

This is not a mystery. This is not something that Republicans know that Democrats don't know; we all know it; and the President knows it because his own bipartisan fiscal commission told him in December 2010.

According to the Congressional Budget Office, the White House-backed bill offered by our Senate Democratic friends to replace the sequester would actually raise the deficit this year by tens of billions of dollars. Now, you may be wondering about that, thinking that the sequester was supposed to cut spending. But, actually, the proposal made by our friends across the aisle would raise the deficit this year by tens of billions of dollars—not exactly what I would call progress. It is absolutely ludicrous, especially when we consider that even with the sequester spending by the Federal Government will still be higher this year than it was last year.

Let me repeat that in case people weren't listening. Even with the spending cuts mandated by the sequestration, \$85 billion in cuts, this administration will still have more money to spend this year than last year. It is hard to see how that would wreak devastation. Yet last year we didn't see planes falling out of the sky, we didn't see empty supermarket shelves for lack of safe food, nor did we see the national parks shutting their front gates. We didn't see any of the doomsday scenarios the President and his Cabinet are now warning about after 1½ years of doing nothing.

Of course, the President talks endlessly, it seems, of the need for a so-called balanced approach. Well, he got his pound of flesh. He got his \$600 billion in additional tax revenue from the American people. So where is the balance to that? When all he and his party proposes is more taxes and more spending, that is not balance.

Now is the time to cut spending. That is the only way forward, and that is the only way to begin—with one small step—to return our country to sound fiscal footing.

Mr. President, I yield the floor.

#### RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

#### SEQUESTRATION

Mr. MCCONNELL. Mr. President, earlier this year, the Democrats who run Washington promised America things would be different under a reelected President Obama. Instead of politics, they would focus on policy. Instead of leaving everything until the last minute, they would get the people's work done ahead of time for a change—and through the regular order. Well, those promises didn't last very long.

Later this afternoon, less than 24 hours before the President's sequester

proposal takes effect, we will vote on a Senate Democrat plan that does more to perpetuate the culture of irresponsibility around here than it does to fix the culture of spending that Washington Democrats claim to be concerned about.

Point of fact: Not only would their legislation fail to fix the spending problem facing our country, it would actually add billions more to the deficit. In other words, it isn't a plan at all. It is a gimmick.

Top Democrats already concede it will never garner enough votes to pass the very legislative body they control, much less the House. But let's be very clear: For the President and for his allies, that is really the whole point. They want it to fail so they can go around the country blaming Republicans for a sequester the President himself proposed. In fact, they are so concerned about preventing anything from actually passing the Congress they have limited the ability of Senators on both sides to debate the issue openly and to offer different ideas.

For instance, Senators AYOTTE and PAUL have introduced bills that deserve our consideration. And there are others too. Senator COLLINS has been working on a proposal, and Senator WHITEHOUSE has a plan that would replace the sequester with a series of huge tax hikes. I don't support that approach, but his legislation at least merits a vote.

Republicans will get just one chance to offer a bill, and I will discuss that legislation a little later in my remarks. But if the President's sequester is going to be as horrible as Washington Democrats have proposed, shouldn't we spend more than just a few hours debating it? Is this really the best Senate Democrats can do?

As for the President, he too has yet to put forward a serious plan that could pass either the House or the Democrat-controlled Senate, and he has refused to engage in substantive discussions with congressional leaders. Now, this week, he finally invited Speaker BOEHNER and me to discuss the sequester; that is, tomorrow, the day it takes effect. In short, instead of changing as they promised, Washington Democrats are just turning back to the same old campaign-first strategy they have employed literally now for years.

Now, after thwarting every bipartisan attempt to avert the sequester, the President is ready to make it bite as hard as possible—all to send a simple message to the public: Do you want to control Washington spending, America? Fine. Let me show you how much I can make it hurt. That is the President's strategy: Let me show you how much I can make it hurt.

Instead of directing his Cabinet Secretaries to trim waste in their departments, he is going after first responders and teachers and almost any other sympathetic constituency you can think of. He will arbitrarily close parks and monuments too, all to force Americans to accept higher taxes.

He will claim his hands are tied. He will say he has no choice but to release criminals into the streets and withhold vaccinations from poor children. Somehow it will be everybody's fault but his. Nonsense.

Look, our country has a spending problem—a pretty massive one. Most of us in the Chamber at least acknowledge that fact. But we can either address the problem in a smart way or we can do it in the way he has proposed. That is what the Toomey-Inhofe legislation we will vote on this afternoon is all about. It is about giving agency heads greater flexibility to ensure the sequester cuts are implemented in a smarter way.

Some have raised concerns that this would give the administration too much power; that the President would just use the authority to punish his critics. I certainly understand those concerns. But the goal here is twofold: One, to make sure the American people get the same amount of spending cuts that were promised to them in 2011; and, two, to guarantee some accountability on the President's part so those cuts are administered in a more intelligent way.

You would think the President would welcome a proposal such as ours. Given his complaints and those of his Cabinet Secretaries about their hands being tied on cuts, you would think he would be banging on our doors demanding flexibility. But now—get this—he is complaining that having extra authority might mean he would actually have to choose which programs to preserve and which ones to cut; that he would have to prioritize spending within the Federal Government.

Well, with due respect, Mr. President, I think a lot of people who voted for you think that is your job, to make those tough decisions—especially tough decisions to implement the plan you, yourself, proposed and insisted upon. Surely, you can find a little more than 2 percent to cut from the Federal budget, and surely you can do it without raining down a phony Armageddon on American families. They had to find ways to cope with the 2 percent less in their paychecks just last month after the payroll tax went back up. Why in the world can't Washington?

Look, the American people will simply not accept replacing spending cuts agreed to by both parties with tax hikes, and I plan to make all of this clear to the President when I meet with him tomorrow. He already got hundreds of billions of dollars in new revenue earlier this year when the tax law expired. Now it is time for the balanced part of the equation, and that means keeping our promise to reduce spending.

So the time for games is over. No more protecting waste and broken promises at the expense of those who actually need government help. The American people were promised more spending control, and Republicans are going to help them see that promise is fulfilled in the smartest way possible.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. BLUNT. Mr. President, I rise today to talk about a disappointing milestone that we passed yesterday.

Yesterday was the 1,400th day since the Senate passed a Federal budget—1,400 days. So I guess today is the first day moving toward 1,500 days, but yesterday was the 1,400th day.

It has been said—and I know I have said it on this floor—that failing to plan is planning to fail. If you don't have any idea where you are going, you are not likely to get where you would like to be.

When it comes to our budgetary future, the strategy of the majority has been just not to deal with it.

Last summer Vice President JOE BIDEN challenged and said: Show me your budget and I will tell you what you value. Why the Vice President would have said that I really don't know. The President's budget that has arrived late and has been dead on arrival, apparently, every time it has arrived in the last 4 years and a Senate majority of the Vice President's party that has not passed a budget—why the Vice President would have said: Show me your budget, and I will tell you what you value, I don't know.

I like the Vice President personally a lot. I often don't know exactly why he said what he said. But this comment really does raise a question about why we are not willing to talk about the things we want to achieve as a government.

Nearly 4 years have passed since we had any kind of blueprint. I am told when we talk about a budget in Washington that apparently there were no political consequences because the majority was rewarded with the majority again even though if there was one comment made over and over again in that campaign, it is, it has been 3 years since there has been a budget, and now we are saying it has been 4 years since there has been a budget, and we have seen the government lurch from crisis to crisis. Frankly, most of these crises have been created by the people who say they are trying to deal with them.

I could not imagine, in November and December, why we would want to start a new year with the issues before us that were before us then. This could have been handled at that time as easily as it could be handled now. Part of it is the failure to plan.

Since the Senate, controlled for some time now by Democrats, passed a budget in April of 2009, lots of things have happened. Four years ago nobody in America had an iPad yet because iPads had not yet been invented. Nobody in America now doesn't know somebody who has an iPad if they don't have one themselves. Instagram, which our conference just added to one of these tools this week, didn't even exist 4 years ago. The Federal debt 4 years ago was less than \$12 trillion. Now it is \$16.6 trillion. LeBron James was still a

Cleveland Cavalier the last time the Senate passed a budget. ObamaCare—and the President, in the Presidential campaign, said he now liked that term. I think he may not like it as well as he does now when people find out more about it—was not even the law yet. It was not the law. The “Oprah” show was still on the air. NASA had not announced yet that we were done with the space shuttle missions. Prince William and Kate Middleton were not engaged, and Brett Favre still played for the NFL. Lots of things have happened in the last 4 years, but one thing that has not happened is the Senate has not passed a budget.

Republicans in the House have drawn up and voted for budgets. We figured out ways occasionally to have a budget vote. But the President's budget would get no vote. There was no Senate majority budget on which to vote. I look forward to seeing that budget on the floor.

I was glad to vote just a few weeks ago on the bill that said that if we do not have a budget, we do not get paid, because if we do not have a budget, we do not have the fundamental tool it takes to have the other debates on the appropriations bills. People deserve a Senate that has a budget, is willing to put it out there, and that then is willing to have the debates on appropriations bills we need to have. It has been 15 months since we had an appropriations bill on the Senate floor. We have failed to do the work, and that leads us from one needless crisis to another.

Now the crisis, of course, is the sequestration deadline. If you listen to the administration, you would assume that this is the last day it is safe to go outside; that starting tomorrow terrible things are going to happen. I just heard our leader, the Republican leader, talk about our willingness to give the President of the other party more ability to direct these cuts in specific ways—but not forever. We need to take that responsibility back ourselves and appropriate the money that is going to be spent October 1. But between now and September 30, we need to make these reductions in the best way rather than the worst way.

The Appropriations Committee, on which I am the ranking Republican, has Agriculture in it. One thing I am going to ask the Department is, Which employees are supposed to show up on those days that are so dangerous that you say only the critical employees need to be here? And if they are supposed to be here in bad weather, why wouldn't they be here now? Why would you cut the Federal employee who has to show up at a food-processing facility for anybody else to work and have somebody in an office somewhere doing something that could be done the next day that is just dependent on them? If I were the President, I wouldn't want to be answering, why did you cut this and not cut that?

Recently the President had a series of press conferences. He embarked on a

100-city tour to warn about the sequester. He showed up in Newport News in Virginia almost exactly 1 year after three of my colleagues went there—Senator GRAHAM, Senator AYOTTE, and Senator MCCAIN—saying: In a year this is going to be a big problem. A year later the President shows up and says: This is going to be a big problem.

The President proposed the sequester in 2011. He insisted that it become law. He even threatened to veto a bill. He said: I will veto any bill to replace the sequester—late last year. Suddenly, now he has changed his mind and all these terrible things are going to happen and it is unavoidable. It is only unavoidable if we refuse to cut things that can be cut.

The Federal Government has grown 19 percent in its spending in the last 4 years. The sequester would cut 2.4 or 2.5 percent. Anybody in America whose budget has grown 19 percent in the last 2 years can go back, not to where they were the last 4 years—rather, not to where they were 3 years or 4 years ago but just to where they were a few months ago and get their spending level back to that. This is a budget which has grown in a tremendous way, but now it is suddenly uncuttable. We cannot begin to get by with the money we were spending 6 or 9 or 12 months ago? Nobody believes that.

If we want to have this discussion, that is fine with me. These spending cuts need to happen. They should happen, and they should happen in the right way. This is not going to be solved by campaign appearances all over the country. It is going to be solved by good management to reach reasonable goals. The accounting office has identified 51 areas where programs are inefficient, ineffective, and overlapping—51 areas. Why don't we deal with that? That is the Executive's responsibility, to say: Here is how we are going to eliminate these programs the Government Accountability Office has said are inefficient, ineffective, and overlapping. Otherwise, I guess we are committed to keep the programs that are inefficient, ineffective, and overlapping and spend billions of dollars of the taxpayers' money.

That would include things such as 180 economic development programs operating in five different Cabinet agencies. I am for economic development. I am for opportunity and jobs. But do we need 180 different programs in 5 different agencies? Divide 180 by 5—does each of those agencies need an average of that many programs?

There are 173 programs across 13 agencies to promote science, technology, engineering, and math education. That is not a bad goal, but does it take 173 programs in 13 agencies to do it?

Twenty agencies oversee more than 50 financial literacy programs. More than 50 programs across 4 departments are there to support entrepreneurs. Private sector job creation should be the No. 1 domestic goal of the country

today, but do you need 50 programs in four departments to encourage entrepreneurial skills? Probably not.

Why don't we hear about that instead of the air traffic controllers and the highway engineers and the meat plant inspectors and the Head Start teachers? Why don't we hear about these programs that we all know are ready to be made more efficient—or in some cases just simply the way to make them more effective is to eliminate those programs.

There are 47 job training programs in 9 agencies that cost \$18 billion in fiscal year 2009. I do not have a number newer than that. We actually don't have a budget much newer than that. But \$18 billion for 47 programs in 9 agencies? I am sure we can do better.

The Government Accountability Office found at least 37 duplicative investments in information technology—that was \$1.2 billion over 5 years—and 14 programs to administer grants to reduce diesel emissions across 3 departments. This is not 14 programs to administer grants and loans, this is 14 programs to administer grants and loans to reduce diesel emissions. I am for reducing diesel emissions. I am even for the Federal Government paying some attention to whether that is being done. But do we need 14 programs in 3 different agencies to do it?

Across-the-board cutting, which is what sequester really means—that means we couldn't get to the number because, by the way, we didn't have any budget, we didn't pass any budget, so of course we couldn't get to the number. We couldn't get to the number the law requires us not to exceed in our spending, so the cure for that is to cut every line item in the discretionary spending part of the budget—the part that defends the country, the part that builds highways, the part that administers most educational needs in which the Federal Government is involved? That is what sequester is. We can do better.

The Department of Defense has spent more than \$67 billion in the last 10 years on nondefense spending. Probably somebody better than the Department of Defense could do the non-defense work. The Department of Energy weatherization program, which has received \$5 billion in stimulus funds, exhibited a failure rate of 80 percent. The stimulus program really worked out well. Here is an 80-percent failure rate in energy weatherization.

The FAA—the Federal Aviation Administration, the one about which my friend the Secretary of Transportation, with whom I served in the House, said we would have to eliminate air traffic controllers—they spend \$500 million each year on consultants. It could be that it is more important that the air traffic controllers show up than that the consultants show up.

I have a list here I am going to submit because the list literally goes on and on.

The Internal Revenue Service stored 22,486 items of unused furniture in a

warehouse, at an annual cost of \$862,000.

We will have this discussion of “why cut that instead of this” if we want to. But my side is willing to give the President authority between now and the end of this haphazardly put together appropriating year to target cuts so that those of us in the Senate can appropriate the money for next year's spending.

We ought to be moving right now. We should not be having this debate at all today. We should be having a debate on the budget to have it done by April 15 so the Appropriations Committee can begin to do its work and we can find out what needs to happen here.

This is a good time to ask the question, Is this a job for the government? If the answer is yes, the second question is, Is the Federal Government the best of all governments to solve this problem or is there some government closer to the people and closer to the problem that can solve it in a better way?

There are two things I wish to submit and ask unanimous consent to have printed in the RECORD as I close my remarks. One is a July 31, 2012, memo to agencies from the Office of Management and Budget that says, “Agencies should continue normal spending and operations since there are more than 5 months that remain for Congress to act.”

On September 28 the same management organization, the Office of Management and Budget, under the Executive Office of the President, sent another memo out that says, “Agencies should continue normal spending and operations, as instructed in the July 31 memo from the Office of Management and Budget to executive departments and agencies which addresses operational and other issues raised by the potential of January 2 sequestration.”

So the new spending year is about to begin in 2 days—2 days after this goes out—and the direction from the White House is business as usual, full-speed ahead, spend money just like you are. Don't bother with that law which says that beginning on January 1, we have to spend less money.

Well, I am convinced we are going to spend less money. I am prepared to work with the President to see that we do that in the smartest possible way, but we have to get our spending under control, and I look forward to seeing the Senate do its job first with the budget and then with bills that debate our money and what we spend our money on.

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

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, July 31, 2012.

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

From Jeffrey D. Zients, Acting Director.

Subject: Issues Raised by Potential Sequestration Pursuant To Section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985.

Passed by bipartisan majorities in both houses of the Congress, the Budget Control Act of 2011 (BCA; Public Law 112-25) amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) to put into place an automatic process of across-the-board reductions in budgetary resources, known as a sequestration, specified in an order to be issued on January 2, 2013, if the Joint Select Committee on Deficit Reduction failed to propose, and the Congress failed to enact, a bill containing at least \$1.2 trillion in deficit reduction.

The President has made clear that the Congress should act to avoid such a sequestration. If allowed to occur, the sequestration would be highly destructive to national security and domestic priorities, as well as to core government functions. To avoid this, the President submitted a budget for 2013 that includes a comprehensive and balanced set of proposals that contain greater deficit reduction than the Congress was charged with achieving. The Administration believes the Congress should redouble its efforts to reduce the deficit in a bipartisan, balanced, and fiscally responsible manner and avoid the sequestration.

If Congress were to enact the requisite deficit reduction measures and avoid the sequestration, there would be no need to take steps to issue the sequestration order, and then to develop plans for agency operations for the remainder of FY 2013 within the constraints of that order. These sequestration planning and implementation activities, once undertaken, will necessarily divert scarce resources from other important agency activities and priorities. The President remains confident that Congress will act, but because it has not yet made progress towards enacting sufficient deficit reduction, the Office of Management and Budget (OMB) will work with agencies, as necessary, on issues raised by a sequestration of this magnitude.

To that end, OMB will be holding discussions on these issues with you and your staff over the coming months. In the near term, OMB will consult with you on such topics as the application to your agency's accounts and programs of the exemptions from sequestration contained in section 255 of BBEDCA and the applicable sequestration rules specified in section 256 of BBEDCA. These discussions should be informed by your General Counsel's analysis of how the requirements of BBEDCA, as amended by the BCA, and other statutory authorities apply to a particular issue involving your agency. OMB will also engage with agencies on anticipated reporting requirements established by Congress that are related to, but separate from, planning for or implementing a sequestration order under the BCA.

Over the longer term, in the absence of Congressional action on a balanced deficit reduction plan in advance of January 2, 2013, OMB will undertake additional activities related to the implementation of the BCA. OMB will work with agencies, as necessary, on issues surrounding the sequestration order and its implementation. For example, sequestrable amounts can only be calculated once FY 2013 funding levels are known; therefore, shortly before any sequestration order is issued, OMB will collect information

from agencies on sequestrable amounts and, where applicable, unobligated balances, and calculate the percentage reductions necessary to implement the sequestration. In the meantime, agencies should continue normal spending and operations since more than 5 months remain for Congress to act.

The steps described above are necessary to prepare for the contingency of having to issue a sequestration order, but they do not change the fact that sequestration is bad policy, was never meant to be implemented, and should be avoided through the enactment of bipartisan, balanced deficit legislation. The Administration urges the Congress to take this course.

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE OF MANAGEMENT  
AND BUDGET,

Washington, DC, September 28, 2012.

OMB BULLETIN No. 12-02—TO THE HEADS OF  
EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

Subject Apportionment of the Continuing  
Resolution(s) for Fiscal Year 2013

1. *Purpose and Background.* H.J. Res. 117 will provide continuing appropriations for the period October 1, 2012 through March 27, 2013. Section 110 of H.J. 117 requires that the joint resolution be implemented so that only the most limited funding actions shall be taken in order to provide for continuation of projects and activities, and section 109 requires that programs restrict funding actions so as not to impinge on the final funding prerogatives of the Congress. I am automatically apportioning amounts provided by sections 101(a) and 101(b) of this continuing resolution (CR) as specified in section 3. The amounts provided by the 0.612 percent across-the-board (ATB) increase in section 101(c) will be subject to the procedures for apportioning that funding as outlined in section 4. This Bulletin supplements instructions for apportionment of CRs in OMB Circular No. A-11, sections 120 and 123.

The Administration continues to urge Congress to pass a balanced package of deficit reduction that would replace the potential sequestration on January 2, 2013, under section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (BBEDCA). If necessary, the Bulletin will be amended to address that sequestration. Unless and until the Bulletin is amended, however, agencies should continue normal spending and operations, as instructed in the July 31 memo from OMB to executive departments and agencies which addressed operational and other issues raised by the potential January 2 sequestration. Unless the Bulletin is subsequently amended, it should be assumed to apply to both this CR and any extensions of this CR.

Note: Although the CR Bulletin does not automatically or otherwise apportion budgetary resources for accounts that are not determined by current appropriation action of the Congress (such as mandatory funding and balances of prior year budget authority), those apportionments will also be amended if necessary, to reapportion sequestrable resources to account for the potential January 2 sequestration. The guidance above to spend and operate normally until further notice also applies to these other resources.

2. *Amounts Provided.* Section 101(a) of H.J. Res. 117 provides such amounts as may be necessary, at a rate for operations as provided in the applicable appropriations Acts for fiscal year (FY) 2012 and under the authority and conditions provided in such statutes, for continuing projects or activities (including the costs of direct loans and loan guarantees) that are not otherwise specifically provided for in H.J. Res. 117, that were

conducted in FY 2012, and for Appropriations Act, 2012 (Public Law 112-55), except for appropriations in that Act designated by the Congress as being for disaster relief, the Consolidated Appropriations Act, 2012 (Public Law 112-74), and the Disaster Relief Appropriations Act, 2012 (Public Law 112-77), except for appropriations in that Act under the heading "Corps of Engineers-Civil".

Section 101(b) provides that notwithstanding section 101 whenever an amount designated for Overseas Contingency Operations (OCO)/Global War on Terrorism (GWOT) pursuant to section 251(b)(2)(A) of BBEDCA in either the Department of Defense Appropriations Act, 2012 (division A of Public Law 112-74) or in the Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012 (division H of Public Law 112-74) that would be made available for a project or activity is different from the amount requested in the President's FY 2013 Budget request, the project or activity shall be continued at a rate for operations that would be permitted by, and such designation shall be applied to, the amount in the President's FY 2013 Budget request. For purposes of calculating the rate for operations, the reference to "amount" in section 101(b) is assumed to mean the budget account total.

Section 101(c) increases the rate for operations provided by subsection (a) by 0.612 percent. Such increase does not apply to OCO/GWOT amounts or to amounts incorporated in the joint resolution by reference to the Disaster Relief Appropriations Act, 2012 (Public Law 112-77).

3. *Automatic Apportionments.* Attachment A contains more detailed instructions on calculating the annualized amount provided by the CR. In order to calculate the amount automatically apportioned through the period ending March 27, 2013 (and any extensions thereof) multiply the annualized amount provided by the CR in sections 101(a) and 101(b) by the lower of:

The percentage of the year (pro-rata) covered by the CR (e.g., for H.J. Res. 117 use 48.77 percent), or

The historical seasonal rate of obligations for the period of the year covered by the CR.

Unless determined otherwise by your RMO, all automatically apportioned CR funds are apportioned as Category B (lump sum), regardless of quarterly restrictions (i.e., amounts on Category A) imposed in last year's apportionments. Limitations on programs (i.e., other Category Bs) and footnotes included in last year's apportionments remain in effect under the CR.

Apportionment of the 0.612 percent ATB increase in section 101(c) is discussed in section 4.

4. *Amounts Provided by Section 101(c) Excluded from Automatic Apportionment.* This automatic apportionment does not apply to amounts provided by the 0.612 percent ATB increase in section 101(c) of H.J. Res. 117. The agency may submit a written apportionment to OMB to request these funds during the period of the CR.

5. *Accounts with Zero Funding Excluded from Automatic Apportionment.* As has been the case in recent CR Bulletins, including FY 2012, if either the House or Senate has reported or passed a bill that provides no funding for an account at the time the CR is enacted or extended, this automatic apportionment does not apply to that account. (Reported bills are those that have been filed by the full House or Senate Appropriations Committee for floor action.) The agency may file by the full House or Senate Appropriations Committee for floor action.) The agency may submit a written apportionment to OMB to request funds for the account during the period of the CR, if needed.

6. *Programs under Section 111.* Funds for appropriated entitlements and other mandatory payments, and activities under the Food and Nutrition Act of 2008, are automatically apportioned amounts as needed to carry out programs at a rate to maintain program levels under current law, i.e., at the FY 2013 level. However, this automatic apportionment does not apply to programs with more complex funding structures. Agencies should contact their RMO representatives to determine if their account is automatically apportioned or if a written apportionment is required.

With regard to the associated administrative expenses for those programs, section 111 does not apply. The associated administrative expenses are automatically apportioned at the pro-rata level based on FY 2012 annualized levels in section 101(a).

As noted in section 1, this automatic apportionment will be amended, if necessary, to reapportion sequestrable resources to account for the sequestration order that the President may be required to issue on January 2, 2013, under section 251A of BBEDCA. Until such time as the Bulletin is amended, agencies should continue normal spending and operations, as instructed in the July 31 memo from OMB to executive departments and agencies which addressed operational and other issues raised by the potential January 2 sequestration.

7. *Credit Limitations.* If there is an enacted credit limitation (i.e., a limitation on loan principal or commitment level) in FY 2012, then the automatic apportionment is the pro-rata share of the credit limitation or the budget authority (i.e., for subsidy cost), whichever is less. To calculate amounts available, see exhibit 123B of OMB Circular No. A-11.

8. *Written Apportionments for Amounts Provided by Sections 101(a) and 101(b).* If an agency seeks an amount for a program that is more than the amount automatically apportioned under sections 101(a) and 101(b), a written apportionment must be requested from OMB. OMB expects to grant only a very limited number of these written apportionment requests. Each of these requests must be accompanied by a written justification that includes the legal basis for the exception apportionment. Similarly, an RMO or an agency may determine that an amount for a program should be less than the amount automatically apportioned by sections 101(a) and 101(b) in order to ensure that an agency does not impinge on the final funding prerogatives of the Congress. In these cases, a written apportionment will also be required.

Agencies do not need to request a new written apportionment for each extension of the CR (unless otherwise required by your RMO). Instead, in the case of accounts that receive a written apportionment at any time during the CR period, the automatic apportionment will apply to such accounts under any subsequent extensions of the CR, provided that the total amount apportioned during the CR period does not exceed the total annualized level of the CR. However, any footnotes on the written apportionment continue to apply to the accounts, when subsequently operating under the automatic apportionment.

The written apportionments described in this section are not intended to address the written apportionment requirements for amounts provided by section 101(c) or accounts with zero funding. Those requirements are described in sections 4 and 5 above, respectively.

JEFFREY D. ZIENTS,  
Deputy Director for Management.

Attachment(s):

Attachment B: Non-CHIMP Cancellations  
Recurring in a 2013 Continuing Resolution.

Attachment C: Changes in Mandatory Pro-  
grams Recurring in a 2013 Continuing Reso-  
lution.

ATTACHMENT B: NON-CHIMP<sup>1</sup> CANCELLATIONS RECURRING IN A 2013 CONTINUING RESOLUTION

(budget authority in millions of dollars)

Appropriations Subcommittee	2012 Enacted	2013 CR
<b>Cancellations of Unobligated Balances:</b>		
<b>Agriculture and Rural Development:</b>		
USDA, The Office of Advocacy and Outreach .....	-4	-
USDA, Buildings and Facilities (National Institute of Food and Agriculture) .....	-2	-
USDA, Public Law 480 Title I Ocean Freight Differential Grants .....	-3	-
USDA, Public Law 480 Title I Direct Credit and Food for Progress Program .....	-2	-
USDA, Salaries and Expenses [Foreign Agricultural Service] .....	-1	-
<b>Total, Agriculture and Rural Development .....</b>	<b>-12</b>	<b>-</b>
<b>Commerce, Justice, Science:</b>		
DOC, Emergency Steel, Oil, and Gas Loan Program Account .....	-1	-
DOC, Coastal Zone Management Fund .....	-18	-
DOC, Public Telecommunications Facilities, Planning and Construction .....	-3	-3
DOC, Information Infrastructure Grants .....	-2	-1
DOJ, Working Capital Fund .....	-40	-40
DOJ, Salaries and Expenses, United States Marshals Service .....	-2	-2
DOJ, Salaries and Expenses [Drug Enforcement Administration] .....	-10	-10
DOJ, Buildings and Facilities .....	-45	-45
DOJ, Justice Assistance .....	-4	-4
DOJ, State and Local Law Enforcement Assistance .....	-42	-42
DOJ, Juvenile Justice Programs .....	-9	-9
DOJ, Community Oriented Policing Services .....	-24	-24
DOJ, Violence against Women Prevention and Prosecution Programs .....	-15	-15
NASA, Mission Support .....	-1	-
NASA, Space Operations .....	-12	-13
NASA, Science .....	-5	-5
NASA, Exploration .....	-4	-4
NASA, Aeronautics .....	-1	-1
NASA, Education .....	-2	-2
NASA, Construction, Environmental Compliance, and Remediation .....	-5	-5
<b>Total, Commerce, Justice, Science .....</b>	<b>-245</b>	<b>-225</b>
<b>Defense:</b>		
DOD, Procurement, Defense-wide .....	-5	-4
DOD, Aircraft Procurement, Navy .....	-168	-78
DOD, Weapons Procurement, Navy .....	-34	-34
DOD, Procurement of Ammunition, Navy and Marine Corps .....	-28	-28
DOD, Shipbuilding and Conversion, Navy .....	-110	-
DOD, Other Procurement, Navy .....	-60	-60
DOD, Aircraft Procurement, Army .....	-27	-22
DOD, Missile Procurement, Army .....	-100	-30
DOD, Procurement of Weapons and Tracked Combat Vehicles, Army .....	-23	-19
DOD, Procurement of Ammunition, Army .....	-37	-15
DOD, Other Procurement, Army .....	-497	-438
DOD, Aircraft Procurement, Air Force .....	-253	-220
DOD, Missile Procurement, Air Force .....	-198	-194
DOD, Other Procurement, Air Force .....	-65	-53
DOD, Research, Development, Test, and Evaluation, Defense-wide .....	-254	-
DOD, Research, Development, Test, and Evaluation, Navy .....	-66	-
DOD, Research, Development, Test and Evaluation, Army .....	-357	-
DOD, Research, Development, Test, and Evaluation, Air Force .....	-258	-
DOD, National Defense Sealift Fund .....	-34	-
<b>Total, Defense .....</b>	<b>-2,574</b>	<b>-1,195</b>
<b>Energy and Water Development:</b>		
DOE-NNSA, Defense Nuclear Nonproliferation .....	-21	-21
DOE, Fossil Energy Research and Development .....	-187	-42
DOE, Energy Efficiency and Renewable Energy .....	-10	-10
<b>Total, Energy and Water Development .....</b>	<b>-218</b>	<b>-73</b>
<b>Financial Services and General Government:</b>		
GSA, Operating Expenses .....	-5	-
EXOP, Partnership Fund for Program Integrity Innovation .....	-10	-
Drug Control Programs, Counterdrug Technology Assessment Center .....	-5	-
Drug Control Programs, Other Federal Drug Control Programs .....	-6	-6
Salaries and Expenses [Privacy and Civil Liberties Oversight Board] .....	-1	-1
<b>Total, Financial Services and General Government .....</b>	<b>-27</b>	<b>-7</b>
<b>Homeland Security:</b>		
DHS, Office of the Chief Information Officer .....	-5	-5
DHS, Working Capital Fund .....	-5	-1
DHS, Citizenship and Immigration Services .....	-1	-
DHS, Salaries and Expenses [United States Secret Service] .....	-1	-1
DHS, Aviation Security .....	-71	-
DHS, Immigration and Customs Enforcement .....	-13	-10
DHS, Automation Modernization [Immigration and Customs Enforcement] .....	-10	-10
DHS, Customs and Border Protection .....	-5	-5
DHS, Automation Modernization, Customs and Border Protection .....	-5	-5
DHS, Border Security Fencing, Infrastructure, and Technology .....	-3	-3
DHS, Operating Expenses [United States Coast Guard] .....	-38	-38
DHS, Acquisition, Construction, and Improvements (U.S. Coast Guard) .....	-4	-1
DHS, United States Visitor and Immigrant Status Indicator Technology .....	-27	-27
DHS, State and Local Programs .....	-3	-3
DHS, National Pre-disaster Mitigation Fund .....	-1	-1
DHS, Management and Administration .....	-1	-
<b>Total, Homeland Security .....</b>	<b>-193</b>	<b>-110</b>
<b>Interior and Environment:</b>		
DOI, NPS, Construction (and Major Maintenance) .....	-4	-4
DOI, Wildland Fire Management .....	-82	-
EPA, State and Tribal Assistance Grants .....	-45	-45
EPA, Hazardous Substance Superfund .....	-5	-5
<b>Total, Interior and Environment .....</b>	<b>-136</b>	<b>-54</b>
<b>Military Construction and Veterans Affairs:</b>		
DOD, Military Construction, Defense-wide .....	-131	-131
DOD, Base Closure Account 2005 .....	-259	-259
DOD, Military Construction, Navy and Marine Corps .....	-25	-25
DOD, Military Construction, Army .....	-100	-100
DOD, Military Construction, Air Force .....	-32	-32
<b>Total, Military Construction, Veterans Affairs .....</b>	<b>-547</b>	<b>-547</b>
<b>State and Foreign Operations:</b>		
State, Diplomatic and Consular Programs .....	-14	-14
State, Economic Support Fund .....	-100	-100
Export-Import Bank Loans Program Account .....	-400	-400

ATTACHMENT B: NON-CHIMP<sup>1</sup> CANCELLATIONS RECURRING IN A 2013 CONTINUING RESOLUTION—Continued

[budget authority in millions of dollars]

Appropriations Subcommittee	2012 Enacted	2013 CR
Total, State and Foreign Operations .....	- 514	- 514
Transportation and Housing and Urban Development:		
Transportation, Compensation for General Aviation Operations .....	- 3	-
Transportation, Capital Investment Grants .....	- 58	- 44
Transportation, Operations and Training .....	- 1	-
Transportation, Maritime Guaranteed Loan (Title XI) Program Account .....	- 35	-
HUD, Housing Certificate Fund .....	- 200	- 20
HUD, Other Assisted Housing Programs .....	- 232	- 15
Total, Transportation and Housing and Urban Development .....	- 529	- 79
Subtotal, Cancellations of Unobligated Balances .....	- 4,995	- 2,804
Cancellations of Advance Appropriations:		
Military Construction and Veterans Affairs:		
VA, Medical Support and Compliance (reappropriation) <sup>2</sup> .....	- 100	-
VA, Medical Services (reappropriation) <sup>2</sup> .....	- 1,400	-
VA, Medical Facilities (reappropriation) <sup>2</sup> .....	- 250	-
Total, Military Construction, Veterans Affairs .....	- 1,750	-
Transportation and Housing and Urban Development:		
HUD, Tenant Based Rental Assistance .....	- 650	-
Subtotal, Cancellations of Advance Appropriations .....	- 2,400	-
TOTAL, Cancellations of Balances & Advance Appropriations .....	- 7,395	- 2,804
Cancellations of Overseas Contingency Operations Funding: <sup>3</sup>		
Defense:		
DOD, Overseas Contingency Operations Transfer Fund .....	- 357	-
DOD, Procurement of Ammunition, Army .....	- 21	-
DOD, Other Procurement, Air Force .....	- 2	-
Total, Defense .....	- 380	-
Military Construction and Veterans Affairs:		
DOD, Military Construction, Army .....	- 235	-
DOD, Military Construction, Air Force .....	- 35	-
Total, Military Construction, Veterans Affairs .....	- 270	-
Subtotal, Rescissions/Cancellations of Overseas Contingency Operations Funding .....	- 650	-
Cancellations of Congressionally-Designated Emergency Funding: <sup>4</sup>		
Homeland Security:		
DHS, Immigration and Customs Enforcement .....	- 2	-
DHS, Aviation Security .....	-	- 16
DHS, Border Security Fencing, Infrastructure, and Technology .....	- 4	-
DHS, Acquisition, Construction, and Improvements (U.S. Coast Guard) .....	- 2	- 2
Total, Homeland Security .....	- 8	- 18
Subtotal, Cancellations of Congressionally-Designated Emergency Funding .....	- 8	- 18
Grand Total, All Cancellations .....	- 8,053	- 2,822

<sup>1</sup> Excludes offsets that are the result of cancelling or blocking spending from mandatory programs. See Attachment C on CHIMPs for this information.<sup>2</sup> These funds were technically rescinded in the appropriations bills but they were immediately reappropriated. This rescission-reappropriation mechanism is to simply to extend the availability for two years.<sup>3</sup> These enacted rescissions of funding were designated as Overseas Contingency Operations pursuant to Section 251(b)(2)(A) of BBEDCA, as amended.<sup>4</sup> Funding is not designated "Emergency" pursuant to Section 251(b)(2)(A) of BBEDCA, as amended. These amounts are counted outside of the discretionary caps.

## ATTACHMENT C: CHANGES IN MANDATORY PROGRAMS RECURRING IN A 2013 CONTINUING RESOLUTION

[Budget authority in millions of dollars]

Appropriations Subcommittee	2012 Enacted <sup>1</sup>	2013 CR
Agriculture and Rural Development:		
USDA, Funds for Strengthening Markets, Income, and Supply (Section 32) .....	- 150	- 300
USDA, Federal Crop Insurance Corporation Fund .....	- 75	- 75
USDA, Commodity Credit Corporation Export Loans Program Account .....	- 20	-
USDA, Commodity Credit Corporation Fund (Biomass Crop Assistance Program) .....	- 184	-
USDA, Commodity Credit Corporation Fund (Voluntary Public Access) .....	- 17	-
USDA, Watershed Rehabilitation Program .....	- 165	- 165
USDA, Rural Energy for America Program .....	- 51	- 29
USDA, Rural Microenterprise Investment Program Account .....	- 4	- 4
USDA, Energy Assistance Payments .....	- 80	- 28
USDA, Farm Security and Rural Investment Programs .....	- 1,225	- 657
Conservation Stewardship Program .....	(- 33)	(- 217)
Environmental Quality Incentives Program .....	(- 350)	(- 350)
Farmland Protection Program .....	(- 50)	(- 50)
Grassland Reserve Program .....	(- 81)	(-)
Wetlands Reserve Program .....	(- 671)	(-)
Wildlife Habitat Incentives Program .....	(- 35)	(- 35)
Agriculture Management Assistance Program .....	(- 5)	(- 5)
USDA, Rural Economic Development Grants (Cushion of Credit) .....	- 155	- 155
USDA, Trade Adjustment Assistance for Farmers .....	- 90	-
USDA, Supplemental Nutrition Assistance Program .....	- 11	- 11
USDA, Child Nutrition Programs (Obligation Delay) .....	- 133	-
Total, Agriculture and Rural Development .....	- 2,360	- 1,424
Commerce, Justice, Science:		
DOC, NOAA, Promote and Develop Fishery Products Transfer .....	- 109	- 109
DOC, NOAA Fisheries Enforcement and Sanctuaries Enforcement Asset Forfeiture Funds:		
Operations, Research, and Facilities (ORF) Reduction in Collections .....	+ 6	-
ORF Reduction in Spending Authority from Collections .....	- 6	-
Transfer out of Unobligated Spending Authority from ORF .....	- 3	-
Collections Deposited as Receipts in Asset Forfeiture Funds .....	- 6	-
Spending of Receipts in Asset Forfeiture Funds .....	+ 6	-
Transfer in of Unobligated Spending Authority to the Asset Forfeiture Fund .....	+ 3	-
DOC, Digital Television Transition and Public Safety Fund .....	- 4	- 4
DOJ, Assets Forfeiture Fund .....	- 675	- 675
DOJ, Crime Victims Fund (Obligation Delay) .....	- 7,113	- 9,511
DHS, Citizenship and Immigration Services Transfer .....	- 4	- 4
Total, Commerce, Justice, Science .....	- 7,905	- 10,303
Energy and Water Development:		
DOE, SPR Petroleum Account .....	- 500	- 500
DOE, Northeast Home Heating Oil Reserve .....	- 100	-
Total, Energy and Water Development .....	- 600	- 500
Financial Services and General Government:		
Treasury, Forfeiture Fund .....	- 950	- 950
FDIC, Deposit Insurance Fund Transfer to the OIG .....	- 45	- 45
Postal Service, Transfers to the OIG & Postal Regulatory Commission (PRC) .....	- 255	- 255

## ATTACHMENT C: CHANGES IN MANDATORY PROGRAMS RECURRING IN A 2013 CONTINUING RESOLUTION—Continued

[Budget authority in millions of dollars]

Appropriations Subcommittee	2012 Enacted <sup>1</sup>	2013 CR
Postal Service, Discretionary Offsetting Collections for Transfers to the OIG & PRC .....	+255	+257
Securities and Exchange Commission Reserve Fund .....	-25	-25
<b>Total, Financial Services and General Government .....</b>	<b>-1,020</b>	<b>-1,018</b>
<b>Interior and Environment:</b>		
USDA, Forest Service Permanent Appropriations .....	-12	-12
DOI, Mineral Leasing and Associated Payments .....	-42	-40
DOI, NPS, Land Acquisition and State Assistance .....	-30	-30
DOI, Assistance to Territories .....	+14	+13
DOI, Office of Surface Mining Fee Reclassification .....	*	—
<b>Total, Interior and Environment .....</b>	<b>-70</b>	<b>-69</b>
<b>Labor, HHS, and Education:</b>		
Labor, MSHA Approval and Certification Fee to be Deposited in Expenditure Account .....	—	+1
HHS, Consumer Operated and Oriented Plan Program Account .....	-400	-400
HHS, Children's Health Insurance Fund .....	-6,368	-6,368
HHS, CMS Program Management, High Risk Pools .....	+44	+44
Education, Student Financial Assistance (including Pell Grants) .....	-124	—
Independent Payment Advisory Board .....	-10	-10
<b>Total, Labor, HHS, and Education .....</b>	<b>-6,858</b>	<b>-6,733</b>
<b>State and Foreign Operations:</b>		
State, Foreign Military Sales Trust Fund—Block mandatory spending .....	-100	—
State, Foreign Military Sales Trust Fund—Payout to Special Defense Acquisition Fund .....	+100	—
<b>Total, State and Foreign Operations .....</b>	<b>—</b>	<b>—</b>
<b>Transportation and Housing and Urban Development:</b>		
Transportation, FMCSA Motor Carrier Safety Grants .....	-1	-1
<b>TOTAL, Changes in Mandatory Programs (CHIMPs) .....</b>	<b>-18,814</b>	<b>-20,048</b>

\* Denotes a number less than \$500K.

<sup>1</sup> All FY 2012 CHIMPs have been rebased as mandatory and are not included in any FY 2012 Enacted levels. They are only displayed for comparison purposes.

Mr. BLUNT. I yield back whatever time I might have.

The ACTING PRESIDENT pro tempore. Time is yielded back.

The majority whip.

Mr. DURBIN. We will have a vote on the floor of the Senate. It is an important vote because tomorrow is the day of sequestration. The American people are learning new terminology. The fiscal cliff meant nothing to most Americans 6 months ago, but by New Year's Eve many understood that something serious was about to occur. Laws had been passed which meant that taxes would go up on virtually every tax-paying American on January 1 if Congress failed to act. That was the fiscal cliff.

We reached a last-minute agreement on ways to avert that from happening and to make sure any tax increases on the income tax side were going to be exclusively applied to those in the highest income categories. Well, the Americans breathed a sigh of relief and said thank goodness that emergency is over.

We are good in Washington at manufacturing crises, and now we are in a new crisis of our own creation. This is not some act of God, some natural event, some occurrence we have no control over. We created this. We created something called sequestration, and here is what it was all about.

The President sat down with the leaders in Congress—this goes back over a year now—and said: Listen, we need to do something about our deficit, but let's do it in a bipartisan way and a balanced way. Let's put together a supercommittee—an equal number of Democrats and Republicans—and let's reach an agreement once and for all. Stop bickering and reach an agreement. Let's reduce the deficit as a result of that agreement. But, he said, to make sure you take it seriously, if you don't reach an agreement, then as of this year, 2013, we are going to have

automatic spending cuts called sequestration, and the sequestration cuts are not going to be very kind. They are going to be across-the-board cuts by each line item of the budget. So to avoid that, do the right thing and reach a bipartisan agreement in the supercommittee.

We failed. We failed when the Republicans of the committee said no revenue, no taxes. Sorry. We will just talk about spending cuts and cutting Medicare. That is all we are interested in talking about.

End of story; end of supercommittee; welcome to the world of sequestration. The threat that was supposed to make the supercommittee act is now about to become the reality. The reality means that in the remainder of this year—we do fiscal years, not calendar years—between now and September 30, we need to cut \$85 billion in spending. Half of it will be on the defense side, and half of it will be on the nondefense side. Some might say: Come on, this is a big government and this is a big budget, and you are telling me \$85 billion is a big problem?

I happen to agree with the Senator from Missouri—Republican Senator BLUNT who was here a moment ago—that there are plenty of areas to save in the Federal Government. I will speak to a few in a moment. We don't create an opportunity for that kind of thoughtful discussion and decision-making. Instead, it is automatic. It just happens.

What is wrong with cutting every line of the budget by a certain percentage? Well, let's take it home. Let's talk about an American family. Let's assume that family has just learned that next year, due to circumstances beyond their control, they are going to be making \$500 less each month; somebody lost a job in the family or something like that. They look at the family budget and they say: We are going to have to tighten things up and make

some hard choices. Someone else at the family table says: Wait a minute, We don't have to do it that way. What we should do since \$500 is maybe 5 percent of what we take home in pay, let's cut everything we spend by 5 percent. If we do that, we will be able to reach that \$500 mark.

When they stop and think about it for a minute, they realize that doesn't make any sense at all. We are going to cut our mortgage payment by 5 percent? We cannot do that; we will default on our mortgage, and we will lose our home. We will cut our utility payment by 5 percent? They will cut off the lights. We cannot cut the prescription drugs by 5 percent. We need that medicine to keep our children healthy. No, we have to look at a more thoughtful way. Let's look at parts where we spend money that we can afford to cut.

That is how families budget, that is how the government should budget, but sequestration doesn't cut budgets that way. It cuts it by each line item—the mortgage, the utility bill, the prescription drugs are all cut the same. That is what we face starting tomorrow. Well, there are ways to avoid that. The most important opportunity will come tomorrow afternoon. President Obama is bringing the congressional leaders—the House and Senate, Democrats and Republicans, all four—together for a meeting in the White House. Let's hope cooler heads prevail. Once again, we are at the deadline. Once again, the American people are looking to us and wondering what is going to happen.

What is at stake here? There are several things at stake. One of the things that is at stake is that the cuts for many agencies are going to be unreasonable. It will be unreasonable because they have to be done in a matter of 5 or 6 months. I am now chair of the Defense Appropriations Subcommittee. It means that most of the civilian employees who work for the Department of Defense are going to lose 1 day's pay

each week. It will result in a 20-percent cut in pay between now and the end of the year and will be a hardship on some families.

Don't believe these are fat-cat Federal employees. Many of them are struggling families doing jobs in our Department of Defense which are critical for our Nation's security. They range across the board from some of the most sophisticated decisionmaking to keep us safe as a Nation to the very basics of keeping the lights on in the buildings where these decisions are made. They are going to see this kind of furlough, reduction in pay and, unfortunately, reduction in productivity because of it. That is not good.

Other things are going to happen because of it. When workers are laid off at a depot where they repair a ship, it means the ship that was in for repairs has to stay there longer. It cannot go out and protect America.

Last week I was in a place called Bahrain. Bahrain, an island in the Persian Gulf, is a critical front in America's national defense. The 5th Fleet is there. What a magnificent group of individuals. ADM John Miller took me around on the ships and introduced me to the men and women in uniform. I could not have been prouder as an American to say hello to these people who are literally giving and risking their lives for our country. How are they protected while they are out there? Well, we have a great aircraft carrier out there. It is there if needed. I hope it is never needed. It is only one of two carriers that is supposed to be there.

The USS *Truman* was supposed to join the other carrier to protect our troops and our interests in the Persian Gulf, but it will not be there. Why? Because the Navy had to hold the *Truman* in reserve to save money. This is just one example of how you can't contain the effects of sequestration. And our sailors—our men and women in uniform—are out in the Persian Gulf, literally in a much riskier situation because of it. When we talk about how easy it is to cut spending in the government, it can be easy if we do it in a thoughtful way.

The second point I wish to make is that it is not just a matter of where we cut or how we cut, it is a matter of this process. We have been told by the people who give a credit rating to the United States of America that what has been happening for the last 2 years has not gone unnoticed. Think about your own family situation again. If a family is late in paying bills, what happens? Their credit rating goes down, and then when they turn around to borrow some money—whether it is an installment loan for a car or a home—they look at their credit rating, don't they? They say: You are not the most reliable person in paying your bills. Your credit rating is lower; therefore, the interest rate you pay will be higher.

The same thing applies to the government. Over the last 2 years this

strategy that has been hitting us and says we have to lurch from one threatened government shutdown, to a shutdown of the economy over the debt ceiling, to the fiscal cliff, to the sequestration, is taking a toll on America's credit rating. So the ratings agencies are saying: Don't get me wrong, it is a great Nation and a great economy, but there are not a great bunch of politicians in Washington when it comes to making decisions; therefore, we are going to have an uptick in the interest rate paid by America to borrow money. What that means is we will be paying more of the taxpayers' dollars in interest to those who loan us money, such as China, and less in goods and services to serve America.

Now they are telling us again: If you go to sequestration and you get into another hopeless political tangle, as you have over the last 2 years, you run the risk that America's credit rating is going to be downgraded, interest rates are going to go up, and your kids are going to owe more on the national debt. That is what is at stake here.

What are we going to do about it? This afternoon we will make a proposal that not a single Republican will vote for. I will make that prediction on the floor. It is a proposal where we take a look at one of the most wasteful areas of spending and eliminate it. It applies to my State of Illinois, and here is what it is: direct payments to farmers. I don't know why we did this, but in the last farm bill we said we will give direct support payments to farmers whether they make money or lose money. Sometimes we will give them the direct payments whether they grow a crop or don't grow it. Does that make sense? I don't think it does.

We said for a long time, 70-years plus, the U.S. Government will be there when the farmers need it—when they need a helping hand. I understand that. Farming is a risky business, but direct support payments don't work on that principle. They make a payment regardless.

When Senator STABENOW of Michigan wrote the new farm bill, she said: I am eliminating direct payments. It saves \$25 billion over 5 years. We had 64 Senators, which is about a dozen Republicans, to join us in passing the farm bill. They agreed and the farm groups agreed that they could no longer defend direct support payments. They could not defend it in a time when we have so many deficits.

The farm bill could not pass in the House. They were unable to pass a farm bill. I don't know why, but they couldn't. So what we will do this afternoon is take that savings from the direct support payments and use that to defer some of the cuts that would otherwise occur in sequestration. I think it is pretty sensible.

We will find out that not a single Republican will vote for it. They can come to the floor and list where they will save money, and they will have a chance on the floor this afternoon to

actually save \$25 billion on something the farmers agree with and farm organization support—and many of them voted for—but not one will vote for it. Not one. It is a sad situation.

Let me tell one other thing they ought to think about: for-profit schools. Does anyone know what they are? Well, if you have a child—a son or daughter in high school—you will know them soon because they are inundating your son or daughter with invitations to come join their university. Let me give some of the biggest names of the for-profit school industry: University of Phoenix. Ever heard of it? The combined enrollment of the University of Phoenix is more than the combined enrollment of the Big Ten. The second largest one, I believe, is DeVry, which is out of Chicago, and then Kaplan, which is a career education corporation. These are private companies that purportedly educate students. Some do, most don't.

If anyone wants to know about the for-profit colleges in America, they should remember three numbers. The first number is 12; 12 percent of all the high school graduates in America go to for-profit schools, such as the ones I mentioned, and others. The next number, 25; 25 percent of all the Federal aid to education goes to these schools. So they have 12 percent of the students and 25 percent of the Federal aid to education. Well, how much is that? About \$32 billion a year goes to these schools, and it is Federal taxpayer dollars.

If we took the \$32 billion that is going to for-profit schools and translated it into a Federal agency, it would be the ninth largest Federal agency in Washington—\$32 billion to these schools. Hang on for the third number. The third number is 47—12, 25, 47. Forty-seven percent of all the student loan defaults occur among students who are going to these for-profit schools.

What does that tell you? They are getting too deeply in debt, they cannot finish school, and they cannot find a job. What a waste. They end up with debt and nothing to show for it. The schools end up with the money; the students and their families end up with the debt.

Let me recite one of these stories. I have invited students to tell me their stories at my Web site, and many of them have. Tabitha Hewitt, who is a first-generation college student, was aggressively recruited by for-profit colleges. They promised her a great future with a paying job. What she ended up with was a student debt of \$162,000. She attended the International Academy of Design and Technology, which is a for-profit college owned by Career Education Corporation.

Tabitha is a veteran of the Air Force. She thought her education would give her the skills she needed to be successful in the civilian workplace. It turns out she does the same job as her colleagues who didn't attend any of these

for-profit schools. She didn't pick up any advantage; she just picked up a debt. The GI bill didn't cover the tuition because it was too high, so she took out student loans.

Paying her loans is a daily struggle. For Tabitha, it consumes her life. She sometimes has to walk away from other bills just to pay her student loans. She is constantly in battle with the lenders, trying to negotiate a reasonable payment plan, and they refuse. She says she can't save for anything. She can't pay for her own health insurance. She probably can't get married and have children. She just can't afford it. She wants to go back to a real school for a real education, but guess what. This deeply in debt, she can't borrow any money to go to school—to a real college instead of a for-profit school.

For-profit colleges prey on veterans such as Tabitha. They use deceptive marketing and aggressive tactics. They tell the veterans everything is going to be great and everything is going to be paid for. It is simply not true.

The 90-10 rule permits for-profit colleges to receive up to 90 percent of their total revenue from the Federal Government. These for-profit colleges are 10 percent away from being Federal agencies. But here is the thing: The 90 percent only includes Federal student aid programs such as Pell grants or student loans. GI and Department of Defense tuition assistance are counted as private revenue, giving the schools a huge incentive to recruit and target servicemembers and veterans such as Tabitha. Veterans and servicemembers help the schools meet the 90-10 rule and then end up with a worthless education.

Congress needs to stop this bloated industry from continuing to prey on veterans such as Tabitha Hewitt. Congress needs to make sure servicemembers and veterans have all the information they need about a school before they choose to enroll. We need to also make sure these schools are providing servicemembers the skills they need to succeed in the workforce. Schools with awful outcomes should not be participating in the Department of Defense Tuition Assistance Program and they should not be eligible for the GI bill.

Do my colleagues want to know where to save money without going into a sequestration that lays off a lot of important people across America and, in some ways, compromises our national security and the protection of our men and women overseas? Start with the for-profit schools. These folks have tapped into the Federal Treasury to the tune of \$32 billion a year.

People say to themselves: Why do we let them get away with it? They have friends in high places. They are participants in our political processes. They can be found at many of the great parties and receptions across the city of Washington and around the country. They are doing what they can legally do as citizens. They are finding friends

in high places and protecting the \$32 billion a year that goes to these worthless schools, many of which are a complete waste of time and money for the students who end up there.

It would be bad enough if it was just a bad education or a waste of time. Tabitha is stuck with a \$162,000 student debt.

There is one last kicker. The student debt is different than the other debt a person has. If a person borrows money for a home or a car or a boat or to buy a washer and dryer and they go broke and go to bankruptcy court, those debts are going to be swept away—not student loans. Student loans are not dischargeable in bankruptcy. Tabitha, the bad news is this is a debt that will be with you for a lifetime. Student debt is not dischargeable in bankruptcy. That is where we are today.

So when my friends come to the floor and talk about all the ways to save money in Federal spending, I will give them two to start with, one they can vote for this afternoon: end the direct payments in agriculture and save \$25 billion. Secondly, reform this for-profit school scam that costs us \$32 billion a year. They are easy places to start, perhaps even on a bipartisan basis.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant clerk proceeded to call the roll.

Mr. COONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. COONS. Mr. President, what has become painfully clear to me this week is that folks in the Congress, folks in the Senate aren't listening to each other anymore. As we lurch toward our latest fiscal crisis—the looming sequester that takes effect tomorrow—I rise to speak directly to the folks I work for—my constituents, my fellow Delawareans.

I wish to continue a conversation I have been having with my neighbors at the train station, in the Acme, outside church, on the sidelines of my kids' sporting events, consistently since coming here to serve you as Delaware's junior Senator.

I am focused a bit by a Facebook message I got from Sandi, a neighbor, this morning. It is fairly poignant. She writes: In 2011, when we spoke, you assured me the sequester was so draconian it would never happen. I feel betrayed by Congress, the Senate, and all of Washington.

She writes further: I trusted you to hold up our end of this deal and now we are going to sequestration. Disappointed is an understatement for how I feel. Why can't you get anything done down there?

To Sandi, to the nonprofits in Delaware whose funding is about to get cut, to the civilian workers at Dover Air

Force Base who are facing furlough, to the educators throughout the State who may be laid off and the students who may well be crammed into more crowded classrooms, to the parents whose children will not receive the vaccines they need, and to all my neighbors who will be abruptly impacted by what Washington has failed to do this week to deal with the sequester, on behalf of the Senate, I am frustrated. I am at my wit's end. I am embarrassed by our dysfunction. I am sorry. This is simply not how your government is supposed to work.

Our country, as we all know, has a real long-term problem—a national debt now approaching \$17 trillion, annual deficits for years of \$1 trillion, literally adding to the problem each day we don't act together. While the solution to this problem is not easy, it is relatively obvious.

I wish to say this at the outset: Including interest savings, we have already saved a little less than \$2.5 trillion since 2010. But it is easy to miss since we have done it piecemeal, through reductions in continuing resolutions, through the Budget Control Act, through the recent fiscal cliff deal. I know the general impression all of us get at home is we lurch from crisis to crisis and it is unclear that we have made any progress at all. But we have already locked in nearly \$2.5 trillion in savings.

As a member of the Budget Committee, we got to hear from the Bowles-Simpson Commission, the Domenici-Rivlin Commission, a whole series of prominent economists who broadly agreed we needed \$4 trillion in savings to get our deficits under control and to stabilize our debt as a percentage of our economy.

We have made about \$2.5 trillion in progress and that leaves us about \$1.5 trillion, maybe even \$2 trillion left to go to achieve that target, depending on how we count. More than 70 percent of the savings we have already enacted have come from cuts, overwhelmingly cuts to domestic spending that are critical to the future of our economy. I think it is important as we go forward that we achieve some balance in the remaining component.

This Chamber will have to pass a budget resolution this year. That is what we are already working toward in the Budget Committee, a meeting from which I just came. We must cut spending, we must, in my view, raise revenue, and we must reform our entitlement programs. All of these have some role to play in dealing with these long-term issues. None of them though can solve the problem on their own, and this has been clear for the 3 years I have been serving here.

Our problem has been that we have a vocal part of one party who largely would not entertain raising any revenue and a vocal part of another party who largely would not consider reforming our entitlement programs, so we have lurched from crisis to crises. We

try to force each other to do it on the backs of one piece of our large Federal budget.

So to my conservative neighbors or those in the other party, I am sorry, we just cannot do this through cuts to discretionary, nondefense programs alone or through entitlement reforms alone. We cannot responsibly deal with this deficit and debt just within those two areas.

In the last 2 years we already made more than \$1.5 trillion in discretionary spending cuts. On the trajectory we are on now, in the next decade the percentage these programs make of our total Federal Government will drop to levels not seen since Dwight Eisenhower was President, even as our revenues today are at their lowest as a percentage of our economy in 50 years.

Federal spending, done right, in the right sectors, fuels our long-term competitiveness. I am talking about investments in education, in infrastructure, in R&D, and basic science and curing diseases, and in speeding commerce. They are key to our future.

One of our core areas of focus here ought to be on how do we create jobs in a progrowth agenda for our country? By simply focusing on hacking off the domestic, discretionary piece of our Federal budget, it is like an airplane that is trying to get lift but one of its engines is being cut off. We need to sustain investment in some of these critical areas of the Federal budget. But equally, I will say to my liberal neighbors, to folks in my party, we cannot solve this budget problem just by raising taxes on the wealthy and on corporations. The math just does not work. There is not enough we can raise there to deal with the whole challenge.

Remember, the fiscal cliff deal we just passed in the last few weeks will bring in another \$600 billion in revenue over the next 10 years. So we are making progress.

We also cannot do it if we simply ignore the poor fiscal health of our long-term entitlement programs either. Last year Medicare and Medicaid Programs—plus interest on the debt—made up almost 30 cents of every \$1 the Federal Government spent. In two decades, on our current trajectory, it may be 50 cents of every \$1.

Demographics, steadily rising costs of health care will keep driving this, and we must deal with it. Unless we change course, putting all these things together, productive expenditures that grow our economy—medical research, R&D—will be crowded out. Progressive priorities such as Head Start, low-income housing assistance, breast and cervical cancer screenings—the things that help care for the least among us or that help make us healthier will be gone.

So in my view, why not take this moment when we still have a Democrat in the White House and Democrats in control of this Chamber to make tough choices while we have historically low interest rates and fight to preserve the

legacy of the earned benefits—Medicare, Medicaid, and the vital entitlement programs we treasure. In my view, we cannot simply hope that the cost of our entitlement programs comes down and we cannot simply tax our way to economic health. Anyone who tells you that either of these is enough is wrong. Spending has to be cut. Entitlements have to be reformed. Revenue needs to be raised. They are all part of the problem, and they should all be part of the solution.

Somehow, though, when we actually do manage briefly to have a substantive debate on these questions, we tend to spend all of our time focusing on the smallest facet of the Federal budget—discretionary spending—but almost no time discussing these others, the rest of the equation, the big drivers.

This place has become somewhat of an alternative reality where, if we dig in real hard and people get really scared and we use fancy words such as “sequester” or “fiscal cliff,” we can ignore the facts. There is no question that we do have to reduce spending, but the sequester is the worst way to do it. When conceived, the sequester was such a bad idea that both sides were supposed to be motivated to move Heaven and Earth to prevent it from taking effect. That is how terrible it is as policy. Yet here we are.

I am dumbfounded. It is not as though we have not had plenty of time to make this better—18 months, by my count. Why are people talking now in the press here on Capitol Hill about whether BOEHNER will lose his speakership or whether the first person to suggest the sequester worked in the White House or in the Capitol, whether Republicans have more to gain by the sequester kicking in or Democrats? How much time have we been spending trying to fix blame rather than fix the problem? Who owns the sequester seems to be the fight of the day here. Who cares is my question. There are no winners in this fight.

I think the question of how we reduce our deficits, stabilize our economy, prioritize spending that will grow jobs—this debate can either dominate the next 10 years, as we lurch every 3 months from crisis to crisis, or we can address the broader, bigger question and fix it and lay a groundwork for health, for growth, for recovery. Again, the math is not that hard; the politics are.

We here in Congress, with the executive branch, have largely created this problem, and now we need to solve it. Tomorrow, leaders from this Chamber and the House will go to the White House to meet with President Obama about how to address the sequester on the very day it takes effect. On behalf of my constituents, on behalf of the teachers, the police officers, the non-profits, the personnel at Dover Air Force Base, the kids, their parents, my neighbors, on behalf of my State, I urge our leaders to embrace this mo-

ment and to work not only to avert this short-term sequester—not just this \$85 billion in cuts—but to resume their work on the grand bargain. We need a big deal. We need it to be balanced. We need it to be fair. Spending, entitlements, revenue—they all need to be on the table, and they all have to be part of the equation.

My question for everyone in that meeting tomorrow—

Mr. McCAIN. I have to ask for regular order.

The ACTING PRESIDENT pro tempore. The majority time has expired.

Mr. COONS. I ask unanimous consent for 30 seconds to conclude my remarks.

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

Mr. COONS. My question for everyone—everyone—in both parties, both Chambers who goes to this important meeting at the White House tomorrow is, How much more time do we have to fight and not to act, to attack and not compromise, to spin rather than solve? Based on the e-mails, the calls, the contacts I have gotten from my constituents, from my neighbors, the time to step up and address this larger problem is now. The sequester, while savage, is not the underlying problem. It is our unwillingness to come together across parties and Chambers to deal with the underlying challenges of our budget. It is my hope, my prayer, that we will take this moment and act.

Thank you, Mr. President. I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

#### AMERICAN FAMILY ECONOMIC PROTECTION ACT OF 2013—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 388, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to Calendar No. 18, (S. 388) a bill to appropriately limit sequestration, to eliminate tax loopholes, and for other purposes.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Ms. AYOTTE. Mr. President, I ask unanimous consent that in addition to the two cloture votes on bills dealing with the sequester today, there be set a time, to be determined by the majority leader in consultation with the Republican leader, that without intervening action or debate the Senate proceed to a rollcall vote on the motion to proceed to my alternative bill dealing with the sequester which is now at the desk.

The ACTING PRESIDENT pro tempore. Is there objection?