

the big polluters freeloader on the general public.

It is a simple choice. Do we want the American people—children and seniors, small business owners and homeowners—to pay the price of carbon pollution or do we want to have the corporations behind that pollution take responsibility for the harm, to balance the energy markets, and to encourage American clean energy technologies?

We are already hearing the familiar refrains of the deniers, the skeptics, and the big polluters, trying to scare us into protecting the status quo. A carbon fee “slows down our ability to compete,” claimed one of my Republican colleagues. “The cost of nearly everything built in America would go up,” declared another.

The Speaker of the House warned that if we put a price on carbon—and I quote—“the United States economy would suffer, millions of family-wage jobs would be lost, and American consumers would incur dramatically-higher prices for energy and consumer goods—all without any significant environmental benefit whatsoever.”

These are scary predictions, but are they true?

Actually, the World Wildlife Fund and the Carbon Disclosure Project found that investments to reduce carbon pollution yield greater financial returns for companies than do their overall capital investments.

So never mind the huge environmental benefits. Cutting back on greenhouse gas emissions by 3 percent each year would save U.S. businesses up to \$190 billion a year by 2020 or \$780 billion over 10 years. That supports American leadership in new clean energy technologies, powering our economy. So it should overall be good for business.

What about American families? The nonpartisan Congressional Budget Office estimates a carbon fee starting at around \$28 per ton of carbon dioxide emitted—which is within the price range recommended by economists—would result in a 2.5-percent increase in costs for the lowest income households, and a 0.7-percent increase for the richest ones. It is higher for low-income families because they are likely to spend more of their budget on home heating, on gas, and on other energy.

What the carbon fee fearmongers overlook is the substantial revenue generated by a carbon fee. According to CBO, a fee starting at \$20 per ton would raise \$1.2 trillion over the first 10 years. That revenue does not just disappear.

When Senator SCHATZ, Congressman WAXMAN, Congressman BLUMENAUER, and I put forward a carbon fee discussion draft earlier this year, we left the use of the proceeds from the fee open for discussion. We want to work with other Members—particularly with those on the Finance Committee, whose leadership I see here—to find a use for the revenue to put that revenue to work for the American people and to

propel the economy. Every penny of that carbon fee revenue could go back to the American people.

There are a lot of ways to do this, so let's consider a few examples. We should start by setting aside about \$140 billion—or 12 percent of the total—to help lower income households pay for their 2.5-percent cost increase. That would leave us with more than \$1 trillion to send back to people in other ways. That is a lot of money, even by Washington standards, and it can do big things.

For starters, \$1 trillion every 10 years would go a long way toward reducing the national debt. Listening to some of the apocalyptic language used by Republicans about our national debt, you would think they might be interested in this.

What are some of the other ways we could return those carbon revenues? Well, you could send out checks directly to the American people for about \$900 per household or \$360 per citizen every year. I know there are plenty of families in Rhode Island who could use an extra \$900 a year, and these dividends would go right back into the economy because those families would spend it quickly. Or we could give seniors a raise. According to the Census Bureau, as many as one in seven Americans over 65 lives in poverty. In 2010 and 2011, seniors saw no Social Security cost-of-living adjustments, even though their costs for food and medicine and heating oil continued to rise. With the revenues from a carbon fee, we could raise the average benefit by \$1,600 a year or \$130 a month. Last year that would have been an 11-percent raise for every senior. Imagine that. And seniors living on fixed incomes tend to spend every dollar they get, so this money too would come right back into the economy.

What about students? The outstanding government-backed student loan debt in the country rose to a record \$958 billion last year. With \$1 trillion in carbon fee revenues, we could forgive all the Federal student loan debt American families are now carrying—boom, done, gone. Or we could cut every student's and graduate's debt in half, saving Americans \$45 billion a year in loan payments next year alone, and double the maximum Pell grant from \$5,500 to a little over \$11,000, and still have money left over to permanently set the rate on subsidized government loans for undergraduates at 3.4 percent. That is the rate currently set to double next month if Congress does not act.

Or we could use the \$1 trillion to lower the top corporate tax rate from 35 percent to 28 percent. That reduction was Mitt Romney's corporate tax goal, and we could do it, without adding a dime to the deficit. That is why Republicans such as George Schultz, Art Laffer, one of the architects of President Reagan's economic plan, and others have expressed support for a revenue-neutral carbon fee.

I have highlighted these four proposals to show we could do big things with a carbon fee. These proposals, or some combination of them, or other ideas, are all possibilities opened by carbon fee legislation. Shouldn't we have that discussion? Wouldn't that be better and more honest and more productive than trotting out the tired tall tales of climate denial, better than pretending it is a hoax?

President Obama has defined the growing menace of climate change as “the global threat of our time.” It is. It is this challenge by which our generation will be judged. The grownups know it, NASA and NOAA and all the major American scientific organizations, the Joint Chiefs of Staff and our military leaders, a who's who of America's top corporate leadership, the property casualty and insurance industry, the Conference of Catholic Bishops—the list goes on.

It is time for us to wake up and meet our solemn responsibility to our country and to its leadership role in the world, and we can do so in a way that allows us to do big things that will help the American people.

As the President said, that is our job. That is our task. We have to get to work.

I thank the distinguished chairman of the Finance Committee and his ranking member for their courtesy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

IMMIGRATION REFORM

Mr. BAUCUS. First, I very much thank my colleague from Rhode Island for all his work in many areas, a great Senator, a great statesman, and a great representative to the people in the State of Rhode Island, and also for his work on the resource legislation which he mentioned.

At this point I want to add my thanks to all of those who worked on the recently passed immigration bill. Senator GRAHAM made a point of thanking Senators. I want to also thank all of the so-called Gang of 8: Senator SCHUMER, Senator MENENDEZ, Senator RUBIO, Senator BENNET, Senator DURBIN, Senator GRAHAM, Senator FLAKE, and Senator MCCAIN for their great work. They worked very hard to get that bill together, and of course, Senator CORKER and Senator HOEVEN came up with the key amendment to put the bill over the finish line.

My hat is off to the chairman of the Judiciary Committee Senator LEAHY and of course our leader Senator REID, who marshaled those efforts. They did a great job. There is no end to the commendation they should receive.

TAX REFORM

Mr. BAUCUS. The philosopher Bertrand Russell said, “The greatest challenge to any thinker is stating a problem in a way that will allow a solution.”

I come to the floor today with my good friend Senator ORRIN HATCH to state our concerns about a national problem that is holding back our economy. We are here to call on our colleagues to provide ideas that will allow a solution.

First, the problem. America's Tax Code is complex, it is inefficient, and it is acting as a brake on our economy. Senator HATCH and I believe it is in need of a serious overhaul. It has been close to three decades since the last major revision to the Tax Code. In that time Congress has made about 15,000 changes to the Tax Code. The Code now contains nearly 4 million words. Here it is, right here. The Tax Code. This is America's Tax Code, all 24 pounds of it. Paperback. Think how heavy it would be for hard cover. It would take more than 18 days nonstop to read the Tax Code. In fact, it takes the average taxpayer 13 hours to gather and compile the receipts and forms to comply with the code. It costs Americans \$160 billion a year to comply with the code, let alone the taxes Americans pay. This complexity in the code is eroding confidence in our economy and creating uncertainty for America's families and businesses.

Clearly, the Tax Code is broken. That is the problem. It is a serious one. The solution calls for a more simple, more fair Tax Code, one that will allow the economy to grow and to create jobs. For the past few years, Senator HATCH and I have been working closely with all of the members of the Senate Finance Committee to reach that goal of comprehensive tax reform. We have held more than 30 hearings. We have heard from hundreds of experts about how tax reform can simplify the system for families, help businesses innovate, and make the United States more competitive.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I want to thank my friend from Montana for all the hard work he has done with regard to the Senate Finance Committee and of course the tax problems we have in this country. He has been truly dedicated to reforming our Nation's Tax Code and truly dedicated to doing it in a bipartisan manner, which is something I very much appreciate.

Our work together is starting to pay off. Tax reform is building momentum. Over the past 3 months we have issued 10 bipartisan options papers that detail reform proposals in every area of the Tax Code. The full committee has met on a weekly basis to discuss these options. We have made tremendous progress. We are now entering the home stretch, all of this under the leadership of Senator BAUCUS.

Senator BAUCUS and I are here today to call on all of our colleagues—all of our colleagues—in the Senate to now provide their input to help us get tax reform over the finish line. We have a historic opportunity to do tax reform this Congress, to make the code simpler and fairer for the people we serve.

We are determined to make it happen, but we need every Member's participation. In order to make sure we end up with a simpler, more efficient, and fairer Tax Code, we believe it is important to start with a blank slate, a Tax Code without all of the special provisions in the form of exclusions, deductions, credits, and other tax preferences that some refer to as tax expenditures.

Mr. BAUCUS. Mr. President, I might say this blank slate is not, of course, the end of the discussion. You do not clear the decks and stop. Some of the provisions in the code obviously serve very important objectives. That is why they made it there in the first place. Some we will need to keep, clearly. Why? To make sure the Tax Code is at least as progressive after tax reform as it is today.

I want to emphasize this approach is just a starting point. It is not a proposal. This is a good, fair, balanced way, a good-faith way, of including all Members of the Senate to get started. We believe it is going to lead to a solution, kind of the way Bertrand Russell suggested: You have to state the problem the way that it is going to lead to a solution. We think this is a good way to get to that solution.

Mr. HATCH. Mr. President, we both believe some existing tax expenditures should be preserved in some form, but the Tax Code is also littered with preferences for special interests. To make sure we clear out all of the unproductive provisions and simplify the Tax Code, we plan to operate from an assumption that all special provisions are out unless there is clear evidence that they, No. 1, help grow the economy; No. 2, help make the Tax Code fairer; and, No. 3, effectively promote other important policy objectives.

Mr. BAUCUS. Now that we have a blank slate, we are asking all Senators; that is, all Senators, Senators on the committee, Senators off the committee—to submit detailed legislative proposals; that is tax expenditures, the credits, the deductions, exclusions, which they think should be added back that meet the test for growth and for jobs, as well as any other provisions Senators might have in mind that they think should be added or repealed, that they think make sense or other reforms they think make sense.

In order to help guide our colleagues' submissions, we have released some rough estimates the Joint Committee on Taxation and our staffs have been working on. These estimates show how much the rates would rise, for example, if we add back tax expenditures and keep the current level of progressivity compared to a blank slate.

We put this out today. Why? Because we wanted everybody to know there is a tradeoff involved; that is, when you keep tax expenditures, there is going to be an increase in rates, certainly compared with what otherwise we start with. The more tax expenditures there are, the less revenue there is for a rate

reduction and deficit reduction, and the more complicated our Tax Code will end up being.

Mr. HATCH. We are giving Senators 1 month to send us their submissions. We will give preference to bipartisan proposals. This input will make up the foundation of the committee's tax reform proposal. We want to ensure the bipartisan bill we introduce has broad input and buy-in from across the Senate. We cannot let comprehensive tax reform get bogged down in politics. Only a bipartisan bill can become law.

Mr. BAUCUS. We also need to remember, this is not just about tax expenditures. There is much more to it than confining our discussion to tax expenditures, because at its core tax reform means making the Tax Code more fair, easier to deal with for families all across our country. There are a lot of loopholes, on the other hand, in the code we should get rid of. People who can afford fancy tax advisers should not be able to take advantage of loopholes regular Americans do not have available to them. As chairman and ranking member of the committee, we are determined to complete tax reform this Congress. We cannot afford to be complacent. Improving the Tax Code provides a great opportunity to spark economic growth, to create jobs, and make U.S. businesses more competitive.

I might add at this point, other countries are modernizing their codes. We are going to be left in the dust if we do not modernize ours. We need to hear from our colleagues as to what provisions they think will help us reach those goals.

I have a great partner in this mission, my good friend Senator HATCH. I will keep communicating and working with the administration and the Senate leadership as we move forward.

Working together we can get this done. I believe strongly that nothing of consequence ever happens around here if one person tries to accomplish something alone on his or her behalf; rather, matters of consequence are accomplished when people work together. We clearly want a matter of consequence to pass here. We will do so by working together.

Mr. HATCH. It is a privilege to work with Senator BAUCUS, our chairman, on improving the Tax Code, on updating it for the 21st century. This provides a great opportunity to give families certainty, spark economic growth, create jobs, and make U.S. businesses more competitive. If it is done right, it can provide America with a real shot in the arm.

My friend from Montana began this discussion with a quote. I feel it only appropriate to conclude with one as well. Abraham Lincoln said, "Determine the thing that can and shall be done, and then we shall find the way."

We are determined to craft a fairer and simpler Tax Code. Working together, I think we can find a way.

I want to compliment the distinguished Senator from Montana for the

work he has already done, for the work the committee has already done, the hearings we have held, the meetings we have held on these options papers, and for his general zeal in leading the charge here on this question of shall we or shall we not reform our Tax Code.

If you look at that stack of Tax Code books that stood this high, you realize it is time to simplify this doggone mess. I think we can do it, but it is going to take a bipartisan effort. It is going to take all of us working closely. It is going to take everybody on the Finance Committee doing what it takes to bring tax reform alive.

In 1986, it took 3 years to get the 1986 bill done. I do not think we have 3 years. I think we are going to have to do it now or it will not be done.

I want to personally express my admiration and friendship to the distinguished Senator from Montana. I intend to help him every step of the way.

I believe we have a tremendous contingent of Senators on the Finance Committee, as good as any time that committee has been staffed in the history of the Finance Committee. The Senators we have there are all solid. They are all fully embracing this in the sense of trying to come up with the very best reform we can.

I have to say we have the best staff that committee has ever had as well. That is saying something, because it has always had great staff. The Finance Committee has always been one of the greatest committees in the Congress, as it should be. I have to say, under the leadership of the distinguished Senator from Montana, it is no exception this time. We have great people on the staff. We intend to see if we can get this done.

I want to thank my colleague for his great work.

Mr. BAUCUS. I thank Senator HATCH. It is mutual.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

STUDENT LOAN INTEREST RATES

Mrs. SHAHEEN. I rise to congratulate all of these people who worked so hard on immigration reform. I think it was a tremendous success for this Senate to address an issue that has long been outstanding in this country and to come to a resolution that received such strong bipartisan support.

Despite that success one of the things we were not able to do is address what is going to happen with student loans which, without any action by Congress, we know that subsidized direct student loans will increase on July 1 from 3.4 percent to 6.8 percent.

There are a number of proposals currently on the table. There are negotiations underway, and I think all of that is positive.

As we think about the challenge our young people face, it is important we think about getting rid of obstacles that prevent them from going on to

college and from getting degrees in higher education.

Last month I had the privilege to speak at the commencement ceremony at Keene State College, one of New Hampshire's great public colleges. The students were celebrating their graduation. They were eager to put their education to work and find meaningful employment. Their optimism, their sense of hope, and their enthusiasm to make a difference was palpable.

As I looked out across the audience that afternoon, I knew that a number of those students, probably up to 66 percent, according to national statistics, had borrowed money to get their degree. These students and their families viewed higher education as so important that they were willing to take on significant loans to get that degree. It made sense for these students, particularly since recent studies have shown that higher education is one of the key factors driving upward mobility in the United States.

Earlier this year the Pew Foundation's Economic Mobility Project showed that even during the most recent economic downturn, a 4-year college degree provided protection in the labor market for recent college graduates.

Making college affordable for our students is essential to growing this country's economy, it is essential to creating jobs, it is essential to protecting the middle class, and it is essential to providing those future opportunities for our young people.

On the one hand we know we have to make higher education more affordable and available to our young people. Yet on the other hand, over the last 30 years, tuition and fees have increased 167 percent at private 4-year colleges and 257 percent at public 4-year colleges. If we adjust that for inflation, that means tuition has increased faster than the cost of gasoline, health care, and other consumer items.

As we are thinking about how to deal with these student loan interest rates, it is important that we provide some protection for our students. If we don't, we are going to price middle-class families out of a higher education.

In my State of New Hampshire the student loan debate is especially critical. Last year, and for several years before that, New Hampshire had the highest average student loan college debt in the country at a little over \$31,000 per student. Not only do we have the highest average loan debt, we also have the second highest percentage of students with debt in the country.

As I listen to these young people, I know the high cost of student loans is financially crippling. We have heard from some of those students who talk about the challenge they face as the result of the cost of their student loans.

Julianne from Gilmanton wrote "her education is crushing her." She earned a master's degree, she works for a New Hampshire State agency, and is an ad-

junct faculty member at two local colleges. To finance her education, one that she thought and people told her would guarantee a job after graduation, Julianne took out more than \$220,000 in loans. Last year alone she paid over \$13,000 on those student loans. She can't buy a house. She can't secure credit. Even though she makes a respectable income, she says she can't pursue being an active member of the community because she has those student loans hanging over her head.

Lauren Beaudin is another young person we have heard from. She graduated from West High School in Manchester a couple of years ago, and she received an undergraduate degree in biology. Her degree is in one of the STEM subjects, one of the things that is so important to this country. When she graduated she looked at her job options. After considering some entry-level jobs that paid \$25,000 to \$30,000, she decided she needed to go on and get a master's degree, which would provide her better opportunities.

She is now 22, enrolled in a master's of biology program, and has accumulated already over \$100,000 in loans. She is concerned about struggling to find a job.

She writes:

I am not alone. This an entire generation of my peers in this country who did the same. We followed our dreams and earned our degrees because this is America, and you can be what you want to be, as long as you work hard. We have worked so hard. We will keep working hard. But will it be enough? What will it be like for our kids when we are still burdened by our loans after we start families and they [our kids] want to go to colleges with even higher tuition and borrowing rates?

Recently, I had a chance to speak with Barbara Ruth Layne, who is the executive director of Financial Aid at Granite State College, one of our other public colleges in New Hampshire.

Last year alone Barbara and her colleagues helped students access \$9 million in Federal loans, significant help for students who want to get that advanced degree and need financial help to do that. Barbara is quick to point out that the number of students helped and the amount of financial aid they have received doesn't illustrate the human cost those loans take on a student.

To illustrate the point, she told me the story of a student who lives in the North Country of New Hampshire. The student is 35, and she has two young children. She struggles to make ends meet. She gets child support sometimes, and she supplements that income with food stamps. She visits the local food pantry. Her children get clothing from the local church. In the winter she gets some fuel assistance, not enough, because we have had to cut the fuel assistance program, so she borrows money from her family to use a kerosene heater on cold nights to heat her home.

This student understands that education is her only way out, the only