the ''administration or enforcement'' of U.S. tax laws.

That is the same standard, ''may be relevant,'' that has been in effect for decades in the United States when the Treasury seeks to obtain information in a tax inquiry about American citizens from their own banks. That standard has been upheld by the U.S. Supreme Court.

I am not going to go through all of the cases that have upheld this standard but there are two direct Supreme Court opinions on the subject that say it is proper for Congress to legislate a standard of Treasury getting information from banks about our people that ''may be relevant'' to the requirement that taxes be paid.

The standard comes from a 1954 Federal statute that authorizes the IRS, for the purpose of examining a tax return or determining a person's tax liability, ''to examine any books, papers, records, or other data which may be relevant or material to such inquiry.'' The statute is 26 U.S.C. Section 7602(a)(1).

Thirty years ago, the Supreme Court upheld that standard in a 1984 case called United States v. Arthur Young & Co., 465 U.S. 805. The Supreme Court wrote:

> In seeking access to [a corporation's] tax accrual workpapers, the IRS exercised the summons power conferred by Code § 7602, which authorizes the Secretary of the Treasury to summon and 'examine any books, papers, records, or other data which may be relevant or material' to a particular tax inquiry. . . .
>
> The language 'may be' reflects Congress' express intention to allow the IRS to obtain items of even potential relevance to an ongoing investigation, without reference to its admissibility. The purpose of Congress is obvious: the Service can hardly be expected to know whether such data will in fact be relevant until it is procured and scrutinized. As a tool of discovery, the § 7602 summons is critical to the investigative and enforcement functions of the IRS. . . .

In short, the Supreme Court upheld the authority of the IRS to request information that ''may be relevant'' to a tax inquiry, and described the ability to examine that information as ''critical to the investigative and enforcement functions of the IRS.''

Last week Senator PAUL indicated on the floor that the IRS can obtain information from a U.S. bank only when it establishes ''probable cause'' that the accountholder was cheating on their taxes. In fact, the U.S. Supreme Court rejected that approach over 50 years ago in a 1964 case called United States v. Powell, 379 U.S. 48, in which the Court wrote: ''[T]he [IRS] Commissioner need not meet any standard of probable cause to obtain enforcement of his summons.''

The revised U.S.-Swiss tax treaty would instead apply the same statutory standard to Americans with bank accounts in Switzerland as already applies to Americans with bank accounts in the United States. Using the same standard makes perfect sense. Otherwise Americans with Swiss bank accounts would have a greater right to stymie IRS information requests than Americans with U.S. bank accounts.

In addition, the Senate has already approved other U.S. tax treaties using the relevance standard. They include a 1999 tax treaty with Denmark, a 2007 tax treaty with Belgium, and a 2008 tax treaty with Canada, among others. Those tax treaties already treat Americans abroad in the same way as Americans at home.

In contrast, Switzerland has long been an exception in need of correction. Back in the 1950s, the Swiss somehow managed to get the United States to agree to make it harder for the IRS to scrutinize Americans with Swiss bank accounts than Americans with U.S. bank accounts, which helps explain why so many hidden bank accounts ended up in Switzerland.

The UBS and Credit Suisse bank scandals show it is long past time to end the Swiss exception.

So if we just keep this current treaty, without modifying it, we are actually giving a standard to the Swiss that would allow them to keep information away from our Treasury that is not permitted in our own banks or to banks in any other country that we have a tax treaty with.

Why would we want to preserve a treaty standard that the Swiss themselves have already agreed to replace with a better standard in terms of tax collection? I mean, if the Swiss agree to a standard which gives us better information, why would we want to keep in place a treaty which denies us that information, denies revenue to the Treasury, creates a double standard? If you want to avoid paying taxes, go to Switzerland and you will have a better chance of evading your taxes than if you stay in the United States. Why would we want to give an incentive like that?

That is what we are doing. As long as we have the current treaty in place and do not ratify the proposed treaty, that is exactly what we are doing.

It is so unfair to give special treatment to Americans who send their money to Switzerland, compared to Americans who keep their money right here at home. It is one thing to advocate lower taxes—that is one thing—but it is quite another to advocate policies that would help U.S. taxpayers use Swiss bank accounts to hide their assets and to offload their tax burdens onto the U.S. taxpayers who are not trying to dodge paying taxes.

It has been now 3 years, as Senator MENENDEZ has pointed out, since the U.S. Senate has ratified a tax treaty. Ratifying this treaty would finally bring the Swiss into alignment with U.S. policy and U.S. tax treaties with other countries. Once ratified, it will take effect from the date it was signed in order to help stop tax dodging from 2009 forward. It is long overdue that we ratify this.

I am very disappointed there has been another objection by Senator PAUL to proceeding to ratify—or to at least consider the ratification of this treaty. I believe Senator MCCAIN will try to come later, if he can, to also speak in support of bringing up these treaties for debate.

I yield the floor.

SWISS TAX PROTOCOL

Mr. MCCAIN. Madam President, I am pleased to join Senator LEVIN today in calling on the Senate to take up and pass by unanimous consent the Swiss tax protocol and other tax treaties pending before the Senate. The importance of these treaties cannot be overstated. They would aid U.S. companies by allowing for certainty in tax treatment when those companies engage in international commerce and trade by preventing double taxation and ensuring they have the backing of the Treasury Department in the case of conflicts with foreign tax authorities. Furthermore, they would allow our government to be on stronger footing in holding tax cheats accountable, an issue Senator LEVIN and I are particularly familiar with given our recent investigation, as chairman and ranking member on the Permanent Subcommittee on Investigations, into offshore tax schemes carried out by Credit Suisse. On the heels of that investigation, Credit Suisse recently paid a $2.6 billion fine and pled guilty to criminal charges, admitting to facilitating tax evasion for their U.S. clients.

Taking advantage of Switzerland's opaque banking practices, Credit Suisse became a safe haven for tax evasion. The clients seeking these services and the bank itself believed that they were, and would remain, outside the reach of U.S. tax authorities. The recent guilty plea proves that this belief was at least partly mistaken. This criminal penalty was a welcome development, but it was also lacking in several ways, including that, as part of the agreement, the U.S. government did not require the bank to turn over the names of the U.S. clients holding secret bank accounts with Credit Suisse. With more than 20,000 unidentified Americans having held accounts at Credit Suisse in Switzerland during the relevant period (most of whom never disclosed their accounts as required by U.S. law) this agreement provided no direct accountability for those taxes owed.

We need to ensure this does not happen again. The Swiss tax protocol we are discussing today would make it easier to get those names and account information. Working under the assumption that the United States would be unable to pierce the veil of Swiss bank secrecy, U.S. persons have secreted their money away in countries such as Switzerland for far too long. Passing this treaty is necessary to prove this assumption wrong and to deter future attempts at tax evasion. It will send a strong message to those

who would consider violating U.S. tax laws that we enforce our laws, fairly and uniformly, and we have the tools at our disposal to do so.

At the Credit Suisse hearing, the bank's CEO, Brady Dougan, said, ''Credit Suisse is ready, at this moment, to provide the additional information about Swiss accounts requested by U.S. authorities but has been unable to do so because the U.S. Senate has not yet ratified the protocol.'' Let's call his bluff and remove anything that may stand in the way of allowing the bank to provide U.S. authorities with information about those accounts.

These routine and important tax treaties were reported out favorably by the Foreign Relations Committee on April 1. For all of these reasons, I urge the Senate to consider and pass these treaties.

The PRESIDING OFFICER. The Senator from Nevada.

VETERANS HEALTH CARE

Mr. HELLER. Madam President, I would like to begin by thanking my colleague from Pennsylvania Senator CASEY for his dedication in working with me in a bipartisan manner to resolve the backlog of veterans' benefits claims. The care of our Nation's veterans is truly a bipartisan issue.

I would also like to take this moment to commend my colleagues, the chairman of the Veterans' Affairs Committee Senator SANDERS and also the senior Senator from Arizona for bringing together ideas from both sides of the aisle to address the problems facing appointment wait times, VA scheduling practices, accountability, and the overall quality of our care provided at VA medical facilities across our Nation.

A recent VA audit of VA facilities across the Nation found that appointment wait times for new patients at hospitals and clinics were up to several months. No veteran should have to wait that long to get their first appointment. I have talked with the Las Vegas VA Director, Isabel Duff, about plans to reduce their wait times. I am confident the proposals in the veterans bill passed yesterday will help these facilities make immediate improvements in progress to provide the necessary care to these Nevada veterans.

Addressing the serious concerns of health care at the VA is an urgent issue, one that needs quick action from Congress. I am pleased we were able to pass that bipartisan legislation, but there is another side of the coin separate from the Veterans Health Administration; that is, the Veterans Benefits Administration. It is the responsibility of VBA to administer benefits to our veterans. The VHA has undergone intense scrutiny in the last few weeks, but the veterans disability claims backlog is another urgent issue that needs action from this Congress.

The legislation we passed helped get the VHA system in order, but this will do no good. It will not do good unless the veterans can actually get their benefits and utilize these hospitals. The problems with accountability, management, and efficiency with the VA health care nationwide are the same problems the Veterans Benefits Administration is facing.

As we speak, nearly 287,000 veterans across this country and nearly 3,700 veterans in the State of Nevada have waited over 125 days for their claims to be processed. In fact, veterans in Nevada have the longest waiting time in the Nation at 346 days. This week the VA inspector general released its report on the inspection of the Reno VA regional office, which processes claims for veterans in our State. The inspection found that 50 percent of the claims the IG reviewed were not accurately processed. Furthermore, many of these inaccuracies were the result of a lack of proper management.

The problems at the Reno VARO are a prime example of why Congress needs to act now to bring reforms and accountability to the VBA. Just as it is unacceptable for veterans to wait months for appointments, it is just as unacceptable for them to wait months for the benefits they have earned.

To address this issue, Senator CASEY and I introduced the VA backlog working group report along with a bipartisan group of our colleagues, which included Senators MORAN, HEINRICH, VITTER, and TESTER. This report outlines the claims process, explains the history of the VA claims backlog, and offers targeted solutions to help the VA develop an efficient benefit delivery system.

To put the report's targeted solutions into action, our working group introduced the 21st Century Veterans Benefits Delivery Act. This comprehensive, bipartisan piece of legislation addresses three areas of the claims process: claims submission, VA regional office practices, and Federal agencies' responses to VA requests.

I am pleased 18 of our Senate colleagues on both sides of the aisle have cosponsored this legislation and that it has gained the support of the veterans service organizations such as the VFW, DAV, the American Legion, Military Officers Association of America and the AUSN.

Senator CASEY and I recognize that the claims process is complex. There is no easy answer. There is no silver bullet that is going to solve this particular problem, but the VA's current efforts will not eliminate this backlog.

So just as we worked to address the issues at the VHA, I encourage colleagues to work to address some of these issues at the VBA.

I was pleased to see the Senate Committee on Veterans' Affairs try to move forward with examining our proposal just last week. While I understand that the committee had to cancel this hearing, I encourage the chairman of the committee to reschedule it. Our proposal can no longer afford to wait in the backlog of bills to be considered by this Chamber.

Practical, targeted solutions are needed to address inefficiencies that are keeping veterans from receiving timely decisions on their benefit plans. After all our veterans have sacrificed in service to our country, we owe this to them.

I look forward to continuing to work with my colleagues to move this commonsense proposal forward.

With that, I yield for my friend and colleague from Pennsylvania, Senator CASEY.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. I rise to talk about the issue that my colleague from Nevada just raised.

We had a vote yesterday—which, to say it was overwhelming is probably an understatement—for the Veterans' Access to Care through Choice, Accountability, and Transparency Act. That act will create transparency in the VA system, it will result in the hiring of more doctors and nurses, and it will provide resources for veterans and their spouses to obtain a quality education.

We are grateful that happened. We are grateful for the overwhelming vote, and we are certainly optimistic about the results that will flow from that legislation.

We have more to do in addition to that. We need to continue to look for ways to address the claims backlog that my colleague from Nevada just outlined, as well as other issues that will come before us.

I thank the chairman of the Veterans' Affairs Committee, Chairman SANDERS, who is with us today on floor, and the Committee on Veterans' Affairs for their work on behalf of veterans.

The claims backlog, which my colleague just talked about, is a critically important issue for veterans and their families in Pennsylvania, Nevada, and all the other States as well.

I commend the work of Senator HELLER and his staff. My staff worked very hard on these issues. I want to commend especially Gillian Mueller in addition to John Richter for their work on the issue itself and the working group collaboration that resulted in this report that Senator HELLER cited. This is a substantial report on a very difficult problem.

Here is what the problem is—the problem that the working group addressed, but also our legislation addressed, which I will talk about in a moment. Here is the problem in terms of days. The backlog is especially high across the country. The average backlog in days is 241.

Unfortunately, in Pennsylvania, it is even longer. In about half of our State, in the western part of our State, it is 316 days, and it is 294 days in Philadelphia in the eastern part of our State.

To have a veteran and his or her family wait that long for the processing