

This comes from a family, the Koch brothers, who are pretty upfront about what they believe. They do not want to cut Social Security or Medicare and Medicaid. They will take that, but that is really not their goal. They want to eliminate Social Security, Medicare, Medicaid, and virtually every other Federal program that provides help to the working families of this country.

By the way, just in passing, if the estate tax, which is part of the Republican budget, is repealed, we might want to mention that the Koch brothers' family would see a benefit of some \$30 billion. If your family is going to get a \$30 billion benefit, then putting a few hundred million dollars into seeing that legislation passed is not a difficult idea.

This budget makes clear who the Republicans in Congress are listening to, and it is not the middle class or the working families who do not want to see Medicare cut or Medicaid cut and who certainly do not want to see a \$1.9 trillion tax break for the top 1 percent. I am afraid that my Republican colleagues are listening to their top campaign contributors who have told the Republican Party, in no uncertain terms, that if they do not get their tax cuts, they will stop providing the Republicans with hundreds of millions of dollars in campaign contributions. How sad is that?

Think about the incredibly brave Americans who have fought for democracy over the years. Some of them never return from the battlefields where they have fought for an American democracy that makes us a country where people rule. Abraham Lincoln reminded us that we are a "government of the people, by the people, for the people," not a government of the billionaires, by the billionaires, and for the billionaires.

Let's be clear about something else. The entire economic theory that Senate Republicans and President Trump have embraced with this budget is called trickle-down economics. That is what it is. You give tax breaks to billionaires and large corporations, and the benefits trickle down. They improve the economy. This whole theory is a fraud, and when applied, it has been an abysmal failure.

Since Ronald Reagan and George W. Bush slashed taxes on the wealthy and deregulated Wall Street, trillions of dollars in wealth have been redistributed from the middle class and working families to a handful of millionaires and billionaires. Today, we have more wealth and income inequality than at any time since the 1920s. Today, the top one-tenth of 1 percent owns almost as much wealth as the bottom 90 percent. This budget would make a bad situation even worse by widening that gap with its trillions in cuts to social programs and gifts to the top 1 percent.

The Republican budget we are debating today would make horrific cuts to the needs of working families. Let me give you a few examples. This budget

would give the wealthiest family in America, the Walton family of Walmart, a tax cut of up to \$52 billion. Does anyone in their right mind think that the wealthiest family in this country needs a tax break of up to \$52 billion? They do that by repealing the estate tax.

At the same time, however, if you are a low-income senior citizen—and we have too many of them in the State of Vermont—trying to figure out how to keep warm in a cold winter, you and 700,000 other senior citizens and families might not be able to keep your home warm in the winter because of a cut of about \$4 billion to the Low Income Home Energy Assistance Program.

This budget says that if you are the second wealthiest family in America, the Koch brothers, your family will see a tax break of up to \$33 billion. But if you are a working class kid right now in high school in Vermont or in Texas or in Wyoming and you are scratching your head as to how you can afford to go to college and, in your computations, you are looking at what a Pell grant might mean to you, this budget would cut over \$100 billion in Pell grants and other financial assistance programs.

This budget gives members of the Trump family a tax cut of up to \$4 billion. But if you are a low-income, pregnant woman, you and over a million other new moms, babies, and toddlers may not be able to get the nutrition you need, thanks to a \$6.5 billion cut to the Women, Infants, and Children Program, the so-called WIC Program.

At a time when millions of working-class families all across this country are paying 40 percent or 50 percent or more for the housing they need, this budget eliminates housing assistance for more than a million families due to a cut of about \$37 billion to the Section 8 rental assistance program and other housing programs.

At a time when the cost of childcare has skyrocketed, which is a very serious problem in my State, the Republican budget eliminates Head Start services for 25,000 children each and every year by cutting this program by some \$3 billion.

In total, the Republican budget would cut more than \$5 trillion from education, healthcare, affordable housing, childcare, transportation, and other programs that working people desperately need over the next decade.

What is alarming is that despite this incredible giveaway for the billionaire class, the Koch brothers and their network say that it is not enough. They want more. Let us be very clear that their eventual goal—not today, not tomorrow, but their eventual goal is to see that programs like Social Security, Medicare, and Medicaid are completely eliminated.

Let me conclude by saying that this budget is not a budget for the people of Texas. It is not a budget for the people of Vermont or the people of Wyoming

or the people of the United States of America. This is a budget for the billionaire class, which today is already doing phenomenally well. This is a budget for campaign contributors whose greed has no end, who provide millions of dollars to candidates who represent their interests.

This is a budget that must be opposed by the American people. I urge the American people to tell their Members of the Senate to vote no on this budget.

With that, I yield the floor.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:42 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. HOEVEN).

#### CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2018—Continued

The PRESIDING OFFICER. The Senator from Wyoming.

##### AMENDMENT NO. 1116

(Purpose: In the nature of a substitute.)

Mr. ENZI. Mr. President, I call up amendment No. 1116.

The PRESIDING OFFICER. The clerk will report.

The senior assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI] proposes an amendment numbered 1116.

Mr. ENZI. I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The amendment is printed in today's RECORD under "Text of Amendments.")

Mr. ENZI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

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

Mr. DURBIN. Mr. President, I ask unanimous consent to speak as in morning business.

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

Mr. DURBIN. Mr. President, I come to the floor to discuss the Republican tax reform plan and what impact it will have on the fiscal health of our Nation but especially the impact it will have on working families across the United States and in my home State of Illinois.

I have represented Illinois in Congress both as a House Member and as a Senator for a number of years. I am proud to say that during my career, I have not shied away from tackling big issues.

Maybe one of the toughest assignments I have ever had was in 2010, when President Obama created the National Commission on Fiscal Responsibility and Reform. It was known as the Simpson-Bowles Commission. I was one of 18 Republicans and Democrats given the responsibility of trying to find a way to balance America's budget and reform our country's largest spending programs and our Tax Code.

This was no small task, but it was an important one. We spent month after month in bipartisan meetings working at it. Nearly a year after the Commission was created, we were asked to vote on the final report.

Simpson-Bowles was not a perfect plan, but I decided to vote in favor of the report, and I knew it would be controversial, but I believed then, as I do now, that there is only one honest way to reduce debt: cut spending, raise revenues, do not ignore the Tax Code. Bowles-Simpson did just that. It raised revenue by eliminating a lot of the exclusions and deductions and efforts of the Tax Code to reward certain companies and special interests, and it cut spending for both defense and non-defense. To say nothing of the months-long bipartisan process—a far cry from the current reconciliation that we have been going through this year on the healthcare issue—there simply is no comparison between the Simpson-Bowles deficit reduction plan and what the Republicans want to bring to the floor of the U.S. Senate and House this year in the name of tax reform.

Simpson-Bowles was about balancing our budget responsibly. It raised nearly \$88 billion in revenue over the first decade, and unlike the Republican tax plan, it boosted the standard deduction and still retained the personal exemptions families claim on their taxes. It protected middle-income families from backdoor cuts, and—and I underline this—it ensured that the wealthy in America paid their fair share of taxes.

If there is one thing I can never understand, it is why the Republicans, in the name of budget deficits or in the name of tax reform, always end up in the same place—always cutting taxes on the wealthiest people in America. Where in the world is that coming from? I have met a lot of wealthy people in the course of my life; not one of them, with a straight face, has said to me: Senator, I desperately need a tax cut. They don't. Yet that is the fallback default position on every Republican plan.

Importantly, the Simpson-Bowles plan provided details of the hard choices necessary to reach our goal. There is simply no comparison between that comprehensive, bipartisan plan to balance the budget and the highly fiscally irresponsible Republican tax reform plan before us now that will literally add \$2.4 trillion to the national debt.

How many times have Members on the Republican side of the aisle come to the floor to pose for holy pictures

and to preach to us about the deficit? Now that they are in the majority and they have a President of their party, what is the first thing they do? They propose adding \$2.4 trillion to the national debt.

Where are my colleagues across the aisle who have been the first to speak out and admonish the Democrats about their failure to recognize the Federal debt? Where is my colleague the majority leader of the Senate who was so quick to rail on the “alarming level” of our national debt during the Obama years? He is silent now.

Even the most stalwart of self-proclaimed fiscal hawks on the right are falling in line behind this phony plan, which would allow for \$1.5 trillion in unpaid-for tax cuts—clinging on to economic growth projections no responsible economist would dream of using. They used to call this economic theory of cutting taxes on the rich and economic growth the Laffer curve. I have never heard a better named description of an economic theory. It is a laugher. And this Laffer curve inspired the Governor of Kansas to bring that State to near fiscal ruin, trying to apply that great theory and watching his State crumble in the process.

History has proven that tax cuts simply do not yield economic growth. The economic growth promises of the Bush tax cuts turned out to be completely false. Those tax cuts for the wealthy ballooned our deficits and our debt and contributed to a scandalous rise in income inequality in the United States of America.

Tax cuts don't pay for themselves, and I know my Republican colleagues know that.

When Republicans' rosy estimates of economic growth do, in fact, fail and the deficit is sky-rocketing, the Republican budget spells out exactly how they plan to pay for the tax cuts on the backs of hard-working Americans. Listen to this. To pay for the tax cuts for the wealthiest people in America, the Republican tax reform plan—now, get this—uses \$1 trillion in cuts from Medicaid and more than \$470 billion in cuts from Medicare.

Think about it. Health insurance for the elderly in America will take a \$470 billion cut under the Republican tax reform plan—for what? To give tax cuts to the wealthiest people in our country—go figure—and then \$1 trillion in cuts in Medicaid.

What is Medicaid for? Isn't it just health insurance for the poor? Well, in some respects, that is a good general description, but it is so much more. The Medicaid Program, which the Republicans return to time and time again to cut, is critically important for parts of America. Half of the children born in the State of Illinois are taken care of by Medicaid. Their mothers are taken care of before the baby is delivered and after. Plus, it is the No. 1 source of health insurance for the disabled across America. They want to cut \$1 trillion out of it. I haven't even

gotten close to the most expensive part of Medicaid. Two-thirds of seniors in America in nursing homes count on Medicaid to pay for their medical bills.

The Republicans want to cut \$1 trillion out of Medicaid to give tax cuts to the wealthiest people in America. What is going to happen to those folks in nursing homes? What is going to happen to the disabled who count on Medicaid? What is going to happen to those mothers and their babies? That is a legitimate question to ask.

Make no mistake, the real answer for who pays for these cuts doesn't involve fake economics; it involves real families across America.

Let's look at the plan for what it is. While claiming to fix our broken Tax Code, this Republican tax reform plan would instead provide nothing short of a windfall for the wealthiest in our country and stick hard-working families in Illinois and across the country with the bill.

Under the Republican plan, no less than 80 percent of the benefits go to the top 1 percent of wealthiest Americans. Eighty percent of the benefits go to the wealthiest people in this country. That is more than three-quarters of all tax breaks going to people who make more than \$730,000 a year. Is that why Members of the Senate were elected—to take care of people making more than \$730,000 a year? Not in my State.

What about the middle-income Americans this plan is supposed to help? The Republican plan would raise taxes on nearly one-third of Americans who make between \$50,000 and \$150,000 a year. One-third of them will pay higher taxes. That is not tax relief for working families. In fact, the Republican plan would eliminate the State and local tax deduction—a deduction used by one-third of all taxpayers to reduce their tax bill. That has been part of our Tax Code from the beginning, and here is the theory: We believe, in the current Federal Tax Code, you shouldn't pay a tax on a tax. It is basic. If you are paying \$1,000 in property taxes where you live right now, should you be taxed on that \$1,000? Under the current Tax Code, no. You are able to deduct State and local taxes. The Republicans eliminate that deduction. If they have their way, families with homes, families who pay sales taxes will pay a Federal tax on the State and local taxes they pay. This deduction currently allows families who pay State and local income or sales taxes to deduct those taxes from their Federal income tax. In other words, this deduction prevents families from double taxation—once by the Federal Government and again by the State. Yet the Republicans eliminate this deduction.

In Illinois, we rank fifth in the Nation for people who are helped by the State and local tax deduction. The taxpayers I represent will be hit especially hard. Nearly 2 million Illinoisans—roughly a third of the taxpayers of my State—claimed more than \$24 billion in

State and local tax deductions in 2015. If Republicans have their way, almost 2 million people in Illinois would be double-taxed on an average \$12,500 of earnings. That is just plain wrong.

Republicans would have you believe that State and local tax deduction only helps the wealthy, but most people who take this deduction make less than \$200,000 a year.

Even families who do not claim the State and local deduction will see their taxes increase under the Republicans' so-called tax reform plan. The Republican plan eliminates the personal exemption worth \$4,050 a person. A family of four making \$50,000 a year in my State will pay \$887 more under this part of the Republican tax reform plan. Getting hit by losing the State and local tax deduction and then turning around and losing a personal exemption, a family of four in Illinois making \$50,000 will pay \$887 more a year, just on that provision, in Federal taxes.

What are the Republicans raising taxes on my middle class for? They are raising taxes on middle-income families to provide massive tax cuts for corporations to the tune of \$2.6 trillion over the first 10 years, and—Mr. and Mrs. America, sleep well tonight—we are going to take care of that with economic growth. Here is the reality: Corporate profits are soaring in America. Today, corporate profits in the United States of America as a share of gross domestic product are at record highs; corporate taxes paid to the Federal Government as a share of GDP, record lows. What is the Republican approach to those two facts? To cut more corporate taxes.

Wouldn't it be good to have someone come to the floor and say: Instead of just looking at corporate taxes, why don't we look at corporate employees? How are they doing? We know how they are doing. They are falling behind. They are more productive than ever. The corporations are more profitable than ever. Yet the disparity in income in America gets worse. We have the best workers in the world—no apologies. They do great work. They don't get paid enough. The answer on the Republican side is to give the corporations more tax breaks. I say the answer should be something else.

Why don't we address the fact that CEOs in America make 271 times the average wage of their employees? Two hundred seventy-one? Come on. If they are going to head up these corporations, of course they are entitled to be paid more—their profitability, their entrepreneurial spirit, their talent, and all the rest—but 271 times? American workers are still waiting for their pay raise, and they won't get it with this Republican tax reform plan.

While American workers and their families continue to wait for their turn, the Republicans seemed determined to provide tax cuts to corporations and the wealthy rather than make the Tax Code work for working

families. This has to stop. It is time we look at tax reform and economic growth in terms of the family room, not the boardroom.

The very successful Warren Buffett said:

My friends and I have been coddled long enough by a billionaire-friendly Congress. It's time for our government to get serious about shared sacrifice.

Thank you, Warren Buffett. I agree.

If Republicans want to get serious about fixing the faulty incentives in our Tax Code and provide working families some relief, it is time they stop clinging to the Laffer curve and this failed trickle-down policy that giving a tax break to the wealthiest person in America can only help the poorest person in America.

I know these are difficult and complex issues. It is no secret in Washington how difficult tax reform can be. But these are issues that deserve robust, bipartisan debate. Now is not the time to abandon any semblance of fiscal responsibility and rush through this deficit-exploding plan that has no prayer of paying for itself with growth.

I hope my Republican colleagues will look beyond the boardroom and seize this opportunity to reward and incentivize businesses to make real investments in the United States and its workers. Look at this Tax Code. If you own a big business in my State of Illinois and want to move your business out of Illinois—to Mexico or China or you name it—we are going to give you a helping hand. Our Tax Code says that the cost of the moving expenses are deductible. You don't have to pay taxes on those; we are going to give you a break to move your business. What are we thinking?

For goodness' sake, why don't we have what Senator SHERROD BROWN and I are submitting as an amendment—a patriot employers tax break, a patriot corporation tax break. You keep your business in Illinois. You keep your business in Ohio. When your workforce grows, it is American workers who get the jobs, and the wages you pay for 90 percent of them have to be at least \$15 an hour. You have to provide health insurance and a basic retirement plan that is fair. Give a veterans preference, please, to the men and women who served our country. And then we will give you a tax break. We won't give it to the company that is ready to move overseas; we will give it to the company that is ready to invest in the United States and U.S. workers. I think that is a tax policy most Americans would say makes sense. Why aren't we talking about that kind of approach instead of finding a way to give a tax break to the wealthiest?

American workers and families are watching this debate, and they are still waiting for a better deal.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. PORTMAN). Without objection, it is so ordered.

Mr. HATCH. Mr. President, this week, the Senate will vote on a budget resolution for fiscal year 2018. While there are many elements to this particular resolution, most of this Chamber's and the public's attention are on the reconciliation instructions related to tax reform.

Before I go too far, I first want to thank Chairman ENZI and all of our colleagues on the Budget Committee for their work on this resolution. Chairman ENZI has been a critical player in the ongoing effort to reform our broken Tax Code, and his work to craft this budget resolution and move it out of committee has been critical to this effort.

For the next step, he is going to need help passing the resolution here on the floor. I think we will get there.

Specifically, this budget resolution contains a \$1.5 trillion reconciliation instruction for tax reform. That is a good number, putting meaningful tax reform within reach.

As the debate over the budget and the instruction moves forward, I think it is critical that everyone understand what tax reform will do for our country and, perhaps more importantly, what will happen if we fail.

Tax reform has been the chief focus of the Senate Finance Committee for years now. In the 6½ years that I have been the lead Republican on the committee, we have had about 70 hearings focused on the Tax Code. In the vast majority of those hearings, we have heard both Democrats and Republicans acknowledge the inefficiency of our current tax system, with very few members having spent their time and energy defending the status quo, which is not at all surprising.

Our current tax system imposes undue burdens on middle-class families. Our current tax system is obscenely complex, riddled with credits, exemptions, and deductions, many of which were designed to benefit special interests. Our current tax system's complicated rate structure makes it difficult for families to plan and, for some workers, creates a disincentive to work for additional earnings. Our current tax system subjects American businesses and job creators to the highest tax rates in the industrialized world. Our current tax system creates incentives for businesses to move headquarters and operations offshore, eroding our Nation's tax base. And our current system has forced companies to keep trillions of dollars offshore, preventing further investment and growth here at home.

Reform of this broken system is long overdue. The last major overhaul to our Tax Code was more than three decades ago. Even if the Tax Code hadn't changed dramatically since that time,

the economy of 1986 was dramatically different from the one we have today. Of course, the code has undergone a number of piecemeal changes since the 1986 reform, but that approach has left us with a system that simply does not work.

Fundamental change is what our tax system needs—change that takes the entire system into account and change that will create a tax code that, at the very least, looks as though it was designed on purpose. That is what we aim to provide once the Senate and the House have passed a consensus budget resolution.

On the Finance Committee, we are working to craft legislation pursuant to the guideposts in the unified framework released last month. Our bill, based on the uniform tax reform framework, will give much needed relief to millions of low- to middle-income families. It will level the playing field for Americans and for American job creators and promote more investment in the United States.

In the end, all of this will mean bigger paychecks for American workers, a more vibrant U.S. economy, and more American jobs. But without this budget resolution, we are unlikely to get there.

Don't get me wrong, I would like to produce a tax reform product that could get 60 votes. I have spent years asking my Democratic colleagues to meaningfully engage in this effort. To be sure, there have been Democrats who have been willing to put themselves out there on tax reform in recent years, including the former Finance Committee chairman, Max Baucus, and our current ranking member, Senator WYDEN. But they have generally been the exception.

When President Obama was in office, many Democrats typically talked about tax reform only in the context of raising revenues to fuel additional spending, which isn't tax reform at all. It is simply raising taxes.

Under President Trump, the focus, at least among many in the Democratic leadership, seems to be about preventing passage of anything that could be viewed as a win for the President and Republicans in Congress. Perhaps I am wrong about that—and I hope I am—but when we are talking about tax reform these days, most of the talk from my friends on the other side of the aisle has been about unreasonable and unprecedented process demands.

That is unfortunate. There are a number of areas of tax reform where Democrats and Republicans are largely in agreement. Those areas include middle-class tax relief, bringing down the corporate rates, and fixing our international tax system to make American companies more competitive.

Given these shared concerns, I am still hopeful that some of our Democratic colleagues will join us in this effort. I remain willing to work with any Member of the Senate who wants to engage in this effort in good faith.

Historically speaking, tax bills that pass through the budget reconciliation process tend to have support from both parties. In fact, when Republicans have held the White House and Congress, purely partisan tax reconciliation bills have not been enacted. That being the case, I think the unified framework envisions a tax reform approach that both parties can and should support.

Long story short, I haven't given up on producing a bipartisan tax reform package. But, once again, we need to pass this budget resolution if we are going to move the ball forward. That being the case, I urge my colleagues to support the resolution before us this week and to work with us as we develop tax reform legislation that will help middle-class families and job creators throughout the country.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CORNYN. Mr. President, the first step to achieving our goal of overhauling our antiquated and uncompetitive Tax Code is passing a fiscal year 2018 budget resolution, and we have made the first step in that journey earlier today. No one should be confused about this. A vote for the budget is a vote for tax reform. In converse, a vote against the budget is a vote against tax reform.

I don't know anybody in America who thinks that our Tax Code is a paragon of simplicity, efficiency, and virtue. To the contrary, I think most Americans realize that our Tax Code is simply too complex and that our Tax Code punishes taxpayers here at home by keeping overseas money earned overseas, rather than being brought back home and being invested in jobs and wages in America.

The budget resolution will steer our Nation into a safer and sounder fiscal course through a combination of restraining spending, reducing tax burdens, and strengthening our economy. Strengthening our economy really needs to be the focus, like a laser, that we have on what we are all about here—trying to get the economy to grow again faster.

We know that since the great recession of 2008, our economy has experienced anemic economic growth. Last quarter we saw that our economy, instead of growing at the annual rate of about 1.8 percent, grew at 3.1 percent. Why is that important? Well, when the economy grows faster, that means that people are finding more work to do and they are paying their taxes to the Treasury. That eases the financial burdens of the U.S. Government while allowing people to keep more of what they earn in their pockets.

Here are some of the goals that we are attempting to accomplish by the 10-year budget resolution. First of all, we want to try to restrain Federal spending, parts of which go up at the rate of 5.5 percent or more a year and is about 70 percent of what the government spends. I know most people focus on the 30 percent that Congress appropriates, but, really, that is not the biggest part of the problem. That 30 percent includes about \$600-plus billion for defense spending alone. But the 70 percent of the money that is spent on auto pilot through mandatory spending programs grows at the rate of about 5.5 percent per year. That is the reason why we are seeing huge annual deficits and unsustainable debt. So restraining spending is an important goal of our budget.

Reducing nondefense discretionary spending is also important. Part of having a budget is establishing our priorities. That is what we do in our household budgets. That is what we do in our individual budget. That is what countries need to do in their budgets. We need to determine what our No. 1 priority is.

Well, I happen to believe that the safety and security of the American people is our No. 1 priority. That is why I believe defense spending is so important. While there are other things we would like to do, just like there are other things we would like to be able to buy as an individual or as a household, sometimes you simply can't afford it, recognizing the priorities that are important to you and to your family. Defense spending is the No. 1 priority of the Federal Government. Nobody else can do that. We can't do it as individuals. We can't do it as States. That is why it needs to be our national priority.

This budget also provides for the maximum level of defense funding allowed under the law, while allowing for an adjustment if an agreement on revised funding levels is reached. It provides a glidepath to an on-budget surplus, leaving aside Social Security entirely.

Most importantly, the budget will provide Congress with the roadmap forward in the goal of being able to pass tax reform and ultimately allowing middle-class Americans to keep more of their hard-earned pay.

Helping working families is one of the most important benefits of tax reform, but it is not the only benefit. Equally important is enhancing our Nation's competitiveness in a global economy and achieving growth for our job creators.

We have a self-inflicted wound caused by our Tax Code when competing with other countries around the world. We have the highest corporate tax rate in the world. Why is that important? Why should we care what corporations pay in taxes? Because that influences how much money is paid to shareholders. It influences how much money can be paid in wages to people employed by

businesses. What we have seen frankly is a negative incentive for companies to move their businesses overseas.

About a week or so ago I remember reading an article—I think it was in the Wall Street Journal—that said IBM now has more employees in India than it has in the United States. I am sure that is caused by a number of circumstances—perhaps access to the workforce, perhaps the markets that are available to the company—but I have to believe that at least some of that is caused by our Tax Code. It is cheaper, more efficient, and more cost effective to develop those jobs and that business overseas than it is here at home. Why in the world would we want to sustain that status quo? That is one of the things we are trying to do in our tax reform—enhancing our competitiveness and achieving growth for our job creators right here in America.

It used to be that reducing the business tax was a bipartisan effort. In 2011, when President Obama was President of the United States, he gave a speech to a joint session of Congress where he called it a national priority, recognizing that having the highest corporate rate in the world moved business overseas and it hurt workers here in America.

The Democratic leader, our friend and colleague from New York, has previously advocated reducing that corporate tax rate because he recognizes the benefits to workers and working families right here in America. So, occasionally, we have to remind them, when they come out and say harsh and frankly untrue things about what we are trying to do, that they used to be for the very same things that we are now advocating for today.

There are other significant pieces, too, such as those that affect the people in my State and those who work in the energy sector. It is no secret that Texas leads the Nation in energy production. I know people think that it is only about oil and gas, but we are actually the No. 1 electricity producer from wind energy in the country. So we believe, literally, in an “all of the above” policy when it comes to energy.

We know that some parts of the energy sector, particularly those refineries in the oil and gas sector, spent the past month and a half trying to recover from Hurricane Harvey, and at least 25 refineries were closed temporarily because of the storm. Why should you or I care about refineries that were closed because of the storm? Because all you had to do after Hurricane Harvey hit Texas was to look at the price you pay for gasoline. It has skyrocketed because of the closed refineries. It actually benefits the entire Nation and consumers when energy prices are low.

Operations have now resumed in some areas and, thankfully, some of those higher prices at the pump have dropped, but the hurricane underscored the need to ensure our energy sector’s ongoing dynamism and vitality. That is where tax reform can help as well.

One component of our proposal is a territorial tax system. Companies such as Apple, IBM, ConocoPhillips, and ExxonMobil all have headquarters in the United States, and they have earned money overseas. One has to wonder: Why in the world wouldn’t they want to bring that back to the United States and invest it in businesses and paychecks here in America? That is because under our current tax structure, they have to pay taxes on the money they earn overseas, but if they want to bring it back to the United States, they have to pay taxes again up to a 35-percent corporate tax rate on the same money. So they make the rational decision and keep the money overseas. They build their businesses there and hire more workers abroad and not here at home. Why in the world would we want to maintain that sort of self-destructive status quo?

A new territorial tax system is going to be an important part of tax reform, and it is not to help big businesses. It is to help workers who are looking for work or people who are working who have had stagnant wages and are looking for a little extra in their paycheck each month. That is why it is so important.

In addition, we plan to help decrease the cost of investing in things like new plants and equipment in America. Things like expensing rather than depreciating over many years investment in new equipment and new businesses are really important to encourage those businesses to modernize their plants and, again, to hire more workers.

Tax reform represents an opportunity to cement America’s position as the world’s largest energy producer, as well, rather than one of those regulatory exercises that, unfortunately, happens far too often and ends up increasing the cost of creating jobs in the energy sector. I will continue to be an advocate for the countless number of Texans whose livelihoods depend on this sector of our economy while it continues to face challenges on a multitude of fronts.

Getting back to my point about the price of gasoline, if we drive a car, we are all paying for gasoline. It just makes sense to do what we can to help that price get lower, and we all benefit. One of those ways we can do that is through regulatory reform and the second is through tax reform.

#### NAFTA

Mr. President, I mentioned Hurricane Harvey earlier, but that is not the only challenge. Another potential challenge, I should mention, is NAFTA. This is the North American Free Trade Agreement, which is a 20-year-old trade agreement that includes Canada, Mexico, and the United States. This is a topic I will have a chance to speak about further at the Hoover Institution this afternoon.

As most of us know, the NAFTA negotiations are ongoing. President Trump has said—at least his adminis-

tration, Ambassador Lighthizer, and the Commerce Secretary have said that their attitude toward renegotiating NAFTA is first to do no harm. I really appreciate that because NAFTA has been an important part of our trading relationships with Mexico and Canada, and it supports about 14 million jobs in commerce between our 3 countries in North America.

Since the administration announced its intent to revisit NAFTA, I think it is important to revisit the critical role that NAFTA has played in all North American energy markets, including electricity, renewables, oil, and natural gas. As I wrote in a letter to Ambassador Lighthizer this summer, each market is highly integrated with and remains dependent on vital energy infrastructure and trade crossings that border the United States, Canada, and Mexico.

Free trade and the free-trade agreements, such as NAFTA, allow the United States to maximize the benefits of being the world’s largest energy producer. If you have been paying attention, you know that our energy industry has undergone dramatic changes over the past two decades. I remember when we were worried about having to import liquefied natural gas from places around the world to our own shores before the natural gas revolution took place here in America, thanks to improvements in technology and drilling techniques.

Now we have such cheap and plentiful natural gas that we can export that gas around the world. It is just not an economic boom. It is a way for us to provide alternative energy resources to some of our friends and allies around the world, particularly in Europe, where Mr. Putin uses energy as a weapon, threatening to shut off energy supplies if countries in his neighborhood don’t cooperate.

So opening Mexico’s energy market has positioned U.S. companies to meet Mexico’s needs for technical expertise and capital. As my friends south of the border reminded me, they said the Eagle Ford shale, which is one of the most plentiful sources of natural gas in the world, doesn’t stop at the Rio Grande. So as we provide additional technical expertise and capital to Mexico, we can expect for them to experience the sort of energy renaissance we ourselves have experienced in the United States.

During the NAFTA negotiations, we should seek to promote North American energy security by maintaining and protecting rules that reduce or eliminate barriers to U.S. investment in Mexico and Canada. Opportunities like this are why NAFTA could benefit from an update rather than a repeal.

Former Secretary of State George Shultz reminded us yesterday in the New York Times that NAFTA has helped a wide range of U.S. manufacturing industries like auto, electronics, and aerospace become more competitive relative to their foreign competitors. Secretary Shultz also pointed out

how that increased competitiveness is fostered. It has resulted mainly from the development throughout the last 24 years of strong vertical supply chains that take advantage of economies of scale. Thanks to NAFTA, economic production can take place wherever in North America it is most efficient.

Let's remember all of this as negotiations continue. Let's seek to preserve all of the good we have inherited from NAFTA and update all that is outdated in NAFTA.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

(The remarks of Mr. FLAKE pertaining to the introduction of S. 1974 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FLAKE. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. STRANGE). Without objection, it is so ordered.

Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak for up to 10 minutes, followed by the Senator from Washington, Mrs. MURRAY, to speak for up to 10 minutes.

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

#### HEALTHCARE

Mr. ALEXANDER. Mr. President, later this week, Senator MURRAY and I, with other Senators, will introduce bipartisan legislation to give States additional flexibility to create more choices of health insurance policies in the individual market and to extend cost-sharing reduction subsidies during 2018 and 2019. These subsidies pay for copays and deductibles for millions of low-income Americans who buy health insurance on the Affordable Care Act exchanges. Our goal is to stabilize and then lower the cost of premiums and to enable all Americans to have access to health insurance.

Our legislation will be based on the four hearings and other meetings that the Senate's Health, Education, Labor, and Pension Committee held last month. I am chairman of that committee, and Senator MURRAY is the ranking Democratic member. These hearings and meetings were bipartisan. They were lengthy. They were remarkable in this sense: They engaged nearly 60 Senators from both political parties in extensive discussions. We not only had the four hearings, which involved the 23 members of our HELP Committee, but we invited any other Senator who wished to come to a committee meeting ahead of time to meet the Governors and the State insurance commissioners and others who were testifying, and 37 did. So we have had extensive participation by 60 Members

of the U.S. Senate through four hearings and a variety of committee meetings in the process that developed this legislative proposal that Senator MURRAY and I have agreed upon.

According to witnesses at our hearings, according to the Congressional Budget Office and Congress's Joint Tax Committee, without these cost-sharing payment reductions, premiums will rise, the Federal debt will increase to pay for the higher subsidies by \$194 billion over 10 years, and up to 16 million Americans may find themselves living in counties where no company sells insurance in the individual market.

Imagine yourself as a 45-year-old songwriter in Tennessee who loses her job, has three kids, goes to the individual market, and finds that she can't buy health insurance; no company is offering it because we did not act. Those are the consequences we are talking about.

Witnesses also testified that one way to lower costs for consumers is to give States more flexibility than the Affordable Care Act now allows to design health insurance plans that give consumers more choices.

We have purposefully limited our proposal to two themes: first, 2 years of temporary cost-sharing payments and, second, amendments that would give States meaningful flexibility in using the section 1332 innovation waiver, which is already a part of the Affordable Care Act.

The problem with the waiver is that while it was designed to give States the opportunity for innovation, it has been very restrictive. It limited the number of opportunities States could use. It would be like saying to someone: You can drive anywhere you want to in the United States as long as you end up in New York or in Nashville or in Birmingham, AL. Our goal is still to protect patients but to give States more flexibility in offering more choices.

There are, of course, many other good and useful ideas that would improve Federal laws regulating health insurance. There are many on the Republican side, and there are many on the Democratic side. There are probably even ideas that both of us would agree on, but Congress has been stuck for 7 years in a partisan stalemate over the Affordable Care Act. Most of that stalemate is about the individual insurance market.

Most people get their insurance from the government, Medicare, or Medicaid. Most of the rest of the people get their insurance from their employer on the job; that is 50 or 60 percent of Americans. Only 6 percent of Americans get their insurance in the so-called individual market. It is about 350,000 people in Tennessee. Every single one of them is very important, and every single one of them is terrified by the skyrocketing premiums in that market and by the possibility that they might not be able to buy insurance at all in that market if we don't act.

We concluded that the best course would be to take this limited, bipartisan first step, which would avoid the chaos that could occur during 2018 and 2019 if premiums continue to skyrocket and millions of Americans find themselves without a way to purchase health insurance. Once we complete this limited first step, then we can take the second and the third steps.

I want to undersell this proposal rather than oversell it. It has significant advantages in terms of cost-sharing reductions, which make it more likely that premiums will stabilize in 2018 and actually go down in 2019. It has significant advantages in changing the law so that States will have more flexibility in offering choices, which is another way to lower costs, but it is only a limited first step.

Senator MURRAY and I hope that by the end of the week we can present Senate leadership—Senator McCANNELL and Senator SCHUMER—with the support of a significant number of Republican and Democratic Senators. We then hope the Senate will pass the legislation, the House will agree to it, and the President will sign it.

During the last several days, I have had encouraging discussions with President Trump, who called me on two different occasions, encouraging me to work with Senator MURRAY to come to a bipartisan agreement. I am grateful to him for that encouragement, and I am grateful to her for her patience and for working on this so diligently for such a long period of time. I see she has just come to the floor.

I think one other thing Senator MURRAY and I can agree on is that we hope our next legislative assignment is easier than this one. I think we both also agree that the sooner we act, the better, so Americans will have the benefit of lower premium costs and the peace of mind of knowing that they will be able to buy insurance for themselves and their families.

I would like to say through the Chair to Senator MURRAY that I asked for 10 minutes to speak, and then I asked for 10 minutes for her to follow me. I am about finished, and when I am through, then she has the floor, according to my request.

I ask unanimous consent to have printed in the RECORD a brief summary of the agreement that Senator MURRAY and I have.

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

LOWER PREMIUMS, MORE STATE FLEXIBILITY,  
ZERO SCORE, AVOID CHAOS IN 2018, 2019  
Make Section 1332 State Innovation Waivers  
Work

Amend law to provide meaningful flexibility for health plan designs

- Example: Iowa waiver
- Example: higher co-pay opioids, lower co-pay statins
- Example: Medicaid savings for Sec. 1332 costs (NH)
- Repeal 2015 Regulation and Guidance
- “Alaska for All” (Maine, Minnesota)

- State-based program to cover very sick
- 20% premium decrease for everyone
- NO new federal spending; savings help pay for the fund
- Streamline approval process
- Governors apply for waiver
- Federal waiver approval time in half
- Fast-track approval for emergency situations
- Fast-track approval for “me too” waivers
- Waivers can last longer (6 years)
- Harder for future administrations to cancel waiver
- Model waivers help states get approved faster

New Copper Plan: Catastrophic Insurance All Ages

Interstate Health Insurance Compacts: Texas Public Policy

Redirect Existing User Fee Funding to States for Consumer Outreach

2 Years Funding Cost Sharing Reduction Subsidies (Zero score), No Double Dipping by Insurance Companies

Chaos Without Cost Sharing (CBO, JCT, CMS):

- 20% average premium increases in 2018
- \$194 billion new federal debt over ten years
- 50% counties with one insurer today—would get worse
- Up to 16 million Americans with zero insurance options on exchanges
- Four-lane highway to single payer solution

Mr. ALEXANDER. Mr. President, I have said repeatedly over the last several weeks that while it is important that the two of us, as the chairman and the ranking member of the HELP Committee, come to an agreement, that is not nearly enough because our real job was and is to see if we can find, among a significant number of Republicans and a significant number of Democratic Senators, a consensus that will cause this to be enacted, will cause the Senate to pass it and the House to pass it and the President to sign it. In my opinion, we wouldn't have come to an agreement ourselves unless we thought that was likely.

I will not go into the specific provisions that are in this, except to briefly summarize them. The first group of them makes the section 1332 innovation waivers work by giving more flexibility. In New Hampshire, for example, the State would like to use Medicaid savings to help pay for the cost of its Affordable Care Act waiver, and this would allow that. In Maine, for example, the State has applied for a waiver. The waiver has been approved, but the use of the funding has not been approved. This would allow that. Alaska, Oklahoma, Iowa, for example, all have waivers in line that they would like to submit to give a greater variety of choices in their States and hopefully lower premium costs, but it is too restrictive under the current conditions.

About the only sort of waiver that the current Director of the Centers for Medicare and Medicaid Services can approve is the Alaska-type waiver, which is a good idea. Alaska created a reinsurance fund, which helped the very sick Alaskans, immediately low-

ered premiums 20 percent for all other Alaskans, and then used the savings from the lower subsidies as a result of the lower premiums to pay for 85 percent of the cost of the fund. Minnesota has tried a similar thing. Maine did that on its own a few years ago. We have streamlined the approval process for those waivers, so that can be done more easily.

I would emphasize that a number of these, while they are limited proposals, could not be done in a budget reconciliation process. They had to be done with 60 votes.

The proposal also includes what we call a new copper plan, catastrophic insurance for all ages. We still keep the patient protections; that is, preexisting conditions, et cetera. We still keep the essential health benefits, but we allow someone who is healthy and young, for example, to pay a higher deductible and a lower premium if that is what they choose to do. We direct the Department of Health and Human Services to go ahead and write regulations to encourage interstate health insurance compacts. We compromised on the outreach funding and agreed that we will spend about twice as much as or more than President Trump wanted to expend, but we will do most of that by grants to the States. And of course we agree on 2 years of funding for the cost payments.

Finally, I would say that if we do not do this, according to the Congressional Budget Office, the Joint Tax Committee, and CMS, premiums next year will increase 20 percent, there will be a \$194 billion increase in the Federal debt over 10 years, and up to 16 million Americans might find themselves unable to buy insurance through the individual market. In my view, this agreement avoids chaos, and I don't know a Democrat or a Republican who benefits from chaos.

I thank President Trump for his encouragement to me and to Senator MURRAY to try to succeed on this. I thank Senator SCHUMER, the Democratic leader, for creating an environment in which we could get to this point. I thank the majority leader, Senator McCONNELL—despite his focus on tax reform—for allowing us to work together and try to do this. I especially thank Senator MURRAY, who, whenever she sets about to get a result, I have found, she usually gets one. I could not have a better partner to work with on difficult issues in the Senate. In fact, the one thing we probably most agree on, we found the most difficult to solve; that is, in 2018, we want to make sure that the cost-sharing payments go to the benefit of consumers, not the insurance companies. I want that. Senator MURRAY wants that. The President wants that. My Republican colleagues want that. And I know Democrats want it. We believe we have strong language in our proposed agreement to do that, but we are going to make sure that it is the strongest possible language.

I thank the Presiding Officer. I look forward to working with Senator MURRAY over the next few days to see if we can find a consensus among Republicans and Democrats to present to the Senate leadership. I hope that we can then pass it, the House will pass it, and the President will sign it.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I wish to thank Chairman ALEXANDER for his tremendous work on this. I am very grateful for his leadership in supporting a bipartisan discussion under regular order in the HELP Committee and his determination to see it to this point and beyond.

I remember very clearly back in July when it was clear that the so-called skinny repeal didn't have the votes to pass. We talked right then and there about getting to work on ways to stabilize the healthcare market and protect patients and families from premium spikes as a result of the uncertainty this administration caused. We were able to engage nearly half the Senate in our hearings and conversations on the HELP Committee, and we found that there was a lot more that we agreed on than we disagreed on when it came to strengthening healthcare and controlling costs in the near term.

Since then, actions by this administration have made our work more urgent. So I am very glad Democrats and Republicans agreed to work together to address this, and I am extremely pleased that, with the input of Members on both sides of the aisle, as well as Governors and patients and advocates, we were able to reach an agreement that I hope will set the healthcare discussion in Congress on a very different path than the one we have all seen for the last 7 years.

This agreement provides certainty on the reduction of out-of-pocket payments for the next 2 years. It will address attempts by this administration to keep people from getting enrolled in the care they need. It takes a number of very strong, bipartisan steps to offer States more flexibility to innovate in the way the Affordable Care Act intended, without undermining the essential health benefits, such as maternity care and mental health coverage, or burdening people who have pre-existing conditions.

This is an agreement I am proud to support, not only because of the important steps to strengthen our healthcare system but because of the message it sends about the best way to get things done in this Congress. The way to deliver results, as Chairman ALEXANDER says, for patients and families is to work under regular order, to find common ground rather than retreating to partisan corners, and to hear from our experts and our families and our Members on both sides of the aisle rather than reciting talking points to each other. We know that is true because

just a month ago, the idea of an agreement between Republicans and Democrats on healthcare seemed impossible at best, if not improbable. Thanks to the strong, bipartisan work of Chairman ALEXANDER and many of our Members, we have been able to bridge the divide.

I strongly believe that patients and families in every State across our country will be stronger if we can get this agreement signed into law. I urge my colleagues to not only support it but to continue working together because there is no question we have work to do.

I thank Chairman ALEXANDER and all the Republicans and Democrats who have been so engaged in this effort, and I echo the comments of Senator ALEXANDER about what is in the bill. I won't repeat them. I agree with his last comments that we both want to make sure the payments go to consumers. We are working on that language, and I wish to assure our colleagues that is our joint intent as we get this language finalized and put into place.

I thank the Presiding Officer for this short amount of time during a busy day on the floor. I again thank Chairman ALEXANDER, and I remain committed to him to get this done in the right way for the people of this country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HEINRICH. Mr. President, I rise to oppose this deeply flawed budget that is terrible for America and particularly harmful to working families.

The Republican plan that we face today is a budget-busting first step toward issuing massive tax breaks to special interests and to wealthy individuals. This proposed budget fails to improve economic growth or to drive up wages. It should look awfully familiar to all of us because it is a retread of the failed trickle-down economics which exploded budget deficits in the 1980s and squandered the budget surplus we had briefly in the early 2000s. That trickle-down theory ruined our budget and failed to grow the economy then, and we cannot afford to relive those failed policies now.

Our Nation faces significant economic challenges today that need to be addressed directly. Wages have barely improved in the past 20 years; the costs of education, childcare, and other essential living expenses continue to climb.

Job creation is slowing. From February through September of this year, the economy added the lowest number of jobs in 7 years. Wages are also falling this year. Since the Trump admin-

istration took over, 39 States and the District of Columbia have seen workers' wages decline, after adjusting for inflation. Nearly 4 in 10 rural families don't have access to high-speed internet and the opportunities it affords.

We all know many of the communities we represent, in both rural and urban areas, still have not fully recovered from the great recession. Yet this budget only makes life harder for working families by cutting vital programs and critical services that invest directly in those communities. The Republican budget ignores our current reality and makes it tougher for American families to afford a college education or access quality healthcare coverage. As we saw through last week's executive actions, the Trump administration remains singularly focused on taking away healthcare from 20 million Americans and sabotaging the system for those left. This proposed budget would take us deeper down that destructive path.

The Republican 2018 budget cuts more than \$5 trillion over the next decade in healthcare, education, transportation, medical research, and other critical investments. It slashes Medicaid by \$1 trillion and Medicare by more than \$470 billion. When they are done, these budget-busting tax giveaways will leave other Federal efforts with a gaping \$660 billion hole, bringing our domestic Federal investments as a share of our Nation's GDP to the lowest levels since the Hoover administration.

If you are at home listening, all of that sounds pretty unbelievable. Washington Republicans wouldn't really jeopardize our Nation's healthcare, our educational system, our rural communities, and bust the budget all at the same time, right? Unfortunately, all of that is true when we look at the details of this failing budget. Again, this is all based on a brazen theory that led to the failed and harmful tax policies of the past.

The real question we should be asking now is, How do we improve our communities, grow our economy, and drive up wages for hard-working families? That is what I am focused on when I look at the budget.

Republicans believe step one should be to take funds out of Medicare, out of education, out of infrastructure, and pull healthcare away from the working poor. Then step two of their plan is to give all that money to wealthy political interests under the ruse that regular people, someday, will be better off because America's elite investing class will have done something spectacular with the money we just sucked out of our communities.

It is truly amazing that this idea continues to resurface because the promise of wild economic growth and trickle-down benefits has failed to materialize time and time again. What we have found is, working families, rural communities, and others who are robbed to finance this type of plan are

the ones who suffer, all to put money into other people's pockets.

Who exactly loses in this budget? For starters, senior citizens, who will see Medicare cut \$470 billion, to be exact. Let me say that again. This Republican budget cuts Medicare to the tune of nearly half a trillion dollars.

Children, working families, and people in need of opioid treatment will be pounded by Medicaid cuts of more than \$1 trillion. Medicaid cuts will lead to millions losing their coverage. They will unravel the progress we have made fighting the opioid epidemic, jeopardize mental health coverage, and force many rural hospitals to close.

The hit will be especially hard in rural areas, where more than 12 percent of rural hospital revenue comes from Medicaid. In New Mexico, Medicaid actually accounts for more than 20 percent of hospital revenue in rural areas.

For seniors, the Medicare and Medicaid cuts together will have devastating consequences. Let's look at one example, Alzheimer's disease. Medicare and Medicaid together pay for nearly 70 percent of care for those 65 and older with Alzheimer's. These deep cuts will force families to make a terrible choice between working and caring for their family members. Already, 15 percent of caregivers to someone with Alzheimer's have left their jobs or retired early in the past year due to their caregiving responsibilities. Cutting Medicare and Medicaid, when Alzheimer's costs are getting higher and no cure is in sight, will saddle individuals and their families with massive costs and hardship.

The devastation this budget will create does not stop there. More than 8 million students will see their Pell grants cut by one-third. That is right. Republicans want to cut investments in education so they can give special interests a tax break. These are Americans who are striving for a college degree, who just want a fair shot at opportunity without being crushed by debt. Pell grants are the primary form of financial aid for so many students, giving them access to an education that might otherwise be out of reach.

This chart pretty much sums up what I have been saying about the priorities reflected in this budget: tax cuts over investments in things like Medicare, Medicaid, education. The picture is pretty clear. They are taking direct investments away from our people and our communities and instead giving those dollars away as part of a convoluted plan that leaves the wealthy better off.

What is more amazing about this plan is that Republicans have changed budget rules to allow them to add \$1.5 trillion to the debt while doing it. For many years, the Conrad rule in the Senate specifically prohibited reconciliation legislation from increasing the deficit in the first 10 years. It was what reconciliation bills were designed to do—reduce the deficit. Then, Republicans repealed that rule in 2015 and

threw any illusion of fiscal responsibility out the window.

Remember when Republicans believed in fiscal responsibility and balanced budgets? Under President Trump, Republicans barely give these values lip service—and this year's budget goes even further than before to reject fiscal reason. It removes a Senate requirement for the CBO—the Congressional Budget Office—to issue a cost estimate a day ahead of votes on the Senate floor, the so-called 28-hour rule. Why? Because they want to hide how fiscally irresponsible these votes are from their constituents and the American people.

Finally, the Republican budget assumes far faster growth than the CBO could possibly justify under even the rosiest assumptions. This backward math says that their budget magically delivers \$1.24 trillion in deficit reduction. According to the Tax Policy Center, the Republican tax plan will reduce revenues by \$2.4 trillion over the first 10 years and another \$3.2 trillion over the next 10 years. The actual cost far exceeds the Republican estimates.

Where do all the tax cuts go? Most of them go to wealthy folks who are doing just fine without them. We don't need to be doling out tax breaks to wealthy trust-funders when families in Las Cruces, Gallup, and Santa Rosa are struggling to make ends meet, don't have high-speed internet, and haven't gotten a raise in years, in some cases.

Under this Republican plan, the top 0.1 percent will receive a tax cut of more than \$700,000 a year. It would take a typical household in my State nearly 15 years—15 years of work and earning—just to match the giveaway being provided to a single wealthy investor under this budget. That is not just wrong, it is downright sickening.

Part of this massive benefit to the rich comes from the creation of a special rate for passthrough income of 25 percent. This plan is designed to help large law firms and hedge funds that, in my mind, don't need a special tax break to further enrich themselves. Millions of working families will actually face higher taxes as a result. Under the Republican tax plan, nearly 8 million working households will actually see an average tax hike of \$794. Now, \$800 may not seem like a lot if you are working on Wall Street, but \$800 is a lot for people working hard on relatively modest incomes in New Mexico.

Unfortunately, as I said earlier, we have seen this movie before. We don't need another bad sequel.

This Republican plan delivers higher deficits and fewer community investments. Tax cuts in 1981 and the early 2000s led to less revenue as a share of GDP and higher deficits. The national debt nearly tripled under President Reagan and nearly doubled under President George W. Bush.

We have also seen the dangers of reckless tax cuts for the wealthy at the State level. In Kansas, Republicans

slashed individual rates by more than 20 percent and abolished taxes on pass-through income. Sound familiar? Since the tax cuts were enacted in 2012, the State's revenue plummeted, and Kansas has buckled under an economy that has trailed the United States in job, wage, and economic growth.

A recent study found that for tax cuts to pay for themselves, the economy would have to grow \$5 to \$6 for every single dollar of cuts. Yet the nonpartisan Joint Committee on Taxation found that tax cuts generate nowhere near that amount. According to them, each dollar of tax cuts would lead to only 4 cents to, at best, \$1.25 in new economic activity.

The evidence is clear. Large tax cuts for special interests and for the rich simply don't pay for themselves. As we have seen, time and time again, trickle down only works in fake, so-called think tank models, not in real life.

Rather than rely on disproven theories, we should be investing in what we know actually works in increasing wages and accelerating economic growth. Expanding the earned-income tax credit, for example, has proven to be effective at increasing the living standards of working families. It effectively raises their wages. Let's strengthen and make fully refundable the child tax credit.

Instead of slashing infrastructure spending, as this budget does, we should be investing to prepare our Nation to compete. Investing in infrastructure is proven to create good-paying jobs and stimulate our overall economy. President Trump talked about infrastructure investment incessantly on the campaign trail. Where is that rhetoric today? Where is that commitment today? Sending kids to high-quality pre-K is shown to improve both theirs and, for that matter, their parents' economic outcomes.

We need to invest in clean energy because it is cheaper, because it is good for the economy, and because all of our future livelihoods depend on addressing climate change. The renewable energy sector is a place where jobs are growing rapidly in New Mexico—and not just in urban metro areas but especially in rural communities.

We need to invest in Federal research and development that has led to the internet, to the GPS, to the laser, and to lifesaving medical breakthroughs. We must ensure that startups can access the capital they need to launch and grow their businesses, whether they are in rural New Mexico or downtown Detroit. We need to close the digital divide so that every person in America, regardless of ZIP Code, has access to high-speed internet that connects people and communities to financial and educational opportunities.

Democrats have a plan to grow the economy, to increase wages, and to improve the lives of folks who work on Main Streets across this country. Our plan connects people with the opportunities that will exist tomorrow.

The Republican plan is very different. It is written by the lobbyists on K Street, with much of the benefit flowing to the investment bankers on Wall Street. Regrettably, Republicans are pursuing the same partisan process with the budget and with tax reform that failed when they tried to repeal the Affordable Care Act.

The cost of Republican chaos and backward thinking is growing by the day, and this budget will continue that process. We need bipartisan, pragmatic solutions to the challenges that our country faces.

To all of my colleagues, we are asking simply to do what we know works. Let's work across the aisle through regular order to get things done for our constituents.

Mr. President, I yield back.

**THE PRESIDING OFFICER.** The Senator from Utah.

Mr. LEE. Mr. President, I wish to thank my colleague, the Senator from Wyoming, chairman of the Budget Committee, Mr. ENZI, for allowing me, as the vice chairman of the Joint Economic Committee, some time on the Senate floor to discuss the budget.

Our budget process is important, and it has long been in a period of neglect. It needs reform. That is what I am here to talk about today. There are so many areas that are affected by our budgeting process or, at least, that should be. In fact, it is difficult to conceive of any aspect of the Federal Government that couldn't be or shouldn't be addressed through the budgeting process.

When we look at the budget process, it is important for us to focus, to one degree or another, on the Budget Act of 1974. This is an old law. Forty-three years in statute has not exactly improved it. It hasn't matured into something better. In other words, rather than a piece of art that has appreciated in value over time, this is something more akin to the 8-track tape player that you might have purchased in 1974 to go inside your Ford Pinto, which would explode upon impact. This is something that didn't really improve in the 43 years since it was passed, especially not the way we have followed it or, better said, the way we have utterly failed to follow it.

One of the best ways to describe the budgeting process, prescribed by the Budget Act of 1974, is that it is non-binding. It is less legislation than it is legislative fiction. It is aspirational in the sense that it aims for what could be and what should be, except no one actually aspires to it. In Congress, we don't get to the aspiration, basically, ever. It is reminiscent almost of the immortal words of St. Augustine. When he was undergoing his transition to Christianity, he famously said: "Lord, grant me chastity . . . but not yet"—always wanting to restrain oneself later and not now, even though the need for restraint, the need for reform is present now, is calling out for reform right now. That is why it is important to remember that what comes next is

important, and next is now. We are discussing the budget this week, and it is important that we focus on these issues right now.

We do have a system that has to be kept carefully in balance. That balance depends on Congress keeping the national interest front and center. It depends on Congress being willing to restrain itself and follow the dictates of our constitutional structure. We have failed on these scores.

Congress collectively, actively, almost defiantly avoids the very type of accountability built into our constitutional structure—the type of accountability called for by article I of the Constitution. Article I, the very first clause of the first section of the first article of the Constitution, makes clear that if you are going to make policy within the Federal Government, if you are going to establish norms that will be enforceable as generally applicable laws within our Federal Government, you have to go through Congress.

“All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.” Article I, section 1 tells us that.

Article I, section 7 tells us that in order to make a law in our Federal system, you first have to pass something through the House of Representatives and the Senate, and then you have to submit it to the White House. You cannot make law without going through that process. That process is also worked in for a budgeting process.

The way the Budget Act of 1974 is supposed to work, the way our budget process is supposed to operate is that we will pass a series of laws appropriating money in various aspects of the Federal Government. We have a budget that gets passed first, which is an aspirational statement not submitted to the President. It is a resolution passed jointly by both Houses of Congress that sets budgeting priorities. Then, following from those priorities, there are supposed to be 13 separate appropriations bills that spend money, that allocate the scarce resources of the Federal Government, understanding that they are finite to each of the major areas of government spending.

There will be one bill, for example, that funds National Defense. There is another bill that will fund our Justice Department or Federal court system. There is another bill that will fund, for example, our national parks, and so on and so forth. When you follow that formula, you avoid the kind of circumstance in which we push all spending decisions into one legislative package, setting up a potential for disaster.

A common analogy that I sometimes use to describe this is, imagine if you live in an outlying area, in an area where there is only one grocery store for 100, maybe 200 miles around. Upon moving there, suppose, on your way home from work, you receive a phone

call from your significant other telling you to stop by the store: Don’t come home without bread, milk, and eggs. You don’t need everything else. Just get bread, milk, and eggs.

You go to the grocery store. You get your shopping cart, and you put in your bread, milk, and eggs. You get to the checkout counter. You put out your bread, milk, and eggs.

The cashier says to you: Excuse me, there is a problem. You can’t buy just bread, milk, and eggs. This is a special kind of store where you can’t buy bread, milk, and eggs unless you also buy a bucket of nails, one-half ton of iron ore, a Barry Manilow album, and a book about cowboy poetry. In fact, for that matter, this is the kind of store where you have to buy one of every item in order to buy anything else. That is kind of what it is like every time we pass a spending bill lately because, even though the Budget Act of 1974 contemplates 12 or 13 separate appropriations bills, each addressing one discreet aspect of the Federal Government’s spending, we end up, more often than not—in fact, basically every single time for the last 6 of  $\frac{1}{2}$  years I have been serving here, and even longer than that, we end up passing either a continuing resolution, which basically is a reset button saying that we will continue to spend next year at the same rate we have been spending this year, subject to these minor exceptions or, alternatively, we might pass an omnibus spending bill, which can be 1,000, maybe 2,000 pages long, sometimes longer, and identify all the areas in which we will be spending but put into one unified bill.

The problem with these bills, the way we have tended to do continuing resolutions and omnibus spending bills, is that we tend to consider and pass them under a compacted time agreement in the final hours or minutes before a cliff. By “cliff,” I mean an arbitrary deadline, after which a spending measure already in place will expire. So if there is a spending bill that expires on September 30 of a particular year, it is not uncommon for us to address a spending bill on September 30, sometimes late in the day on September 30 or in the days leading up to it.

It is not uncommon for Members of Congress to be told at that moment: You have two choices. You can either pass this as is and have everything funded more or less as it has been or you can shut down the government.

Nobody really wants to cause a government shutdown. Certainly, nobody wants to be accused of shutting down the government.

Most Members tend to vote for it, and then the American people continue to get what they have been getting. They continue to operate a Federal Government that spends about \$4 trillion a year, with little or no control, even by the people’s own elected Representatives in Congress, whose job it is to do these things over their own government. This is wrong.

We shouldn’t be governing this way. Yet there is a touch of irony in this in that we govern this way, I think, at least in part, because of a fear of public outcry against the process or criticism about the process in which we might engage. Yet, as we undertake this process, which undercuts that process altogether and sidesteps it, as we have avoided that studiously in order to avoid criticism, we have seen Congress’s approval rating plummet. In fact, if you look at most opinion polls these days, it puts our approval rating as an institution right around 10 percent. The last time I checked, in the United States of America, that makes us less popular than Fidel Castro. It makes us only slightly more popular than the influenza virus, which is rapidly gaining on us.

If what we are wanting to do is avoid criticism, then the last thing we ought to do is continue to do what we have been doing, which is to consolidate all spending decisions into one legislative package to be addressed at the end of the fiscal year, telling Members they have to either vote for it or be blamed for a government shutdown. That is wrong. That shuts out the American people, and it makes their government unaccountable to them.

In the process, we avoid reforming a lot of programs that need reforming. Among other things, we avoid reforming entitlement spending. It is important when we think about entitlement spending and how it needs to be reformed to remember the immortal words of President John F. Kennedy, who said that “to govern is to choose.” But today, to budget is not to choose or to choose in advance not to choose, to avoid choosing altogether.

We are \$20 trillion in debt, and we choose to ignore that. Twenty trillion dollars is an enormous amount of money, as is the interest we pay on that sum every single year, which is about \$250 billion a year—an enormous sum of money in and of itself. But that isn’t the scary part. The scary part is that \$250 billion, which is what we spend every year on interest on our national debt, is roughly the same interest payment we had about 20 years ago. I believe our national debt was one-sixth or one-seventh of its current size. The only reason it is even that low is because our Treasury yield rates—the interest rate at which the U.S. Government pays its creditors—is at an all-time historical low.

Laws of mathematics are such that what goes down must inevitably come back up. As soon as it does come back up, even if it comes up only to its historical average and doesn’t rebound above that average, in a short period of time, within a few years after that, we will find ourselves going from about \$250 billion a year in interest on debt to about \$1 trillion a year in interest on debt, leaving ourselves with the uncomfortable, darned-near impossible

prospect of having to cover a \$750 billion shortfall—this on top of our existing sprawling national deficit—without any clear means of doing so.

Congress, in many cases, fears reform, but reform remains necessary to make programs structurally reliable and fiscally sustainable. In other words, we are fearing the wrong thing. A lot of people in my home State of Utah fear snakes, understandably. We have rattlesnakes in parts of Utah. Rattlesnakes can do a lot of damage to you if they bite you. You don't want to mess with a rattlesnake. But sometimes we fear the wrong things, at least in the sense of, in addition to a lot of rattlesnakes, we also have a lot of deer. They should actually fear deer more than rattlesnakes. More people die in the United States every year as a result of deer causing automotive accidents than they do from rattlesnake bites altogether. Sometimes we fear the wrong things.

We fear making reform. But reform is not what we should fear; we should fear the consequences of failure to do that.

In some ways, the central unifying problem isn't just about the debt or dysfunction but the distrust. Congress has squandered the trust of the American people, and we as an institution have a responsibility to work hard to win back that trust. The only way to win back that trust is through real reform. We have to put the national interest ahead of our own interests, our own political interests and the special interests that are constantly moving here in Washington, DC. That work can begin with this very budget. It should begin with this budget. Budgets provide us with an opportunity to discuss our priorities. Those priorities always need to be all about reform.

This budget is far from perfect, but in understanding that it is not perfect, it is a vehicle to begin the real process of reform. Nowhere is this more important than with tax reform, and this will set in motion those events that can culminate in real, genuine, and much needed tax reform.

There are a couple of odd quirks within our Federal Tax Code. First of all, its sheer length and complexity are a problem. Arthur Brooks from the American Enterprise Institute said that complexity is itself a subsidy—a subsidy that disproportionately benefits the well connected, the wealthy, the well educated, the specialists who handle the complexity and profit from it. One hundred years ago, our Tax Code was only a few hundred pages long. Today, our Tax Code, depending on what you count, can fairly be described as much closer to 100,000 pages than to a few hundred.

Among the many problems we can find in the Tax Code is the marriage tax penalty, which many Americans are familiar with, whereby a hard-working American couple might pay higher taxes only because of the fact that they happen to be married. This is wrong, and it needs to be fixed.

There is a related point—a related flaw—that is much less well known than the Tax Code marriage penalty, and that is the Tax Code parent penalty. Let me explain what that is. Imagine two couples—couple A and couple B. Imagine that couple A and couple B are identical in every respect but one. In other words, they both have the same income, they both have the same pattern of charitable contributions, mortgage interest, State and local taxes, and so forth. Everything that affects their taxes is the same except one thing: Couple A has three children and couple B chooses to remain childless. Because of the way our Tax Code interacts and intersects with our senior entitlement programs—namely, Social Security and Medicare—we end up penalizing parents, creating this parent tax penalty. Let me explain that a little bit.

Let's call couple A—the couple with three children—Jack and Julie. According to very modest assessments made by the U.S. Department of Agriculture, Jack and Julie, with their three children, will incur costs of about \$700,000 as they raise their children. These are the costs of raising children. I believe it is a little faulty—there are a number of things it doesn't include—but it is an estimate produced by the U.S. Department of Agriculture. Jack and Julie, our hypothetical couple A, will spend \$700,000 raising their three children to maturity. It doesn't take into account the non-economic costs associated with parenting or the myriad benefits that go along with that—but \$700,000. That is the amount they will put into raising these three children. That cost doesn't benefit just Jack and Julie, it doesn't benefit just their three children—no, the way our system works, the way Social Security and Medicare work, it also goes to stabilize, to shore-up entitlement benefits for tomorrow's retirees, because Social Security and Medicare operate on a pay-as-you-go basis. Today's retiree benefits are paid by today's workers. Today's workers will be tomorrow's retirees. Today's children will be tomorrow's workers and will be paying the retirement benefits of today's workers, tomorrow's retirees.

Let's look at couple A, back to Jack and Julie. Jack and Julie operate solely with Julie's income. Jack is a stay-at-home father. Meanwhile, Julie has a good job that pays \$75,000 a year. As you look at this chart, it shows how the pay stubs Julie receives twice a month might look.

I would imagine many Americans look at this the same way I do. People approach their pay stubs with a degree of trepidation. It is almost easier not to look at it when you see all the things the government does to your paycheck each time it goes through.

Jack and Julie look at Julie's pay stub when it comes out twice a month, and they see a few things, including the fact that, in addition to the \$205 that is withheld from her Federal in-

come tax twice a month, she also sees \$41.84 withheld for Medicare, \$178 withheld for Social Security, and \$144 withheld for State income tax.

So when we look at Julie's pay stub, we see that what Julie is paying into Social Security and Medicare is roughly the same as what we will see from couple B, who chooses to remain childless. Couple B has every right not to have children. We don't want to penalize anybody regarding their decision on whether to have children. But the point here is that the investment Jack and Julie are making into the Social Security system comes twice—first as they pay their taxes, including their Social Security and Medicare taxes—and with Social Security taxes, by the way, that is also going to play a role in determining the Social Security benefits for which Jack and Julie will one day be eligible when they retire. Yet the Tax Code doesn't adequately take into account the \$700,000 they are investing into their own children and that those children will make it possible for couple B to receive their Social Security and Medicare benefits when they retire. That is why we need to fix the parent tax penalty.

The parent tax penalty consists of this unique interaction between our tax system and our senior entitlement programs and doesn't take into account the intense investment in financial terms that America's moms and dads make in their children.

By increasing the child tax credit, we could offset this penalty. One of the proposals out there would involve raising it to, say, \$2,000 per child. I think that would be great. I could even go higher than that, but \$2,000 wouldn't cover the whole problem, it wouldn't undo the whole penalty, but it would go a long way toward offsetting that. I would welcome that. That would be a good development. There are people just like Jack and Julie Jones all over this country who would benefit from that, and the American people as a whole would benefit from it. Social Security and Medicare would be more stable and made more sustainable by this change.

The next step we need to make with tax reform involves making the Tax Code more pro-worker. A lot of people criticize the Tax Code for the fact that it has the highest corporate tax rate in the industrialized world at 35 percent. I believe that the best reform we could achieve would be substantial. There are a lot of people who are talking about reducing the corporate tax rate to maybe 15 percent or 20 percent. I hope we can get to something like that, and that would be a great first step. What I would really like to do is to bring that down not to 25 percent or 20 percent or 15 percent, I would like to see it brought down to zero. Let me explain why I believe that.

A corporation consists of and is animated by two things: capital and labor, investors and workers. Investors and workers join together and form partnerships to make profits. Both of them

pay a share of the corporate tax. In the United States, forces of globalization have benefited from this arrangement between workers and investors. The forces of globalization have benefited the investor class more than the workers. In this new global economic environment, we need to think about how to increase the returns to workers.

Globalization has helped the investors, and policy now needs to go out of its way to help the workers. One way to do that would be to eliminate the corporate tax altogether and tax investment income the same way we do regular income. That would shift the worker share of business tax to business owners. This would immediately do two things: It would give a raise to American workers, who really need it, and it would turn the United States into an irresistible magnet for foreign investment in the United States of America. In one stroke, the most profitable, favorable tax strategy in the global economy would be creating American jobs.

The current code gives preferential treatment to U.S. investors sending their money overseas. While this is their right to do, this is not something we should be incentivizing and pushing them into, which is exactly what the status quo does. Reform would give preferential treatment to international investors coming here, which is, after all, what we want. Let's level the national playing field between the working class and the investor class, while tilting the global playing field toward the United States rather than pushing it outward, away from our great country.

If these tax reforms could be set in motion through this budget or at least set in motion indirectly if not directly, the Tax Code would finally start working again for American families and finally start benefiting hard-working American mothers and fathers.

Another issue that we struggle with significantly in the Federal Government involves Federal regulations. This, too, is something we could start to address through the budgeting process. Our Federal regulatory system is economically damaging. This is something that strangles small business. It inherently—by its very nature, it injures disproportionately to the benefit of large, established, incumbent businesses, those that can afford an army of lawyers, accountants, lobbyists, and compliance specialists, that benefit from a heavy system of regulation, which is often made heavier still at the urging of the largest, wealthiest, most established companies because these Federal regulations provide a natural restriction on entry, a natural barrier that disincentivizes and in some ways disables would-be competitors from joining and entering into the marketplace. One thing we know about competition is that it brings down costs and it raises quality, and that is a good thing.

Federal regulations also create a sort of constitutional distrust. They them-

selves represent a harsh deviation from the natural constitutional order. I mentioned a few minutes ago the provisions of article I. Article I, section 1, and article I, section 7 require that Federal laws be passed by Congress. Federal regulations get around that.

Sometimes Congress chooses voluntarily to delegate to someone else the task that we, by operation of the Constitution, are supposed to perform and not to delegate to someone else. This administrative action makes things easier on occasion for Congress, but that is a bug, not a feature. The Constitution never was intended to make life easier for Members of Congress.

Let me explain how this happens and how it shows up here. It happens sometimes with good intentions. Congress wants to approach a particular issue, solve a particular problem without necessarily having to go into the difficult, painstaking, line-drawing process that inevitably is brought into question anytime we are trying to solve a problem through lawmaking. In other words, Congress will identify a problem and pass a law that says, for instance: We shall have a good law in area X, and we hereby delegate to agency Y the power to make and enforce rules carrying the force of generally applicable Federal law that will carry out the objectives we have outlined in our legislation.

In other words—let's get to something more approximating a real example. Congress, for instance, passes a law that says: We shall have clean air. We hereby delegate to the EPA the power to decide what clean air is, what pollution is, what acceptable limits on pollution might be, and what penalties will befall polluters. And then those same regulators, those same people at that same agency who made all the rules defining pollution and defining acceptable limits for pollution, prescribing penalties, they are the same people who also enforce them. You have the lawmakers who are also the law enforcers, and none of them are subject to an election.

Now, I don't mean to disparage the character or the capabilities of any of the fine people who work at the EPA or any of our other Federal bureaucracies. For the most part, these are well-intentioned, hard-working, well-educated, and highly specialized public figures or government employees, we might say, but there is a difference.

People in Congress are not magically empowered with any gifts for coming up with good legislation any more than any other American is, but there is a difference. We are elected, and we are subject to the people at regular intervals. You can fire your U.S. Senator every 6 years, you can fire your Representative every 2 years. You cannot fire a government bureaucrat. As Ronald Reagan said, the closest thing we see to eternal life on this Earth is a new government program. The closest thing you can find to a lifelong career is in government, in many government bureaucracies.

What this has produced is a profound proliferation of Federal law. We have been able to make more things Federal, and we have been able to make more Federal laws as a result of the fact that Congress now delegates away far more of its legislative power than it actually exercises. Let me explain what I mean.

I keep in my office two sets of documents. I welcome any of you to come by. In my office, we serve Jell-O every Wednesday at 3:30. For reasons I don't entirely understand, Utah consumes more Jell-O than any other State in the Union on a per capita basis. The Utah Legislature has actually designated Jell-O as Utah's official State snack. Now, I will be clear that these are not Jell-O shots. They are not tainted with alcohol or anything like that, but we serve Jell-O every Wednesday at 3:30. You are all invited to join us any time you would like. If the Senate is in session and if it is Wednesday at 3:30, it is time for Jell-O.

When you come by my office for Jell-O Wednesday, you will see two stacks of documents that I have represented in this graph. One stack of documents is a few inches tall, it is about 3,000 pages long, and it consists of the laws passed by Congress last year. The other stack is 13 feet tall, it is about 96,000 pages long, and it consists of last year's Federal Register.

For those of you who are fortunate enough not to know what the Federal Register is—and I really do envy you—it is the annual index, the compilation of Federal regulations. First is their release for public notice and comment, and then later is their finalized Federal Register.

These are laws. These are not just rules exclusively deciding what time the lights will go on and off at the Commerce Department or what times the gates will be staffed at this or that Embassy. No. Many of these are regulations that impose affirmative obligations on the American people, sometimes with criminal penalties, often with substantial civil penalties attached to them, and yet they are not passed by anyone who is elected. In many cases, they are not even written by people who are accountable to anyone who is, in turn, elected. This is a problem.

During 2016, Congress enacted 214 laws; whereas, the agencies issued 3,853 rules. Those are 18 rules that were put in place by Federal agencies for every 1 law that was enacted by Congress. This is not without consequence. This is not just an abstract constitutional violation.

This costs the American people a lot of money, and it costs them money in a way that is kind of invisible. You have the Tax Code. You have your pay stub. I showed you that chart earlier from Julie's pay stub showing how much the government takes out of each paycheck. That is visible. That is tangible. That is something she can see each week. There is another bite that

gets taken out of each and every one of her paychecks that is invisible, and that bite is taken out by these Federal regulations, meaning everything that Jack and Julie, everything that every one of you, everything that every American purchases, every good or every service is made more expensive by these Federal regulations. In fact, it is fair to say really that the costs of compliance with these Federal regulations are passed on disproportionately to America's poor and middle class who pay for those regulations through higher prices on goods and services, diminished wages, unemployment, and underemployment, and it is not insignificant.

Twenty years ago, when I first started studying this problem, I was shocked to learn that this backdoor, invisible, highly regressive form of tax—that is the cost of compliance with Federal regulations—stood at \$300 billion a year. That was astounding to me, stunning. Today that number stands at about \$2 trillion a year. In 20 years, we have seen the cost of complying with Federal regulations multiply nearly sevenfold. That is troubling.

If the cost of complying with U.S. Federal regulations were a country, if it were the GDP, the \$2 trillion in compliance costs, that is roughly the same as the gross domestic product of India and Italy. The cost of complying with Federal regulations is slightly less than the GDP of India and slightly more than the GDP of Italy. That is sad, that is stunning, that is a constitutional problem, and it is a public policy problem. The 2016 Federal Register contains 95,894 pages—the highest level in its history and 19 percent higher than the previous year of 2015, which contained 80,260 pages.

In the absence of trust, we need an abundance of transparency, and that is what constitutional lawmaking is all about. We need to restore that constitutional order by passing reforms like the REINS Act, which would require congressional assent before major rules are put into place. It would require Congress to affirmatively enact a regulation into law before an economically significant regulation could take effect.

There are some other areas where we need transparency—in higher education and healthcare. These things appear to have little in common at the outset, and yet, in many ways, they have a lot in common in that they are two areas where there has been a lot of Federal involvement where there probably shouldn't be and where that Federal involvement has made things more opaque and less transparent and resulted in higher costs.

In higher education, I highlighted the need in the last Congress for reforms through my introduction of the Higher Education Reform and Opportunity Act, which would have opened up the accreditation process. Currently, the higher education system in America

has been commandeered by the iron triangle, consisting of the U.S. Department of Education, Federal accreditation bodies, and institutions of higher education in this country. Unless you are part of that iron triangle, you can't really break into the higher education market because you can't get Federal higher education assistance.

As a result, things like apprenticeships, distance learning, massive open online courses—or MOOCs, as they are sometimes described—suffer. They get left out. The upshot is, if we reformed this area, we would have more opportunities to get postsecondary skills and training, we would lower the cost of higher education, we would save money for both borrowers and taxpayers alike, and we would have more people able to pursue their chosen vocation.

With healthcare, as in higher education, Federal influence is driving up prices while outcomes are flatlined. In 2009, Congress doubled down on what wasn't working when they passed ObamaCare. The results were instability, lost coverage, new plans, higher premiums, and higher deductibles at the same time.

Meanwhile, you had a whole lot of concentration of market power in a few companies. The top 10 health insurance companies in 2008—the year President Obama was elected President—had combined profits of about \$8 billion a year. Last year, that number skyrocketed to \$15 billion a year. The difference was ObamaCare.

ObamaCare made it easier for those companies to see their profits skyrocket, but they did so on the backs of America's poor and middle class. With ObamaCare, we also had the unsustainable expansion of Medicaid, a failed program we should be trying to rescue people from, not trap them in. We need to repeal and replace ObamaCare.

As we look toward reform, a guiding principle should always be restoring the constitutional principal of federalism or some might call it localism or the principle of subsidiarity. The idea is that you should govern locally, as locally as possible. There is a reason for this. The Constitution requires it, but it is also the case that we all benefit when we follow that constitutional system. It allows more Americans to get more of the kind of government they want and less of the kind of government they don't want. Bad things happen when we ignore federalism, as we have over the last 80 years and increasingly so over the last decade. There are some examples of that.

One involves transportation. Our Interstate Highway System was created by the Federal Government in the 1950s under the leadership of President Eisenhower. He acknowledged that for national security and interstate commerce reasons, it would be a good idea to have an interstate highway system. So we proposed—and Congress passed into law—a gasoline tax that would fund the establishment, the creation of

an interstate highway system. The idea was always to hand that interstate highway system back over to the States after the project was completed, which it has been now since the 1980s. Yet we are still collecting a Federal gasoline tax—18.4 cents per gallon, to be precise. Yet that 18.4 cents per gallon still doesn't ever seem to be sufficient, even though the Interstate Highway System has been completed since the 1980s and even though, stunningly, you could maintain the existing Interstate Highway System for about 4 cents per gallon. So where is the rest of it going? Well, it is going to purely local projects: surface roads, bike paths, all sorts of other things, many of which might well be worthy but aren't necessarily Federal in nature.

Another example involves public land. A lot of people were surprised to learn this—especially people from the East—but the Federal Government owns and controls about 30 percent of the land in the United States. A lot of people in the East aren't aware of this because, in every State east of Colorado, the Federal Government owns less than 15 percent of the land. In no State west of Colorado does the Federal Government own less than 15 percent and, in many States like my own, that number is much larger. In fact, in my State, the State of Utah, the Federal Government owns 67 percent of the land.

Let's set aside the question, for a minute, of why the Federal Government needs to own that much land at all and why it needs to own 30 percent of the landmass in the United States. If it is going to own that much, why does it disproportionately own so much land in States like mine, especially when that harms people in States like mine?

You see, in Utah—this map shows Federal land. Anyplace you see white, that is non-Federal land. If you see any of these colors represented here, that is one type of Federal land ownership or another. Where you see color on this chart, that is where the Federal land is owned and controlled by the Federal Government and the local taxing authorities can't tax it. As a result, people have to go to the Federal Government for a "Mother May I" in order to even cross the property or utilize the property for some legitimate business or personal need, and the local taxing authorities can't tax it. This harms westerners disproportionately, and it is wrong. We need reform in this area.

We also need to get the Federal Government out of the business of thinking it needs to own this much land and into the business of thinking, if it is going to own that much, then it needs to allow taxing authorities to collect at least a rough equivalent of property tax.

Also, in the area of primary and secondary education, because public education is so important, the Federal Government needs to stay out of the K-12 education arena. In other words, what is taught in the K-12 classroom

needs to be decisions made by teachers in consultation with parents, principals, local school officials and, in some cases, State officials, not from Washington, DC. That is not an appropriate decision to make from Washington, DC, unless you are talking about educational experiences perhaps in the District of Columbia or a U.S. territory or on a military base or something like that.

The Federal Government should have no role in K-12 public education. That is not our job. We have to remember the text of the 10th Amendment echoing the structure of the original Constitution: that powers not granted to Congress and not prohibited to the States are reserved to the States respectively or the people. That has to mean something. In order for it to mean something, there has to be some limit to what powers are, in fact, granted to the Federal Government.

Over the last 80 years, we gradually drifted away from this idea. We concluded that every problem in society is a government problem and that every government problem is a Federal problem. That is wrong. That has harmed the American people.

We need to restore federalism, localism, and subsidiary. This will free the people of the tyranny they feel as the result of a lost election. At any given moment in America, there are people who are disappointed about the last election, especially so with House elections, Senate elections, and the occupant of the White House. At any given moment, the people who feel as if they are not well represented in Washington—either at the U.S. Capitol or at the White House or both—can be counted in the tens, if not hundreds of millions. We will end this tyranny if we return a lot of that power.

In other words, let's say someone living in Connecticut might not quite be on the bandwagon of "make America great again." If they don't want to make America great again, they can want to make Connecticut great again. In other words, federalism allows more people in America to get more of the kind of government they want and less of the kind of government they don't want. It allows more people to have more of a say because local governments, while not perfect, are more responsive to their local constituencies. It better protects both the minorities and majorities. It lowers the temperature of our national politics. One of the reasons national politics have become so contentious is because everything has been centered in Washington, DC. There is no reason it has to be that way. In fact, the Constitution says it should never be that way.

Finally, with regard to federalism, there are a few things that only the Federal Government can do. Those things include national defense, establishing a uniform system of weights and measures, coming up with a uniform system of laws governing immigration and naturalization and a uni-

form system of laws governing interstate and foreign trade or commerce. Those things that can be done only by Congress must be done well. When we are so busy doing the things we are not supposed to do, we fail to do those things that only we can do. That is yet another reason to restore federalism.

Then, whatever is left over, whatever remains, whatever we can't bring back, needs to be fixed. It needs to be made to work. Whatever we don't return to the States can be made more effective and more efficient, and we should do that.

The 1974 Budget Act, as I explained at the outset of my address today, is outdated. We have to reform it. The Congressional Budget Office and the Joint Committee on Taxation use formulas that are opaque and unknown, that are effectively a black box. This is wrong, and we have to get rid of those.

That is one of the reasons I introduced the CBO Show Your Work Act, so they can't just tell us anymore: You can't know why we reached the conclusions we reached that have stunning implications for law and public policy.

From budget, to taxing, to spending policy and policymaking, the constant theme is inertia. One could argue that the consistent theme is nostalgia. We are stuck in that era of the Ford Pinto and the eight-track cassette player. Americans are being held back, not only by outdated policies but by a process that is out of date too.

We met the challenges of the 20th century with policies that met the moment, but we have to be constantly updating, constantly overseeing and tweaking and improving. Government may well move at the pace of a turtle, but it can move, nonetheless, and move it must because the only way to get to next is to focus on now.

In our increasingly personalized, customizable society and economy, government's obsession with centralization is making these things worse, not better. We need to govern locally and not nationally in every single instance. We need to empower individuals and local communities.

In Washington, we have to embrace accountability, especially the kind of accountability prescribed by the Constitution. We can do better, but we have to first recognize the need to do so.

The budget is indicative of all the problems we face in Washington. It is also indicative of Congress's authority and its ability to create solutions. We can do this. We can. We must. And together, we will.

Thank you, Mr. President.

The PRESIDING OFFICER (Mr. JOHNSON). The Senator from Virginia.

Mr. KAYNE. Mr. President, I also rise to speak about the budget. I find many points of agreement with my colleague from Utah.

Just to sort of jump into it, normally we wouldn't be having this budget discussion in the fall. The Congressional Budget Act of 1974 suggests that the

President would give us a budget in February, that we would pass a budget by April, and that budget would then set top-line numbers that would be given to the committees, that would then write their authorizing bills with those budgetary numbers. Then it would be handed over, and the appropriators would ultimately fashion appropriations bills that were responsive to the budget and the authorizing bills. We are into a new fiscal year, and the many of the authorizing committees have already done their jobs.

I am on the Armed Services Committee. Probably the biggest piece of legislation we do every year is the NDAA. We have already written it without having a budget. We didn't have a budget top-line number this year. We have gone ahead and written the bill, and the appropriators are already working.

I think what everybody on this floor understands is that this really isn't a budget debate; it is an effort to set up a set of instructions around which to do tax reform via budget reconciliation. In my view, this budgetary document fails as a budget, and it also fails as a good-faith beginning to a tax reform discussion.

I want to talk about each of these: why this document fails as a budget—I voted against it in committee, and I am going to vote against it on the floor—and why it fails as an effort to initiate the necessary process for reforming the Tax Code for the first time since 1986.

If you look at this document, the budget that is on the floor has a whole set of priorities that are either wrong or completely unrealistic. As an example, the budget proposes over \$5 trillion in spending cuts, \$470-plus billion cut to Medicare, and an over \$1 trillion cut to Medicaid. That would not only be a bad idea, but it is completely unrealistic and unlikely to occur. These cuts are not going to happen, and so it is just artificial.

Second, the budget does not address the primary budgetary reality—a dangerous reality we are living under—of sequestration and budget caps. It continues to gut domestic discretionary programs, to the tune of over \$600 billion over the decade.

Finally, just a particular item that I think is very important: The budget proposes a fast track, a 50-vote process, to open up drilling in the Arctic National Wildlife Refuge. That is really not a budgetary matter; it is shoehorned into the budget because we like to assume we are going to get a big chunk of revenue by drilling in the Arctic National Wildlife Refuge. But this is a fundamental matter of environmental policy that shouldn't be squirreled away in a tiny detail on the budget.

I opposed drilling in the National Arctic Wildlife Refuge when it was last on the floor in the mid-2000s. We were dealing with high oil prices and over-reliance on Middle Eastern oil. The energy situation has completely changed.

We are moving to low- and no-carbon energy sources, and oil prices are significantly lower. We are not relying on Middle Eastern oil. I would also argue that the cost-benefit calculation now makes drilling in the Arctic National Wildlife Refuge a particularly poor idea. I went to the Refuge two summers ago and saw the environmental damage that would be caused by drilling there, and I opposed it.

So the budget—from the unrealistic expense cuts to Medicaid and Medicare that would really hurt people, to other cuts—is unrealistic. The fact that it was being done after the authorizers and appropriators were generally done with their work demonstrates that the budget isn’t that serious. What this is really about is coming up with an instruction to begin the process of tax reform.

Tax reform done through the reconciliation process is a bad idea for at least two reasons. First, it begins as completely partisan. If you are going to do tax reform for the first time since 1986, you ought to try to get the best ideas of both parties. But that is not what is done with reconciliation. When you say “We are going to do it through reconciliation,” you are saying “We, the majority, have 52 votes. All we need is 50 plus a tiebreaker. We are not going to listen to Democrats. We are not going to meaningfully entertain the ideas you have. We are going to do it on our own.”

I would venture to say that the same outcome as was achieved with the effort to repeal the Affordable Care Act via reconciliation is going to be the end result here. Trying to do something this important all on your own, without meaningfully including the public and the minority, almost destines it for failure.

The second reason it is a bad idea to do tax reform via reconciliation is this: Matters in reconciliation are temporary, not permanent.

I went to the Chamber of Commerce in Northern Virginia with Senator WARNER a couple of weeks back. We talked about tax reform. We talked about the fact that it was needed to grow the economy, that it hadn’t been done for a long time. But what my business leaders want is tax reform that is permanent. They don’t want a tax reform bill where the provisions expire, and because of the rules of reconciliation, that is what happens. So to do tax reform via reconciliation is a mistake.

But let’s go further and look at the tax reform ideas that have been discussed by the administration and others that we will likely embark upon if this budget passes. The budget sets up a mechanism for partisan and temporary tax cuts that would increase the deficit by \$1.5 trillion. The first page of the GOP’s own budget talks about the challenges of deficits:

“Continual overspending and its resulting deficits will expand the Federal debt. During the next 10 years, debt held by the public is

slated to rise from 77 percent of GDP (\$15 trillion) to 91 percent of GDP (\$26 trillion).”

Why would we propose to increase the debt by \$1.5 trillion in a partisan, temporary tax reconciliation bill? If folks—especially the GOP—are so focused on the deficit and debt, and we should be, why are we including a mechanism in this instruction to raise the debt by \$1.5 trillion? I think, again, the answer is that this is not a serious proposal, and it is only the vehicle for partisan and temporary tax cuts.

The initial analyses I have seen of this tax proposal suggests a couple of things. First, the tax benefits would overwhelmingly be for folks at the top, the wealthiest, the folks who least need a break in taxes. To give an example, the Republican proposal calls for the elimination of the estate tax. That would cost more than \$270 billion over 10 years. The estate tax has high thresholds already. It affects an extremely limited number of Virginians and a limited number of folks in virtually every State. Giving up \$270 billion to get rid of the estate tax is enough to provide every child from a low- or moderate-income family with access to free preschool. That is about 7 million kids. You would still have enough money left over to take every student off Head Start waiting lists. Which would you rather do—cut the estate tax \$270 billion for a few families or provide access to free preschool to every low- and moderate-income kid in this country and take every child on a Head Start waiting list off the list?

Second, the proposal has some gimmicks and special quirks that I think need to be brought to attention. I hope we will bring it to attention on the floor. Here is an example: The budget that is before us repeals a rule that is currently in place that requires the CBO to issue scores on legislation coming out of reconciliation at least 28 hours in advance of a vote. Now, 28 hours isn’t that long, but at least it is enough time for a Senator and staff to read a bill and understand the consequences of the bill before voting. This Republican budget repeals the transparency rule that forces the CBO to issue a score. I have an amendment to not repeal the rule but to restore it and make it stronger. There should be a CBO score to let every Senator and especially the public know what we are voting on with respect to these matters.

I will conclude and say this: Tax reform is important. Let’s not sugarcoat this. We are not really debating a budget on the floor. If we were really going to debate a budget, we would have done it last spring. This is all about setting the stage for tax reform. We haven’t done it for a long time. It is important. We should promote tax reform that makes the Tax Code simpler and fair and that focuses on middle-class working families and makes it easier to start businesses and grow them. We shouldn’t be doing tax reform that is partisan, that is temporary, that in-

creases the deficit, and that produces the overwhelming benefit of a tax reform package to those at the top of the income scale who don’t need it.

It is my hope that we will have that debate in earnest on the floor of the Senate. I would love to join my colleagues in a good-faith effort to reform the Tax Code. Reconciliation and this particular proposal is not the way to do that.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. RUBIO). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Mr. President, before I read from my remarks, I would like to make the point that I get the impression that what some Members of the other political party—but more often editorials and think tanks—believe and want the public to believe is that there is actually a tax bill produced by the tax-writing committees of the Congress, something that is very definitive in what it does to the tax policy. I want to make clear that there is no such document. All we have so far is what is called a framework agreed to by the leaders of the two tax-writing committees and the Treasury Department and the leaders of the House and the Senate. You cannot draw conclusions about who is going to pay what taxes just from the framework.

I will get into real detail on this, but the other thing I would like to make clear is the fact that there are a lot of people drawing conclusions about who is going to get tax benefits and who is going to be hurt as a result of all this information that is out there, from which no one can draw conclusions because there isn’t any bill before the Congress at this point. There will be in a matter of weeks.

The budget that we are debating this week paves the way for fundamental tax reform. For more than a decade, both sides of the aisle have talked about the need for tax reform that provides tax simplification, tax fairness, and gives us the ability to increase our economic competitiveness so that we can grow the economy.

Under President George W. Bush, we had a bipartisan tax reform panel. Under President Obama, we had the bipartisan Simpson-Bowles Commission. We have had individual Members also authoring tax plans, including a bipartisan bill authored by Finance Committee Ranking Member WYDEN, the Senator from Oregon, and former Senator Coats, then representing the State of Indiana.

In addition to these high-profile plans that have been out there over the years, the Senate Finance Committee has also had countless tax reform hearings over this extended period. The

committee also held a series of bipartisan options papers discussions under then-Chairman Baucus. Additionally, under Chairman HATCH, we had bipartisan tax reform working groups. All of this work over the years has laid the foundation and informed the unified framework released by the Big 6. That is the framework I previously referred to.

The influence of these prior discussions and proposals on the Big 6 framework is evident. In other words, all of that work that has gone on over the years in different environs is bearing fruit now in getting a consensus of what we ought to do in a broad way of moving forward on tax simplification, tax reform, and tax cuts.

The framework is nothing but a framework and will be filled in with details by the tax-writing committees. It is at that point that any think tank, any Member of the other political party, any Member of our political party, any college professors, any economists anywhere can make some sound judgments as to the extent to which certain people benefit or don't benefit from the legislation before us.

I think they ought to take into consideration that you have to think about the country as a whole, which hasn't grown by more than 1.6 percent in each of the 8 years of the previous administration. If you are going to have jobs created, you have to grow at about twice that amount, at 3 percent or more. That is some of the thinking behind this budget that is before the Senate right now and the thinking behind the tax reform measures that will follow our adoption of the budget.

I will be repeating myself to some extent here, but for illustration, I have a chart here comparing the Big 6 framework, the Wyden-Coats bill, and the Simpson-Bowles plan to which I have already referred. You can see here the main point about putting these three plans together is to show similarity. All proposals would consolidate the current tax brackets down to three. That is one point the chart makes.

Two plans provide for a top rate of 35 percent, while one provides for a top rate of 28 percent. Yet the Big 6 framework, the framework that will evolve into a piece of legislation called tax simplification, tax reform, and tax cuts, is being criticized for having a 35-percent top rate that somehow is a giveaway to the wealthy, whereas you can see from this chart that plans that have been bipartisan in the past have had the 35-percent top rate or less. Of course, the 35-percent tax rate that is said to be a giveaway to the wealthy is not even the one that proposes a lower 28-percent rate. The 28-percent rate is reserved for the Simpson-Bowles plan. That Simpson-Bowles group was put together by none other than a Democratic President.

Let me ask: Were Democratic members of the Simpson-Bowles Commission, which voted for that plan, voting to give huge tax cuts to the wealthy?

Do our Democratic colleagues expect us to believe that a 35-percent top rate is a sensible bipartisan compromise when offered by Democrats but a giveaway to the rich once it is associated with this administration or with Republican Members of Congress?

Well, another thing is the same: All three plans would repeal the alternative minimum tax. This is very surprising. From listening to my Democratic colleagues, I thought repealing the alternative minimum tax was some nefarious plot to benefit President Trump, but that just doesn't square with the reality and what has gone on in the Congress over the last decade and a half with regard to tax reform. Repealing the alternative minimum tax has had strong bipartisan support.

While serving as either chairman or the ranking member of the Finance Committee, Senator Baucus and I introduced bipartisan, stand-alone legislation to repeal the alternative minimum tax. We did that across several Congresses. Of course, we were not successful. I hope this Congress will be successful in doing that.

Our legislation eliminating the alternative minimum tax garnered bipartisan support from across the political spectrum. The current ranking member of the Finance Committee and the current minority leader of the entire U.S. Senate even joined Senator Baucus and me at that time in these efforts as co-sponsors of that legislation.

At the time, a few years ago, the current ranking member even went so far as to say that "the alternative minimum tax should be Congress' number-one priority for tax reform." I agree with what the current ranking member of the Senate Finance Committee said a few years ago, which I just quoted. The alternative minimum tax repeal should be a top priority, and it seems as though it is going to be a top priority this year because the alternative minimum tax adds needless complexity to the Tax Code and often hits middle-income taxpayers rather than the wealthy, as originally intended.

Let me give a history of the alternative minimum tax. I think it was passed in 1969. Studies of wealthy people showed that about 150 people who were very wealthy paid no income tax, and there was a feeling that everyone ought to pay some tax. The alternative minimum tax was set up to hit those 150 and some other people, but it wasn't ever indexed. Now it hits millions of middle-income taxpayers. To help those middle-income taxpayers who should have never been hit by the alternative minimum tax—that is the rationale for doing away with it.

We even have the Internal Revenue Service's Taxpayer Advocate Service repeatedly calling for the repeal of the alternative minimum tax, noting that it "does not achieve its original goal" and "stealthily increases marginal rates for middle-income taxpayers."

I want to move now to the corporate tax part of the framework. I am back

at the chart now. Similarity between these plans exists for reform of corporate taxes. For instance, each one of these three plans seeks to significantly lower our corporate tax rate.

The Wyden-Coats bill calls for an 11-percent reduction in the corporate rate, bringing that rate down from 35 to 24 percent. The Big 6 framework aims for 20 percent as the highest corporate tax rate. Yet, according to the ranking member of the Senate Finance Committee, the corporate rate reduction in the Big 6 framework is "a massive corporate tax cut that overwhelmingly benefits shareholders."

The last time I checked, the distribution of the benefit from a corporate rate reduction is the same no matter what party or what President proposed it. This chart shows that similarity between the bipartisan plans and the Big 6 framework. I don't think the Senate Finance Committee ranking member proposed a 24-percent corporate rate when that Wyden-Coats plan was developed because he wanted to provide a massive benefit to the shareholders he now talks about. I also know for certain that isn't why the Big 6 framework aims for 20 percent.

The truth is, there has been a really big, growing, bipartisan consensus that our corporate tax rate is out of step with other major trading partners. Now, at 35 percent—and it has been at 35 percent for decades—our corporate tax rate is the highest among developed countries. While we have been at 35 percent, our major trading partners have been lowering their rates. On average, their rates are more than 10 percent lower than ours, so averaging maybe about 24 percent.

Now, that obviously has a great impact on jobs in America because it puts American companies at a competitive disadvantage globally, costing American jobs. It has also strained our corporate tax system to its breaking point as we have battled corporate inversions and foreign takeovers. Now, how much in the last several years have we heard Members of this body complaining about foreign takeovers and inversions to skip the country, to save taxes? Well, that is one of the reasons for reducing the corporate tax rate so that doesn't happen.

Moreover, a growing body of economic literature is showing that a significant portion of the corporate tax does indeed fall on workers in the form of lower wages. The nonpartisan Joint Committee on Taxation as well as the Congressional Budget Office assumes 25 percent of corporate tax falls on workers. So if you reduce the corporate tax rate, according to congressional researchers here who work for us, one would assume that workers are going to get 25 percent of that benefit to their wages. We even have other studies—many—finding that workers could bear more than 70 percent of the burden of a high corporate tax rate.

While the exact burden borne by workers may be debated, the economic

research is very clear. A corporate rate reduction means a significant wage increase for workers. In fact, the Council of Economic Advisers very conservatively estimates that workers could see their wages increase by more than \$4,000 due to lowering the corporate rate to 20 percent.

In reality, there is very little in this tax framework that has not had bipartisan support in the past or is not well within the mainstream of bipartisan proposals before us. Once again, that statement I just made is the purpose of this chart, to show that this bipartisan agreement and what we have before the Congress coming up—the Big 6 framework—have so many likenesses in it that there is absolutely no rationale for the partisanship we are having in the news media and on the Senate floor talking about this framework. This is why the accusations that the Big 6 tax framework is nothing more than a giveaway to the rich—why that statement we hear so often is so dumbfounding.

I want to move on to another issue about whether these are tax cuts for the rich, and I want to show how one of the proposals before the Congress will help the rich. More perplexing is that those who are screaming “tax cuts for the rich” and saying it the loudest have also been the most ardent supporters of maintaining one of the largest loopholes for the wealthy; namely, the State and local tax deduction.

I know the minority leader was on the floor last week, I think, citing IRS statistics to claim that the deduction was really a middle-class benefit, but the minority leader told only part of that story. I would like to look at some estimates by the liberal Tax Policy Center that my Democratic colleagues like to cite so often. According to the Tax Policy Center, 90 percent of the tax increase from eliminating the deduction would fall on taxpayers with incomes exceeding \$100,000, and 40 percent of the total would be paid just by taxpayers with incomes exceeding \$500,000 a year.

Think of it this way. Those with incomes exceeding \$500,000 make up less than 1 percent of all tax filers, yet receive 40 percent of the deduction benefit of claiming the State and local tax deduction.

I would like to illustrate it a better way. I have a chart based on IRS data that looks at the benefit of the deduction by adjusted gross income. Prior to going to the chart, I think it is important to point out that only about 30 percent of the taxpayers even itemize and have the State and local tax deduction available to them because you have to itemize to get that. This chart is going to focus on that 30 percent.

The first group I have highlighted on this chart are taxpayers with incomes below \$50,000. As we can see on the chart, only about 12 percent of the tax filers in this group claim the deduction. In other words, 88 percent of the taxpayers in this category receive no

benefit from the State and local tax deduction. That 12 percent does get a fairly nice benefit from it. They are deducting an average of a little over \$3,000 in State taxes for a State benefit of just under \$500, assuming they are in today's 15 percent bracket.

From further down the chart, we can see that the benefits afforded to low- to middle-income taxpayers are very much dwarfed by the benefits afforded to the wealthy or, as some of my Democratic colleagues might have become accustomed to referring to them, the millionaires and billionaires. Where only 12 percent of taxpayers with incomes under \$50,000 have any benefit from the State and local tax deduction, over 90 percent of filers with incomes exceeding \$500,000 claim the deduction. Tax filers in the \$500,000 to \$1 million range are, on average, deducting more in State and local taxes—\$53,000—than the incomes of the taxpayers in the first group.

If we assume taxpayers in this second group are, under the current law, in the 39.6-percent tax bracket, that translates into a tax benefit of nearly \$21,000. For those with incomes exceeding \$1 million, there is an average tax benefit of about \$100,000.

So if you are truly interested in eliminating tax loopholes for the rich, look no further than the elimination of the State and local tax deduction. This elimination provides an opportunity to better target more tax relief where we want to target it—to the middle class—making up for any benefit the middle class may lose from deductions and then some. In other words, the income tax would remain much more progressive.

The Big 6 framework provides the tools to do a middle-income tax reduction, including nearly doubling the standard deduction, reducing the current 15-percent rate to 12 percent, and significantly increasing the child tax credit. The framework also grants significant leeway to the Finance Committee and the Ways and Means Committee to explore additional options to ensuring middle-income tax relief.

In addition to being a benefit that overwhelmingly goes to the wealthy, the State and local tax deduction also has the effect of disproportionately benefiting States with high State and local taxes. Essentially, the deduction allows wealthy individuals in high-tax States to then offload some of their State and local tax burdens onto taxpayers in other States.

This new chart lists the top 10 States that benefit the most from the State and local tax deduction. The States are listed, and we can see the extent to which they benefit from it. We see we have New York at the top, a little lower is California, and a little bit below that is Massachusetts. It would seem to me that our Democratic colleagues like to talk a big game about eliminating loopholes for the wealthy, but when it comes down to actually doing it, they are more interested in

holding on to a tax subsidy that favors the tax-and-spend policies of overwhelmingly blue States.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. MARKEY. Mr. President, I rise to speak about the Arctic National Wildlife Refuge and the obscenity that will be the attempt by the Republicans to insert into the budget bill an ability for the big oil companies of our country to be able to drill for oil in this sacred, pristine Arctic National Wildlife Refuge.

I first wish to thank Senator CANTWELL from the State of Washington, our great Democratic leader on the Energy and Natural Resources Committee, for her leadership not just on this issue but on so many other issues in the energy and environment area that we are having to confront during this era of Donald Trump.

Let me just tell my colleagues that the Republican budget is ultimately all about massive handouts to the 1-percent richest people in our country and to huge corporations, while doing almost nothing for working and middle-class Americans in our country. In this bill, the Republicans will slash Medicaid and Medicare while at the same time blowing a \$1.5 trillion hole in the deficit to finance tax cuts for the superrich. But if that weren't bad enough, tucked inside of the Republican budget is a poison pill, one more massive corporate handout—a giveaway of the Arctic National Wildlife Refuge in Alaska to Big Oil.

Senate Republicans have included instructions for the fiscal year 2018 budget resolution that would open the door for drilling in one of America's greatest natural resources. This GOP budget sets the stage for Republicans to ram drilling in the crown jewel of America's National Wildlife Refuge System through the Senate's using only a 50-vote threshold. This is nothing more than a Big Oil polar payout. This cold-hearted Republican budgetary scam only underscores the backward priorities of President Trump and congressional Republicans.

As our fellow citizens in Puerto Rico look desperately for relief from the devastation of Hurricane Maria, there has been no refuge in the Trump administration. When tens of millions of Americans wanted to be sure that their healthcare would be protected, there was no refuge in the Republican Party. But the instant billionaires and oil companies look for a tax cut, a refuge suddenly appears. That is when the Republicans can find a refuge. Unfortunately, it is the Arctic National Wildlife Refuge.

But the Republican plan to offset \$1.5 trillion in tax cuts for the superwealthy will only result in \$1 billion being able to be raised from allowing the oil companies to drill in this pristine refuge. That plan neither makes any sense nor will it actually bring in any cents sufficient to pay for this

huge tax break and the deficit they are creating.

Maybe my colleagues on the other side of the aisle think there is a different exchange rate above the Arctic Circle, but down here those numbers don't even come close to adding up. This is exactly the kind of polarizing politics we need to get away from—giveaways to Big Oil and billionaires at the expense of the American people and our planet.

There is a long, bipartisan history of fighting to protect the Arctic Refuge for future generations. It was Republican President Dwight D. Eisenhower who began this bipartisan legacy by setting aside the core of the Arctic Refuge in 1960. It was further protected by President Kennedy and Senator Tom UDALL's father, Secretary of Interior Stewart Udall, during the Kennedy and Johnson administrations. Then, Representative Mo Udall succeeded in doubling the size of the Refuge, protecting even more of this untrammeled wilderness. Protecting this special place has always been an issue that rose above party lines, and it should continue to do so.

In 2015 the Interior Department recommended that Congress designate this area as wilderness and not open it to drilling. In making that wilderness recommendation, the Department of the Interior concluded that the "Arctic Refuge exemplifies the idea of wilderness—to leave some remnants of this nation's natural heritage intact, wild, and free of the human intent to control, alter, or manipulate the natural order."

The Coastal Plain is the biological heart of the Refuge. The Fish and Wildlife Service has called it the "center for wildlife activity" in the Refuge. It supports more than 250 species, including caribou, polar bears, and migratory birds, but that is exactly where this Republican legislation would allow Big Oil to drill, forever despoiling this ecosystem.

Two years ago, we lifted the four-decades-old ban on exporting American crude oil. As a result of that giveaway to the big oil industry, we are now exporting more U.S. crude oil—nearly 1 million barrels a day—than we could ever produce from drilling in the Arctic Refuge.

We have a fracking revolution taking place in our country right now. We hear it over and over from President Trump. We hear it from the Republicans: There is a fracking revolution. We are on our way to energy independence. We should lift the ban on exporting oil out of the United States. We should start selling it around the world to the highest bidder. We have so much oil that we can afford to send it out of our own country. Don't worry about it; there is no problem with exporting American oil.

As a matter of fact, what the Trump administration also says is this: Don't worry about the fuel economy standards in America. We are going to start

to review them so we can lower—lower—the goals for our country for making the vehicles that we drive in our country more efficient.

Where do we put the oil in our country? We put 70 percent into gasoline tanks. We don't have to be a detective to figure out what happens if, instead of having our cars continue to get more and more efficient in terms of reducing the amount of oil that we need, we have our standards get lower and lower, and, as a result, we need to consume more oil.

What does the Trump administration say? They say they are going to review the fuel economy standards. They are going to take a "we can't do it" stand. They are going to take an "it's too hard to improve the economy standards" stand. That is what they said for four decades: It is too hard.

But during the Obama administration they were able to put on the books a standard that moves America to 54.5 miles per gallon by the year 2025 in the United States of America—54.5 miles per gallon. That is where the plug-in hybrid revolution comes from. That is where the all-electric vehicle revolution comes from. That is where Elon Musk comes from. That is where all of these statements coming from the Chinese, the Indians, Volvo, and others come from. It is this movement toward plug-in hybrids and all-electric vehicles, reducing the amount of oil that we consume—not just here in the United States, but around the globe.

What does the Trump administration say? We can't do it. It is too hard. We are going to review those standards. So they are saying: We don't have the technological capability to accomplish something that avoids the necessity of having to drill in a pristine wildlife refuge—to put a gasoline station on top of something that should be preserved for generations to come. They are saying: We can't improve the fuel economy standards. We are going to export 1 million barrels of oil a day. Guess what. We are going to go up into the Arctic Refuge in order to find the oil so that the gas guzzlers can stay on the road and so we can export oil to China. We are going to allow, finally, for the Big Oil cartel—which is now taking over the Department of the Interior, the Department of Energy, and the EPA—the ability to be able to despoil one of the last untrammeled, perfect, pristine areas in our country.

That is just fundamentally wrong, and we are going to have a vote on it on the floor of the Senate during this budget debate. To raise \$1 billion total as they run up a deficit of \$1.5 trillion, they despoil this sacred part of our country. It is immoral. It is wrong. It says that the Trump administration is handing over the keys of our government to the big oil companies. It is saying: No matter how many hurricanes hit our country, no matter how warm the water is off the coast of our country, they are going to remain in climate change denial—that it is really

not a problem. Therefore, you don't have to increase the fuel economy standards. You don't have to reduce the fossil fuels going into the atmosphere. You don't have to worry. Climate change—ignore it. Fuel economy standards—we are not going to do it. What is the one thing we will do? For the oil industry, we are going to allow them to drill in the pristine Arctic wilderness. It is immoral—fundamentally immoral.

For 60 years, going back to Eisenhower, we figured out how to protect it. But now, at the height of a fracking revolution, with millions of new barrels of oil; at the height of an incredible plug-in hybrid and all-electric vehicle revolution, as we are reducing the amount of oil we are consuming in our country; at the height of storms that are assaulting every part of our Nation with an intensity we have never seen in our history, the President says: I am going to ignore all of those issues and just focus upon what Big Oil wants.

This is going to be a monumental debate we will have on the floor of the Senate this week. I am looking forward to that debate because I think the American people are going to want to know who has voted which way on this critical environmental issue—the environment issue, in my opinion—which will be taken on the floor of the Senate this week and will be led by our great leader on energy and environment issues, Senator MARIA CANTWELL, from the State of Washington. She has been a clear, consistent, insistent voice on these issues.

I think this week we are going to have the kind of historic debate the American people will want us to have on this issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I come to the floor to speak against the budget resolution's containment of language that might direct our colleagues in the future to open up drilling in the Arctic National Wildlife Refuge. I thank my colleague from Massachusetts for his leadership on this issue and for being on the Senate floor tonight to talk about how important it is that we continue to maintain this Wildlife Refuge as it exists.

Our public lands have been under assault from this administration. It comes in all forms. It certainly comes in the form of trying to use the Antiquities Act in reverse and, basically, to say: You can open up public lands for drilling.

This really caused a controversy in Utah with the Bears Ears National Monument. There are Tribes, sportsmen, fishermen, and hunters who value the public lands in this national monument and who don't want to see it turned over to companies or individuals who want to mine or drill for oil and gas to the detriment of the monument resources. Now the budget resolution will allow for a "for sale" sign on

some of our public lands to give a tax break to millionaires.

It is not that this is the only issue. As I said, there is the notion that the administration is taking our public lands and trying to turn them over to be developed, the notion that they are giving land to coal companies so they can harvest coal off of Federal lands and then not charging them a royalty rate which is compensatory and fair to the American public. We tried to fix that. Obviously, this Secretary of the Interior is trying to roll that back and give coal companies a sweetheart deal.

Now we have an EPA Administrator who, basically, has had a mining company CEO walk into his office and say: By the way, we want to develop a mine at the headwaters of Bristol Bay in Alaska, home of the largest salmon run and probably responsible for 50 percent of sockeye salmon around the world. Immediately after the mining executive left the EPA Administrator's office, the EPA Administrator sent out a letter saying: Let's toss aside Clean Water Act safeguards to protect Bristol Bay, move forward on this idea of allowing the mine application to proceed.

So much for due process, so much for preserving what has taken the American public more than a hundred years to put together so that the public can recreate on public lands—so, yes, hunting, fishing, Native American, and recreational communities are all upset.

What is the latest play? Let's stick in the budget resolution language providing for the opening of the Arctic National Wildlife Refuge to oil and gas development—something that has been so precious to the United States of America—basically a Serengeti for wildlife, an intact arctic ecosystem that doesn't exist in other places in the United States. Yet people are trying what I call a sneak attack, just like they did 12 years ago, just as people tried to open up the Arctic refuge for development before and on its own merits couldn't get it enacted into law. They put it in the Defense appropriation bill, thinking that there is no way people could vote against money for the troops—that is how we can get the Arctic National Wildlife Refuge open for mineral development.

But it didn't work then, and it is not going to work now. The American people are not for legislative sneak attacks, backdoor ways to move legislation that could never pass on its own merits. I know the President wants to get a big budget package together, get healthcare in there, throw in Arctic National Wildlife Refuge drilling, hope that people can't vote no, and move forward. I would say, if this is such a wonderful idea, let it stand on its own merits.

This area, as we can see, is a very pristine part of the United States. And now some people are saying: Oh, well, we could do some sort of drilling. Why do you want to have drilling in a pristine wildlife refuge? When people say:

Oh, well, there are refuges that have had drilling—if that was prior to it being declared a refuge, yes, but this is a pristine area that we decided to set aside. Why? Because, as I mentioned, it is a Serengeti, it is an arctic Serengeti of caribou and other wildlife, over 200 different species of birds that come to the area, to say nothing about the population of polar bears in the region. Why do we want to destroy this? It is not that we are somehow thinking that we are going to get oil reserves out of it for our Nation. In fact, the issue is really, with the price of oil and the oil export market that has now been created, oil produced here is going on to the larger world market. So why is it that we think this is going to help us in the United States?

People are trying to use a budget process to increase the deficit by \$1.5 trillion to pay for tax cuts for wealthy people. They are willing to degrade the environment as a way to pay for tax cuts for the wealthy. I don't agree to it. I don't think the American people agree to it. They know that this iconic wildlife refuge has been attacked many times. They know that every time, someone has had to come up with some backdoor way of trying to get the refuge opened. I think my colleagues should understand and take note that these have all failed. They failed in the past because this idea is not the brightest, most brilliant idea in America. It is not the thing that is going to turn the U.S. economy around. It is not the thing that is going to help us get tax reform. It is not an idea that is even going to help us with the bipartisan effort to move forward on an energy package. If you think about it, we passed an energy bill out of here last Congress with 85 votes. If this was something that could be done in that package, it would have been done in that package.

I know that we are going to have more oil and gas exploration in Alaska. I know there is going to be more exploration in many parts of the Arctic. There is going to be a rush of Arctic nations to look at oil drilling off of our coast and in the Arctic Circle. The United States should get ready and participate in those discussions. I am first in line to say that we need a fleet of icebreakers to be prepared and be ready for the advent and the change in the Arctic. There will be many discussions about where responsible drilling should take place. I guarantee you, even if you opened up the Arctic National Wildlife Refuge, it would not stop this debate about more drilling in Alaska.

Let's remember that we set aside this pristine area for a very specific purpose: to keep the uniqueness that has existed in this part of the world—just a very small piece of it. Continue to have the debate in other parts of Alaska and in the Arctic about what the development of oil resources are going to be.

I encourage my colleagues not to fall prey to another backdoor attempt at

trying to open up the Arctic National Wildlife Refuge. Don't fall for a cynical bill where somehow somebody is going to try to cram everything in it and say: You can't vote against it because it has too many things for your State. Let's do the work that it takes to do bipartisan work—work together, agree on the things that we can agree on, and move forward. I guarantee you, our energy policy will be better in America for doing that.

I yield the floor.

The PRESIDING OFFICER (Mr. ROUND). If no one yields time, then time will be charged equally.

The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask unanimous consent that following leader remarks on October 18, 2017, that it be in order to call up the following amendments; that the time until 3 p.m. be for debate on the amendments, equally divided between the managers or their designees; and that following the use or yielding back of that time, the Senate vote in relation to the amendments in the order listed, with no second-degree amendments in order prior to the votes: Hatch amendment No. 1144 and Sanders amendment No. 1119.

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

Mr. ENZI. Mr. President, Senators should be prepared for additional amendment votes to occur during the series at 3 p.m.

#### MORNING BUSINESS

Mr. ENZI. Mr. President, I ask unanimous consent that the Senate be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

(At the request of Mr. SCHUMER, the following statement was ordered to be printed in the RECORD.)

#### VOTE EXPLANATION

• Mr. MENENDEZ. Mr. President, I was unavailable for rollcall vote No. 218, on the confirmation of David Joel Trachtenberg to be a Principal Deputy Under Secretary of Defense. Had I been present, I would have voted nay.

Mr. President, I was unavailable for rollcall vote No. 219, on the motion to proceed to H. Con. Res. 71. Had I been present, I would have voted nay. •

#### ARMS SALES NOTIFICATION

Mr. CORKER. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of certain proposed arms sales as defined by that statute. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Senate Foreign Relations Committee.