Paul	Schatz	Toomey
Portman	Schumer	Udall (CO)
Pryor	Scott	Udall (NM)
Reed	Sessions	Vitter
Reid	Shaheen	Warner
Risch	Shelby	Warren
Roberts	Stabenow	Whitehouse
Rubio	Tester	Wicker
Sanders	Thune	Wyden

NAYS—1

Rockefeller

The amendment (No. 1744) was agreed to.

Mrs. MURRAY. Mr. President, I move to reconsider the vote.

Ms. COLLINS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

ORDER OF PROCEDURE

Mrs. MURRAY. I ask unanimous consent the Senate proceed to a period of morning business with Senators permitted to speak therein for up to 10 minutes each; further, that when the Senate resumes consideration of S. 1243 on Wednesday, July 24, Senator PORTMAN be recognized to call up his amendment, No. 1749.

The PRESIDING OFFICER (Ms. WARREN). Without objection, it is so ordered.

Mrs. MURRAY. Madam President, there will be no further rollcall votes tonight. I know there are several Senators who wish to speak tonight. We will begin again tomorrow with Senator PORTMAN's amendment. I ask all Senators who do have amendments on the bill to get them ready. Senator COLLINS and I are ready, open for business. We want to move this along, and we are ready to go. Please don't wait until the last minute Thursday night. Get your amendments in tomorrow. You will have a much better chance of having them considered. I speak for myself, and I am sure I speak for Senator COLLINS too. We are much happier to work with you earlier in the process than later.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Madam President, I want to second what the chair of our subcommittee, the Senator from Washington, said. Frankly, we could have done 10 amendments today in the time that we were on the floor, ready to work through amendments. I know there are many amendments out there. I encourage our colleagues on both sides of the aisle not to wait until the eleventh hour. It is going to be much harder for us to work to accommodate amendments at that point.

Tomorrow is the opportunity for people to come to the floor early. We will be here ready to work.

The PRESIDING OFFICER. The Senate is so warned.

Mrs. MURRAY. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANCHIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

MORNING BUSINESS

ORDER OF PROCEDURE

Mr. MANCHIN. Madam President, upon the completion of my remarks, I ask unanimous consent my colleagues, Senator BLUMENTHAL from Connecticut and Senator BROWN from Ohio, be recognized to speak after me.

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

STUDENT LOANS

Mr. MANCHIN. Madam President, we are talking about student loans. The thing I have found out working this in the amount of time we have been working it is we are all in the same position. We all want to help our students attain higher education, to be productive citizens, to live a better quality of life. We all know that is the most important thing we can do, and we are trying the best we possibly can to come up with a solution.

We have what we call a bipartisan bill that we have all worked on. We have everyone's input. I respect everyone's position, and we are going to come to a comprehensive bill. I think under Senator HARKIN from Iowa we will have a comprehensive bill that looks at why the costs are so high and why college is so unattainable for so many families today. We have to tackle that problem.

The problem before us now is this problem: How do we help the most? What we have before us is 6.8 percent if we do nothing, 6.8 percent across. I know some people have said it is better if the 6.8 stays as it is. I disagree.

We have been working on this. Here is the difference. The 6.8 percent that is basically the cap right now—the old cap we had was 3.4 percent just for the subsidized. If we look at the portion of people who are subsidized, it is less than 1 million. If we look at the unsubsidized, it is less than 1 million. If we look at basically the subsidized and unsubsidized, that is more than 6.5 million. Our bill basically reduces that 6.8 rate down to 3.86 for this coming year. Rather than leaving it at 6.85, we have helped this many people who are basically needing this money in order to go to school. If we left it as it is, they would be paying the 6.8. If we only kept the 3.4, the subsidized loan, this is the amount of people we would be helping.

So we come as a bipartisan group saying: How can we help the most? I think most of us agree with that. As we look further down these charts, we have also asked: Under current law, how much would the average dependent undergraduate repay? Under the bipartisan bill, we can see 2013, 2014, 2015, 2016, which we have scored out, it would be about at 3.86, 4.62, 5.4, and 6.2. At 6.8 across the board, if it would stay, there is a difference of savings of over $2,000. That we know.

The other argument that has been used and the point that has been made is rates might go up. Yes, rates might go up. If they do go up, how much would you pay? This is worst case scenario. The bipartisan bill, over the 10-year period, and current law if it stayed fixed over 10 years, it is a very small possibility it would go up, and that would be a $505 difference. The bottom line is we know this is a fact. This has been scored and that is where these rates are going to stay. They think that might be the worst-case scenario.

Let me show the difference of what has happened. CBO has not had the greatest track record with scoring. In 2003, we were a little over 4 percent. They projected interest rates for 10 years out. If we look at what they are projecting out for 10 years, it has about the same path as far as what actually happened under the rates. There is a big spread of money that would have been spent based on fixing the rate, let's say back in 2003, versus what was actually occurring. We are hoping we are able to continue that savings.

We understand that what we are dealing with is an awful lot of help and safeguards that are built in for young students. The best safeguard we have built in is the IBR, income-based repayment. The IBR Program allows the student who has graduated with an exorbitant amount of debt—and finds a job that basically doesn't give them the type of money they would like—a cap on how much of their disposable income can be paid toward the loan. The cap is at 15 percent now, I believe, and is going to go to 10 percent. It is also based on the amount of years. After 20 years, they are done paying. If their income did not increase appreciably, they are only going to pay the loan back based on their income of 10 percent—10 percent of their disposable income. We think that is a tremendous savings.

Most students who qualify for the subsidized loan get the Pell grant. They don't have to pay that back. As far as the subsidized loans, basically the taxpayers have invested in the students who qualify for those for the first 4 years of college, and that interest is not accrued. The interest does not accrue until they leave. Those are the things that have been built in that we think give the protections we want.

If we do nothing, we save the students about $8 billion over 2013 compared to $31 billion if we do something. If we are able to help this many students, that is equivalent to a $23 billion difference in savings, and that has been scored.

I know we have talked about the accounting procedure. I know the Presiding Officer has worked very hard on this and understands it very well. I agree with you—if we could take every penny of profit out and make sure the students were getting the absolute lowest rate. I also know that basically market-driven rates—if we are going to go to market, which we are in this piece of legislation—and we look at the risk factors, defaults, and all that goes into that and score that normally under a market-risk value or market value, it would be different. They have shown that market value would be $95 billion we will be losing and that the taxpayers would be subsidizing. The way we are doing it now shows a profit of $184 billion.

I am willing to work with the Presiding Officer to clear this up and get something more accurate of how we score and how we charge students. That is not what we have in front of us, and I think that is the difference. We are trying to move forward to get some certainty.

We have a lot of students in West Virginia who are deciding whether they can go to college and, if they can, where do they go and what can they afford. This gives them the certainty I think they have been looking for and hopefully the certainty they definitely need. There are more than 8½ million undergraduate students who take advantage of the Stafford Loan Program every year and over 6.5 million of these students take both the subsidized and unsubsidized loans and that is a big change.

Our colleagues on the other side, as we have been negotiating this, we talked to them about how we didn't want any profits whatsoever, and they agreed. The first bill that came from the House had $16 billion on top of what the base was at $184 billion. That has been taken out the best we possibly could to $700 million.

When you think about how we are going to run a deficit this year of $740 billion just in our annual budgeting here in Washington—and we are talking about $714 billion over a 10-year period with over $1 trillion. They said that is as close as they were able to come. Even if there is any of that, we are looking at—with this amendment Senator HARKIN was able to put in—how we are able to see if that can be funneled back in and reduce the loans even further.

I think we are doing everything we possibly can. There is going to be about $1.4 trillion in loans offered over the next decade. We pretty much know that. There is $140 billion of loans every year. As a matter of fact, student loans are now the second largest indebtedness we are carrying. It is the largest burden we are carrying next to a mortgage. It just surpassed credit cards. It is unbelievable. We have to get a handle on the cost of college.

Current students and graduates are holding at $1.1 trillion in loans. The loans represent investments and will pay dividends in the form of higher earnings. The best investment a youth is going to make is an education, but if it becomes unobtainable, inaccessible, and unaffordable, it does them no good. We know that, and that is the balance we are trying to find.

The average student loan debt—every one of these young students, when they get done with college—for those who graduated in 2011 is about $26,000 that everyone is leaving college with, on average, for a debt. There is only a small percentage of borrowers who have small loan balances, but 11 percent, or roughly 4 million people, owe $50,000 or more. It is truly unbelievable.

I have heard everyone here give their reasoning for this, such as not having had good consultation, good advice or good fiscal planning, and that may be true. We can do much better to make sure the students are not taking loans that they can do without or maybe not take too much out.

I appreciate the hard work and good faith that all of our colleagues on both sides of the aisle have been showing to reach this compromise. I know it is not easy for many, and I know everybody is going to have, hopefully, their say and their vote on an amendment or two if they wish to.

At the end of the day, I believe we can walk away knowing we did better today than doing nothing at all. I believe that. I believe I, the Presiding Officer, and all of our other colleagues are going to come back and work hard whether it is the remainder of this year or next year. Basically, we are going to get a program so that these young people can find college attainable again and affordable. That is what we have all been working on.

The plan helps everyone and not just some. It lowers rates 100 percent for all students. So everything we have in our compromised bill brings down those rates. It provides a long-term fix. We don't have to kick the can down the road. We know it is there. If we can find something better between now and 4 years, 3 years, 2 years or even before this year is up, then we are willing to go back and entertain that. We don't want to see loans that were supposed to help students move forward end up moving them back.

I know what debt does; it will smother. My grandfather used to say: Indebtedness will make a coward out of you in the decisions you make when you are carrying so much debt. You will be robbing Peter to pay Paul just to survive.

We have found ourselves with the sequester, and with everything else going on, we ask how we are going to make it. When you find yourself against a proverbial rock, if you will, you will do things you would never do normally.

We are trying to find a way to move forward. It shows our students that the country believes in them and that we support their efforts to advance their education and reach for the American dream.

When we, as Democrats, Republicans, and Independents, work together and have a real debate on a real problem—and this has been debated—we can come up with commonsense solutions that truly benefit all Americans. I believe we have done that. It is refreshing for such an important issue we have. We have put politics aside in the first and foremost thing we want to do—help the students. It doesn't matter whether we are talking about a Republican, Democrat or Independent, everybody had the same purpose. I thought it was refreshing to see that. We want to lower the rates for everybody. We want to help everybody, give them some certainty and make it affordable. I look forward to working in this more bipartisan atmosphere we have right now on many more subjects. I know we can when we put our country first. The right thing to do is to put our country first.

We might be a ''D'' as a Democrat or we might be an ''R'' as a Republican, but we are always an ''A'' first, which is an American.

With that, I think the students have been served. I think we will be able to give them consistency. This piece of legislation has been worked on hard. There has been a lot of input, and Senator HARKIN did a yeoman's job on bringing some of the most important factors we had to the forefront and into the bill.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Madam President, while my colleague from West Virginia is here, I wish to thank him for his leadership on this issue and for the very hard work he and other colleagues have devoted to this profoundly difficult, challenging but important issue.

I rise with regret to oppose the compromise agreement that has been reached with the help of our colleagues from Illinois and Maine and across the aisle. It is a compromise, and compromises are to be sought in this day and it is bipartisan and that, too, is an objective. It is a bipartisan compromise, but the fact is, it is a bad deal.

We can do better. We must do better. This Nation can do better. We have a moral and historic obligation to do better for the students of today and their brothers and sisters who will be following them over the next 10 years.

This deal offers the illusion of lower rates in the short term while delivering higher rates, in some cases, in as little as 2 years from now. It forces students back into a system of market-based loans that have failed in the past and will fail in the future. It subjects students to economic uncertainties which are wholly unrelated to the actual cost of higher education.

We know we need to reduce the cost of tuition and higher education. We know we need to address the overhanging $1 trillion-plus of debt that exists from past loans. This deal exacerbates the problem instead of easing the problem.

Yes, it has caps on the interest rates students may pay, but they creep to more than double where student loan rates were at the beginning of this month. It has a low rate, but it is, in effect, a teaser rate. As the Presiding Officer said so well, it is a teaser rate that has nowhere to go but up. It lowers the deficit, yes, but it does so by having the Federal Government reach into the pockets of students and take billions more on top of the $51 billion already extracted in this fiscal year from them and from their hard-working parents.

At the heart of this bill is a mistaken premise. It is the premise that it is OK to profit off the backs of students and that it is all right to regard students as a revenue source or a profit center. That premise reverses a historic promise, which is: We will invest in students, not profit from them. We will support their efforts to gain higher education so they can better themselves and better the country with the skills and education they acquired. We are not supposed to hamper or handicap them and exact from them a crushing burden of debt in the future. That premise reverses a historic promise, and we cannot allow it to go forward without a fight.

Every dollar we extract from those students is a dollar they can't spend on a down payment for a house, a car, a business or an investment. These young people are the economic drivers of our future. Let's be purely selfish about it. How can they build a family, buy a home, start a business if they are hit with an 8-percent interest rate or higher at a time when we can make it more affordable? It makes no sense.

I have spoken to students across the State of Connecticut over these past weeks, and they have done the math. They know the results. As many as 86,000 students who attend our colleges and universities—and I have spoken to many of them, their families, the staff and teachers who are also doing this math—and they know the best way to reduce our deficit is not to profit from students but to make possible their higher education so they can bring their innovation and experience and expertise to the marketplace, and not make the marketplace dictate the variable rates they are charged, but enable them to contribute to the marketplace and the American dream by going to college.

IS understand the temptation of this deal, but we must reject a compromise that saves the American dream for one sibling in a family by taking away from another. My colleague from Rhode Island made this point very eloquently earlier today. If a person is a student in high school right now, they will do pretty well under this bill when they begin college next year, but not their younger brother and sister. The sister will be paying for the current student. The brother will be paying more and, in fact, may be denied the opportunity the present student has next year because the parents cannot afford to send him to college.

The issue of loan rates is complicated, but the math is pretty simple. There is already more than $1 trillion of crushing loan debt that this bill is not refinancing. The bill provides no debt forgiveness, just market rates that will lead to higher payments and more student debt as we zoom past that $1 trillion mark and raise it even further. The irony here is that the majority of this body has already voted to return to 3.4 percent. This compromise betrays the majority will of the Senate. Instead, it allows rates to rise as high as 8.25 percent, graduate Stafford rates as high as 9.5 percent, and PLUS rates as high as 10.5 percent. So we are saying to parents of two children: You can send one to college now with a loan that you take out at current rates, but to pay for that second child, you are going to be seeing rates more than twice as high.

Do my colleagues think the income of the average middle-class American family is going up 10.5 percent? Ask the American people. Do as I have done. Go around to the States and ask the students and the parents.

Let's not kid ourselves. The fact is they are not going to be able to pay. This compromise relies on a presumption that somehow, over the next 2 years, we are going to come back and revisit, revise, reshape, and avert disaster. I have only been here 2½ years, but what I have seen is it is better to know what the result is going to be than engage in potential false hope and raise the potential false expectation that somehow everything will be solved next year or the year after, before disaster strikes. We should learn something from our experience with sequestration.

This bill is not based on analysis of what the rate needs to be to cover the program's cost. In fact, it requests the GAO to examine and report on what that should be. So I implore my colleagues, instead of voting first and getting the facts later, that we reserve such a life-changing decision until the GAO has advised us on the cost of student loans and we use that necessary information to set the rates going forward.

There are amendments that I believe will improve this bill, and I have cosponsored them, including an amendment Senator REED and the Presiding Officer, Senator WARREN, have offered that would lower the interest rate caps in this bill to the current statutory rate. If this amendment is adopted, we can go back to the people of our States and say: At worst, you will be no worse off than under current law. We cannot say as much under this compromise bill.

I have also cosponsored the Sanders amendment which would sunset this legislation after 2 years. If interest rates rise the way they are projected to do, we could be looking at dramatically higher rates within 3 years. So this sunset clause will force us to come back and revisit them.

I have also filed my own amendment that would expand and make more generous loan repayment assistance programs for borrowers who are struggling right now to make payments under existing law. At a time when outstanding student debt is $1.2 trillion, we need to make sure we help and support distressed borrowers at every stage of repayment, and that is the unaddressed need this body needs to confront.

I am hopeful these amendments will be adopted. In the meantime, I must respectfully and regretfully oppose this compromise. We are the greatest Nation in the history of the world, as we are fond of saying repeatedly on the floor of this body. But only one thing is certain about the Bipartisan Student Loan Certainty Act, and that is rates will inexorably, inevitably, inexcusably go up. They will exceed current rates. We must stand and fight to prevent that kind of betrayal of the fundamental American promise of higher education and the American dream.

Thank you, Madam President. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

BANK HOLDING COMPANIES

Mr. BROWN. Madam President, most of my colleagues might look at these pictures and think they depict facilities owned by ExxonMobil or BP, but this is, amazingly enough, a picture of Morgan Stanley. Morgan Stanley, to most Americans and most people in this Chamber, if they know of it, is a bank. Morgan Stanley used to be an investment bank and now it is just considered a bank. Let me explain.

Morgan Stanley owns a company called TransMontaigne, a petroleum and chemical transportation and storage company, and Heidmar Inc., which reportedly manages more than 100 oil tankers—tankers that look like this.

Today I held a banking subcommittee hearing, which the Presiding Officer attended, as did Senator MERKLEY and Senator TOOMEY, to examine how the line between banks and commercial enterprises is blurring. Increasingly, these large institutions combine banks and trading firms and energy suppliers and oil refiners and warehouses, as well as shipping firms and oil tankers and mining companies.

Federally insured bank holding companies, once in the business of providing checking and savings accounts to workers or loans to small businesses, are now also in the business of owning physical commodities, including aluminum, oil, and electricity. Witnesses testified at the subcommittee hearing that these risky Wall Street practices are artificially inflating prices for manufacturers and consumers. Morgan Stanley and JPMorgan Chase and Goldman Sachs take their cut when we fill up our tanks, take their cut when we buy a Coke or buy a beer in an aluminum can. They take their cut increasingly in the copper