S. 3204

At the request of Mr. JOHANNS, the names of the Senator from Alabama (Mr. SHELBY) and the Senator from New Hampshire (Ms. AYOTTE) were added as cosponsors of S. 3204, a bill to address fee disclosure requirements under the Electronic Fund Transfer Act, and for other purposes.

S. 3239

At the request of Mrs. FEINSTEIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 3239, a bill to provide for a uniform national standard for the housing and treatment of egg—laying hens, and for other purposes.

S. 3326

At the request of Mr. JOHANNS, his name was added as a cosponsor of S. 3326, a bill to amend the African Growth and Opportunity Act to extend the third—country fabric program and to add South Sudan to the list of countries eligible for designation under that Act, to make technical corrections to the Harmonized Tariff Schedule of the United States relating to the textile and apparel rules of origin for the Dominican Republic—Central America—United States Free Trade Agreement, to approve the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes.

S. 3428

At the request of Mr. CARDIN, the name of the Senator from Arkansas (Mr. BOOZMAN) was added as a cosponsor of S. 3428, a bill to amend the Clean Air Act to partially waive the renewable fuel standard when corn inventories are low.

S. 3436

At the request of Mr. FRANKEN, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 3436, a bill to amend the Child Care and Development Block Grant Act of 1990 to improve the quality of infant and toddler care.

S. 3442

At the request of Ms. LANDRIEU, the names of the Senator from Oregon (Mr. MERKLEY), the Senator from Connecticut (Mr. BLUMENTHAL), the Senator from New York (Mrs. GILLIBRAND), the Senator from Rhode Island (Mr. WHITEHOUSE), the Senator from California (Mrs. BOXER), the Senator from New Hampshire (Mrs. SHAHEEN) and the Senator from Maryland (Mr. CARDIN) were added as cosponsors of S. 3442, a bill to provide tax incentives for small businesses, improve programs of the Small Business Administration, and for other purposes.

S.J. RES. 39

At the request of Mr. CARDIN, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S.J. Res. 39, a joint resolution removing the deadline for the ratification of the equal rights amendment.

S. CON. RES. 48

At the request of Mr. LEAHY, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. Con. Res. 48, a concurrent resolution recognizing 375 years of service of the National Guard and affirming congressional support for a permanent Operational Reserve as a component of the Armed Forces.

S. RES. 176

At the request of Ms. MIKULSKI, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of S. Res. 176, a resolution expressing the sense of the Senate that the United States Postal Service should issue a semipostal stamp to support medical research relating to Alzheimer's disease.

STATEMENTS ON INTRODUCED BUS AND JOINT RESOLUTIONS

By Mr. HOEVEN (for himself, Mr. MCCONNELL, Ms. MURKOWSKI, Mr. BARRASSO, Mr. CORNYN, Mr. VITTER, Mr. THUNE, Mr. BLUNT, Mr. WICKER, Mrs. HUTCHISON, Mr. BURR, Mr. HELLER, Mr. RISCH, Mr. COATS, Mr. PORTMAN, Mr. KYL, Mr. SESSIONS, Mr. SHELBY, Mr. INHOFE, Mr. COCHRAN, Mr. MCCAIN, Mr. ISAKSON, Mr. CRAPO, Mr. ENZI, Mr. ROBERTS, Mr. BOOZMAN, Mr. COBURN, Mr. JOHNSON, of Wisconsin, Mr. CHAMBLISS, Mr. JOHANNS, and Mr. LUGAR):

S. 3445. A bill to approve the Keystone XL Pipeline, to provide for the development of a plan to increase oil and gas exploration, development, and production under oil and gas leases of Federal land, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. HOEVEN. Mr. President, I rise to discuss this comprehensive plan for energy security for our Nation.

When I say ''energy security,'' I mean producing more energy than we consume. I believe, with this approach, within 5 to 7 years we can truly be a nation that is energy secure. Again, I mean producing more energy than we consume. This comprehensive plan for energy security is about truly producing all our energy resources in this country.

Many of these bills in this package of Energy bills have already been passed by the House that we are introducing now in the Senate, as well as additional legislation—ideas that Senators have put forward that were adding to it as well.

The approach is similar to the approach we have taken in North Dakota over the last decade. My home State of North Dakota has developed all its energy resources—both traditional and renewable—in a vigorous way over the last decade, and we are now an energy powerhouse for the Nation. We can see what we are doing in oil and gas, but we are doing a tremendous amount in all other forms of energy as well—both traditional and renewable. It is because we worked in a very inclusive way to include everybody's ideas in building a comprehensive energy plan that we call Empower ND—Empower North Dakota.

There was no one person who came up this whole comprehensive plan or with all the ideas, but we reached out to everyone—all the different energy sectors—and said: Let's collaborate, let's work together, let's pass a comprehensive energy plan, and then let's keep improving it. Let's make it a process rather than a one-time product and keep adding ideas and bringing forth items that will help us spur and drive our energy development in the State, ideas that will create the kind of business climate that will truly empower private investment—private investment that will deploy the new technologies that not only produce more energy but do it with sound environmental stewardship. That is exactly what is happening in North Dakota, and that is exactly what need to do at the national level.

This Domestic Energy and Jobs Act clearly demonstrates that we have an energy plan and that we are ready to go and that we are coordinating with our colleagues in the House as well. Right now there are 30 sponsors for this legislation, including the Republican leadership, as well as the energy leaders.

It also is a plan which has reached out to what the House calls their HEAT team—which stands for House Energy Action Team. Representative MCCARTHY and others, certainly FRED UPTON, who is head of their Energy and Commerce Committee, Representative HASTINGS, and others who are truly energy leaders in the House—people whom I have worked with on things such as the Keystone Pipeline, Representative TERRY and Representative CONNIE MACK and others.

This is about getting people involved in an inclusive way and putting in place an energy policy that truly serves this Nation and empowers private investment. We see how important that is now.

We have hundreds of billions of investment dollars waiting to be invested in producing more energy, more jobs, and more security for our country. This approach will empower private investment to develop all our energy resources. It does things such as reduce the regulatory burden, streamlines permitting—both onshore and offshore—and helps us develop vital infrastructure such as the Keystone Pipeline. It develops our resources on public lands, including our renewables, and setting realistic goals with a market-based approach, not picking winners or losers, and preserving multiple use on our public lands throughout this country. It would put in a freeze and require a study of rules that are driving up our gasoline prices.

It also includes a bill from Senator MURKOWSKI. It directs the U.S. Geological Survey to establish an inventory of critical minerals in the United States and to set policies to help us develop those minerals.

What is the impact? The U.S. Chamber of Commerce, in March of 2011, undertook a study. In that study, they looked and determined there are more

than 350 energy projects that are being held up because of an inability to get permitted or a regulatory burden or other hurdles and roadblocks. In that study, they determined that if these energy projects—again, more than 350 energy projects—could be green-lighted, it would $1.1 trillion in additional gross domestic product and 1.9 million jobs a year—1.9 million jobs a year just in the construction phase for those energy projects.

So this legislation isn't just about energy for our country. It is about energy. It is about a comprehensive approach—more than 13 different pieces of legislation, many of which have already passed the House. It is about a comprehensive approach to get development of our energy resources underway in a big way. But it is about job creation. It is about economic growth. It is about economic growth that will help us get the 13 million-plus people who are currently unemployed back to work. It is about economic growth that will help us generate revenue to reduce our deficit and our debt, and it truly is about national security.

Look what is going on right now in the Middle East. Look what is going on in Syria, in Iran, in Egypt with the rise of the Muslim Brotherhood. Look at the instability. Yet we still depend on oil from the Middle East and places such as Venezuela. There is no need for that. We can produce our own energy and more. It is an interconnected world. We all know that.

So when I talk about energy security, I mean producing more energy than we consume. That is what I mean by energy security. Of course, when there is an increased supply, what happens? It helps bring prices down. Think of the impact that has for families and for our economy.

Just recently, in the last few days, a company called CNOOC out of China—which is essentially a Chinese Government-owned company—offered $15 billion to buy Nexen, a major Canadian oil company—$15 billion. Why did they do that? To buy energy resources in Canada, so China would own energy resources in Canada.

As you know, I have been down on the floor many times, and I have worked very hard to get the Keystone Pipeline approved because if we don't produce and get that oil from Canada, somebody else will, and China is working to do just that.

So after the administration held up the Keystone XL Pipeline, what happened? Canadian Prime Minister Harper went to China. There, he met with Chairman Wu and the other energy leaders in China and they signed an MOU or MOA, a memorandum of understanding/memorandum of agreement.

In it, what did they say? They said China and Canada are going to cooperate on developing resources, energy resources in Canada. Of course, that energy then goes to China.

The question we have to ask is are we going to work with our closest friend and ally, Canada, to develop things such as the Keystone XL Pipeline so oil will come from Canada to the United States rather than going to China.

Or are we in this country going to be in a position where we have to buy our oil back from the Chinese? I know how the Americans want that question answered. That is what I am talking about. We need to be developing these energy resources in this country, and together with our closest friend and ally, Canada, we can do it.

There is another important point to be made here. I know there are some opponents of developing the Canadian oil sands concerned about CO_2 emissions. But here are some things they have to think about. Already you can see China coming in, working with Canada to develop those resources. So those resources are going to be developed. The question is, is that oil going to China or is it going to come to the United States?

The point is this: By building pipelines, we not only bring it to the United States but we empower investment in the Canadian oil sands that will help us produce more energy but do it with better environmental stewardship. Eighty percent of the new development in the Canadian oil sands is what is called ''in situ,'' which means drilling instead of the excavation. That means lower CO_2 emissions, that means emissions very much in line with what we produce now in the United States with our conventional drilling.

We have an opportunity, an incredible opportunity. We need to seize it with both hands. As I say, we can be energy secure in this country within 5 years. I think when people look at what is going on in the Middle East, when they see our soldiers over there, when they see the instability that is being created by regimes like Syria or Iran, when they see what is going on in countries like Egypt and they understand there could be an event that closes the Strait of Hormuz, they understand what that would mean for oil prices and energy prices in this country.

We do not want to be dependent on that situation, which means it is time to act. This is not about spending money; this is about generating jobs and generating revenue that will help us reduce our deficit, that will put our people to work, that will unleash the private investment, the entrepreneurship, the ingenuity of the American people to truly propel our Nation forward, to propel our economy forward, and to make us safer and more secure. The time has come to act. The House passed much of this plan with bipartisan support. We need to do the same in the Senate.

This is not the end of the story. This is an important part, the foundation, if you will, of building the right energy story for our country. We can do it and I urge my colleagues to join me in this effort.

By Mr. DURBIN (for himself, Mrs. BOXER, Mr. MERKLEY, and Mr. WHITEHOUSE):

S. 3452. A bill to amend the Truth in Lending Act to establish a national usury rate for consumer credit transactions; to the Committee on Banking, Housing, and Urban Affairs.

Mr. DURBIN. Mr. President, as our economy continues to recover, families across America are still facing financial hardships. Our priority to help working families must persevere, and we must protect them from future financial harm.

Some have compared today's predatory lending practices to the subprime lending that caused the financial crisis in 2008. We need to free our financial system from these abuses and prevent consumers from never-ending debt traps.

Today I am introducing the Protecting Consumers from Unreasonable Credit Rates Act to protect consumers from aggressive predatory lending practices. The bill caps annualized interest rates on consumer credit at 36 percent.

Consumers spend over $30 billion every year on predatory payday loans, high-cost overdraft loans, and other forms of credit. Imagine if a portion of that $300 billion ten-year cost of credit could be redirected towards buying American goods and services.

In an era that has called for trillions of taxpayer dollars to bail out banks and jumpstart economic demand, this proposal costs the taxpayers nothing. In fact, in the case of payday lending, it could potentially save billions of dollars in fees and interest paid by the 12 million American taxpayers who use these products annually.

The Protecting Consumers from Unreasonable Credit Rates Act would establish a new federal annualized Fee and Interest Rate calculation—the FAIR—and institute a 36 percent cap for all types of consumer credit.

In 2006, Congress enacted a Federal 36 percent annualized usury cap for certain credit products marketed to military servicemembers and their families, which curbed payday, car title, and other forms of credit around military bases. My bill would provide the same protections for all Americans.

Although I hope to gain widespread support for this bill from responsible lenders, I understand that some of the financial service firms in this country will be uneasy with a broad bill establishing a high interest rate cap.

There are those that will claim it is not possible to create a profitable, small-dollar, short-term loan with APR capped at 36 percent and consumer protections. However, there are financial institutions that currently offer access to quick credit through products with consumer protections and interest less than 36 percent. I hope with the introduction of this bill we can open an honest conversation about consumer credit rates and how it impacts American families.

I would first start by asking what services these firms provide that can justify charging customers over 36 percent in annual interest. How do lenders in my home state of Illinois justify charging annual rates over 400 percent? In my opinion, there is no justification.

Consider 66 year-old Rosa Mobley, who lives on Social Security and a small pension.

The Chicago Tribune reports that Ms. Mobley took out a car title loan—a type of payday loan in which the borrowers put up their cars as collateral—for $1,000. Ms. Mobley was charged 300 percent interest.

She wound up paying more than $4,000 over 28 months and at the time of the report was struggling just to get by.

This bill would require that all fees and finance changes be included in the new usury rate calculation and would require all lending to conform to the limit, thereby eliminating the many loopholes that have allowed these predatory practices to flourish.

It would not preempt stronger state laws, it would allow states' attorneys general to help enforce this new rate cap, and it would provide for strong civil penalties to deter lender violations.

The Protecting Consumers from Unreasonable Credit Rates Act would eliminate predatory lenders, as well as would help borrowers make smarter choices.

The Truth in Lending Act was enacted over 40 years ago to help consumers compare the costs of borrowing when buying a home, a car, or other items by establishing a standard Annual Percentage Rate that all lenders should advertise.

My first mentor in politics, the late Senator Paul Douglas from my home state of Illinois, said all the way back in 1963 that too often lenders:

compound the camouflaging of credit by loading on all sorts of extraneous fees, such as exorbitant fees for credit life insurance, excessive fees for credit investigation, and all sorts of loan processing fees which rightfully should be included in the percentage rate statement so that any percentage rate quoted is meaningless and deceptive.

That was before anyone had ever heard of ''subprime lending.''

Unfortunately, as the use of credit has exploded and as the complexity of the credit products offered by lenders has become mind-boggling, Congress and the Federal Reserve have taken several actions since the passage of Truth in Lending to weaken the APR as a tool for comparison shopping. Today, many fees can be excluded from the rate that is given to borrowers. The APR no longer gives consumers the convenient and accurate information it once did.

This bill would give consumers a way to accurately compare credit options, by requiring that the new FAIR calculation be disclosed both for open-end credit plans such as credit cards and for closed-end credit such as mortgages and payday loans.

On a related note, I commend my colleague, Senator JEFF MERKLEY of Oregon, who introduced the SAFE Lending Act of 2012 earlier this week. I am proud to be an original cosponsor of the bill. The bill would require better compliance among lenders within existing laws and provide new enforcement measures for offshore lenders or those who claim the right to tribal sovereign immunity. These provisions, along with further consumer protections offered within his bill, offer much-needed lending reforms.

Various Federal and State loopholes allow unscrupulous lenders to charge struggling consumers 400 percent annual interest for payday loans on average, 300 percent annual interest for car title loans, up to 3500 percent annual interest for bank overdraft loans, and triple-digit rates for online installment loans.

As Congress continues to address economic challenges facing our nation, I urge my colleagues to also consider simple solutions to help working families make ends meet. We can help give more money to American consumers today without borrowing money that must be repaid tomorrow. Let's start by eliminating some of the worst abuses in lending by establishing a reasonable fee and interest rate cap.

I urge my colleagues to support the Protecting Consumers from Unreasonable Credit Rates Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Protecting Consumers from Unreasonable Credit Rates Act of 2012''.

SEC. 2. FINDINGS.

Congress finds that—

(1) attempts have been made to prohibit usurious interest rates in America since colonial times;

(2) at the Federal level, in 2006, Congress enacted a Federal 36 percent annualized usury cap for service members and their families for covered credit products, as defined by the Department of Defense, which curbed payday, car title, and tax refund lending around military bases;

(3) notwithstanding such attempts to curb predatory lending, high-cost lending persists in all 50 States due to loopholes in State laws, safe harbor laws for specific forms of credit, and the exportation of unregulated interest rates permitted by preemption;

(4) due to the lack of a comprehensive Federal usury cap, consumers annually pay approximately $23,700,000,000 for high-cost overdraft loans, as much as $8,100,000,000 for storefront and online payday loans, and additional amounts in unreported revenues from bank direct deposit advance loans and high-cost online installment loans;

(5) cash-strapped consumers pay on average 400 percent annual interest for payday loans, 300 percent annual interest for car title loans, up to 3,500 percent for bank overdraft loans, and triple-digit rates for online installment loans;

(6) a national maximum interest rate that includes all forms of fees and closes all loopholes is necessary to eliminate such predatory lending; and

(7) alternatives to predatory lending that encourage small dollar loans with minimal or no fees, installment payment schedules, and affordable repayment periods should be encouraged.

SEC. 3. NATIONAL MAXIMUM INTEREST RATE.

The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

''SEC. 141. MAXIMUM RATES OF INTEREST.

''(a) IN GENERAL.—Notwithstanding any other provision of law, no creditor may make an extension of credit to a consumer with respect to which the fee and interest rate, as defined in subsection (b), exceeds 36 percent.

''(b) FEE AND INTEREST RATE DEFINED.—

''(1) IN GENERAL.—For purposes of this section, the fee and interest rate includes all charges payable, directly or indirectly, incident to, ancillary to, or as a condition of the extension of credit, including—

''(A) any payment compensating a creditor or prospective creditor for—

''(i) an extension of credit or making available a line of credit, such as fees connected with credit extension or availability such as numerical periodic rates, annual fees, cash advance fees, and membership fees; or

''(ii) any fees for default or breach by a borrower of a condition upon which credit was extended, such as late fees, creditor-imposed not sufficient funds fees charged when a borrower tenders payment on a debt with a check drawn on insufficient funds, overdraft fees, and over limit fees;

''(B) all fees which constitute a finance charge, as defined by rules of the Bureau in accordance with this title;

''(C) credit insurance premiums, whether optional or required; and

''(D) all charges and costs for ancillary products sold in connection with or incidental to the credit transaction.

''(2) TOLERANCES.—

''(A) IN GENERAL.—With respect to a credit obligation that is payable in at least 3 fully amortizing installments over at least 90 days, the term 'fee and interest rate' does not include—

''(i) application or participation fees that in total do not exceed the greater of $30 or, if there is a limit to the credit line, 5 percent of the credit limit, up to $120, if—

''(I) such fees are excludable from the finance charge pursuant to section 106 and regulations issued thereunder;

''(II) such fees cover all credit extended or renewed by the creditor for 12 months; and

''(III) the minimum amount of credit extended or available on a credit line is equal to $300 or more;

''(ii) a late fee charged as authorized by State law and by the agreement that does not exceed either $20 per late payment or $20 per month; or

''(iii) a creditor-imposed not sufficient funds fee charged when a borrower tenders payment on a debt with a check drawn on insufficient funds that does not exceed $15.

''(B) ADJUSTMENTS FOR INFLATION.—The Bureau may adjust the amounts of the tolerances established under this paragraph for inflation over time, consistent with the primary goals of protecting consumers and ensuring that the 36 percent fee and interest rate limitation is not circumvented.

''(c) CALCULATIONS.—

''(1) OPEN END CREDIT PLANS.—For an open end credit plan—

''(A) the fee and interest rate shall be calculated each month, based upon the sum of

all fees and finance charges described in subsection (b) charged by the creditor during the preceding 1-year period, divided by the average daily balance; and

''(B) if the credit account has been open less than 1 year, the fee and interest rate shall be calculated based upon the total of all fees and finance charges described in subsection (b)(1) charged by the creditor since the plan was opened, divided by the average daily balance, and multiplied by the quotient of 12 divided by the number of full months that the credit plan has been in existence.

''(2) OTHER CREDIT PLANS.—For purposes of this section, in calculating the fee and interest rate, the Bureau shall require the method of calculation of annual percentage rate specified in section 107(a)(1), except that the amount referred to in that section 107(a)(1) as the 'finance charge' shall include all fees, charges, and payments described in subsection (b)(1) of this section.

''(3) ADJUSTMENTS AUTHORIZED.—The Bureau may make adjustments to the calculations in paragraphs (1) and (2), but the primary goals of such adjustment shall be to protect consumers and to ensure that the 36 percent fee and interest rate limitation is not circumvented.

''(d) DEFINITION OF CREDITOR.—As used in this section, the term 'creditor' has the same meaning as in section 702(e) of the Equal Credit Opportunity Act (15 U.S.C. 1691a(e)).

''(e) NO EXEMPTIONS PERMITTED.—The exemption authority of the Bureau under section 105 shall not apply to the rates established under this section or the disclosure requirements under section 127(b)(6).

''(f) DISCLOSURE OF FEE AND INTEREST RATE FOR CREDIT OTHER THAN OPEN END CREDIT PLANS.—In addition to the disclosure requirements under section 127(b)(6), the Bureau may prescribe regulations requiring disclosure of the fee and interest rate established under this section.

''(g) RELATION TO STATE LAW.—Nothing in this section may be construed to preempt any provision of State law that provides greater protection to consumers than is provided in this section.

''(h) CIVIL LIABILITY AND ENFORCEMENT.—In addition to remedies available to the consumer under section 130(a), any payment compensating a creditor or prospective creditor, to the extent that such payment is a transaction made in violation of this section, shall be null and void, and not enforceable by any party in any court or alternative dispute resolution forum, and the creditor or any subsequent holder of the obligation shall promptly return to the consumer any principal, interest, charges, and fees, and any security interest associated with such transaction. Notwithstanding any statute of limitations or repose, a violation of this section may be raised as a matter of defense by recoupment or setoff to an action to collect such debt or repossess related security at any time.

''(i) VIOLATIONS.—Any person that violates this section, or seeks to enforce an agreement made in violation of this section, shall be subject to, for each such violation, 1 year in prison and a fine in an amount equal to the greater of—

''(1) 3 times the amount of the total accrued debt associated with the subject transaction; or

''(2) $50,000.

''(j) STATE ATTORNEYS GENERAL.—An action to enforce this section may be brought by the appropriate State attorney general in any United States district court or any other court of competent jurisdiction within 3 years from the date of the violation, and such attorney general may obtain injunctive relief.''.

SEC. 4. DISCLOSURE OF FEE AND INTEREST RATE FOR OPEN END CREDIT PLANS.

Section 127(b)(6) of the Truth in Lending Act (15 U.S.C. 1637(b)(6)) is amended by striking ''the total finance charge expressed'' and all that follows through the end of the paragraph and inserting ''the fee and interest rate, displayed as 'FAIR', established under section 141.''.

By Mr. HARKIN (for himself, Ms. MIKULSKI, Mrs. MURRAY, Mr. SANDERS, Mr. MERKLEY, Mr. FRANKEN, Mr. BLUMENTHAL, Mr. LEAHY, Mr. AKAKA, Mrs. BOXER, Mr. WYDEN, Mr. DURBIN, Mr. SCHUMER, Mr. LAUTENBERG, Mr. BROWN of Ohio, and Mrs. GILLIBRAND);

S. 3453. A bill to provide for an increase in the Federal minimum wage; to the Committee on Health, Education, Labor, and Pensions.

Mr. HARKIN. Mr. President, I have come to the floor many times over the past couple of years to talk about the decline of the American Dream. The American Dream is supposed to be about building a better life. If you work hard and play by the rules, you should be able to support your family, join the middle class, and provide a brighter future for your children. Unfortunately, this dream is nothing more than an illusion for millions of hardworking people who are trying to get by working in low-wage jobs. They are working hard and playing by the rules, but they face declining wages, declining opportunities, and declining economic security. Even working full-time, all year round, they can't make ends meet, much less join the middle class. That is not what America is supposed to be about.

That is why today I am introducing legislation that has one of the simplest and most effective policy solutions for shoring up the wages and financial security of our nation's low-wage workers. My bill, the Fair Minimum Wage Act of 2012, will raise the minimum wage. I would like to recognize my colleague in the House of Representatives, Ranking Member on the Education and Workforce Committee, GEORGE MILLER, who is joining me in this effort.

My bill will do three things: First, it will raise the minimum wage to $9.80 per hour in three steps over the course of 2 years. Second, it will link the minimum wage in the future to increases in the cost of living, through the Consumer Price Index, so that low-wage workers no longer fall further and further behind. Third, for the first time in more than 20 years, it will raise the minimum wage lags for tipped workers, from a paltry $2.13 per hour to a level that is 70 percent of the full minimum wage, or around $6.85 per hour. This will be a gradual change, accomplished over 5 years, that will give businesses time to adjust while providing more fairness for hardworking people who work in tipped industries.

This bill and these raises are long overdue. We all know that working Americans' paychecks have been stagnant for decades. But the situation is even worse for minimum wage workers. Today the minimum wage lags far behind its historic levels. It hasn't kept up with any other indicator in our economy, not with costs, or average wages, or our still rapid growth in productivity.

At its peak value in 1968, the minimum wage was worth more than $10.50 in today's dollars. That means that the minimum wage has lost 31 percent of its buying power since the late 1960s. How can we possibly allow this to be? Costs have been rising in real terms, on everything from food and rent to big-ticket items like health care and a college education. But Congress has let the minimum wage languish. The lowest wage workers in our society simply cannot afford this.

Even if we measured the minimum wage against other indicators in our economy, it has not kept up. The minimum wage used to be more than half of average wages; now it is barely a third. In the 1960s and 1970s, the minimum wage kept a family of three above the poverty line, 20 percent above it in 1968. But today, the minimum wage lags behind the poverty line by 16 percent. And let's not forget that the poverty line is a woefully inadequate measure of what families really need by any realistic measure. Who in this chamber could support two children on $18,000 per year, which is the official poverty line? Yet the minimum wage only pays $15,000 a year to someone working full-time who never takes a single day off all year. My bill will raise the minimum wage to about $20,000 per year, and it will maintain the wage at a level that keeps up with rising costs.

While workers are working longer and harder than ever, their paychecks don't reflect that contribution. If the minimum wage had kept up with productivity growth since 1968, it would be nearly $22 an hour this year; even if it had kept up with just one-quarter of productivity growth, it would be $12.25 per hour. So while companies have reaped the benefits of all this productivity growth, the people who actually do the work have seen none of its value. It has all gone to executive management and shareholders. It has gone to profits, not the people who do the work.

There will be tens of millions of people in this country who will benefit from this legislation. Twenty-eight million workers will get a raise, either directly by the legislation, or indirectly through the ''trickle up'' effects of a higher wage floor—that is more than a fifth of our workforce that will be impacted. Among them, more than half are women, and more than four in ten are people of color—both of these groups are overrepresented in low-wage work. They are the ones who care for our children and elders, who clean our offices and factories, who serve us food, who keep our economic engine running. These are some of the hardest jobs and

hardest workers, and yet their pay is simply paltry. We will never have fair wages for women or greater racial equality if the minimum wage is not a just and fair minimum wage.

The families of these 28 million workers will also benefit. More than 21 million children have parents who will get a raise. This will be so meaningful to these families. After all, children represent more than a third of poor Americans. Nearly half of children, 44 percent, are poor or low-income, and even among families with parents working full-time year-round, nearly three in ten children are poor or low-income. This is largely because wages are much too low to support a family.

Yet wages aren't low because our economy can't afford them. No. Our economic growth is going to profits, not to workers. Inequality is at the highest level we've seen since the eve of the Great Depression. CEOs are raking in millions—even if their companies are not performing well—while low-wage workers are barely able to put food on the table, and even then it is often with the help of food stamps. Last year, the average CEO earned nearly $13 million. That was after a 23 percent raise in 2010 and a 14 percent raise in 2011. Minimum wage workers had no raises in those years. But CEOs are getting $13 million a year. That is more than $6,200 an hour. A CEO earns more before lunch on his first day of work than a minimum wage worker earns in an entire year.

Some people will criticize this measure, saying it will force businesses to lay off workers, and that workers will actually be hurt by getting a raise. History proves that these assertions are simply wrong. We know from decades of rigorous research that minimum wage raises along the lines of what I am proposing do not have negative jobs effects—and if there are any effects on jobs, they are small, but positive effects. This goes for teenagers, too; study after study confirms minimum wage raises do not cause teenage unemployment.

Indeed, businesses are helped when their workers get a raise because raising the minimum wage acts like a stimulus. Businesses will reap more in sales when their customers have more money in their pockets, and they will save money through increased productivity and morale and reduced turnover. My bill will put an extra $40 billion in the hands of low-wage workers and their families. We know that these workers don't have much if any room for savings—they will go out and spend it, and this will benefit the local businesses in their communities. Indeed, this extra spending power will boost GDP by more than $25 billion and add 100,000 jobs, as increased economic activity ripples through the economy.

Businesses will also save from reduced turnover cost, since turnover rates fall when workers earn more money. It can cost thousands of dollars to recruit, hire, and train new employees, even for low-skill jobs. Of course all businesses would have the same minimum wage, meaning no business would be any worse off than a competitor. A raise in the minimum wage would also reduce competitive disadvantage faced by businesses that already pay a higher wage. These businesses should be rewarded, not punished for paying fair wages.

We must also look at what is happening in our economy. We are becoming a low-wage economy. Low-wage jobs are growing faster than middle- or high-wage jobs. Over the next decade, the Bureau of Labor Statistics estimates that 7 of the 10 occupations with the largest job growth will be low-wage jobs. With so much of our economy moving to the low end of the wage scale, we must ensure that those wages are adequate.

It is long past time to establish a fair minimum wage in our country. It is good for families, good for business and good for our economy. Most importantly, it is the right thing to do. People who work hard for a living should not have to live in poverty. I am proud to introduce this bill today, to raise the minimum wage, and to help tens of millions of workers and their families.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD. as follows:

S. 3453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fair Minimum Wage Act of 2012''.

SEC. 2. MINIMUM WAGE INCREASES.

(a) MINIMUM WAGE.—

(1) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $8.10 an hour, beginning on the first day of the third month that begins after the date of enactment of the Fair Minimum Wage Act of 2012 Act;

''(B) $8.95 an hour, beginning 1 year after that first day;

''(C) $9.80 an hour, beginning 2 years after that first day; and

''(D) beginning on the date that is 3 years after that first day, and annually thereafter, the amount determined by the Secretary pursuant to subsection (h);''.

(2) DETERMINATION BASED ON INCREASE IN THE CONSUMER PRICE INDEX.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) is amended by adding at the end the following:

''(h)(1) Each year, by not later than the date that is 90 days before a new minimum wage determined under subsection (a)(1)(D) is to take effect, the Secretary shall determine the minimum wage to be in effect pursuant to this subsection for the subsequent 1-year period. The wage determined pursuant to this subsection for a year shall be—

''(A) not less than the amount in effect under subsection (a)(1) on the date of such determination;

''(B) increased from such amount by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted), or its successor publication, as determined by the Bureau of Labor Statistics; and

''(C) rounded to the nearest multiple of $0.05.

''(2) In calculating the annual percentage increase in the Consumer Price Index for purposes of paragraph (1)(B), the Secretary shall compare such Consumer Price Index for the most recent month, quarter, or year available (as selected by the Secretary prior to the first year for which a minimum wage is in effect pursuant to this subsection) with the Consumer Price Index for the same month in the preceding year, the same quarter in the preceding year, or the preceding year, respectively.''.

(b) BASE MINIMUM WAGE FOR TIPPED EMPLOYEES.—Section 3(m)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(m)(1)) is amended to read as follows:

''(1) the cash wage paid such employee, which for purposes of such determination shall be not less than—

''(A) for the 1-year period beginning on the first day of the third month that begins after the date of enactment of the Fair Minimum Wage Act of 2012, $3.00 an hour;

''(B) for each succeeding 1-year period until the hourly wage under this paragraph equals 70 percent of the wage in effect under section 6(a)(1) for such period, an hourly wage equal to the amount determined under this paragraph for the preceding year, increased by the lesser of—

''(i) $0.85; or

''(ii) the amount necessary for the wage in effect under this paragraph to equal 70 percent of the wage in effect under section 6(a)(1) for such period, rounded to the nearest multiple of $0.05; and

''(C) for each succeeding 1-year period after the year in which the hourly wage under this paragraph first equals 70 percent of the wage in effect under section 6(a)(1) for the same period, the amount necessary to ensure that the wage in effect under this paragraph remains equal to 70 percent of the wage in effect under section 6(a)(1), rounded to the nearest multiple of $0.05; and''.

(c) PUBLICATION OF NOTICE.—Section 6 of the Fair Labor Standards Act of 1938 (as amended by subsection (a)) (29 U.S.C. 206) is further amended by adding at the end the following:

''(i) Not later than 60 days prior to the effective date of any increase in the minimum wage determined under subsection (h) or required for tipped employees in accordance with subparagraph (B) or (C) of section 3(m)(1), as amended by the Fair Minimum Wage Act of 2012, the Secretary shall publish in the Federal Register and on the website of the Department of Labor a notice announcing the adjusted required wage.''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the first day of the third month that begins after the date of enactment of this Act.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 529—RECOGNIZING THAT THE OCCURRENCE OF PROSTATE CANCER IN AFRICAN-AMERICAN MEN HAS REACHED EPIDEMIC PROPORTIONS AND URGING FEDERAL AGENCIES TO ADDRESS THAT HEALTH CRISIS BY SUPPORTING EDUCATION, AWARENESS OUTREACH, AND RESEARCH SPECIFICALLY FOCUSED ON HOW PROSTATE CANCER AFFECTS AFRICAN-AMERICAN MEN

Mr. KERRY (for himself, Mr. CHAMBLISS, Mr. INOUYE, Mr. WYDEN, Mr. AKAKA, and Mr. CARDIN) submitted the following resolution; which was considered and agreed to:

S. RES. 529

Whereas the incidence of prostate cancer in African-American men is more than one and a half times higher than in any other racial or ethnic group in the United States;

Whereas African-American men have the highest mortality rate of any ethnic and racial group in the United States, dying at a rate that is approximately two and a half times higher than other ethnic and racial groups;

Whereas that rate of mortality represents the largest disparity of mortality rates in any of the major cancers;

Whereas prostate cancer can be cured with early detection and the proper treatment, regardless of the ethnic or racial group of the cancer patient;

Whereas African Americans are more likely to be diagnosed at an earlier age and at a later stage of cancer progression than all other ethnic and racial groups, leading to lower cure rates and lower chances of survival;

Whereas, for patients diagnosed early, studies show a 5-year survival rate of nearly 100 percent, but the survival rate drops significantly to 28 percent for patients diagnosed in late stages; and

Whereas recent genomics research has increased the ability to identify men at high risk for aggressive prostate cancer: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes that prostate cancer has created a health crisis for African-American men;

(2) recognizes the importance of health coverage and access to care, as well as promoting informed decisionmaking between men and their doctors, taking into consideration the known risks and potential benefits of screening and treatment options for prostate cancer;

(3) urges Federal agencies to support—

(A) research to address and attempt to end the health crisis created by prostate cancer;

(B) efforts relating to education, awareness, and early detection at the grassroots level to end that health crisis; and

(C) the Office of Minority Health of the Department of Health and Human Services in focusing on improving health and healthcare outcomes for African Americans at an elevated risk of prostate cancer; and

(4) urges investment by Federal agencies in research focusing on the improvement of early detection and treatment of prostate cancer, such as the use of—

(A) biomarkers to accurately distinguish indolent forms of prostate cancer from lethal forms; and

(B) advanced imaging tools to ensure the best level of individualized patient care.

SENATE RESOLUTION 530—DESIGNATING THE MONTH OF AUGUST 2012 AS ''NATIONAL REGISTERED APPRENTICESHIP MONTH''

Mrs. MURRAY (for herself, Mr. HARKIN, Mr. JOHNSON of Wisconsin, Mr. KOHL, Mr. BLUMENTHAL, Mr. PRYOR, and Ms. CANTWELL) submitted the following resolution; which was considered and agreed to:

S. RES. 530

Whereas 2012 marks the 75th anniversary of the enactment of the Act of August 16, 1937 (29 U.S.C. 50 et seq.) (commonly known as the ''National Apprenticeship Act''), which established the national registered apprenticeship system;

Whereas the State of Wisconsin created the first State registered apprenticeship system in 1911;

Whereas the Act of August 16, 1937 (29 U.S.C. 50 et seq.) (commonly known as the ''National Apprenticeship Act'') established a comprehensive system of partnerships among employers, labor organizations, educational institutions, and Federal and State governments, which has shaped skill training for succeeding generations of United States workers;

Whereas for 75 years, the national registered apprenticeship system has provided state of the art training using an model known as ''earn while you learn'' that offers a pathway to the middle class and a sustainable career for millions of workers in the United States;

Whereas the national registered apprenticeship system has grown to include approximately 24,000 programs across the United States, providing education and training for apprentices in emerging and high-growth sectors, such as information technology and health care, as well as in traditional industries;

Whereas the national registered apprenticeship system leverages approximately $1,000,000,000 in private investment, reflecting the strong commitment of the sponsors of the system, which include industry associations, individual employers, and labor-management partnerships;

Whereas the national registered apprenticeship system is an important post-secondary pathway for United States workers, offering a combination of academic and technical instruction with paid, on-the-job training, resulting in a nationally and industry-recognized occupational credential that ensures higher earnings for apprentices and a highly skilled workforce for United States businesses;

Whereas the national registered apprenticeship system has continually modernized and developed innovative training approaches to meet the workforce needs of industry and address the evolving challenges of staying competitive in the global economy;

Whereas the national registered apprenticeship system of the 21st century, as envisioned by the Advisory Committee on Apprenticeship of the Secretary of Labor and administered as a partnership between the Federal Government and State apprenticeship programs, is positioned to produce the highly skilled workers the United States economy needs now and in the future; and

Whereas the celebration of National Registered Apprenticeship Month—

(1) honors the industries that use the registered apprenticeship model;

(2) encourages other industries that could benefit from the registered apprenticeship model to train United States workers using the model; and

(3) recognizes the role the national registered apprenticeship system has played in preparing United States workers for jobs with family-sustaining wages: Now, therefore, be it

Resolved, That the Senate—

(1) designates August 2012, as ''National Registered Apprenticeship Month'';

(2) celebrates the 101st anniversary of the enactment of the first State registered apprenticeship law; and

(3) celebrates the 75th anniversary of the enactment of the Act of August 16, 1937 (29 U.S.C. 50 et seq.) (commonly known as the ''National Apprenticeship Act'').

SENATE RESOLUTION 531—COMMEMORATING THE SUCCESS OF TEAM USA IN THE PAST 25 OLYMPIC GAMES AND SUPPORTING TEAM USA IN THE 2012 OLYMPIC AND PARALYMPIC GAMES

Ms. KLOBUCHAR (for herself, Mr. HATCH, Mr. BENNET, Mr. ISAKSON, Mr. DURBIN, and Mr. MERKLEY) submitted the following resolution; which was considered and agreed to:

S. RES. 531

Whereas, for over 100 years, the Olympic Movement has built a more peaceful and better world by educating young people through amateur athletics, bringing together athletes from many countries in friendly competition, and forging new relationships bound by friendship, solidarity, and fair play;

Whereas the 2012 Olympic Games will take place in London, England from July 27, 2012 to August 12, 2012, and the 2012 Paralympic Games will take place from August 29, 2012 to September 9, 2012;

Whereas, at the 2012 Olympic Games, over 200 nations will compete in over 300 events, and Team USA will compete in 246 events;

Whereas, at the 2012 Olympic Games, over 200 nations will compete in 39 disciplines, and Team USA will compete in 38 of those disciplines;

Whereas 529 Olympians and over 245 Paralympians will compete on behalf of Team USA in London, England;

Whereas Team USA has won 934 gold medals, 730 silver medals, and 643 bronze medals, totaling 2,307 medals over the past 25 Olympic Games;

Whereas the people of the United States stand united in respect and admiration for the members of the United States Olympic and Paralympic teams, and the athletic accomplishments, sportsmanship, and dedication to excellence of the teams;

Whereas the many accomplishments of the United States Olympic and Paralympic teams would not have been possible without the hard work and dedication of many others, including the United States Olympic Committee and the many administrators, coaches, and family members who provided critical support to the athletes;

Whereas the Nation takes great pride in the qualities of commitment to excellence, grace under pressure, and good will toward other competitors exhibited by the athletes of Team USA; and

Whereas the Olympic Movement celebrates competition, fair play, and the pursuit of dreams: Now, therefore, be it

Resolved, That the Senate—

(1) applauds all of the athletes and coaches of Team USA and their families who support them;

(2) supports the athletes of Team USA in their endeavors at the 2012 Olympic and Paralympic Games held in London, England;