

that when you are in a hole, it is advisable to quit digging.

Obviously, we continue to look at ways to add more and more spending and, therefore, more and more debt. The health care bill is not something anybody on my side here in the Senate supported when it passed in 2009 and early 2010. But that too is going to drive up spending and is going to drive up debt as we head into the future.

You heard from the President last night a whole new series of new spending initiatives, "investments," he called them, in a whole range of areas. As he was sort of laying that out, those of us who were listening to that message were thinking to ourselves: Okay, if you put a calculator on this thing, it keeps going and going and going. Yet the President said we did not need to add a single dime to the deficit. Well, I do not know how anybody could accept that with a straight face. It flat does not pass the smell test.

We have a spending problem here in Washington, DC. The facts bear that out. The revenues are going up. They are going to go up 25 percent, according to the Congressional Budget Office, in the next 2 years. In 2015 they will be at 19.1 percent of GDP, an average we have not seen—or a number we have not seen in a long time. Then they will stay roughly at that for the next decade. This is not a revenue problem. This is not a problem where Washington taxes too little. This is a problem where Washington spends too much.

If you look at the other side of the equation, spending continues to go up as a percentage of GDP. We see a little bit of relief here in the next few years, but then when the cost of the Affordable Care Act starts hitting, when you start seeing the demographics of the country, as they continue to change, if we do not do something to save and protect Social Security and Medicare for future generations, it is going to bankrupt us.

We are headed for a train wreck. We have to do something about that and recognize what that problem is. That problem purely and simply is that Washington spends too much. It is a spending problem. That is why, again, when I heard the top Democrat, the minority leader in the House of Representatives, say over the weekend that it is a false argument to say this is a spending problem, I was shocked, because I think most Americans would argue, as they look at this, and they can do the math, Washington has a very serious spending problem which needs to be addressed. It needs to be addressed sooner rather than later.

I thought the report that came out from the Congressional Budget Office last week was instructive for a number of reasons. It pointed out the impact that debt is going to have as we face this debt crisis in terms of interest rates, in terms of inflation, in terms of loss of jobs, and a more sluggish economy. We know from history that when

you get a certain amount of debt, it becomes such a drag on your economy that it reduces economic growth. So we have seen this anemic, sluggish economic growth which is going to be continued now for the foreseeable future. We have slower growth, fewer jobs, massive amounts of debt. Eventually what that is going to mean for the middle-class American is higher interest rates when it comes to buying a home, when it comes to buying a car, when it comes to financing a college education. It is going to mean lower take-home pay when the economy slows down and there is not the demand for workers out there. There are so many adverse impacts on our economy from carrying the kind of debt load we are carrying today. I think we have a responsibility to lead.

I hope the President of the United States will lead on this issue; that he in his budget will put forward the types of remedies that are necessary not only to deal with our short-term crisis in the sequestration but also to put us long term on a sustainable fiscal path by proposing reforms, reforms to these programs that are driving Federal spending, that are going to add massive amounts to our debt over the course of the next decade and beyond, and at the same time look at things we can be doing that would generate economic growth, that would create jobs in this country. Because when the economy is growing and expanding, then all of these other problems look much smaller by comparison.

Republicans here in the Senate are ready to work with the President, work with Democrats.

We are anxious to go to work on entitlement reform to save Social Security and Medicare. We are anxious to go to work on reforming our Tax Code in a way that would unleash economic growth to obtain the robust growth we need in the economy to create jobs and make the debt crisis we face look much smaller by comparison.

I hope in the days ahead the President of the United States, the leadership on Capitol Hill, and the Congress will do what we should have done a long time ago. It is long overdue for action. It is high time that we become busy and do the work of the American people, which is about providing a more secure, prosperous, and a safer, debt-free future for future generations. Anything less is negating or undermining the responsibility we have to the American people.

Mr. President, I yield the floor.

Mr. REID. I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROWN). We are not in a quorum call.

Mr. REID. Miracles never cease.

The PRESIDING OFFICER. That is true.

The Senator from Nevada.

Mr. REID. Mr. President, I have spoken with Senator INHOFE, the ranking member of the Senate Armed Services Committee. It is very clear that he and

a number of Republicans are not willing to enter into an agreement on the Hagel nomination.

EXECUTIVE SESSION

NOMINATION OF CHARLES TIMOTHY HAGEL TO BE SECRETARY OF DEFENSE

Mr. REID. Mr. President, I move to proceed to executive session to consider Calendar No. 10.

The clerk will report:

The assistant legislative clerk read as follows:

Motion to proceed to the nomination of Charles Timothy Hagel, of Nebraska, to be Secretary of Defense.

The PRESIDING OFFICER. Without objection, the motion to proceed is agreed to.

CLOTURE MOTION

Mr. REID. Mr. President, I send a cloture motion to the desk and ask the clerk to report.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of Charles Timothy Hagel, of Nebraska, to be Secretary of Defense.

Harry Reid, Patrick J. Leahy, Sheldon Whitehouse, Barbara Boxer, Al Franken, Christopher A. Coons, Jack Reed, Carl Levin, Kirsten E. Gillibrand, Claire McCaskill, Robert P. Casey, Jr., Richard Blumenthal, Tom Harkin, Dianne Feinstein, Bill Nelson, Jeanne Shaheen, Sherrod Brown.

Mr. REID. This is the first time in the history of our country that a Presidential nominee for Secretary of Defense has been filibustered. What a shame, but that is the way it is.

I ask unanimous consent that the mandatory quorum under rule XXII be waived.

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

Mr. REID. I also ask that under the rule the cloture vote will occur on Friday. Membership should plan accordingly.

The PRESIDING OFFICER. The senior Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, now that the nomination of Senator Hagel is before us, I want to begin this discussion and debate with a few remarks about him. The committee approved this nomination and sent it to the floor of the Senate yesterday by a vote of 14 to 11.

Senator Hagel has received broad support from a wide array of senior statesmen, defense, and foreign policy

organizations. At his January 31 nomination hearing before the Armed Services Committee, Senator Hagel was enthusiastically introduced and endorsed by two former chairmen of our committee, chairmen who have huge bipartisan support and respect by everybody in this body and everybody outside of this body who knows them. Those two chairmen are Sam Nunn and John Warner.

Senator Hagel's nomination has been endorsed by five former Secretaries of Defense who served under both Democratic and Republican Presidents: Bob Gates, Bill Cohen, Bill Perry, Harold Brown, and Melvin Laird. He has been endorsed by three former Secretaries of State—Madeleine Albright, Colin Powell, and George Shultz—and by six former National Security Advisers who served in that position for more than 20 years under six of the last seven Presidents.

Let me just share with our colleagues a few of the words of Senator Nunn when he introduced Senator Hagel to our committee:

I believe our Nation is fortunate to have a nominee for Secretary of Defense with the character, experience, courage and the leadership that Chuck Hagel would bring to this position. First, Chuck is acutely aware that even in an age of rapid technological advances, our military capability and effectiveness depend on the quality and the morale of the people who serve our Nation in uniform, as well as the families who support them.

Continuing:

Chuck received two Purple Hearts in Vietnam, and when he returned home he continued to fight for veterans and for Active-Duty military personnel. He knows that our people are our strongest asset. Second, Chuck's experience in Vietnam shaped his life and his perspective. War for Chuck Hagel is not abstraction. I am confident, if confirmed, he will ask the hard and smart questions before sending troops into battle. Chuck Hagel knows the United States has vital interests that are worth fighting for and dying for. He also knows that war should be a last resort and that our Nation must effectively use all of our tools, not limited only to our military, to protect our important and our vital interests.

Senator Nunn continued:

Certainly there is a tension in these values, but it is a tension that we should welcome in the thought process and in the advice that our Secretary of Defense gives to our Commander in Chief and to this Congress.

From our service together on the Defense Policy Board in recent years, I know that Chuck Hagel has a clear world view and that it aligns with the mainstream of U.S. foreign and defense policy, and also with President Obama. Chuck Hagel believes that we must build and preserve America's strength as a force for good in the world. He recognizes that protecting our interests requires strong allies and friends, as well as strong American leadership.

Senator WARNER's extraordinarily powerful and warm comments included as follows:

There is an old saying in the combat army infantry and Marine Corps. "Certain men are asked to take the point." Which means to get out and lead in the face of the enemy. Chuck Hagel did that as a sergeant in Viet-

nam. If confirmed, Chuck Hagel will do it again. This time not before a platoon but before every man and woman and their families in the Armed Services. He will lead them and they will know in their hearts that we have one of our own.

Senator Hagel has received a letter of endorsement from 11 retired senior military officers who say Chuck Hagel is uniquely qualified to meet the challenges facing the Department of Defense and our men and women in uniform.

He has received a letter of endorsement from nine former Ambassadors who worked with him on Middle East issues. That letter says, in part:

Each of us has known the Senator over the past 20 years and has found him invariably one of the best informed leaders in the U.S. Congress on the issues of U.S. national security. . . . Senator Hagel's political courage has impressed us all. . . . Time and again he chose to take the path of standing up for our nation over political expediency. . . . He has invariably demonstrated strong support for Israel and for a two-state solution and has been opposed to those who would undermine or threaten Israel's security. We can think of few more qualified, more nonpartisan, more courageous, or better equipped to head the Department of Defense.

That is from nine former Ambassadors who worked with Senator Hagel on Middle East issues. Let me read who those Ambassadors are: Nicholas Burns, former Under Secretary of State for Political Affairs, Ambassador to NATO and Greece; Ryan Crocker, former Ambassador to Iraq and Afghanistan; Edward Djerejian, former Ambassador to Israel and Syria; William Harrop, former Ambassador to Israel; Daniel Kurtzer, former Ambassador to Israel and to Egypt; Samuel Lewis, former Ambassador to Israel; William Luers, former Ambassador to Venezuela and Czechoslovakia; Tom Pickering, former Under Secretary of State for Political Affairs, Ambassador to Israel and Russia; and Frank Wisner, former Under Secretary of Defense for Policy and Ambassador to Egypt and to India.

Senator Hagel's nomination has been supported by the major groups of American veterans, including the Veterans of Foreign Wars, the Iraq and Afghanistan Veterans of America, AMVETS, Vietnam Veterans of America, and the American Legion. He has received support from the Military Officers Association of America, Foreign Area Officer Association, and the Non Commissioned Officers Association.

Senator Hagel has been endorsed by numerous newspapers, including USA Today, which stated:

Many of the supposed weaknesses that Republican Senators hammered him on are actually proof that Hagel takes thoughtful positions and doesn't bend easily to pressure.

I would like to read just a few quotes from those organizations of veterans who have endorsed him. The Veterans of Foreign Wars says the following:

It is not the place for America's oldest and largest combat veterans organization to advise or recommend to the President who he should nominate for cabinet positions. How-

ever, the Veterans of Foreign Wars of the United States considers Chuck Hagel, twice wounded Vietnam War veteran, war infantryman, and former two-term United States Senator from Nebraska, to be uniquely qualified to lead the Department of Defense.

That is signed by Robert Wallace, who is executive director of the VFW.

The Iraq and Afghanistan Veterans of America wrote the following:

Without Senator Hagel's leadership in Washington, there would not be a post 9/11 GI bill. Senator Hagel has always been a strong advocate for veterans at the Department of Defense. There is no doubt he will continue that legacy. Time and time again, from Vietnam to the VA to the USO, Senator Hagel has answered his country's call to serve, demonstrating courage, character and resolve at every turn. We encourage the Senate to approve his nomination swiftly.

Paul Rieckhoff, Founder and Chief Executive Officer.

The AMVETS National Commander Cleve Geer endorsed President Obama's nomination of Chuck Hagel with the following comments:

AMVETS fully supports President Obama's nomination of Chuck Hagel for the future Secretary of Defense. As a veterans service organization, AMVETS' main mission is to serve as an advocate for veterans, their families and the communities in which they live. I am confident that former Senator Hagel will utilize his experience and understanding of America's military to lead this Nation's troops and the Department of Defense.

The organization votevets.org wrote the following in a petition signed by over 8,000 veterans and military families:

Senator Hagel is a tremendous pick for Secretary of Defense who I know very well, and I have little doubt that he will serve President Obama with distinction both as a voice of reason within the administration and as a faithful advocate for carrying out the policies of the Commander in Chief.

That was signed by John Soltz.

The Military Officers Association of America wrote the following:

While the Military Officers Association of America does not endorse or oppose specific candidates for elected or appointed office, we believe Senator Hagel is certainly a candidate who is fully qualified for appointment to this extremely important position. Our past work with Senator Hagel has been very positive, and we believe that he brings an important sensitivity to the human side of budget and operational considerations. His experience as a combat wounded Vietnam veteran, as deputy administrator of the VA, and his two terms in the Senate provide a range of perspectives that would serve any Secretary of Defense well. We previously recognized Senator Hagel's efforts to protect the interests of military beneficiaries with our Arthur T. Marix Congressional Leadership Award. We do not believe that cabinet nominees should be held hostage to political litmus tests.

That was signed by ADM Norbert Ryan, USN, retired, President of the Military Officers Association of America.

The Non Commissioned Officers Association of the United States wrote the following:

We strongly support the appointment of Chuck Hagel to be Secretary of Defense. His

military service, including being twice wounded in action, has instilled the values of service and personal sacrifice for which he knows well the human cost of war. He has been an advocate for soldiers, Marines, sailors, airmen and coasties to ensure the training and equipage of America's 21st military force coincide with a solid revised defense posture to meet conventional and unconventional world challenges. Senator Hagel has also championed personnel issues relating to combat dwell time, force protection, transition issues, including electronic medical issues, preparation for future employment and training, and veterans benefits, including enhancements to post 9/11 educational benefits. He also recognizes the value and the sacrifice of families of the men and women who serve in this Nation's uniformed services.

That was signed by Richard Schneider, executive director for government affairs.

The Vietnam Veterans of America wrote:

We like Hagel. We think he is a great guy, and having a combat veteran in there would be a good thing.

The American Legion wrote:

Hagel is a long-time member of the Legion. He served right after he returned from Vietnam. He is a long-time advocate for veterans in the VA, and especially for veterans exposed to Agent Orange. Our organization has consulted with him, among others, on various national security matters. Having said that, the American Legion is prohibited by our congressional charter from endorsing any candidate for elected or appointed office.

The Vietnam Veterans Memorial Fund, Jan Scruggs, founder and president, wrote the following:

I first met Mr. Hagel in 1981 when he was the No. 2 man at the Veterans Administration. He had just thrown out of his office some people who were demanding that he stop his support for Maya Lin's design for the Vietnam veterans memorial. His integrity and toughness were impressive then. Both qualities have grown since. Long before he became a Senator, Mr. Hagel was an infantryman in Vietnam. He fought the enemy up close, and he had to put Americans in body bags. I am sure as defense secretary he would not hesitate to use military force aggressively if our Nation or its allies are in danger, yet he knows well that war is terribly unpredictable and needs to be avoided. He has shown some fury at those who have never seen war, but encouraged it during the past decade. This is called courage. He has earned his stripes.

Senator Hagel's credentials are underscored by the service in war and in peace that has been described so eloquently in all those letters from those veterans organizations. As a young man, Senator Hagel enlisted in the Army and served in Vietnam, where he received two Purple Hearts, the Army Commendation Medal, and the Combat Infantryman Badge for his service.

He volunteered to go to Vietnam. He answered the question, where are you, by answering, here I am. Senator Hagel served as Deputy Administrator of the Veterans' Administration during the Reagan administration. He was twice elected to the Senate, where he served on the Foreign Relations and Intelligence Committees.

Since he left the Senate 4 years ago, Senator Hagel has served as chairman

of the board of directors of the Atlantic Council. The Atlantic Council counts among its other directors and honorary directors seven former Secretaries of State and four former Secretaries of Defense, along with numerous other senior officials from the administrations of both parties. The Atlantic Council is very much a part of the mainstream of the American foreign policy establishment.

Much of the time and attention at our committee hearing was devoted to a handful of statements Senator Hagel made over the course of his career that raised questions about his views on Israel, Iran, and other issues.

Senator Hagel explained and clarified these things and placed them in context. He apologized for one remark, and told the committee he would say other things differently if he had the chance or was making them over. Senator Hagel was clear in the positions he takes today and that he will take if confirmed as Secretary of Defense. In particular, Senator Hagel stated unequivocally, first:

Iran poses a significant threat to the United States, our allies and partners, and our interests in the region and globally. Iran continues to pursue an illicit nuclear program that threatens to provoke a regional arms race and undermine the global non-proliferation regime. Iran is also one of the main state-sponsors of terrorism and could spark conflict, including against U.S. personnel and interests.

Second, he is ". . . fully committed to the President's goal of preventing Iran from obtaining a nuclear weapon . . . all options must be on the table to achieve that goal . . ." and his policy, if confirmed, will be "one of prevention, not of containment."

Third, while he believes "engagement is clearly in our interests," "engagement is not negotiation." He stated:

I've never thought engagement is weakness. I never thought it was surrender. I never thought it was appeasement. I think it's clearly in our interest. . . . [G]et the international sanctions behind you, keep military options on the table. If the military option is the only option, it's the only option.

Finally, he said that he is "a strong supporter of Israel," and believes that "we have a special relationship with Israel." If confirmed, he "will ensure our friend and ally Israel maintains its qualitative military edge in the region, and will continue to support systems like Iron Dome, which is today saving Israeli lives from terrorist rocket attacks."

Senator Hagel has also recognized the very real risks posed to our national security as a result of the unique budgetary pressure arising out of cuts previously agreed upon by Congress, the budgeting by continuing resolution, and the impending threat of a sequester. Senator Hagel told the committee:

[Sequestration] if allowed to occur, would damage our readiness, our people, and our military families. It would result in the grounding of aircraft and returning ships to

port, reducing the Department's global presence and ability to rapidly respond to contingencies. Vital training would be reduced by half of current plans and the Department would be unable to reset equipment from Afghanistan in a timely manner. The Department would reduce training and maintenance for non-deploying units and would be forced to reduce procurement of vital weapons systems and suffer the subsequent schedule delays and price increases. Civilian employees would be furloughed for up to 22 days. All of these effects also negatively impact long-term readiness. It would send a terrible signal to our military and civilian workforce, to those we hope to recruit, and to both our allies and adversaries around the world.

One of our colleagues has alleged that Senator Hagel has failed to provide complete financial disclosure and suggested, despite the admitted lack of evidence of any kind, that Senator Hagel may have received money that "came directly from Saudi Arabia, came directly from North Korea." There is no evidence for that, but that is the kind of innuendo which was made and I believe should not have been made.

As a matter of fact, Senator Hagel has provided the exact same financial disclosure the committee requires of all nominees, including at least the last eight Secretaries of Defense. As required by the Armed Services Committee and by the Ethics in Government Act, he has disclosed all compensation over \$5,000 that he has received in the last 2 years. As required by the Armed Services Committee, he has received letters from the Director of the Office of Government Ethics and the Acting Department of Defense General Counsel certifying that he has met all applicable financial disclosure and conflict-of-interest requirements. As required by the Armed Services Committee, he has answered a series of questions about possible foreign affiliations. Among other questions, the committee asked whether, during the last 10 years, the nominee or his spouse have "received any compensation from, or been involved in any financial or business transaction with, a foreign government or an entity controlled by a foreign government." Senator Hagel's answer was, "No."

Senator Hagel, like all of our nominees, has undergone a thorough FBI background investigation. Senator INHOFE and I have reviewed the FBI file. The innuendo that Senator Hagel could somehow be hiding the fact he is on the payroll of a foreign power is offensive to those of us who have served with him and beneath the dignity of the U.S. Senate.

I ask unanimous consent to have printed in the RECORD a series of letters in which certain Senators requested certain financial disclosure and the letter with which I responded.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, February 8, 2013.

Hon. JIM INHOFE,
Ranking Minority Member,
Committee on Armed Services, U.S. Senate.

DEAR JIM: I read with some concern a February 6, 2013, letter that you signed with 25 other Republican Senators, demanding that former Senator Chuck Hagel provide additional financial disclosure information in connection with his nomination to serve as Secretary of Defense. This letter appears to insist upon financial disclosure requirements that far exceed the standard practices of the Armed Services Committee and go far beyond the financial disclosure required of previous Secretaries of Defense.

Our committee has a well-defined set of financial disclosure and ethics requirements which apply to all nominees for civilian positions in the Department of Defense. We require each nominee to provide us with the following: a copy of the Nominee Public Financial Disclosure Report required by the Ethics in Government Act—OGE Form 278; a response to a standard committee questionnaire, which includes questions on future employment relationships, potential conflicts of interest, personal financial data, and foreign affiliations; and a formal ethics agreement, which outlines the steps the nominee will take to avoid any potential conflict of interest, including a commitment by the nominee to divest DOD contractor stocks within 90 days of appointment to office, avoid buying DOD contractor stocks while in office, and resign from non-Federal boards and activities.

Before these materials are provided to the committee, they are reviewed by the U.S. Office of Government Ethics (OGE) and the DOD General Counsel's office—both of which are familiar with the unique conflict of interest requirements imposed by our committee—to ensure that the required disclosure of information meet our standards. The leader of each of these offices sends us a letter certifying that the office has reviewed the financial disclosure and determined that the nominee will be in compliance with applicable laws and regulations governing conflicts of interest. Our majority and minority counsels review these materials and work together, through the DOD General Counsel's office, to address any questions that may arise about the completeness of the materials provided or the nominee's compliance with our requirements.

We have applied these disclosure requirements and followed this process for all nominees of both parties throughout the 16 years that I have served as Chairman or Ranking Minority Member of the committee. I understand that the same financial disclosure requirements and processes were followed for at least the previous 10 years, during which Senator Sam Nunn served as Chairman or Ranking Minority Member. During this period, the committee has confirmed eight Secretaries of Defense (Secretaries Carlucci, Cheney, Aspin, Perry, Cohen, Rumsfeld, Gates, and Panetta), as well as hundreds of nominees for other senior civilian positions in the Department.

There are two unprecedented elements to the financial disclosure demanded by the February 6, letter: (1) the disclosure of "all compensation over \$5,000 that [Senator Hagel has] received over the past five years"; and (2) the disclosure of any foreign funding of eight private entities from which Senator Hagel has received compensation since leaving the Senate (including the date, source, and specific amount of each foreign contribution). Each of these demands goes well beyond what the committee has required of any previous nominee.

With regard to the demand that Senator Hagel disclose all compensation over \$5,000 that he has received over the past five years, the standard financial disclosure form which the committee requires all nominees to provide calls for the disclosure of all entities from which the nominee has received compensation in excess of \$5,000 (including clients for whom the nominee personally provided more than \$5,000 in services, even if the payments were made to the nominee's employer, firm, or affiliated business) during the previous two years. The two-year disclosure requirement that has been consistently applied by the committee is established in section 102(b)(1)(A) of the Ethics in Government Act and applies not only to all nominees for Senate-confirmed positions, but also to all candidates for federal elective office.

With regard to the demand that Senator Hagel disclose foreign funding for private entities from which he has received compensation, the February 6 letter asserts that this information is needed because "If it is the case that [Senator Hagel] personally [has] received substantial financial remuneration—either directly or indirectly—from foreign governments, sovereign wealth funds, lobbyists, corporations, or individuals, that information is at the very minimum relevant to this Committee's assessment of your nomination."

In fact, the committee questionnaire addresses the issue of foreign affiliations in a manner that is equally applicable to all civilian nominees coming before the committee. Among other questions, the committee questionnaire asks whether, during the last ten years, the nominee or his spouse has "received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government." Senator Hagel's answer to this question was "No."

The demands of the February 6 letter go beyond this standard disclosure regime and would subject Senator Hagel to a different requirement from all previous nominees, under which he alone would be required to somehow ascertain whether certain entities with whom he has been employed may have received foreign contributions. In particular:

Senator Hagel serves without compensation as the Chairman of the Board of Directors of the Atlantic Council—a "think tank" that includes among its other Directors and Honorary Directors seven former Secretaries of States and four former Secretaries of Defense. The Atlantic Council's public website provides a diverse list of corporate contributors, including both domestic companies (such as Chevron, General Dynamics, Lockheed, Raytheon, Boeing, Citigroup, Duke Energy, and Exxon Mobil) and foreign entities (such as Polish Telecom, Saab, All Nippon Airways, and the Istanbul Stock Exchange). Over the 16 years that I have served as either Chairman or Ranking Minority Member of the committee, we have considered numerous nominations of individuals who were associated with similar think tanks, universities, and other non-profit entities. Even in the many cases where a nominee received compensation from such a nonprofit entity, we did not require the nominee to disclose the sources of funding provided to the nonprofit entity.

Senator Hagel has also served as an Advisory Board Member, Senior Advisor, Director, Special Advisor, or Board Member to seven domestic for-profit entities identified in the February 6 letter since he left the Senate in January 2009. His financial disclosure report and committee questionnaire indicate that he left four of these entities (Wolfensohn & Company, National Interest Security Company, Elite Training & Secu-

rity, and Kaseman, LLC) in 2010 and has received no compensation from them during the two-year reporting period covered by the Ethics in Government Act. Nonetheless, the February 6 letter demands that Senator Hagel provide ten years of corporate financial data on foreign investments or funding received by these entities. The forms and committee questionnaire indicate that Senator Hagel continues to serve as an Advisory Board Member for Corsair Capital, a Senior Advisor to McCarthy Capital, and a Special Advisor to the Chairman of M.I.C. Industries and that he has received compensation for his service to these three entities. I am doubtful that, as mere advisor to these companies, Senator Hagel has either access to the corporate financial information that is sought in the February 6 letter or the authority to release such information if he were able to get access to it. In any case, over the 16 years that I have served as either Chairman or Ranking Minority Member of the committee, we have considered numerous nominations of individuals who were employed by for-profit entities of every variety. We have considered board members, officers, directors, and employees of companies doing business across the full range of our economy. In this time, we have never required the nominee to attempt to ascertain and disclose the names of investors in such an entity.

The committee cannot have two different sets of financial disclosure standards for nominees, one for Senator Hagel and one for other nominees.

Sincerely,

CARL LEVIN,
Chairman.

U.S. SENATE,
Washington, DC, February 6, 2013.

Hon. CHUCK HAGEL,
Distinguished Professor in the Practice of National Government, Edmund A. Walsh School of Foreign Service, Georgetown University, 37th and O Streets, NW, Washington, DC.

DEAR SENATOR HAGEL: On January 29, two days before your confirmation hearing, you received a request, via email, from several Senators on the Senate Armed Services Committee for additional information necessary to fairly assess your nomination to be Secretary of Defense. The written copy of the letter (delivered the next day) was signed by six Senators, including the Ranking Member of the Committee. The letter requested that you respond to the request before the hearing, so that you could then answer questions concerning your responses.

You declined to respond to the request for additional financial disclosure.

At the hearing, you were told by Members of the Committee that a response to our request for information would be necessary before the Committee could vote on your nomination. The Chairman of the Committee expressly asked you to submit your response by Monday, February 4.

Monday came and went, and you still did not respond.

At the end of the day on Tuesday, February 5, you submitted a short "response" to our request. In that response, you explicitly declined to answer many of the questions asked of you.

You were asked to disclose all compensation over \$5,000 that you have received over the past five years. You declined to do so.

You were asked to disclose if—and to what specific extent—the Atlantic Council has received foreign funding in the past five years. You declined to do so.

You were asked to disclose if—and to what specific extent—McCarthy Capital has received foreign funding in the past ten years. You declined to do so.

You were asked to disclose if—and to what specific extent—Corsair Capital has received foreign funding in the past ten years. You declined to do so.

You were asked to disclose if—and to what specific extent—Wolfensohn and Company has received foreign funding in the past ten years. You declined to do so.

You were asked to disclose if—and to what specific extent—M.I.C. Industries has received foreign funding in the past ten years. You declined to do so.

You were asked to disclose if—and to what specific extent—the National Interest Security Company has received foreign funding in the ten years. You declined to do so.

You were asked to disclose if—and to what specific extent—Elite Training and Security, LLC has received foreign funding in the past ten years. You declined to do so.

You were asked to disclose if—and to what specific extent—Kaseman, LLC has received foreign funding in the past ten years. You declined to do so.

Your own financial records are entirely within your own control, and you have flatly refused to comply with the Committee Members' request for supplemental information.

The records from the other firms—more than one of which, you have disclosed, paid you \$100,000 or more—are highly relevant to the proper consideration of your nomination. Your letter discloses no affirmative efforts on your part to obtain the needed disclosure, and your lack of effort to provide a substantive response on this issue is deeply troubling.

If it is the case that you personally have received substantial financial remuneration—either directly or indirectly—from foreign governments, sovereign wealth funds, lobbyists, corporations, or individuals, that information is at the very minimum relevant to this Committee's assessment of your nomination. Such remuneration may be entirely appropriate, but that determination cannot be made without disclosure.

If you have not received remuneration—directly or indirectly—from foreign sources, then proper disclosure will easily demonstrate that fact.

Your refusal to respond to this reasonable request suggests either a lack of respect for the Senate's responsibility to advise and consent or that you are for some reason unwilling to allow this financial disclosure to come to light.

This Committee, and the American people, have a right to know if a nominee for Secretary of Defense has received compensation, directly or indirectly, from foreign sources. Until the Committee receives full and complete answers, it cannot in good faith determine whether you should be confirmed as Secretary of Defense.

Therefore, in the judgment of the undersigned, a Committee vote on your nomination should not occur unless and until you provide the requested information.

Sincerely,

(Signed by 26 Senators).

FEBRUARY 8, 2013.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

Hon. JAMES INHOFE,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN LEVIN AND RANKING MEMBER INHOFE: I appreciate the opportunity to respond to the February 6, 2013, letter from 25 Senators, including several members of the Senate Armed Services Committee. I remain committed to providing the Committee with complete personal financial disclosure, in accordance with the applicable requirements of law and regulation. In the spirit of

cooperation, I have gone beyond those requirements in several areas. For example, although the committee questionnaire requires that nominees provide copies of "any formal speeches," I have sought transcripts of informal speeches of which I did not have copies, and provided those transcripts to the committee.

In that same spirit of cooperation, I have reviewed each of the specific requests for information described in your letter. While some of these requests appear to go beyond what is either in my control or is mine to release under the law, I am committed to providing what I can—and when I cannot, to explain why not.

As you know, I previously submitted all of the information required by the Committee's standard financial disclosure processes. This includes information regarding compensation that I received over the past two years, as reported on the Nominee Public Financial Disclosure Report in Schedule D. To assist you in reviewing this information, I have prepared a chart that reflects all compensation over \$5,000 I received for that time period.

Further, you asked questions about whether, and the extent to which, eight identified entities (with which I have been affiliated) have received foreign funding in the past. As I explained in my response to the Committee, dated February 5, 2013, my legal and fiduciary obligations prevent me from releasing this kind of corporate financial information for those entities that are privately owned/held. One of the entities that you inquired about, Atlantic Council, is a 501(c)(3) organization which permits greater public disclosure of its funding streams. While Atlantic Council does not make public a comprehensive list of all its donors, it does publicly acknowledge its foreign corporate and foreign government donors of \$5,000 or more. I have attached a copy of Atlantic Council's publicly available list of these foreign donors over the past five years. Because I serve without compensation, I have not been a direct or indirect beneficiary of these contributions. Of the remaining seven companies, McCarthy Capital, Wolfensohn, M.I.C. Industries, National Interest Security Company, Kaseman, and Elite Training & Security have authorized me to inform you that they have not compensated me with any foreign-derived funds. Corsair Capital has been advised by its outside counsel that it cannot provide further information regarding its finances.

I wish to reiterate that I have not received any compensation from or been involved in any financial or business transactions with a foreign government or an entity controlled by a foreign government. This is reflected in my response to the SASC Questionnaire, Question 3, Part E—Foreign Affiliations.

Thank you for the opportunity to respond to your questions.

Sincerely,

CHUCK HAGEL.

Mr. LEVIN. Mr. President, the Department of Defense right now needs its new leader. Its current leader, who has done a great job, has announced he is leaving and has set a time for that departure.

We face a budgetary challenge of immense proportions—not just in the Department of Defense but in all of our agencies. Our military is engaged in combat operations overseas. North Korea has exploded a nuclear device—highly provocative, highly objectionable—and must be countered. The absence of senior leaders in the Department of Defense will harm our national

defense, will harm our men and women in uniform, and sends exactly the wrong message to both our friends and our adversaries around the world.

If confirmed, Senator Hagel would be the first former enlisted man and the first veteran of the Vietnam war to serve as Secretary of Defense. This background gives Senator Hagel an invaluable perspective not only with respect to the difficult decisions and recommendations a Secretary of Defense must make regarding the use of force and the commitment of U.S. troops overseas but also with respect to the day-to-day decisions a Secretary must make to ensure our men and women in uniform and their families receive the support and the assistance they need and deserve. It would be a positive message for our soldiers, our sailors, our airmen, and our marines in harm's way around the world to know that one of their own holds the highest office in the Department of Defense and that he has their backs.

The President needs to have a Secretary of Defense in whom he has trust, who will give him unvarnished advice, a person of integrity, and one who has a personal understanding of the consequences of decisions relative to the use of military force. Senator Hagel certainly has those critically important qualifications and he is well qualified to lead the Department of Defense.

Mr. President, I yield the floor.

THE PRESIDING OFFICER (Mr. BROWN.) The senior Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I ask unanimous consent that when Senator LEE concludes his remarks, I be recognized.

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

The Senator from Utah is recognized.

(The remarks of Mr. LEE are printed in today's RECORD under "Morning Business.")

THE PRESIDING OFFICER. The senior Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I rise today to express my support for the nomination of Senator Chuck Hagel to be the next Secretary of Defense. He comes to this job at an extraordinarily challenging time for the Department and for our Nation. Among the many issues he will confront, Senator Hagel will oversee the drawdown of our forces out of Afghanistan, the enhancement of our cyber defenses, and the management of various fiscal constraints on the defense budget. In fact, I cannot think of a more critical juncture of national security issues, budget issues, and technology issues, all coming together, facing the next Secretary of Defense.

I have known Chuck for many years, and I know he is particularly well-suited to tackle these challenges. Chuck was born and raised in Nebraska, the oldest of four sons of a World War II veteran. Public service, military service is in that family's core. When his father died suddenly at the age of 39,

Chuck quickly shouldered the responsibility of helping his mother raise his brothers. And when our Nation was in the midst of a bitter and divisive fight in Vietnam, he volunteered to fight, serving alongside his brother Tom. This was an era when there were many people who were looking for ways through deferments to avoid service, to avoid wearing the uniform of the United States. He was unusual in that he not only sought service, but he sought service in Vietnam alongside his brother.

He rose to be an infantry sergeant, and both he and his brother were wounded twice, with each saving the other's life. In that experience as a combat infantryman, he knows, perhaps better than anyone who has been nominated for this office, the ultimate cost of our policies that are made here in Washington.

When he returned home, Chuck used the GI bill to attend the University of Nebraska in Omaha, and after graduating from there, he went to Washington to work for a freshman Congressman from his home State.

In 1980 President Reagan, recognizing his skill, his talent, his patriotism, and his devotion to the country, nominated him to be Deputy Administrator of the Veterans Administration. He ultimately left that post on a matter of principle. He thought there was inadequate support from that department for veterans suffering from exposure to Agent Orange. At that time, the effects of Agent Orange were being dismissed by some as nonconsequential, as something that was just a made-up malady by these veterans.

Chuck knew differently, and later the science would prove him right. He continued to fight as he left the Veterans Administration, helping to ensure that these veterans who were physically affected by their service in Vietnam received compensation as the victims of Agent Orange.

In that tenure as the Deputy Administrator of the Veterans Administration, he had the responsibility of running a large Federal department. So he is now bringing not only his service as a common infantryman but his service running a large department devoted to the veterans of these United States. That will serve him well as Secretary of Defense. Again, it makes him singularly if not uniquely qualified.

But it doesn't stop there because he has extraordinary experience in the private sector. In the mid-1980s he co-founded Vanguard Cellular Systems, which became one of the largest independent cellular systems in the country. Again, someone from modest means with great imagination, after serving his country both as a soldier and as an administrator under the Reagan administration, went back and started a business and made it successful—so successful that he was able to devote himself to other public activities.

He served as deputy commissioner general of the United States for the

1982 World's Fair. He was president and chief executive officer of the USO, the agency devoted to helping servicemembers and their families. Again, his commitment to the American soldier, sailor, airman, and marine has been consistent, constant, and unrelenting.

Then he became chief operating officer of the 1990 Economic Summit of Industrialized Nations—the G7 summit—in Houston, the president of an investment bank, and he was on the board of some of the world's largest companies.

So you already have at this juncture a soldier, a successful entrepreneur, and a successful Federal administrator.

Then in 1996 he came to the Senate to represent the people of Nebraska. He was the first Republican Senator from Nebraska in a generation. We came here together. He came with all of these skills, and he added more skills, understanding the political process from the inside and from the outside that helped shaped national security policy, the budgets and the policies of the Department of Defense and every other Federal agency.

During his time in the Senate as a member of the Senate Foreign Relations and Intelligence Committees, he championed national security policies with the goal of ensuring that our military remains the strongest in the world. Senator Hagel believes in working closely with our allies and partners and that, in his words, "a nation must strategically employ all instruments of its power—diplomatic, military, economic—to defend its interests." So he brings a broad, comprehensive approach to national security, which is essential for our next Secretary of Defense because so many of the national security challenges we face are not simply military; they are diplomatic, they are economic, and they are environmental. They require the kind of broad-ranging approach that he takes to national security policy.

As he stated during his nomination hearing 2 weeks ago, he has one fundamental question he has asked himself on every vote he took while serving in the Senate: Is the policy worthy of the men and women we were sending into battle and surely to their deaths? Is this going to be worth the sacrifice, because there will be sacrifices.

It is one thing to study the art of war in lecture halls and to speak profoundly as a pundit. It is something else to be in the mud, under fire, seeing others fall. I have not had that experience. I served 12 years in the U.S. Army, but very few people, very few people in this Chamber, very few people who would be considered for Secretary of Defense, have been under fire, have seen comrades fall, know that ultimately what we do here is borne by what those brave young Americans do across the globe. He knows it intellectually and viscerally. I know he will bring that perspective, that concern for our men and women in uniform, to every decision before him as Secretary of Defense.

In this role, he will continue to focus our efforts on fighting terrorism in Afghanistan and throughout that region. We are facing a crucial turning point. In his State of the Union Address last night, the President announced his plan to further reduce our force levels in Afghanistan next year as the Afghan National Security Forces will take full responsibility for securing their nation. I think Senator Hagel is very well positioned to carry out this policy, to ensure it is done effectively, to ensure that our forces are protected and that we are able to help enable the Afghan forces to carry the burden to defend their country and provide stability.

Senator Hagel will also lead the Department in preparing for emerging threats to our national security, such as attacks on our cyber infrastructure. We are at a critical point in our history, perhaps akin to the 1920s when air power first began to emerge as a credible military dimension, then later as space became a possible military dimension. Cyber is now a new dimension in warfare.

We are at a similar juncture to the one when some of our colleagues in the 1920s were wondering how we use these contraptions that fly around the sky. But in a short period of time, air power made a profound difference on the world. The attack on Pearl Harbor was launched by aircraft from aircraft carriers, not by the bombardment of battleships and not by the landing of military forces. You can see the effect it had not only through World War II but in every conflict to today.

We are at another critical juncture, and that is with respect to cyber security. How will we defend ourselves? What policies will we adopt to use this new technology to protect the United States and our allies? It will require integration across our government. It will require thoughtful, conscious deliberation. I believe he is prepared to do that and will do that very well.

I am pleased that President Obama has just issued an Executive order that will improve coordination and information sharing with our industry partners so we can better protect our Nation's critical infrastructure, but there is more to be done, and I believe that in the context of a Secretary of Defense, Chuck Hagel can do it.

Perhaps most challenging of all, Senator Hagel will lead the Department in a time of great fiscal constraints and uncertainty. As our Nation continues to find a path forward to rebound from the economic challenges of the last few years, there is an ever-growing pressure to reduce the size of the defense budget, which has nearly doubled over the past 10 years. But we must be very careful to do so in a way that eliminates unsustainable and unproductive costs without losing vital capabilities. That is a great challenge. As a result of the high operations tempo of our services, the multiple operations and deployments, all of our services are facing serious reset and recapitalization

needs in terms of equipment and also significant efforts to help our military members and their families readjust, retrain, reequip, and prepare for a challenging future.

Serious decisions will have to be made about the threats we face and as we anticipate new and emerging threats. Again, he is well prepared through his entire life of public service, military service, private service, administrative and business activity to confront this extraordinary range of challenges.

A lot has been made about some comments Senator Hagel has made in the last years, going back 5, 7, 8, or more years. But I know, indeed, which was reflected in his testimony, that he did not seek out this position. President Obama chose to nominate Chuck Hagel because he knew of his record, of his service to our country. He knew of his incredible commitment to the men and women who wear the uniform of the United States. He knew about his experience in the private sector. He knew about his experience as a governmental leader. He knew there was an ability to rely upon his judgments, Senator Hagel's judgments, with confidence in times of crisis. I expect that the President of the United States is not going to turn to Chuck Hagel, particularly among crises, and ask him if he can quote verbatim what he said 10 years ago. He is going to say: What are my options? What is your advice? You know about war better than anyone. You know about military policy. You know about international security. You know about the interaction of diplomacy, economics, and environmental policy. Give me your judgment. I have to make a decision.

I believe, reflecting what the Senator, my chairman, CARL LEVIN, has said, that in this difficult moment, the President of the United States needs a Secretary of Defense to provide that kind of perspective, and the men and women of the Department of Defense have to have the ability to have their voice heard decisively and definitively in those serious discussions, particularly about the deployment of military force.

As I said, I am extremely confident he can do this. Let me also say I am impressed with those who have served our country in diplomatic and military roles who have endorsed Chuck Hagel strongly and enthusiastically. These endorsements are from men and women who have served in both Democratic and Republican administrations. Among them are Bob Gates, William Cohen, Madeleine Albright, William Perry, Brent Scowcroft, Ryan Crocker, and Thomas Pickering. These men and women have devoted themselves to protecting the United States, and they have done it with extraordinary energy and effectiveness. This list of Secretaries of Defense will rank as some of the best we have ever had, and they are absolutely confident Chuck Hagel can and should do this job.

There are Ambassadors on this list who have handled delicate and difficult issues involving international law. There are several Ambassadors who have been Ambassadors to the State of Israel and strongly support Senator Hagel. All of these individuals know him. They also know as well—if not better than I and many of my colleagues—of the threats, dangers, and opportunities which face this country, and they are strongly supporting Chuck Hagel. In fact, they have concluded in a letter that he is “uniquely qualified to meet the challenges facing the Department of Defense and our men and women in uniform.”

There has been a lot of discussion about Chuck Hagel's appreciation of the strong, important, and critical relationship between the United States and State of Israel. All I can say is I was so impressed by the comments of the Israeli Deputy Foreign Minister Danny Ayalon, who was also the Ambassador to Washington, and who has met and dealt with Senator Hagel on a number of issues involving the relationship with the United States. The Deputy Foreign Minister said: “I have met him many times, and he certainly regards Israel as a true and natural U.S. ally.”

In another quote he said:

I know Hagel personally. . . . I think he believes in the relationship, in the natural partnership between Israel and the United States.

Here is an Israeli patriot who understands and has spent a great deal of time devoted to the relationship of the United States and Israel. In his own words, he concludes that Chuck Hagel regards Israel as a true and natural U.S. ally and will act accordingly. He is a dedicated patriot. He is an individual who has served this country in so many different ways. I support his nomination, and I urge my colleagues to do the same.

Also, I think it is important to state that this nomination—as we have done with every Secretary of Defense for decades—deserves an up-or-down vote on the floor of the Senate. People may choose to cast a vote against him for many reasons, and that is the prerogative of that Senator. I strongly believe, if we want to stay true to the traditions of this body and to the presumption that the President should be allowed to at least have his nominee voted up or down, then we have to bring this vote to the floor of the Senate for an up-or-down vote as quickly as possible.

With that, I yield the floor.

The PRESIDING OFFICER (Mr. BLUMENTHAL). The Senator from New Hampshire.

Mrs. SHAHEEN. Mr. President, I ask unanimous consent to enter into a colloquy with my colleague, the Senator from Maine, Ms. COLLINS.

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

SEQUESTRATION

Mrs. SHAHEEN. Mr. President, Senator COLLINS and I are here because we

agree we must take action in this body and in this Congress to avoid sequestration. Sequestration is a term we have all been throwing around, and it refers to the automatic cuts that are scheduled to take effect on March 1. Those cuts were designed to force Congress to make a tough decision and to take comprehensive action on our debt and deficits.

I think we all agree there is no question we need a comprehensive and balanced plan to put us on a more sustainable fiscal path. I think that plan should look at all areas of spending. It should look at domestic, mandatory, and defense as well as comprehensive tax reform. I think there are many areas of bipartisan agreement on deficit reduction, including controlling the long-term cost of health care.

Unfortunately, Congress has missed several opportunities to enact a long-term plan to get our debt and deficits under control. That is why we are again facing a deadline at the end of this month to address those automatic cuts. As a result of that, we are starting to see the very real and negative consequences of our inaction. We are seeing it on our national security, and we are seeing it on our economy as businesses and agencies alike begin to prepare for the automatic cuts under sequestration.

Last week, Senator COLLINS and I wrote to the leadership in the Senate urging bipartisan action on sequestration and the need to find a better approach. In our letter, we talked about the impacts we are starting to see in New Hampshire and Maine, including the threat to jobs, our national security, and to the Portsmouth Naval Shipyard, which is critical not only to New Hampshire and Maine but also to this country's national security. We called attention to the drastic effects we face for our economy, for our jobs, and for our national security.

Today we are here to reiterate the importance of addressing sequestration and doing it now.

I wish to thank the senior Senator from Maine, my colleague, for joining me to talk about this important issue, and I am looking forward to hearing her remarks. I know it is something she cares about as much as I do and as much as I think most of the Members of this Chamber do.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, first, let me say, I am very pleased to join with my friend and colleague from New Hampshire to speak out against the indiscriminate meat-ax cuts known in Washington as sequestration that are scheduled to take effect in just 2 weeks' time. We simply must take action to avoid this self-inflicted harm to our economy and to our national security. But what I find inexplicable is a growing acceptance that sequestration is going to go into effect despite the fact that virtually everyone should concede that across-the-board cuts