

and lose some. The President is not going to get everything he wants. The Republicans in the House and Senate are not going to get everything we want, nor are the Democrats in the House and Senate.

So we have areas where we can come together, and I have seen it. All of us were talking in the last couple of hours about how we have talked to our counterparts on the other side of the aisle about what could bring us together, and there are very clear areas where we can come to an agreement.

We are not going to be able to negotiate all parts of what we must do to get our financial house in order. We are not going to be able to do tax reform in a comprehensive way, we are not going to be able to do the fixing of and reforming of our entitlement programs, and we are not going to be able to set all of the spending cuts we are going to have to do going forward right here in the next 36 hours. We cannot do it. That has to be done on a basis of determining after many hearings what our priorities are and what the ceiling on spending should be. We must set a ceiling. Is it 18 or 20 percent of gross domestic product? Is it some amount that goes down each year? That is the question that has to be decided after a lot of discussion next year.

But what we can do is avoid a fiscal calamity by not having the sequestration take place on January 2 at midnight—but make that for a very short term. It cannot be 2 years of a moratorium on sequestration because then we would not get to where we need to be in determining the priorities that will lower the rate of spending in this country. Our problem in this country is a spending problem, and with a \$16.4 trillion debt, more spending is not going to be the answer.

So let's look at a very short-term avoidance of sequestration because we do not want to disrupt our military when they have boots on the ground in harm's way. We would not do that. We would not do it on either side of the aisle. So we need to talk about some short-term sequestration avoidance but not a long-term one because there are things we can cut in the military budget that will not affect the equipment and the pay and the living conditions of our military. We can cut other things. So we have to be able to come to terms with not having sequestration but making it very short term.

I think it is clear the President has wanted to increase taxes on what he considers the wealthy. I disagree with the President on what is wealthy, and I hope we can come to terms. Even the President has said a \$400,000 threshold is something he could accept. Many on the other side of the aisle have said \$500,000 or \$600,000—\$400,000 or \$500,000 or \$600,000 is something they could work with. And if we do some other things, I believe we could come to a consensus—not something that we like because I do not think we ought to raise taxes on anyone, and I have cer-

tainly voted that way, but there is some area where we can have a fix that will keep us from having to go over this cliff and hurt so many people in this country.

I think it is so important that we look at the big-ticket items in a comprehensive way, knowing that we are going to have to do that next year. But there are things we can do right now. I do not know 1 person out of 100 here who wants the AMT to take effect and cause people who make \$33,750 to have to pay more taxes. I think we should do away with the AMT completely, but certainly it should not kick in at \$33,750. We need to fix it, and I think everybody here agrees we need to fix it.

The distinguished deputy leader was talking about the death tax. Now, he does not think we should fix the death tax. I certainly do. If we go to a \$1 million exemption and a 55-percent tax, I think that is going to hurt family-owned businesses, it is going to hurt farms and ranches, and it is going to hurt the people who work for those family-owned businesses. Why is that? It is because the value of farms and ranches, which is land, does not have a revenue stream that allows you to pay the tax. So what do you have to do? You have to sell an asset, but you cannot get the full valuation that is put on it. You cannot do it. I have owned a manufacturing company, and I can tell you, you cannot sell the equipment for the value that is put on that piece of equipment. So what happens to a family-owned business? They end up having to sell at pennies on the dollar to pay the tax, and people are put out of work. Is that really what we want?

The exemptions we have now are \$5.1 million and a 35-percent rate. It would go to \$1 million—in 36 or 48 hours—\$1 million and a 55-percent rate. And remember, the death tax is a tax that has already been paid again and again and again. It is a tax on the value of the equipment or the land that has already been taxed with a property tax or a sales tax on the equipment.

So there is a reason to have some accommodation in the death tax so that we will not face more unemployed people who worked for a family-owned business or farm, and if it is not the No. 1 issue of the Farm Bureau of this country, it certainly is in the top two or three because they know—they know—what it is like to have to sell land at a value that is not realistic and pay a tax. And a 55-percent tax is pretty confiscatory.

So I do hope we can come together on a bipartisan basis because if we do not come together on a bipartisan basis, nothing will get done, because we have the House that is looking to the Senate, which is supposed to be the adult in the room, and they are looking at us to see how the votes turn out, and we need a large majority on both sides of the aisle to send to the House something that has a firm stamp of approval of this body.

We need the President to be a player here as well. I am encouraged that he

is now talking to our leaders and hopefully being constructive. And certainly our Vice President, who served in this body for so long, does understand the importance of the one-on-one talks, and he is talking to, I know, our leader and most certainly the Democratic leader as well.

So the hour is getting late, both figuratively and literally. We do not have much time to settle an issue that will affect the economy of this country.

Last but not least, I am sure the President does not want to have a calamity like this happen on his watch. And I do not want, on my watch, as one who is leaving the Senate this year, for this to be the last thing that happens on my watch. I do not think anyone here is going to benefit from a calamity happening in this country's economy—even for a few days—because it just looks as though we cannot govern.

It is time to realize that on a bipartisan basis we can do some things that will not be universally liked. It will not be liked by everyone in this room because we are not going to get everything we think is right. But we can move our country forward. We can help everyone in this country, every taxpayer.

But we are not going to raise taxes to spend more. We should be saying, OK, if there is going to be a threshold that pays more taxes, we should know it is going to bring down the deficit. That is a very important point that we hope will be determined at the end of this road in 36 to 48 hours.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

DEFENSE APPROPRIATIONS

Mr. SCHUMER. Mr. President, I am pleased that on Friday, December 28, the Senate passed H.R. 1. I would like to outline some of the goals that I and many of my colleagues from New York have for this legislation. As you know, the Senate Appropriations Committee under the leadership of the late Chairman Inouye and now Chairman MIKULSKI, has put together a very robust and flexible bill that will help many victims of our damaged States, from housing to small business to transportation. The depth of the devastation to New York was significant—some estimate nearly \$100 billion in damage.

When I saw whole neighborhoods in my State washed away, it was clear that significant Federal disaster funding was necessary. Although it has been 2 months since Hurricane Sandy ravaged New York, I am pleased the Senate has passed H.R. 1, with more than \$60 billion in Federal funding to

aid homeowners, small businesses, hospitals, and New York's critical public infrastructure.

I spent hours with New Yorkers after the storm, and I thank my Senate colleagues for hearing their pleas and ensuring that the Federal Government has stepped up to help them in this terrible time.

I hope that our colleagues in the other body will swiftly pass H.R. 1. New Yorkers have already been waiting too long.

I would like to describe how H.R. 1 will provide Federal relief to the victims of Hurricane Sandy.

Shortly after the storm subsided, some claimed that the FEMA disaster relief fund had enough funds and that a supplemental appropriation could wait. I could not disagree more and fought hard to ensure that the bill we have today was brought to the Senate floor. H.R. 1 includes \$11.5 billion for the disaster relief fund to support disaster response and recovery needs of our local governments and first responders.

H.R. 1 includes \$17 billion for the community development block grant for victims of Hurricane Sandy who have lost their homes or businesses. FEMA will provide repair funding of \$31,900, but for many of the 300,000 New York homeowners with significant damage, the CDBG funds are essential to cover their uninsured losses. These funds can also be used for the critical mitigation projects, such as flood proofing so that these same homeowners will be safe when the next storm comes.

H.R. 1 provides \$5.4 billion in Federal funds to the Army Corps to fortify our New York coastline. From Staten Island to Montauk, the coast of New York is vulnerable to future storms. The following projects were never fully constructed due to a lack of funding and will now be eligible: South Shore of Staten Island; city of Long Beach; Rockaway beach; Coney Island; Fire Island to Montauk Point; Gilgo and Robert Moses beaches; and Asharoken Village.

As was said throughout debate on H.R. 1, disaster funding is also about prevention. It is essential that the Army Corps conduct a comprehensive flood protection study of the New York Harbor region. I hope they will get to work immediately once the bill becomes law.

H.R. 1 will also build a bridge back to profitability for our small businesses. Thousands of small business owners were inundated by Hurricane Sandy endured total destruction or interruption of commerce for days and weeks. Like we have in other storms, the community development block grant funding provided in H.R. 1 should be used for a small business relief program to boost the region's ailing posthurricane economy. I will be watching to make sure that New York small businesses who need assistance receive it.

H.R. 1 will allow for the hardening of New York's Electric Grid. I believe it is

critical that drastic rate increases are prevented. The Long Island Power Authority and Con Edison need help elevating substations, installing smart grid sensors, and building stormproof poles. The duration of power outages in New York was one of the worst catastrophes of Hurricane Sandy, and we hope that these funds will mean New Yorkers never have to experience that again.

H.R.1 also will protect and improve the gasoline infrastructure in New York Harbor. Hurricane Sandy's wrath destroyed unprotected gas terminals and pipelines in New York harbor and gas shortages brought whole communities to their knees. Federal mitigation funding should and must be used to protect our gasoline infrastructure from the next storm by providing backup power and booster systems for facilities like the Buckeye pipeline.

H.R. 1 includes \$10.8 billion for public transportation. New York has one of the largest public transit systems in the country and suffered over \$5 billion in damage from the storm. Experts have said that much of this damage could be prevented in the future with new mitigation techniques H.R. 1 provides to ensure that our transit systems build subway seals, erect flood gates in tunnels, and establish advanced drainage systems.

H.R. 1 also includes \$200 million for the Department of Health and Human Services. I hope that at least \$150 million will be provided to the National Institutes of Health for repair and recovery of New York University's medical research program. The Smilow Research Center is one of NYU's three animal research facilities, and because of Hurricane Sandy, an untold amount of medical discovery and hard work has been lost. According to NYU, an estimated 10 million gallons of water poured into the ground and the basement of the institution, bending 3-inch steel doors in half, washing away walls as well as sandbags, and destroying everything in its wake.

Because of a power outage, the animal labs went dark where the best and brightest researchers search for cures and treatments. The center held specimens critical to NYU scientists' research in heart disease, cancer, and neurodegeneration. Dr. Francis Collins, the head of the NIH, said this: "The damage is truly appalling. The infrastructure has been essentially obliterated." I appreciate how much assistance the NIH has already provided to NYU's researchers, and I will continue to ensure that NYU can be rebuilt.

H.R. 1 also includes Federal funds through FEMA and through the HHS social services block grant to help New York's hospitals. Hurricane Sandy caused 36 health care facilities to be closed completely, including 4 hospitals, 17 nursing homes, and 4 health clinics. It is essential that FEMA and New York State do everything they can to help our health care facilities get back on their feet.

In the blink of an eye, the Atlantic Ocean turned from our greatest natural resource into a nightmarish monster, but with the Senate passage of H.R. 1, New York is on its way to recovery.

TRIBUTES TO DEPARTING SENATORS

RICHARD LUGAR

Ms. MURKOWSKI. Mr. President, I rise today to speak on behalf of my friend and colleague Senator DICK LUGAR, who is retiring from the Senate at the end of this year.

Senator LUGAR has been a good friend to me in the decade we have served together. As the Chamber's most senior Republican he has been a mentor to me, and when I first came to the Senate he was also my Chairman on the Senate Foreign Relations Committee. I have been proud to work with him on a number of foreign policy issues, including those affecting the United States as an Arctic nation like the Law of the Sea Treaty.

We have also worked together on energy issues. Senator LUGAR's Practical Energy Plan is a thoughtful bill to strengthen our energy security. On this bill, as on all other issues throughout his Senate career, Senator LUGAR worked to develop practical solutions to the challenges we face regarding energy.

Senator LUGAR is the longest serving Member of Congress from his home State of Indiana. He graduated first in his class from Shortridge High School in Indianapolis and after attending college, he began his service to our country as an intelligence briefer in the U.S. Navy. He later served as mayor of Indianapolis, on the U.S. Advisory Commission on Intergovernmental Relations, and as President of the National League of Cities before beginning his 36 year Senate career.

He has clearly served the people of Indiana well. Just last month, the Indianapolis Monthly Magazine published "By the Numbers: Richard Lugar's Legacy," which listed many of Senator LUGAR's accomplishments. The article noted that Indianapolis gained 57,000 jobs during Senator LUGAR's tenure as mayor and 7,500 nuclear warheads were deactivated as a result of the Nunn-Lugar program. According to the article, Senator LUGAR has cast more than 13,000 votes in the Senate and worked with 7 different Presidents. He has been recognized for his service with the Guardian of Small Business award, the Spirit of Enterprise award, the Watchdog of the Treasury award, and more than 45 honorary degrees from colleges and universities in 15 States and the District of Columbia. The American Political Science Association got it right when they named him an Outstanding Legislator, and he won his last general election with 87 percent of the vote.

I will miss Senator LUGAR's friendship, commonsense approach to getting things done, and commitment to the