

average, which certainly they will at some point, deficits over the next 10 years will increase by \$4.9 trillion. If interest rates were to rise to the level of the 1980s, the total U.S. debt in 2021 would be \$5.3 trillion greater. That is \$5.3 trillion in new debt that would occur without any changes in spending or taxes. Interest rates would simply drive our debt out of control.

Make no mistake that this is a spending problem and not a revenue problem. The President campaigned on the false narrative that taking more from the top earners would alleviate the economic burdens we face. As a result of winning the election, he was able to get higher taxes on Americans at the higher end of the income scale. But no one is fooled and math does not lie. Increasing taxes on higher income earners is not going to make much of a dent in our \$1 trillion deficits.

The fact is, even if the President had received all of the revenue from the expiration of all of the 2001 and 2003 tax cuts in tax rates, Federal revenue would have come in at this historical average of just over 18 percent of GDP, but spending continues to rise, on average, 23 percent of GDP over the same period of time—more than 2 points ahead of its historical average. Thus, the problem: the fact that we are spending more than we can afford. We are spending more than we receive.

Actions speak louder than words. President Obama may talk about the need to rein in spending—although lately he has even rejected that—but his administration refuses to act. Instead, the President started off his second term doubling down on—what? The need for more taxes. Are not the American people being taxed to death? It is not just the Federal income tax, it is the State tax added to that, it is the sales tax, it is the excise tax, it is the car tax, it is the alcohol tax—it is any number of things that add up to a burden of taxation on the American people that is severely hampering our ability to grow and our economy to provide the necessary employment and the necessary jobs for people so desperately in need of and looking for that work.

While the President has not truly recognized that spending is the problem, the business community has. A recent survey of chief executives said they are considerably less optimistic about the short-term growth process for their companies than they were just a year ago. The reason is uncertainty. The business community does not have confidence in the growth prospects for our country because there is little confidence that Washington can get its act together and deal with the spending crisis that is dragging down this economy.

In an atmosphere of uncertainty, investors, businesses, and consumers proceed with caution. They hold back in making significant investments or expenditures. Also, they don't hire people, and they will not until they get more clarity about the future and our ability to address our problems.

As I traveled across Indiana and talked to business owners' large, small, and in between, as well as farmers, to owners of restaurants, to CEOs of major companies, they all said the same thing. They all said the lack of certainty and the prospects for the future—unless we get control of our spending—are such that they have no choice but to just sit on their hands and hold back.

The big credit agencies are saying the same thing. They know that without significant spending reform and spending cuts the United States will be unable to pay its bills at some point. Refusing to make the tough choices now just hastens the day of reckoning when markets decide the United States has become a bad credit risk. Standard & Poor's, Moody's, and Fitch Ratings all have a negative outlook on the United States' prospects and are threatening a further downgrade of our credit rating unless we get our fiscal house in order. Other downgrades would follow in short order: Fannie Mae and Freddie Mac, as well as many State governments. As a result, this would irreparably damage many State and local pension funds. They are all at risk.

It is a nightmare scenario that is not far away from happening if we don't start getting a handle on our reckless, runaway spending. We need to get a handle on it now not later. There is no more reason for excuses. We have done all we can on the revenue side. The President got what he wanted. He got his taxes, but now is the time when we need to focus on the real problem, which is runaway spending. Big spending and small, everything from the need to reform our mandatory entitlement spending to the smaller, duplicative, wasteful, yet important, spending that Washington specializes in and is not necessary particularly at a time of austerity.

I intend to get into some more detail about spending reforms in future speeches, but the overall point is undeniable: Unless we get our spending under control, we are going to continue to stagger forward with a weak economy, high unemployment, and draw ever closer to the day when our investors and creditors lose faith in our ability to pay our debts.

The next time I come to the floor—and I am not sure when since it depends on what our schedule might be—I want to talk not about what DAN COATS is saying, not what the Senator from Indiana is saying; I want to talk about what others are saying. I want to hear from those who are not saying it from a political perspective or trying to reflect their party's position but from those who spend their time analyzing our current situation. I want to hear from those who understand the map of where we are and what the implications and consequences are for our country. I don't just want to hear statements by those of us here but statements made by others and the im-

portance and need for us to address this most serious of problems and challenges.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. Mr. President, I ask that following my remarks, the senior Senator from Rhode Island be granted permission to speak.

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

MEDICARE AND MEDICAID REFORM

Mr. HATCH. Mr. President, I rise to speak on a matter that is of the greatest importance. Our Nation is on an unsustainable fiscal path. The national debt stands at a current whopping \$16.4 trillion with annual trillion-dollar deficits having become the norm with the current administration. Put simply, unless we change our course, our debt threatens to cripple our economy and saddle future generations with bills they will not be able to pay.

Federal spending has been growing and will continue to grow at a rate that outpaces government revenues by leaps and bounds. Despite some claims to the contrary, the difference simply cannot be made up by increasing taxes. We do not face a problem with not taxing enough in this country; we have a spending problem.

Moreover, in the runup to the fiscal cliff, we had a national discussion on increasing taxes. Taxes were increased and the revenue discussion is done. It is time to turn our attention to our country's runaway spending problem and our unsustainable entitlement programs. The only way we can make meaningful progress toward reducing our deficits and eliminating our massive debt is to focus on the main drivers of these problems. The main drivers of our debts and deficits is not a lack of revenue; it is our entitlement programs.

Let's take a look at our two main health care entitlements, Medicare and Medicaid. In just the next 10 years, the Federal Government will spend more than \$12 trillion on Medicare and Medicaid. Let's put that in perspective. That is \$12 trillion on just two programs. That is more than the entire economies of Germany, France, the UK, Italy, and Spain combined. If we do not act to slow the rate of growth in these two programs, they will consume roughly 10 percent of our entire economy by the year 2035.

Medicare, by itself, spent nearly \$480 billion last year. Over the next 10 years, it will spend more than \$7 trillion. In fact, by the end of that same 10 years, we will be spending more on Medicare than on our entire national defense. The prospects for Medicare solvency only get worse as time goes on. Over the long term, Medicare has nearly \$39 trillion in unfunded liability. That is \$328,404 for every American

household in this country. Fixing Medicare will not just be a matter of trimming off some fat and waste. The problems with the program are systemic.

Let's talk about Medicaid for a moment. Things are not much better with that program. The Federal Government spent \$261 billion on Medicaid in 2012 and the States themselves spent about \$196 billion, bringing the total cost of the program to \$457 billion in a single year. In the next 10 years, Federal Medicaid spending as a share of the U.S. economy is set to grow by 37 percent. The Federal Government will spend more than \$4.4 trillion on the program over that time.

According to the National Governors Association, Medicaid represents the single largest portion of total State spending, which accounted for an estimated 23.6 percent of State budgets last year. Between Medicare and Medicaid, we have two programs that threaten to swallow not only the Federal Government but State governments as well. We simply cannot afford to keep these programs running on autopilot, nor can we afford to tinker around the edges when we talk about reform. If we are serious about addressing our Nation's debt, Medicare and Medicaid need structural reforms.

Today, I wish to lay out five specific reform proposals that could help to rein in entitlement spending and put our Nation on a better fiscal course. These are reasonable, rational ideas that have all enjoyed bipartisan support over the years. I believe they should be included in any deficit reduction package.

No. 1: We need to adjust the Medicare eligibility age from 65 to 67. Raising the retirement age is simply common sense. It would reflect increases in life expectancy and align Medicare eligibility with that of Social Security. This idea was supported by the Simpson-Bowles Commission, and it was included in the bipartisan deficit negotiations in 2011.

In addition, prominent Democrats, including former Senate Budget Committee chairman Kent Conrad and House Budget Committee ranking member CHRIS VAN HOLLEN, have expressed support for raising the retirement age as part of the discussion on retirement reform. Raising the retirement age is not just a Republican idea. Members of both parties have supported it.

No. 2: We need to modernize the Medigap Program by limiting supplemental Medicare insurance plans from covering initial out-of-pocket expenses for Medicare beneficiaries. In 2010, on average, Medicare made \$9,765 per beneficiary. The average out-of-pocket expense coming from copayments, coinsurance, and deductibles for beneficiaries was \$1,679. Almost 90 percent of Medicare recipients use some kind of supplemental insurance to offset some of their out-of-pocket costs. Almost 30 percent of beneficiaries have so-called

Medigap policies that provide first-dollar coverage.

Multiple studies have found that this 30 percent—the ones with Medigap insurance policies—use about 25 percent more services than those without similar coverage. This overutilization of services leads directly to higher costs for all seniors on Medicare. Limiting first-dollar coverage will encourage seniors to make better health care choices and ensure the highest quality outcome while lowering costs for the entire Medicare Program.

This policy was supported by the Simpson-Bowles Commission, and it was part of the Biden-Cantor deficit reduction negotiations in 2011. In addition, the Democratic members of the House Ways and Means Committee included this idea as part of a set of cost-sharing reforms in their 2011 deficit reduction proposal. The President's own 2011 deficit reduction package included a similar proposal to reduce costs associated with Medigap insurance plans.

Once again, this is a policy that both Democrats and Republicans should be willing to get behind.

No. 3: We need to simplify Medicare beneficiary cost sharing while protecting seniors from catastrophic health costs. Currently, Medicare cost sharing—copays, deductibles, et cetera—varies significantly depending on the type of service being provided. Beneficiaries now have separate deductibles for inpatient care under Part A and physician and outpatient services under Part B. This overly complex benefit structure is difficult for beneficiaries to navigate, and it promotes overutilization. By streamlining the cost sharing and creating a single combined deductible for both Part A and Part B, we can make it easier for seniors to use Medicare more efficiently and reduce costs associated with overutilization.

At the same time, we should institute an annual catastrophic cap to protect seniors who face serious health events which will provide seniors with much needed financial security. This was another policy supported by the Simpson-Bowles Commission. It was also a part of the Coburn-Lieberman Medicare proposal introduced in the last Congress. It is, in every sense, a bipartisan proposal.

No. 4: We need to increase quality and lower costs on Medicare by introducing competitive bidding into the program. By allowing private health plans to compete with traditional fee-for-service Medicare, we can provide seniors with their guaranteed Medicare benefit while at the same time reducing costs and improving the quality of care.

Entitlement reforms should draw upon market-oriented solutions. Increased competition will allow seniors to choose for themselves based on transparent cost and quality information—if they want to use the traditional Medicare program or a private health plan. This is the type of struc-

ture seniors enjoy under the Medicare Part D which has controlled costs and is very popular among beneficiaries.

This is not a Republican fantasy or a conservative plan to gut Medicare, as some may claim. Democrats have supported this approach over the years as well. President Clinton proposed a major set of Medicare reforms in 1999 that included a version of a premium support system. Alice Rivlin, OMB Director under President Clinton, recently worked with Senator Pete Domenici on a Medicare reform bill that included a defined premium support plan. In addition, Democratic Senator RON WYDEN worked with the House Budget Committee Chairman PAUL RYAN to develop a similar proposal in the 112th Congress. So while there may be some resistance to this particular idea, it has enjoyed bipartisan support.

Finally, No. 5: We need to strengthen Medicaid for patients and States through realistic reforms. Setting per capita limits on Federal Medicaid spending would put the Medicaid Program on a sustainable budget and, when combined with increased flexibility for patient-centered reforms at the State level, would reduce costs and improve patient care across the board. As with other ideas I have mentioned, this is a bipartisan proposal.

In 1995, President Clinton introduced a Medicaid reform plan that included a per capita cap on Federal Medicaid spending. At that time, all 46 Democratic Senators, including several who are still serving today, signed a letter to President Clinton expressing support for this proposal. In addition, in October of last year, former Democratic Senate majority leader Tom Daschle publicly expressed support for per capita caps on Medicaid spending as a way of “guaranteeing the benefits of the Medicaid program.”

So there we have it—a concrete, bipartisan approach to reforming our health care entitlement programs and restoring fiscal sanity here in Washington.

I know it is popular to talk in abstractions around here when it comes to reforming our entitlement system, but these are specific ideas that have enjoyed the support of both Republicans and Democrats over the years. This is precisely what has been missing from the current debate over deficit reduction.

Entitlement reform is not a matter of choice; it is a necessity. That being the case, it is not a Republican or Democratic issue; it is a challenge facing our entire country. My proposals, which have all enjoyed bipartisan support, will help ensure future generations have a viable and sustainable safety net in place. Far from being offered out of any sense of “suspicion” about government safety net programs, as a cynic might suggest, my proposals are designed to help sustain these important programs.

I believe these types of proposals are a good starting point for a serious discussion about entitlement reform. I hope my colleagues on both sides of the aisle will want to be part of this conversation.

Mr. President, I yield the floor.

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

Mr. WHITEHOUSE. Mr. President, I will yield the floor for my distinguished friend from Florida, Senator NELSON, with the understanding that I will be recognized at the conclusion of his remarks.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

GUN VIOLENCE

Mr. NELSON. Mr. President, I wish to address the issue of gun violence. I think my colleague from Rhode Island is going to be addressing this issue on which he has shown tremendous leadership. It will be a continuing issue over the next several weeks as we get ready to consider legislation.

My approach is one of common sense and moderation. I come to this issue as a hunter, as a kid who grew up on a ranch having guns all my life, being very familiar and comfortable with guns and to this day enjoying hunting, although my hunting has primarily been limited to quail, but I enjoy that so much with my son, although I might say that I was hunting Burmese pythons in the Everglades last week, but people do not have to hunt them with guns. Since they are taking over the Everglades, they are caught and then euthanized and, hopefully, we can stop this proliferation of Burmese pythons that are eating up everything in the Everglades, including alligators. But that is a subject for another day.

The subject before us is gun violence. Is there anybody who does not realistically, with common sense, think we should do a criminal background check for anyone who is purchasing a gun? That is about as common sense, as moderate a position one can take given the circumstances we find ourselves in with people who go in and start slaughtering innocent children. Maybe that is the one thing we can get over 60 votes for in this Chamber in order to pass and maybe they will consider it in the other body, the House of Representatives.

Secondly, is there anybody who thinks we should have clips which I showed with the sheriff of Orange County in Orlando last week—clips that are this long and hold 60 rounds? The law I voted to extend back in 2004 said clips of more than 10 would not be allowed. Is that not reasonable? Is that not common sense? I know how people say, Oh, a person can change a clip in a few seconds. But should we make it easier for a killer so he does not have to change the clip?

The question is one of balance, one of common sense. When I go hunting, I don't have any need for anything more

than 10; indeed, I don't have any need for anything more than a few. In quail hunting, of course, if it is an over-and-under, a hunter has two shells because that is basically the number of shots he is going to get off when the quail flush.

The third element is also one of common sense. The sheriff of Orange County and I held up two guns they confiscated from people using them for criminal purposes. I held up an AK-47. The sheriff held up a Bushmaster. The AK-47 is a derivative of the same weapon used by the North Vietnamese against us in the Vietnam war. I simply asked the question: Are these guns for hunting or are they for killing? The legitimate answer is they are not for hunting, they are for killing. That is what they were designed for, as an assault-type weapon in a combat circumstance.

So how do we approach the legitimate recognition of the second amendment, the right to bear arms, with assault weapons? It seems as though among people of good will using common sense and moderation, we can come to some definitions that would ban those types of assault weapons.

I wish to conclude my remarks by saying this is a lot of politics. Some of us are portrayed, as a result of taking this position of moderation and common sense, as if we were not for the second amendment. That is totally false. Of course I support the second amendment. I just gave my history: growing up in the country, having guns all my life, and still having a number of guns in my house. I support the second amendment. I do so in light of the circumstances in our society today that have changed.

My final comment: In all of the politics going on about this issue, the advocacy organization called the National Rifle Association is not the same NRA that grew up representing the interests of hunters and sportsmen. It has become an advocacy group for gun manufacturers that want to sell more of their manufactured products. So it becomes an economic issue to people instead of one of common sense and moderation.

We need to draw that distinction. This organization—the NRA—has gone to the extreme not only, as we saw, in their response to the elementary school killings in Connecticut, but they have gone to the extreme in my State by advocating in the State legislature getting in between the doctor-patient relationship as to what a doctor can inquire about with regard to a patient concerning a wound that might have come from a gunshot.

This is extremism in the extreme. We ought to call it what it is as we are debating this issue.

Moderation and common sense is the answer to this issue facing us.

Mr. President, I wish to thank my colleague from Rhode Island for his courtesies extended, and I yield the floor.

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

NATIONAL CLIMATE ASSESSMENT

Mr. WHITEHOUSE. The Senator from Florida is welcome. It was one of my great pleasures to sit next to him on the Intelligence Committee for these many years. To tell a brief story, whenever Senator NELSON said, Well, I am just a country lawyer from Florida, everybody on the committee perked up, because they had learned from experience that one of the more withering and devastating cross-examinations of a witness was about to ensue. It is always my pleasure to extend courtesy to the Senator from Florida.

I am here once again to talk about climate change. Alarms are ringing, including the voices of the overwhelming majority of scientists, and indeed the voices of the overwhelming majority of Americans. But here in Congress, it is still time for us to wake up.

Climate change is not a problem that will go away; human activity is driving global change. Climate change is not a problem that can wait; we see its effects all around us. But climate change is a problem that can be solved.

We can and we must leave a healthy environment and clean energy sources to our children and grandchildren. The missing piece is Congress. Congress is sleepwalking through history. It is time to wake up.

The National Oceanic and Atmospheric Administration has confirmed that 2012 was the hottest year in the contiguous United States on record, ever. This one wasn't a close call; it did not come down to the wire; 2012 was a full degree Fahrenheit higher than the previous record year—a full degree Fahrenheit higher than the previous record year. To put that into context, 1 degree may not sound like a lot, but when you average it across an entire year, it is a huge shift. The previous warmest U.S. year on record, 1998, was 4.2 degrees Fahrenheit warmer than the coldest year on record, 1917. If you take the warmest year on record—1998 until now—and you take the coldest year on record—1917—the entire span between them is only 4.2 degrees Fahrenheit. This is a jump of a full degree in Fahrenheit in just 1 year. By the way, 2.1 degrees Fahrenheit over 2011 is a seriously big change.

We are just starting to heat up. The most optimistic estimate for the end of the century is a 2-degrees-Fahrenheit increase. That is the most optimistic estimate. More likely scenarios—ones that assume continued current levels of greenhouse gas emissions—project for the continental United States an increase of between 4 and 10 degrees Fahrenheit. Worldwide, last year was the 36th year in a row with an annual global temperature above the 20th-century average—36 straight years above average. In fact, the 12 years of this century, of the 21st century, 2000 to 2012, every single one of them is in the