

because we are frugal; again, not what we would like to do, but what we must do.

Also under homeland security, we make sure we look at that which puts people in harm's way. In my own State, and others, there is the issue of fires. Most fire departments in big cities are run by professionals, but in most rural communities they are run by the great volunteer fire departments. We have a fire grant program that I helped start that trains and equips local firefighters. What we do here is provide more money—\$33 million above the House—to help provide those grants, and we also provide additional funds to help State and local fire departments.

In the area of compelling human need, I want to talk about the Subcommittee on Education, Labor, and Human Services. This is the subcommittee that funds compelling human need. And what do we do here? We look after childcare development block grants, we support care for 9,000 more children, and we also make sure we adequately fund Head Start by providing modest sums there.

In addition, we also provide more money to the National Institutes of Health, \$71 billion. But put that into the context that they are going to take a \$1.5 billion hit in sequester.

I know the Presiding Officer represents a great State, Hawaii. Who wouldn't love Hawaii? But I wish the Presiding Officer would look at Maryland. Not only do we have the wonderful Chesapeake Bay, a Super Bowl championship, but we have other "super bowl" winners. They are called the National Institutes of Health, the National Security Agency, the National Weather Agency.

Just the other day when I was over at NIH, they told me—and told America through their communications—that NIH's work, working with clinicians and the private-led science sector, has reduced cancer rates in the United States of America by 15 percent in breast cancer, prostate cancer, lung cancer. And it is all those wonderful researchers at the Bethesda campus and in academic centers of excellence all over America. But instead of pinning medals on those people and encouraging young people to come into science, we could end up giving them a pink slip. What are we doing?

I not only want to lower cancer rates, but I want to improve and raise the discovery rate. This is what we do in this CR. We are working with them on a bipartisan basis. This is helping American people and giving us products that are approved by FDA that we can sell and ship around the world, particularly to countries that could never do it.

So I am all about jobs—jobs today and jobs tomorrow. That is why what we do in transportation, housing, and urban development is also a big step forward. In addition to looking out for the homeless, we provide an additional amount of money for highway and road

safety programs, where people actually working with funds going to Governors at the local level—not some shovel-ready gimmick—can identify projects in the pipeline we could generate in construction. We can improve public safety by smart highways. And, literally, we can help get America rolling again; we have a fragile economy.

I could go on about this bill, but this is a general outline, and I will talk more about it. I feel very passionate about it because we have squeezed every nickel, we have looked at it very fastidiously to make sure that we are right within our mandated spending cap to assess our national priorities: national security, compelling human needs, how we can help create jobs, look out for the middle class, and make those investments that improve the lives of the American people and generate jobs tomorrow.

I think we have a very good bill. I ask everyone's cooperation to get it passed.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

THE SEQUESTER

Mr. Kaine. Mr. President, I rise in support of the work Chairwoman MIKULSKI and Ranking Member SHELBY and the Appropriations Committee have done and the place they will bring us to on the floor of the Senate this week as we take an important step forward to fix the fiscal year 2013 budget. I will be meeting tomorrow—as many legislators do during the course of the year—with my Governor. All of the Virginia delegation will be sitting down with Governor McDonnell, who will be visiting, and he and the State will view this as very good news as we can talk about this work product.

I made my first speech on the floor about 2 weeks ago, and it was a speech that was kind of a plea. It was a plea to avoid the economic self-inflicted wound of sequester. As we all know, we were not able to do that at the time. There were two bills, and neither of them was able to get sufficient votes to move forward. The negative consequences from that sequester have been felt in the Commonwealth, as I traveled around, whether it is warn notices to ship repairers in the Hampton Roads area, planned furloughs of DOD civilian employees, or a delay in a carrier deployment that could potentially leave us more vulnerable in the Middle East.

The good news is that we can fix it and improve it. The Appropriations Committee's work discussed today is a way to begin to do that. We have a chance to get it right and to reduce the negative effects of sequester by dealing effectively with the expiring CR for fiscal year 2013 and then producing a progrowth 2014 budget. This is the work before this body in the next few weeks, and we need to do our very best work.

On the continuing resolution, it has been made clear in the comments be-

fore, we do not have a fiscal year 2013 budget or appropriations bills at the current time, so since October, we have been operating out of 2012 appropriations bills, pushed forward for a few months at a time. This leads us to a situation where we are not forward-focused, but we are operating out of an old playbook. We need to align our spending around this year's priorities and not be locked into funding the priorities of the past.

The Department of Defense—just to focus on this for a minute because defense is critical to the Commonwealth, as it is to all States—is very constrained by the continuing resolution that is currently in place. There is a \$11 billion operations and maintenance shortfall that is difficult for DOD to manage in a way that will keep us safe. There is a lack of flexibility to adjust to new needs. There are no new starts on important projects, including on the shipbuilding and naval side, which is so important to the Commonwealth. That has already led to a delay in the construction of one of the new Ford class aircraft carriers, the USS *John F. Kennedy*, with a consequent potential loss in jobs. Other agencies throughout the Federal Government have been similarly affected.

The good news is that there is a solution. Chairwoman MIKULSKI and Senator SHELBY, the ranking member, have worked together to lay that out today. This week we will work together on a true appropriations bill for the remainder of fiscal year 2013 for critical government functions: Department of Defense, military construction, the VA, but also homeland security, agriculture, commerce-justice-science. There are other governmental functions that will continue to operate under the fiscal year 2013 CR, but in many areas we will not be working off a backward-looking document. For the remainder of the year at least, because of the work of this committee, we can look at a forward-looking document.

Again, I congratulate Chairwoman MIKULSKI and Ranking Member SHELBY and the Appropriations Committee for working so hard together with House colleagues to put us in this posture. A true appropriations approach to the remainder of fiscal year 2013 fixes many of the DOD problems I outlined earlier. For example, it will allow us to go forward on the shipbuilding contract to construct a second Ford class carrier, the USS *John F. Kennedy*. That will be wonderful news for our defense and wonderful news for the shipyard that is the largest private employer in Virginia. It will allow us to move forward on significant ship refurbishment and repair contracts. The repair and refueling of the USS *Roosevelt* and the USS *Lincoln* were delayed as a result of the uncertainty about the budget, but the work this committee is doing will enable us to move forward.

We will be able to not completely eliminate the operations and maintenance deficits but at least make moves

among those accounts to mitigate the effects of the O&M deficit, and that will be across service branches.

Just last Friday, as I left the Senate and drove back to my home in Richmond, I stopped and did an economic development tour with a contractor in the Fredericksburg area working on robotics projects for all of the service branches. They talked about the fact that the CR was really putting a crimp in their planned expansions, their ability to hire students who are graduating from engineering programs around Virginia and around the Nation this fall. The CR fix going forward will give this company and so many others some certainty that will enable them to do the work we need to do and also help expand employment.

Other agencies have a similar upside from the fix of this fiscal year 2013 CR, as Chairwoman MIKULSKI was just outlining—improvements in domestic nutrition; improvements in international food aid, which is not only good for the most vulnerable people in the world but also good for the American farmer; improvements in State and local law enforcement support, immigration enforcement, workforce training, early childhood education. There are many aspects of this fix going forward that are far preferable to the CR and certainly preferable to flirting around the possibility of any kind of a shutdown after March 27. That is why I strongly support the approach the Appropriations Committee, under its leadership, has worked on. It is good for the United States and good for Virginia, and it represents a move to forward-looking budgeting rather than plays out of last year's playbook.

Make no mistake, the sequester is still in place, and the sequester is still having significant effects. The fiscal year 2013 appropriations bill we are discussing will mitigate the effects, but there will still be an operations and maintenance shortfall within DOD. Every service is still facing potential cuts in training and other readiness functions that should cause us concern.

Last Monday, a week ago yesterday, I went to the Pentagon and visited with Secretary Hagel, Deputy Secretary Carter, General Odierno, spent time with General Welsh last week, and not just with the brass but then went down into the cafeteria and heard the real deal from folks who were having lunch, and these were Active Duty assigned to the Pentagon, DOD civilian, Guard men and women who were back just coincidentally to do training-related meetings that day, and veterans who were back having lunch with their friends. As I went table to table and talked about sequester, I heard about continuing effects and concerns regarding the furlough of defense civilians and potential cuts to contractors. So those are still out there, but the good news is that this bill will address and improve, and then we have a second chance to do so as well as we begin in short order to deal with a proposed fiscal year 2013 budget.

There is a strong budget process already underway that will bear fruit in the committee within the next couple of days. The Budget Committee, under the leadership of Chairman MURRAY, has worked very hard, and it started the process that will lead to committee discussion and voting and then amendment and debate later this week. The basic goal of what we are trying to do is pretty simple, under the chairman's direction: Let's grow the economy and create jobs while reducing our deficit and debt in an economically credible way.

If we do this right, together with the appropriations approach discussed today, we can help reduce and then shape the negative effect that sequester has had on the Commonwealth and the country by replacing a blunt, non-strategic, across-the-board set of cuts with more strategic and targeted approaches.

We have a long way to go, obviously, whether it is on finding the path forward just on this bill—and it looks as if there is very strong bipartisan support, and that is positive—but certainly on moving forward with the budget and the possibility of finding some compromise with the House. There are going to be vast differences in the approaches, and we cannot sugarcoat that. But I think it is maybe important at least to stop and acknowledge some positive steps.

At year end, before I joined the body, the two Houses did come together and they found a compromise on the Bush tax cuts, which was positive. There were things not to like about it, but the fact of compromise was a positive. The House agreed earlier in calendar year 2013 that they would not use the debt ceiling as leverage over the American economy or leverage over these discussions. That, in an earlier instance, led to America's credit being downgraded, so stepping away from that is positive. In the Senate, we are returning to normal budgetary order under normal timing, and that is a positive step. Both sides have agreed to avoid brinkmanship surrounding government shutdown on March 27 and have worked assiduously to avoid it. This compromise to the fiscal year 2013 CR and the willingness to move forward in a true appropriations approach for the rest of the year in these key government functions is so positive. And the prospects, which I think are very good, of both Houses actually producing budgets on time for the first time in a number of years is also positive.

So while there are real and significant differences, and we will lay those on the table and debate them with vigor over the next few days and weeks, the American public will see this process unfold. They expect us to debate, listen, and find reasonable compromises. We have seen some, just in the last few days—I guess I will conclude and say this: We have seen some recent positive economic news—the

jobs report Friday, some of the news about housing, the stock market. There are some positive economic trends that are starting to develop. Congress can accelerate these trends. Congress can accelerate the improvement of the American economy if we keep taking these reasonable steps forward to find a responsible budgetary path. This work on the CR bill to find an appropriations path for the remainder of the year is one of those positive steps, and I applaud the committee leadership for doing so.

I yield the floor.

The PRESIDING OFFICER (Ms. HEITKAMP). The Senator from Maryland.

Ms. MIKULSKI. Madam President, I thank the Senator from Virginia for his comments. He and Senator WARNER are on the other side of the Potomac, and sometimes we are friends, sometimes we are rivals. But it is such a dynamic State. The junior Senator from Virginia knows his State has some of the greatest Federal assets there—the Pentagon, the Central Intelligence Agency. It is a home of vibrant technology. That is why we sometimes come as rivals.

But I want to ask a question of the Senator from Virginia, if the Senator will yield?

Mr. KAINE. I yield.

Ms. MIKULSKI. When we are moving the continuing resolution and he talks about being in the cafeteria and going table to table, which is something I do myself, and I know he enjoys it,—is it his point that we protect the men and women in uniform but the civilian employees, many of whom are veterans, would be at risk?

Mr. KAINE. Absolutely. I am just coming from an armed services hearing, I say to Senator MIKULSKI, where we were talking about that very same thing. The armed services mission, of course, requires that we protect the men and women in uniform. But so many of the DOD civilians are absolutely critical in doing their appropriate jobs. Sixty percent of the staff, for example, our strategic men, STRATCOM, are civilian employees. They are doing some of the most important work that we need done in the country right now around cyber security. The nurses who care for the wounded warriors I visited at Fort Belvoir Hospital, for example, are DOD civilians. So the furloughs that affect, more broadly, the civilian employees should be reason for significant concern.

Again, we are taking a positive step toward addressing some of these issues by embracing the appropriations approach that the Senator has worked on, and we will have an additional ability to take a positive step with respect to the fiscal year 2014 budget.

Ms. MIKULSKI. So just to prove our policy goal here, we cannot have government funding expire. The consequences of a government shutdown would be horrendous. What would it be on the Virginia economy?

Mr. KAINE. I say to the Senator, it is impossible—

Ms. MIKULSKI. Speaking from the old days as a Governor.

Mr. KAINE. It is like the old commercial about the price of various things but some things are priceless. There is no way to estimate it. Just off the top of my head, there have been analyses of the degree to which the Federal budget impacts the economy in each State, and the most recent, done by Bloomberg about 16 months ago, had Virginia as the State most affected by the Federal budget. So the prospect of more brinkmanship around shutdown, which has happened in the past, even if it does not occur, creates great anxiety. But if it were to occur, whether it is the nurses caring for our wounded warriors, whether it is the researchers helping us to figure out how to stay ahead of the cyber attacks that are frankly happening to our Nation every day, or whether it is the shipyard repairers at Newport News Shipyard who manufacture the largest in manufactured items in the world, nuclear aircraft carriers, which should be a story of American pride, who would find their jobs at risk—a shutdown and even the negative consequences of playing out of last year's CR, which is backward-looking rather than forward-looking, are significant. And that is why turning and facing forward is the approach we should take.

Ms. MIKULSKI. I thank the Senator for his insightful and cogent comments. He is a great fighter from Virginia. I look forward to working with the Senator from Virginia—just as I have worked with Senator SHELBY—where there is no brinkmanship, no ultimatums. We just want to get the job done. We need to do our job so other people get to do their job so America keeps rolling.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. BEGICH. Madam President, I would like to speak for 15 minutes on the topic of revenue sharing.

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

Mr. BEGICH. Madam President, I did not come to the floor today to speak on the appropriations and CR, but I want to thank the chairwoman and ranking member for working in a bipartisan way. They are working on finding a solution and an ability to ensure that at the end of the day we can keep this government operating and moving forward, and I thank them for that.

REVENUE SHARING

Mr. BEGICH. Madam President, I rise to take exception with some of my colleagues—and I hate to say this—on my side of the aisle. This subject is very frustrating. I am talking about a letter I reviewed from March 8. It is a letter from the Senate Energy Committee. The letter talks about revenue sharing and offshore oil and gas development

and how that Federal revenue should be shared.

When I read this letter, it sounds as if there is some evil monster lurking in the deep, which is far from the truth. It is very frustrating—and I hate to say this—to see some of my fellow Democrats trying to make energy policy without talking to folks who are in the energy-producing States.

Let me make this very clear. I am here to talk about revenue sharing. The letter is laid out as if it is about revenue sharing. After reading the letter, I found out that it is really about opposing offshore oil and gas development of any kind. I come from a State that is heavily invested in this endeavor, and to say revenue sharing is inherently inequitable is somewhat comical. What is inequitable is to drain resources from our energy-producing States without compensating them for the impacts of this needed development.

I introduced legislation 6 weeks ago to make sure Alaskans get their fair share of the resources developed along our coastlines. Our communities are greatly impacted by development. My goal is to share Federal energy resources generated off Alaska's coast with the State and local governments as well as Alaska's Native people. It is just common sense.

My bill not only encourages increased and responsible development of Alaska's energy resource, but it also makes sure our communities benefit directly from oil and gas being produced in our State. The idea is to help State, local, and tribal governments pay for the public sector infrastructure required to develop these resources.

My bill also requires oil produced in the Federal waters of the Chukchi and Beaufort Seas—for those who may not always know where Alaska is, it is not near the coast of California, which every map seems to show. It is up north near Canada and has an enormous amount of resources in the Arctic area, and it is called the Chukchi and Beaufort Seas.

My bill also requires oil produced in the Federal waters of the Chukchi and Beaufort Seas to be brought ashore by pipeline. This is safer than tanker transport and secures a future throughput for the Trans-Alaska Pipeline that feeds this country.

The bill provides Alaska with 37.5 percent of Federal bonus bids and royalty shares from any energy development—fossil or renewable. Let me make this clear: Again, when I first read this letter, they seemed to be outraged by revenue sharing. As I look at it closer, it is really about how they don't like offshore development. As I read it, it says they don't like oil and gas.

Before I got here, this Congress passed revenue sharing for the Gulf States, but they excluded Alaska. Even though Alaska is the farthest away from the lower 48, and it is one of this country's fuel sources, there is no rev-

enue stream at all—period. We have a huge impact with the development of our housing, transportation, water, and sewer. We need to have the capacity so these communities can support this large development.

My bill provides just what the Gulf States get—37.5 percent of the Federal revenues. We are not adding new taxes. We are taking what is collected—or in the future what would be collected. The 37.5 percent of Federal revenues would be delivered in the following way: 25 percent will go to the local governments; 25 percent will go to the Alaska Native village and regional corporations. In some ways they are similar to the Indian Country in the lower 48 States but different in how they operate. In any event, it will provide services to Alaska Native communities. Ten percent will go directly to tribal governments, and the remaining 40 percent will go to the State of Alaska to deal with the impacts of this.

This bill also requires 15 percent of the Federal share of royalties be directed to the Land and Water Conservation Fund. Why is that important? It is important because that not only touches coastal States, it touches every State. Almost \$900 million annually would be directed for the purpose of land and water conservation throughout this country.

Finally, a percentage of the 37.5 percent of the Federal share would be dedicated directly to deficit reduction.

Again, as I read the letter, they make it sound very evil. They make it sound like it is some monster lurking in the waters. This doesn't sound so evil. This is about fairness to our State and any coastal State that develops oil and gas off their shores.

Again, as I read the letter, it is clear that friends and colleagues on my side of the aisle don't get what it means when we have this type of development and what type of infrastructure we have to provide to balance that infrastructure and ensure the people of that State get the resources and the development they need—especially when we extract from our State. People come and extract from our State and use it elsewhere. Our State should be left with some stream of revenue.

They make a point in the letter, which this bill does address, as far as having 37.5 percent of these resources go to the States. The answer to that is simply, yes. Yes, it does. Relying on the Federal Government to determine what is best for these States doesn't always work out so well. We are now finally doing a CR with some modifications, and I am glad we are.

After 4 years of seeing how this place operates, I will put my bet on State, local, and tribal governments to deliver the services we need. If it means that we take money from the Federal Government and give it to these local communities to do the job, I am all for it.

As a former mayor, I know what we can do when we are given the resources