amendment which would specifically address this issue. This issue is in section 107 of the national flood insurance legislation, and that is exactly what we address, and I think we address it the right way. So it is very important that we have an opportunity to vote on this important issue.

So let me talk about it in just basic, straightforward, commonsense terms.

The concept is residual risk. What we are saying is we need to have a separate vote on residual risk. That needs to be struck from the flood insurance reauthorization. We can study it and evaluate it. Then once we have had an opportunity to adequately both understand it and debate it, we can make a determination about how best to proceed. But it should not be included as part of this comprehensive legislation along with the other legislation in the package.

So residual risk. Let's say we have two individual homeowners: one who lives just outside the 100-year flood plain, thanks to natural geography, and a second individual who lives within the flood plain but behind dikes, levees, or other infrastructure that is federally certified and constructed to protect residents against a 100-year flood event. Let me repeat that: That is federally certified by the court and constructed to protect residents against a 100-year flood event.

Under the flood insurance legislation as it is currently written, the resident behind the certified flood protection will be required by Federal law to buy flood insurance. But the one living outside the 100-year flood plain would not, even though they have essentially identical risk. So in short form the individual behind the certified dike or levee is required to buy flood insurance. The other individual, who is in essentially the same situation but by natural topography or natural geography rather than certified protection, that individual is not required to purchase flood insurance. One is protected by the natural landscape, the other is protected by good, solid engineering and an understanding of the risk involved and what it takes to protect

against flooding, but only one of them has to buy flood insurance. That is not fair.

Homeowners and businesses are already paying for flood protection through the infrastructure they have elected to build to protect themselves and their property. So they are already paying for it when they build that certified infrastructure. Nobody is more aware of their flood risk than individuals in those situations, whether it is their home or their business.

Communities that have already invested in flood protection infrastructure now in essence are going to be in a situation where they are paying twice for flood protection. Yet the Johnson-Shelby substitute would force those communities to pay essentially every year for that flood protection. They would first pay for the infrastructure they have already paid for through their local taxes and again, then, each year through a government-mandated insurance purchase of flood insurance.

Further, Federal, State, and local governments invest billions of dollars nationwide in flood protection infrastructure. In my home State of North Dakota, communities such as Minot, Fargo, Bismarck, Mandan, Jamestown, and others are all working with the local, State, and Federal Government to build and/or fortify literally hundreds of millions of dollars' worth of flood protection. This substitute amendment will ignore that. In essence, this is not a good return on investment for the American taxpayer.

The mandatory flood insurance purchase will have a harmful effect economically on communities already contending with flood risk or, worse, communities already in a flood recovery mode. A mandate to buy flood insurance will discourage businesses from building or rebuilding in an area certifiably protected with flood protection. That will reduce a community's revenue base and impede new opportunities to create jobs and economic activity often in a community already struggling to recover its economic base.

Additionally, the substitute amendment requires both mandatory insurance purchased for people behind certified flood control infrastructure and, at the same time, a study on the very same policy it intends to implement. We shouldn't be enacting a provision into law until we understand its implications and its consequences.

The Pryor-Hoeven amendment allows the study to move forward, but it removes the mandatory insurance purchase requirement. We should determine more about how it impacts individuals and communities before this new mandate is considered. We have to keep in mind that we are talking about a policy change that affects millions of people across the country.

If we look at this chart, all these dark green areas represent counties throughout this country with levees.

So we are talking about millions of people who are currently protected with levees. In the case that they have certified levees right now, they are not required to purchase flood insurance. But with this vote on the whole package, if we don't address residual risk in the way that I have put forward, that changes. All of them then become subject to purchasing flood insurance.

I submit that there are a lot of mayors, city council members, and county commission members who would like to know if there is going to be a policy change where they are now going to be required to purchase flood insurance before that happens. Keep in mind, working with the Federal Government at the State and local level, they have built flood protection. That flood protection has been certified. Whether they made special assessments to do it or whether they have a tax base to do it or however they do it, they have gone out and told the people in their communities: Look, we are going to build this flood protection. You are going to pay to build that flood protection. And we are going to do that so once constructed, you are, A, protected, and, B, you will not have to buy flood insurance along with your home mortgage.

That is what people expected. That is what is in place. My simple point is, before we change that, we better go out and talk to them. We better go out and tell them. We better go out and say: You know the way flood insurance works? It is going to change. When you were told that if you built that flood protection, you would not have to buy flood policies, that is now going to change; in fact, you will have to buy a policy under this residual risk, under this new approach.

My point is that we have to make sure people understand that, and we have to understand the ramifications and how it is going to work before we make this change. That is why it is so important that we get a chance to vote on this amendment and address it. Again, as I have said, our amendment makes sure we study the issue. We make sure that FEMA and the Corps are in a position to actually do the analysis and determine whether it works or what the ramifications are, at least, of putting it into place before we put a mandate like that into effect.

Again, as we go forward with this package that will include national flood insurance, that will include the highway bill, that will include reducing the rate on student loans, we have to make sure we have an opportunity to address this issue. It is not only basic fairness in terms of how the Senate works, but it is also a fundamental issue of making sure we are letting our constituents know—the mayors out there, the county commissioners, the city commissioners, and the citizens themselves who have counted on flood insurance working a certain way and who have built flood protection, certified flood protection, paid to build

certified flood protection—that there may be a change coming and give them a chance to weigh in.

We have to make sure what we do is not only something we have communicated to the citizens we represent but that it is absolutely fair, that it makes sense, and that it is consistent, that it treats individual who are in like circumstances, whether it is true natural topography or whether through certified flood protection—if they are in a similar or same circumstance, they need to be treated consistently in order for the legislation to be fair.

I urge my colleagues to support our effort to get a vote on the Pryor-Hoeven amendment so we can properly address this issue.

I yield the floor. I note that my colleague from the great State of Pennsylvania, Senator TOOMEY, is here. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. TOOMEY. Madam President, I rise to address the same topic that has been under discussion this afternoon by Senator PRYOR, Senator HOEVEN, and others. I strongly share the concern they have registered. I believe we have seriously flawed legislation in the form of this flood insurance reauthorization bill, and I think we are kind of compounding our problem by apparently inserting this into a transportation conference report rather than doing what we ought to do in the Senate, which is to have a debate about flood insurance.

This easily qualifies as a sufficiently important and substantive topic that we ought to bring it to the floor under regular order and consider the underlying policy, including the profound change in policy that is contemplated by the underlying bill and a very important amendment on which Senators PRYOR and HOEVEN have provided the leadership and of which I am a cosponsor, which I think absolutely deserves a vigorous debate and I would like to see passed.

One of the many concerns I have about what we are doing now is we are taking this flood insurance bill and apparently some are considering this bill to be at least a partial offset to some of the expenditures contemplated in the Transportation bill. For the life of me, I can't understand how this could possibly be a legitimate offset for spending. If it is a legitimate offset for spending, then that means it is net new revenue. But we are told this bill is supposed to be actuarially sound. It is supposed to be revenue neutral. The premiums being charged for this flood insurance are supposed to just equal out the payments that will have to be made in honoring claims against this fund. So I don't understand how that nets out to a source of net revenue that can be spent somewhere else. How many times can we spend the same money? The insurance premiums that are collected are supposed to be collected to honor the liabilities the Federal Government is taking on by virtue

of this program, so how can it also go to pay for transportation projects? I don't understand that.

I also think there is a real fundamental problem that Senators PRYOR and HOEVEN have addressed, and that is the huge expansion of this mandate. We have in this underlying bill a Federal mandate that forces people to buy homeowner's insurance, and it forces a new category of people to buy homeowner's flood insurance, and the new category is those people who live behind a levee or a dam.

A lot of folks have contributed a lot of money over many years to building levees and dams precisely so that they would be protected from the risk of floods. In fact, that works every day all across America. Yet we are going to ask those people to also pay as though there were no levee there. This strikes me as a profoundly flawed approach. It completely ignores the investments these communities have made for years, and in the process it discourages future flood-mitigation measures. It discourages the maintenance of existing levees and dams. It discourages the building of additional ones. I think this is a bad idea. It is bad to create these kinds of incentives.

I will say candidly that this disproportionately has an adverse effect on States that have over the years a long history of building levees and dams. Pennsylvania would certainly be among those States. If you look at this map, it shows the counties in which there are levees and dams, and almost the entire Commonwealth of Pennsylvania is shaded in because we have levees and dams all across the Commonwealth. They work and they hold and people have invested to have that security, that protection.

Frankly, there are a lot of communities that would like to have additional levees and dams to have more protection than they have today. What this measure would do is it would say: Don't do that. What good does it do? You are still going to have to pay for flood insurance. I think this is a badly flawed approach.

Let me say once again that there is something very wrong with this process. This is a big deal. To ask 1 million to 2 million additional new Pennsylvanians—not to ask, to force them into a program where they would be forced to buy an insurance product whether they want it or not—by the way, nothing stops them from voluntarily choosing to purchase flood insurance, but that is not what this bill is about; the bill is about forcing them to buy this product. To think we are going to create this huge new mandate on what could be 2 million Pennsylvanians alone and many more millions across the country, to do it without a full debate on the Senate floor, without the opportunity to consider this legislation, without the opportunity to consider and debate and vote on amendments, I think is a big mistake.

I urge my colleagues to take a look at this map and to consider strongly

insisting that the transportation conference report not include this legislation and that we proceed under regular order to debate a very important measure, which would be the reauthorization of the Flood Insurance Program.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Madam President, let me thank all my colleagues who have come here today to talk about this issue. It turns out we have had two Democrats and two Republicans. We may have more on the way. I know of at least one or two others who may be on the way.

I would like to say thank you to them for their assistance here, but also, more importantly, I thank them for doing a great job representing their States well. When you look at their States and the number of levees they have in their States, the number of people who will be adversely impacted by this, this is a very significant piece of legislation. It deserves debate.

I do not like the fact that somewhere in this building, behind closed doors, people are trying to negotiate this legislation into a larger package. We should let the Senate be the Senate. We should bring the National Flood Insurance Program bill to the floor by regular order, we should debate it, we should offer amendments, and we should vote on those amendments and vote on final passage. We should not have any funny business. This is an important piece of legislation, but right now the funny business with this legislation is not the fact that there may be an extraneous amendment or two that are totally unrelated to the subject matter; the funny business right now is that they are trying to jam this down the throats of other Senators, especially when they know that there is an amendment that is relevant, that is germane, that is in order, and that amendment would probably get well over 50 votes. They are thwarting the will of the Senate if they include this in the legislation.

I implore my colleagues who are involved in this conference effort to try to bring the surface transportation bill, which I support, and try to bring the student loan bill, which I support—try to bring those bills to the floor. I implore them to not include the offending language of section 107. If they do, I want to state my intention to object to that language when it comes here to the Senate. That is not a very pleasant prospect because that means the House may have to stay longer, and the Senate may have to stay longer. This is completely avoidable.

I think if we have a mechanism in place where we can either take this legislation, the flood insurance legislation, up tomorrow and dispense with it—and pass it, I hope; amend it and pass it, I hope—and/or if we could file cloture if there are problems with extraneous amendments—we could file cloture more or less, say, tomorrow,

and then after the Fourth of July recess where we will be back home in our home States, we could take it up the first day or two when we get back.

There are ways to do this. We have to remember that this legislation—excuse me—this law does not expire until the end of July. We have 2 or 3 extra weeks here. It is not going to expire this weekend. We have another month that we can do this, and sometimes things in the Congress take time, we understand that. I would rather do it sooner rather than later. I would rather get it all done tomorrow. But I do not want this included in some larger package where we do not have a chance to offer the Pryor-Hoeven amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. HOEVEN. Madam President, I would like to join with Senator PRYOR in this objection. He clearly laid out a path to resolve the situation, and that is to have a vote on the amendment we put forward. There are other ways to resolve it as well. We have made that very clear.

Look, this is a clear case where, in order to make a policy change of that magnitude, it needs to be properly discussed, properly debated, and certainly voted on.

This is a situation where we clearly laid out any number of ways to resolve the issue, but this legislation, section 107 that Senator PRYOR referred to, should not be included in this legislation. If it is, then I will seek to join Senator PRYOR in his objection.

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 (Mr. WHITEHOUSE). Without objection, it is so ordered.

AFFORDABLE CARE ACT

Mr. DURBIN. Mr. President, politicians are used to waiting in nervous anticipation for certain events; specifically, their own elections and the elections of their friends. But it is an interesting feeling in this town today—in Washington, DC—awaiting the nervous anticipation of the Supreme Court decision tomorrow. It is a decision which will address the affordable care act. And this affordable health care act may be one of the most significant measures I have ever been asked to vote on as a Member of Congress.

Tomorrow the U.S. Supreme Court will hand down its decision on the affordable care act. It could be one of the most consequential decisions handed down by the Court in my tenure in Congress, and maybe even longer. It is consequential not just because of the politics of Washington. No, the decision will have consequences which will affect the lives of millions of Americans across the country.

First, some basic facts. According to the nonpartisan Congressional Budget Office, the affordable care act will reduce the deficit over the next 10 years by over \$200 billion; then, another \$1 trillion in the second decade. This is an important measure to reduce health care costs, reduce government outlays, and reduce the deficit. So the decision of the Court will have an impact on that particular element.

The law does a number of specific things to reduce health care costs while saving lives. Because of the affordable care act, preventive services for many Americans are now free. In my home State of Illinois, last year 1.3 million people on Medicare—that is about 10 percent of our population—and 2.4 million people with private health insurance received preventive care at no cost. This is important, because preventive services such as mammograms and cholesterol screenings can help lower costs, prevent illness, and save lives. On the subject of prevention, the law provides help for States with their prevention programs—programs, for example, that try to discourage kids from smoking; programs that detect and treat diabetes at an early stage; heart disease, arthritis, and so many other areas that can be treated successfully if there are preventive efforts.

Another reason this law is important is because of lifetime limits. Before this law was enacted, insurance companies routinely told families: Sorry, you hit your limit. We are not going to pay for any more of your chemotherapy or your premature baby's illness. People did not know there was a limit until it was too late. The law changed that.

Because of this law, 4.6 million people in my State, Illinois—4.6 million—got the care they needed last year without having to worry about the insurance companies cutting them off, saying they reached their limit.

In these tough economic times many young adults are having trouble finding work. Another thing this bill did was to extend the coverage of family health insurance to cover those through the age of 25. Because of the affordable care act, parents can keep their kids under their policy until the young people reach the age of 26. Across the country 2.5 million young adults, including 102,000 in my State of Illinois, have been able to stay on their parents' insurance plan.

The law also requires companies to spend more of their money on actual health care. One might think that is obvious, but it turns out it is not. The law says insurance companies have to spend at least 85 percent of their premiums on health care rather than spend it on advertising, overhead, or executive compensation.

Mr. President, \$61 million has been returned in my State to over 300,000 people in the form of rebates because of this "medical loss ratio"—85 percent to be spent on health care. That is money that flows back to families and individuals and businesses.

The affordable care act has had a profound impact on seniors and those living with disabilities. Because of this law, seniors and those living with disabilities on the Medicare Program in Illinois have saved more than \$155 million on prescription drugs. Seniors taking their medicine as they are supposed to are likely to stay healthy longer and be less of a cost to the system and lead more independent and stronger lives.

We have talked and talked in this Senate about how we need to help seniors afford to buy prescription drugs. We know this bill that will be decided by the Supreme Court tomorrow has been closing the doughnut hole that was created by Medicare Part D. When we passed the affordable care act, we did something about it.

Illinois seniors saved \$155 million because the affordable care act was signed into law. By 2020—if the Supreme Court does not strike this law or this provision—the doughnut hole will be fully closed and seniors will not have to worry anymore about that gap in coverage that eats into their savings.

I have been working for years to help small businesses find ways to afford health care for their employees. I introduced a bill in 2009 with the help of the small business community and the insurance industry that would allow small businesses to work together in a health care exchange. The affordable care act built on that principle and improved it dramatically.

The new health care law provides a tax break for small businesses that are doing the right thing and buying health insurance for their employees. So far, across the country, more than 228,000 businesses have taken advantage of this new tax credit and saved \$278 million.

For those who say the affordable care act really has not helped small business, here is proof otherwise.

Another 30 million people who have no health care coverage today will be covered when the affordable care act is implemented. By 2019, 15 million of those will be able to participate in Medicaid, and the States will not be left on the hook. The affordable care act provides help to the States for the first several years.

The affordable care act provides much needed assistance to community health centers—centers such as the Erie Family Health Center in Chicago. In fact, because of a \$650,000 grant from the Department of Health and Human Services, Erie is going to open a new health center in Evanston—one that is desperately needed.

So these are but a few of the reasons the Supreme Court, I hope, will uphold this law to continue to help move us toward a day when the rate of growth in the cost of health care is brought under control. We have a long way to go, but this bill is a step forward. For those who have campaigned from one side of America to the other, saying they would eliminate the affordable

care act, which they derisively call ObamaCare, let me tell them: There are real people in Illinois and across the Nation who have benefited from this act and will in the future.

Now is the time for us to work together to improve the act where it needs improvement but to use it as the basis for building a future of security and quality health care for all Americans.

MORNING BUSINESS

Mr. DURBIN. 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.

INTENTION TO OBJECT

Mr. GRASSLEY. Mr. President, I intend to object to proceeding to the nominations of Mark J. Mazur, to be an Assistant Secretary of the Treasury and Matthew S. Rutherford to be an Assistant Secretary of the Treasury.

My support for the final confirmation of these nominees will depend on both Treasury and Internal Revenue Service responses to questions I have posed regarding their implementation of the tax whistleblower program. I rewrote the statute in 2006 to encourage whistleblowing on big-dollar tax cheats. However, nearly six years since those changes were enacted, Treasury has yet to issue much needed regulations and IRS has paid less than a half dozen awards under the new program.

I have sent several letters to Secretary Geithner and Commissioner Shulman to get to the bottom of this. Our staffs have been meeting, including most recently on June 26, 2012. I understand that Secretary Geithner and Commissioner Shulman intend to provide written responses to my questions. Until I receive those responses, I will object to proceeding with the nominations of Mr. Rutherford and Dr. Mazur.

VOTE EXPLANATION

Mr. MCCAIN. Mr. President, I fully support the passage of S. 3187, the Food and Drug Administration, FDA, Safety and Innovation Act. This important piece of legislation reauthorizes and establishes important user fee agreements for drugs, devices, generic drugs and biosimilar biological products. Furthermore, the bill improves the medical device approval process and modernizes FDA's global drug supply chain authority to ensure that the drug manufacturing process is safer.

The legislation also contains provisions to incentivize development of pediatric drugs and devices, spur innovation of new drug therapies for life-threatening medical conditions, mitigate drug shortages, and improve agency accountability and transparency in the drug and device approval process.