United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 110th CONGRESS, FIRST SESSION

Vol. 153 WASHINGTON, MONDAY, FEBRUARY 12, 2007 No. 26

Senate

The Senate met at 1 p.m. and was called to order by the Honorable BENJAMIN L. CARDIN, a Senator from the State of Maryland.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Lord, sometimes we reach the limits of human ingenuity. Our knowledge seems insufficient for life's complexity, and our skills fail us in the storm.

Supply the needs of our Senators today so that no difficulty will overwhelm them. Be in their heads and in their thinking. Be in their eyes and in their looking. Be in their mouth and in their speaking. Be in their hearts and in their understanding. Fill them with Your truth and empower them to face the multitudes of pressing issues unafraid.

We pray in Your strong Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable BENJAMIN L. CARDIN led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 12, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BENJAMIN L. CARDIN, a Senator from the State of Maryland, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CARDIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. REID. Mr. President, today, following whatever time the leaders utilize, the Senate will be in morning business, with Senators permitted to speak for up to 10 minutes each. Last Thursday, we began consideration of the continuing resolution. I then filed cloture, and that cloture vote will occur tomorrow morning, which is Tuesday.

As Members are aware, the current funding resolution expires at midnight on Thursday, February 15. We have to complete action on this matter so it can be signed by the President. This is important. Members have until 2:30 p.m. today to file any first-degree amendments to the resolution. As I previously announced, there will be no rollcall votes today.

THE ECONOMIC FUTURE OF AMERICA

Mr. REID. Mr. President, today I wish to talk about the economic future of our country.

The economic future of our country is bleak. During the last 3 years of the Clinton administration, this Federal Government was spending less money than it was taking in. We actually retired the national debt by half a trillion dollars. Since President Clinton left office, we have had the highest deficits in the history of our country. The Bush budgets have been record-breakers but in the wrong way. We are $3 trillion in new debt in the last 6 years. We have doubled the amount of money we owe China and Japan, and we owe money—to Saudi Arabia, Singapore, on and on—to other countries. We even had to borrow money from Mexico in recent years.

Senator CONRAD has indicated—and I have spent hours with him. I have spent hours with him and JUDD GREGG talking about what we can do for the long-term economic future of this country. I had hopes and anticipation, but then these hopes were washed away. As Vice President CHENEY says, we are doing nothing to change revenues in any way. It is a one-way street, this administration—all for the rich, nothing for the poor, and in between the poor and the rich, the middle class is being squeezed. The rich are getting richer, far richer, and the poor are getting poorer.

I am disappointed—and that is an understatement—in the budget we received recently from the President. It is like Iraq: He refuses to reverse course. The budget is the same, more of the same.

Let's see why we should be concerned about this budget. It wasn't long ago that Vice President CHENEY insisted that deficits don't matter. I was speaking today to a publisher of a large newspaper—owns newspapers all over the country—and he and I lamented that we always thought Republicans were for fiscal conservatism, fiscal integrity. That is gone. No one believes anymore that they care—red ink as far as you can see. And, as Vice President CHENEY insisted, deficits don't matter. But he is wrong. I know he and many on the other side of the aisle obviously believe deficits don't matter. The Republicans obviously believe this. Senate Republicans and House Republicans may believe that but a lot fewer now than before November 6 because Republicans all over the country believe deficits do matter. They do believe in fiscal integrity, that you pay your bills, you don't spend money you don't have.

We Democrats agree with mainstream Republicans across the country.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

We believe in fiscal responsibility because history proves that it works, and we are convinced that massive deficits allowed to continue will undermine growth and weaken America's future. It is no different from your own personal bank accounts, how you take care of your home, your family. Sure, there may come times when you have to borrow money, but you need to pay it back. You can't have deficit-spending as far as the eye can see. How has the Republican Party gotten off on allowing these huge deficits to keep building?

The administration's budget it just gave us shows they are still trapped in an outdated and discredited ideology. Rather than accepting the need for discipline, President Bush's budget continues to reject the strong pay-as-you-go rules. What does this mean, pay-as-you-go? This is the rule we had in the Clinton years. What it means is that if you are going to lower taxes, you have to figure out a way to pay for it. If you are going to have a new spending program, you have to have a way to pay for it. You just can't borrow money, which is what has happened under President Bush. Pay-as-you-go rules during the Clinton years promoted fiscal responsibility.

Rather than reducing our debt, as the Democrats did under President Clinton, the Bush budget calls for an additional $2.5 trillion in new borrowing, causing our debt to balloon to almost $12 trillion. I am not making up these numbers. They come directly from the President's budget. The real numbers are even worse than those you find in the President's budget, which leads me to my second major concern about the President's budget—its refusal to be honest with the American people.

Let's begin with the cost of the Iraq war. While the President continues to resist bipartisan efforts to reverse the political and military course in Iraq, his own budget takes a very different approach. In fact, the budget contains $50 billion only for the war in 2009 and nothing thereafter. Does that mean the administration really wants to pull the troops out? Of course not. They want to have it both ways—they want the war, but they don't want to pay for it. And their deceptive budget isn't playing it straight. It is not being honest.

The war costs, unfortunately, are only one example of the budgets deception. Their budget also uses rosy assumptions about expected revenues. In 2012 alone, the President assumes that revenue will be $155 billion more than projected by the nonpartisan Congressional Budget Office. So instead of a rosy surplus, Bush's budget would run a huge deficit.

Beyond rosy assumptions, the budget also claims to reach balance by assuming deep future cuts in domestic priorities such as education. But how? Few details. Exactly which programs will be cut? No details. By how much? Not for sure. Few details. And who will be affected? The budget doesn't say. We know some.

Perhaps even more important than its debt and deception, the Bush budget is simply disconnected from the needs of middle-class America. Too many families today are struggling with stagnating wages and rising prices for everything from health care to the groceries we buy. That is certainly true in Nevada. But instead of developing new ways to meet these needs, the budget offers few, if any, new ideas that would help. In fact, many of its cuts would make matters worse. For example, the budget underfunds the State Children's Health Insurance Program which would jeopardize existing health coverage and leave millions of children uninsured. Its ill-conceived health proposal would threaten existing private health coverage and actually drive up premiums, the experts say. The budget cuts $300 billion from Medicare and Medicaid and thus increases health care costs for many seniors. The budget cuts education by $2 billion, and it even cuts programs that are important to veterans and police officers.

These cuts would have a major impact on many of my constituents and many of the Presiding Officer's constituents. Every State in the Union would feel the impact. There are already over 100,000 children in Nevada without health insurance. The Bush budget would increase that number. At the same time, its deep cuts to Medicare and Medicaid threaten about 300,000 Nevadans who rely on Medicare and 170,000 Nevadans who depend on Medicaid.

Unfortunately, at the same time the administration is cutting programs important to the middle class and the poor, they are insisting on spending hundreds of billions of dollars for handouts for multimillionaires. I know the administration generally believes that the very wealthy are the engine of economic growth. Democrats disagree. We believe the real engine of growth is a strong middle class, and we think it is wrong to burden middle-class taxpayers with the cost of massive spending for those at the top of the economic pyramid.

Consider the President's tax breaks for people with incomes over $1 million. They are huge—more than $150,000 a year if you make more than $1 million. In 2008 alone, that cost will be $50 billion. Who gets the $50 billion? The millionaires, Mr. President, the millionaires. Think about that—$50 billion. Where does it go? To the millionaires. At the same time he wants to cut education by $2 billion, the President wants to spend $50 billion on tax breaks for those with incomes over $1 million. That is not just fiscally irresponsible and it is not just bad economic policy, it is wrong. It is just plain wrong.

Unfortunately, tax breaks for multimillionaires are only one example of the many special interest handouts in this budget we just got.

It contains wasteful royalties and tax breaks for oil and gas companies. This industry is making more money this year than ever before, last year it was more money than ever before, and the year before it was more money than ever before.

It continues Medicare overpayments to HMOs and other managed care plans.

This budget grants drilling rights to Alaskan wilderness.

It continues tax breaks for multinational corporations that outsource jobs overseas, and remarkably it continues to call for the privatization of Social Security with the deep benefit cuts and massive debt.

These discredited and outdated policies will not promote economic growth, they will not strengthen the middle class or make our country a better place. On the contrary, they will weaken our Nation and make middle-class life harder.

We must do better. In coming weeks, led by our remarkable Budget chairman, Senator CONRAD, we will work together with our colleagues to produce a better budget; a fiscally responsible budget based on the philosophy that, yes, deficits do matter; a budget that returns the tough pay-as-you-go discipline of the 1990s and balances the budget using real numbers, not pretend numbers; a budget that puts the middle class first and starts to address the real problems facing working families, such as exploding health care costs and rising tuition; a budget that reflects the best of our core values, American values, and lays the groundwork for a strong and prosperous future.

Achieving such a budget won't be easy. Members on both sides of the aisle would have to work together and make some tough choices and compromises, and the President must be willing to rethink obsolete approaches and help move his party and our Nation in another direction.

But speaking for Democrats, while we know the challenge is great, we are going to try. It is my hope that in the end we can finally move toward a new fiscal policy that combines old-fashioned values of fiscal discipline with the new and forward-looking approach that puts the middle class first.

I ask my time not interfere with the time that has been set aside. Would the Presiding Officer remind me, do we have a certain period of time for morning business today?

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a transaction for morning business with Senators permitted to speak for up to 10 minutes each.

Mr. REID. I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there

will be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

The Senator from Iowa is recognized.

Mr. GRASSLEY. I think the Senator from North Dakota wanted to be recognized.

Mr. DORGAN. I ask unanimous consent that following the presentation of my colleague Senator GRASSLEY of Iowa, I be recognized for a period of 20 minutes in morning business.

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

ALTERNATIVE MINIMUM TAX

Mr. GRASSLEY. Mr. President, lately we have heard a lot about the alternative minimum tax and the difficulties involved in fixing it. Right now is tax time so a lot of people are going through the process of determining whether they owe the alternative minimum tax. I will visit with taxpayers about that. At another time I will go into greater detail regarding some of these problems and what we need to do to fix the alternative minimum tax.

Right now I want to explain how we got into this situation. Of course, as with anything, it would be foolish to go forward on this issue without looking back to see how we got to where we are now, after 40 years of the alternative minimum tax. The alternative minimum tax, then, obviously has been with us for that long a period of time.

The individual minimum tax was the original name of the alternative minimum tax and was enacted first in 1969. This chart I am displaying highlights a few of the important and most recent milestones in the evolution of the AMT. I will not go into each of those milestones in detail, but by looking at the chart you can see the AMT has not been a constant. There has been an alternative minimum tax, but it has had some changes in the last 38 years.

First, the history of the AMT. In the 1960s, Congress discovered only 155 taxpayers—all people with incomes greater than $200,000 a year—were not paying any taxes whatever. These taxpayers were able to use legitimate deductions and exemptions to eliminate their entire tax liabilities—all legally. To emphasize, what they were doing was not illegal, but Congress could not justify this at that time and it determined at that time that wealthy Americans ought to pay ''some'' amount of tax to the Federal Government regardless of the amount of legal ways of not paying tax.

When Congress decided to do this, it was calculated only 1 in 500,000 taxpayers would ever be hit by the alternative minimum tax. According to the Bureau of Census, we had at that time about 203 million people compared to 300 million today. Making the assumption that every single American was a taxpayer, the individual minimum tax was originally calculated to affect only 406 people. We get that by dividing 203 million by 500,000. In 1969 Congress was motivated by the situations of the 155 taxpayers to enact a tax calculated to impact about 406 people.

Clearly, the situation has changed dramatically in the last 30 years because this year the AMT is going to hit several million taxpayers. Although not its only flaw, the most significant defect of the alternative minimum tax is that it was not indexed for inflation. If it had been indexed for inflation, we would not be dealing with this tax problem and millions of people this year would not have to figure out if they owed the alternative minimum tax.

The failure to index the exemptions and the rate brackets, the parameters of the AMT, is a bipartisan problem. Perhaps a most notable opportunity to index the AMT for inflation was the passage of the Tax Reform Act in 1986. That law was passed by a Democratic House, a Republican Senate, and signed by a Republican President. It is worth pointing out at that time, because of the bipartisan cooperation, indexing was a relatively new concept, and even though they had a bipartisan opportunity, they did not take advantage of it. One can argue that indexing of the AMT should have received more attention, but the fact is it did not then or any time since then, so we have the problems I am discussing today.

Today it is impossible for anyone to use the excuse that indexing is a new concept. Maybe it could be used in 1986. In a regular tax system, the personal exemptions, the standard deduction, the rate brackets are indexed for inflation. Government payments such as Social Security benefits are indexed for inflation and people would be hard pressed to go into most schools and find a student who does not at least know that inflation was something to be avoided or at least to be compensated for through indexing.

Despite what must be a nearly universal awareness of inflation, though, the alternative minimum tax, the Internal Revenue Code equivalent of a time capsule, remains the same year after year as the world changes around it. It must be obvious to everyone that the value of a buck has changed a lot in the last 38 years, and all here are experienced enough to have witnessed that change.

More than anything else, the problem posed by the alternative minimum tax exists because of a failure to index that portion of the Tax Code for inflation. Although $200,000 was an incredible amount of money in 1969, the situation is different today. I am not saying that $200,000 is not a lot of money—because it is, obviously, to most middle-income people a lot of money—but $200,000 is certainly going to buy less today than it did in 1969.

I also emphasize that I am not the only one saying the failure to index the alternative minimum tax for inflation is what is causing it to consume more and more of the middle-income taxpayers. On May 23, 2005, the Subcommittee on Taxation and IRS Oversight, the Committee on Finance, held a hearing entitled ''Blowing the Cover on the Stealth Tax: Exposing the Individual AMT.'' At that hearing, the national taxpayers advocate Nina Olson said:

> [t]he absence of an AMT indexing provision is largely responsible for increasing the numbers of middle-class taxpayers who are subject to the AMT regime.

Robert Carroll, who is now Deputy Assistant Treasury Secretary for tax analysis and then was in the acting position, same title, testified:

> [t]he major reason the AMT has become such a growing problem is that, unlike the regular tax, the parallel tax system is not indexed for inflation.

We also had at that hearing Douglas Holtz-Eakin, who at that time was director of the nonpartisan Congressional Budget Office:

> If the 2005 [increased AMT] exemptions were made permanent and, along with other AMT parameters, indexed for inflation after 2006, most of the increase over the coming decade in the number of taxpayers with AMT liability would disappear.

Clearly, there is a consensus among knowledgeable people that the failure to index the AMT for inflation has been and continues to be a serious problem and, in fact, for the most part, would be a solution to the problem if you want to maintain the AMT. If you want to argue for doing away with the AMT, that is another ball game.

What makes the failure to index the AMT in 1986 and other years more disastrous is repeated failure to deal with the problem in additional legislation that has actually compounded the problem posed by the alternative minimum tax.

Before I continue, I will catalog the evolution of the alternative minimum tax rate for a moment. The 1969 bill gave birth to the alternative minimum tax which established a minimum income tax rate of 10 percent in excess of the exemption of $30,000. In 1976, the rate was increased to 15 percent. In 1978, graduated rates of 10, 20, and 25 were introduced. In 1982, the alternative minimum tax rate was set at a flat rate of 20 percent and was increased to 21 percent in 1986. This is not a complete list of legislative changes and fixes, and I am sure no one wants me to recite a full list but, very importantly, I want to make sure that everyone realizes Congress has a long history of trying to fiddle with the AMT in various ways but without doing anything permanent to it. Hence, we are here again this year considering what to do.

Now, a great detail on recent bills impacting the AMT. In 1990, the Omnibus Budget Reconciliation Act is a result of the famous Andrews Air Force summit between President Bush and Democratic leaders on Capitol Hill. Probably Republicans were involved, as well. That legislation raised the alternative minimum tax rate from 21 percent to 24 percent and did not adjust

the exemption levels. That means every person who had been hit by the AMT would continue to be hit by the AMT but be hit harder.

Then we had the same title, but in 1993 we had the Omnibus Budget Reconciliation Act. The exemption level was increased to $33,750 for individuals and $45,000 for joint returns, but that was accompanied by yet an additional rate increase. In 1993, the tax increase passed this Senate with just Democratic votes for it. No Republican voted for it.

Once again, graduated rates were introduced, except this time they were 26 percent and 28 percent. By tinkering with the rate and exemption levels of the alternative minimum tax, these bills were only doing what Congress has been doing on a bipartisan basis for almost 40 years, which is to undertake a wholly inadequate approach to a problem that keeps getting bigger and bigger and bigger.

Aside from this futile tinkering that has been done every few years, Congress has, in other circumstances, completely ignored the impact of the tax legislation on taxpayers caught by the alternative minimum tax. In the 1990s, a series of tax credits, such as the child tax credit and lifetime learning credit, were adopted without any regard to the alternative minimum tax. The alternative minimum tax limited the use of nonrefundable credits, and that did not change. In other words, because of the AMT, we did not accomplish the good we wanted to with those credits for lower middle-income and lower income people. Congress quickly realized the ridiculousness of this situation and waived the alternative minimum tax disallowance of nonrefundable personal credits, but it only did it through the year 1998.

In 1999, the issue again had to be dealt with. The Congress passed the Taxpayer Refund and Relief Act of 1999. In the Senate, only Republicans voted for that bill. That bill included a provision to do what I would advocate we ought to do right now: repeal the alternative minimum tax. If President Clinton had not vetoed that bill, we would not be here today. But we are here today with a worse problem.

Later, in 1999, an extenders bill, including the fix, to fix it good through 2001, was enacted to hold the AMT back for a little longer; in other words, not hitting more middle-income people.

In 2001, we departed from these temporary piecemeal solutions a little bit—at least a little bit—for 4 years with the Economic Growth and Tax Relief Reconciliation Act of 2001. That 2001 bill permanently allows the child tax credit, the adoption tax credit, and the individual retirement account contribution credit to be claimed against a taxpayer's alternative minimum tax. While this certainly was not a complete solution, it was a step in the right direction.

More importantly, the 2001 bill was a bipartisan effort to stop the further intrusion of the alternative minimum tax into the middle class. The package Senator BAUCUS and I put together that year effectively prevented inflation from pulling anybody else into the alternative minimum tax through the end of 2005.

Mr. President, I ask unanimous consent for 3 more minutes.

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

Mr. GRASSLEY. Our friends in the House originally wanted to enact a hold harmless only through the end of 2001, while Senator BAUCUS and I were trying to do it through 2005. We got the final bill the way Senator BAUCUS and I wanted it. So it was not a problem then until the year 2005.

Since the 2001 tax relief bill, the Finance Committee has produced bipartisan packages to continue to increase exemption amounts to keep taxpayers ahead of inflation, with the most recent being the Tax Increase Prevention and Reconciliation Act of 2005, which increased the AMT exemption to $62,550 for joint returns and $42,500 for individuals through the end of 2006.

These packages put together since 2001 are unique in that they are the first sustained attempt undertaken by Congress to stem the spread of the AMT through inflation and hitting more middle-income taxpayers. Admittedly, these are all short-term fixes, but they illustrate a comprehension of the AMT inflation problem and what needs to be done to solve it.

So this leads us to the present day and the situation we currently face. In 2004, the most recent year for which the IRS has complete tax data, more than 3 million families and individuals were hit by the AMT. And those figures for each State are shown on this chart behind me. You can see a breakdown by State of families and individuals who paid the alternative minimum tax, even with our hold-harmless provisions in place.

This does not even begin to hint at what will happen if we do not continue to protect taxpayers from the alternative minimum tax. Barring an extension in the hold harmless contained in the 2006 tax bill, AMT exemptions will return to their pre-2001 levels. At the end of 2006, provisions allowing nonrefundable personal tax credits to offset AMT tax liability expired. If further action is not taken, it is estimated that the AMT could claim 35 million families and individuals by the end of this decade. That is just 3 years away. Think of it: a tax originally conceived to counter the actions of 155 taxpayers in 1969 could hit 35 million filers by the year 2010—a well-intentioned idea 40 years later with unintended consequences. Some analyses show that in the next decade, it may be less costly to repeal the regular income tax than the alternative minimum tax.

Aside from considering the increased financial burden the AMT puts on families, we also should consider the opportunity cost. Because the average taxpayer spends about 63 hours annually complying with the requirements of the alternative minimum tax, that is an awful lot of time that could be more productively used elsewhere.

As I have illustrated, the AMT is a problem that has been developing for a while. Thirty-eight years down the road are we now. On numerous occasions, Congress has made adjustments to the exemptions and rates, though not as part of a sustained effort to keep the alternative minimum tax from further absorbing our Nation's middle class.

Despite these temporary measures, the AMT is still a very real threat to millions of middle-income taxpayers who were never supposed to be subjected to a minimum tax. That the alternative minimum tax has grown grossly beyond its original purpose—which was to ensure the wealthy were not exempt from an income tax—is indisputable and that the AMT is inherently flawed would seem to be common sense.

Despite a widespread sense that something needs to be done, there is still disagreement on what needs to be done. Over the course of a few more remarks on this floor, in days to come, I will address some of those things we ought to do. But this is a case where well-intended legislation not being paid attention to has turned out to be a major tax problem in this country.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota is recognized under the consent for 20 minutes.

CONTINUING APPROPRIATIONS

Mr. DORGAN. Mr. President, I rise to talk about two issues today. First, I will talk about the continuing resolution that will be on the floor of the Senate that we will likely finish this week.

I know there is some consternation about the fact that a continuing resolution is being done, but there was no choice. We were left with an awful mess. This Congress was left with a mess where 10 appropriations bills were completed by the Senate Appropriations Committee but never brought to the floor of the Senate. They should have been done by October 1, signed by the President. We are now months into the new fiscal year, and those appropriations bills, done by the previous majority here in Congress, were not completed, and so we are left with a mess.

We have put together, as best we can, a continuing resolution. We have made some adjustments to that continuing resolution. Earmarks are gone. These are adjustments to avoid some catastrophic things that would have happened without adjustments.

I wish to mention with respect to the energy and water chapter of that resolution that we have done a number of

things to try to preserve some funding for renewable energy. We have an energy issue that is very compelling in this country. We need to stimulate more renewable energy, so we are trying to keep the accounts which do that intact. We have tried to find the funding to preserve the Office of Science, which is the cutting-edge science that keeps us competitive in the world. That office would have had to lay off people had we not made some adjustments there. In the energy supply and conservation account, which is ongoing and very important, we have made some adjustments.

The fact is, we have tried to find a way to address the mess we were left. We are doing it the best way we can. I believe the best approach is to pass this continuing resolution. It is true there are no so-called earmarks or what is, in effect, legislative-directed spending. But it is also the case that adjustments have been made in a number of areas, including the energy and water accounts, that will try to remedy some of the otherwise very significant changes, in some cases catastrophic changes to the issues we care a lot about—energy independence, energy conservation, renewable energy, science, and so many other areas.

I am pleased to support this continuing resolution. I wish we were not doing it this way. If I had my druthers, we would have passed the appropriations bills last year on time. That did not happen. So we are now faced with this mess of fixing a mess that was created by last year's majority. We do not have a choice. We have to do that. The Government would shut down if the funding were not available for the agencies, so we have a responsibility, and we will meet that responsibility.

ACCOUNTABILITY IN GOVERNMENT CONTRACTING

Mr. DORGAN. Mr. President, I also rise to talk about a piece of legislation dealing with contracting. The Federal Government is the largest contractor in the world. The U.S. Federal Government contracts for a lot of things. I am going to be introducing a piece of legislation that is entitled the Honest Leadership and Accountability in Contracting Act. There are some 23 Senators who have joined me as cosponsors on that bill, and I will return to the floor to speak about this later in the week. But I wish to talk a little today about what this means and why we are introducing it.

I held 10 oversight hearings in the Democratic policy committee, as chairman of that committee, on the issue of contracting abuses in Iraq. I held two oversight hearings on the issue of contracting abuses with respect to the response to Hurricane Katrina. We have put together, as a result of the abuses we have seen with this contracting, a piece of legislation which will do the following: It will punish those who are war profiteers. And there are some. It will crack down on contract cheaters. No more of this slap on the wrist, pat on the back, have another contract. It will force real contract competition for those who want to do contract work for the Federal Government. And it will end cronyism in key Government positions—having unqualified political appointees put in positions that require people who know what they are doing.

Let me talk about some of the things we have found. I do this knowing, last week, there were some oversight hearings on the House side chaired by Congressman WAXMAN. I commend him. There has been a dearth of oversight hearings, almost none in the last couple of years—I guess the last 5 or 6 years, actually—because a majority of the same party as the President do not want to hold hearings that embarrass anyone. So there have been very few oversight hearings. But the hearing held this past week in the House that caught my eye is one that followed a hearing I held in the Senate with the policy committee. They talked about the fact that $12 billion in cash—most of it in stacks of one-hundred-dollar bills—had been sent to Iraq; 363 tons of U.S. cash currency flown in on wooden pallets on C–130 airplanes. That would be, by the way, 19 planeloads of one-hundred-dollar bills; 363 tons.

Nearly half of that cash was sent in the final 6 weeks before control of the Iraqi funds were turned over to the Iraqi Government. These were Iraqi oil funds, funds with frozen Iraqi assets here in the United States. The last shipment of $2.4 billion was the largest shipment. It was the largest shipment ever in the Federal Reserve Board's history. And that was 1 week before the government was turned over to the Government of Iraq.

Cash payments were made from the back of a pickup truck. One official was given $6.75 million in cash and told to spend it in 1 week, before the interim Iraqi Government took control of the funds.

I had a person testify at my hearing who said it was similar to the Wild West. Our refrain was bring a bag because we pay in cash. That is the way we do business.

In fact, I have a photograph of a fellow who testified at the hearing I held. These are one-hundred-dollar bills wrapped in Saran Wrap in brick form. This was in a building in Iraq. This is the fellow who testified. He said people used to play catch with them like football. He said it was the Wild West. Bring a bag, we pay in cash.

We know a substantial amount of cash disappeared—some American taxpayer money, some belonging to the people of Iraq—with almost no accountability.

I wish to talk about accountability. If there was a lack of accountability—and there certainly was, with respect to what happened in Iraq and also here at home with Katrina—what will be the accountability going forward? How do we ensure accountability? How do we ensure that someone is in charge going forward?

Let me talk about Halliburton and Kellogg, Brown and Root, its subsidiary. I know the minute you mention Halliburton, someone says you are criticizing the Vice President. No. He used to be president of that company. He has been gone a long while. This has been Halliburton that gets big contracts from the Defense Department and then doesn't perform.

Bunnatine Greenhouse is a woman who rose to become the highest ranking civilian official in the Corps of Engineers in charge of all the contracting, the highest ranking civilian official who always got great reviews on her performance evaluations, until the point when the Pentagon decided to award a massive no-bid, sole-source contract to Halliburton's subsidiary called RIO, Restore Iraqi Oil. She protested that this was done in violation of proper contracting procedures. She was appalled when Halliburton was found by auditors to have overcharged nearly double for fuel purchases. And then the Defense Department, the folks in charge of that, instead of being concerned about it, rushed to provide the company with a waiver. This waiver was provided without the approval of the contracting officer who was responsible, Ms. Greenhouse. She was kept in the dark about that decision. She learned about the waiver when she read it in the newspaper.

When she did speak up, she was bypassed, ignored, and ultimately forced to resign or face demotion. Here is what she has said publicly, the highest ranking civilian official in the Corps of Engineers who blew the whistle on the good old boys network for contracts awarded, she felt, improperly:

> I can unequivocally state that the abuse related to contracts awarded to KBR represents the most blatant and improper contract abuse I have witnessed during the course of my professional career.

For saying this, this woman was demoted. She lost the job she had for being honest. And she, by all accounts, was a top-notch contracting official. So this 20-year contracting official, responsible for all this, was ignored and then demoted when she was critical of people whom she felt were violating the rules. What happened then to fill her job? The Corps of Engineers decided to replace her with a Pentagon official who had 40 years of Government experience but none of it in Government contracting. At a hearing of the Senate Energy Committee, General Strock admitted the person who replaced Ms. Greenhouse was not certified as an acquisition professional. He stated that Ms. Riley required a waiver in order to apply for her new position. Ms. Riley has now ''gone to school'' and has been brought up to speed about what she needs to know as a contract official. Sound familiar? It does to me. It is happening all too often.

Let's take a look at what I found in some of the hearings. Yes, it is about

Halliburton because they are the biggest contractor, but it is about other companies as well. An $85,000 brand new truck abandoned beside the road because they had a flat tire in an area where there were no hostilities at all, but they didn't have the right wrench to fix it; $85,000 brand new truck abandoned because they had a plugged fuel pump. It didn't matter. With a cost-plus contract, the American taxpayers pick up the tab. A case of Coca-Cola, $45. Gasoline was delivered by Halliburton for twice the cost that the internal part of the Defense Department said they could have provided it for. Halliburton charged 42,000 meals a day, when they were delivering 14,000 meals, overcharging by 28,000 soldiers a day. They leased SUVs for $7,500 a month.

Halliburton supplied troops with hand towels and the person who ordered the hand towels was in Kuwait. He came to a hearing I held. He said he was ordered to purchase towels that were nearly three times more expensive than regular towels. Why? Because the company, KBR, wanted their name embroidered on the towels used by the troops. Their attitude was, the American taxpayer pays for it; it doesn't matter, it's cost plus, don't worry about cost.

It is unbelievable when you see what has happened with some of this contracting. We heard from Rory Mayberry, former food production manager. He also was at KBR. He said:

> Food items were being brought into the base that were stamped expired or outdated by as much as a year. We were told by KBR food service managers, use the items anyway. The food was fed to the troops. For trucks that were hit by convoy fire and bombings, we were told to go into the trucks, remove the food items, and use them after removing the bullets and any shrapnel from the bad food that was hit. We were told, by the way, to turn the removed bullets over to the managers for souvenirs.

How about water? Contaminated water, more contaminated than raw water taken from the Euphrates River, delivered as non-potable water to our troops to shower, shave, and so on, more contaminated than raw water from the Euphrates River. Halliburton says it never happened. I have an internal Halliburton report that says it did happen, and they nearly missed having a catastrophe of mass sickness or death. I also have an e-mail sent to my by a captain, a young physician serving in Iraq. She said: I read in the newspaper about your hearing. What you alleged is exactly what is happening at our base.

Let me describe a couple of those. This is an internal Halliburton report written by the top water quality manager Wil Granger, May 13, 2005:

> No disinfection of non-potable water was occurring [at camp Ar Ramadi] for water designated for showering purposes. This caused an unknown population to be exposed to potentially harmful water for an undetermined amount of time.

It didn't just happen at Ar Ramadi. It happened at every base in Iraq.

> The deficiencies of the camp where the event occurred is not exclusive to that camp; meaning that countrywide all camps suffered to some extent for all or some of the same deficiencies noted.

This is from an internal Halliburton report written by the top water quality person at Halliburton. These are contracts we pay for. We pay a company to provide water to the military installations that now exist in Iraq. Who is accountable for having water sent to our troops, non-potable water that is more contaminated than water in the Euphrates River?

CPT Michelle Callahan, who is currently serving in Iraq—at least she was when she sent me an e-mail—found exactly the same cases of bacterial infections among the troops, traced the problem back to contaminated water that KBR was not treating properly. She had one of her officers follow the lines to find out where that water came from and why. So water to the troops, that is a health issue. Food to the troops, that is a health issue.

Two guys show up in Iraq—one's name is Custer, and the other is Battles—with not much experience and no money. But they understand you can make a lot of money in Iraq, American money. So they started a company. Within 2½ years, my understanding is, they have had contracts of over $100 million. They got into trouble. It has been in the courts. Among other things alleged, they took forklift trucks from the Baghdad airport, moved them to a warehouse, repainted them blue and sold them back to the Coalition Provisional Authority, which was us. This company got a contract for security at the Baghdad airport. Let me show you what the director of security at the airport said about Custer Battles:

> Custer Battles have shown themselves to be unresponsive, uncooperative, incompetent, deceitful, manipulative and war profiteers. Other than that, they are swell fellows.

Once again, who is accountable for the amount of money we are spending for these kind of contractors?

How about the Iraqi physician, a doctor from Iraq who came to testify at my policy committee hearing. We spent a couple hundred million dollars on the Parsons Corporation to rehabilitate 142 health clinics in Iraq. This Iraqi doctor went to the Iraqi Health Minister and said: I want to see these rehabilitated health clinics. Because he knew the money had all been spent. An American contractor got the money to do it, and it was gone.

He said: I want to see these 142 rehabilitated health clinics for the people of Iraq. The Iraqi Health Minister said: You don't understand. Most of these are imaginary clinics. The money is gone, but apparently the clinics don't exist.

Does that bother anybody? Is there any accountability for that? Seems to me there ought to be accountability for something like that.

I held hearings not just on contracting in Iraq, which I found to be a cesspool of unbelievable problems, but hearings with respect to contracting to deal with the problems of Hurricane Katrina. I wish to show you a picture of a man named Paul Mullinax. I sat in a grocery store parking lot one Sunday morning talking to Paul on the phone, asking if he would come to testify at a hearing. He wasn't anxious to do it, but he finally did. This is Paul Mullinax. This is his truck, an 18-wheel truck. Let me tell you the story Paul told.

Hurricane Katrina hit. And one of the things that was necessary to be provided to the victims of the hurricane was ice. So Paul was contracted by FEMA to pick up ice. He drove his truck from Florida to New York to pick up a load of ice. Then he was told he should take that ice to Carthage, MO. He went to Carthage with his truck and his refrigerated container full of ice. When he got to Carthage, he was told he should proceed to Maxwell Air Force Base in Montgomery, AL. When he got to Montgomery, he discovered there were over 100 trucks sitting there, refrigerated trucks there with ice. So for the next 12 days, this was Paul's life. There were victims of the hurricane waiting for relief, waiting for the cargo in his truck. For 12 days, he sat in front of this truck waiting. He finally said to them: If you are not going to tell me where to go or let me do this, I am going to go on my own and drop off the ice to some people who need it. They said: You can't do that. He said: I had no idea when I parked the truck I would be there for the next 12 days, my refrigerator unit running the entire time. Each truck cost the American taxpayer $6 to $900 a day.

You can see him sitting here with a cooler and a little girl for nearly 2 weeks waiting. Finally, he was told: You should take your ice to Massachusetts. So this man from Florida, who to New York to pick up ice, went to Missouri and then went to Alabama and then waited, then was told to take the truck to Massachusetts. Unbelievable. What was the American taxpayers' role in this, $15,000. It cost $15,000 for this incompetence.

Why does all of this happen? It happens because in this case with FEMA, a bunch of cronies were put in place to run the place. Were they qualified people? No. Most of them had political connections. They didn't have any emergency or disaster preparedness experience. That is what happens.

Who is accountable for that? Who ultimately is going to be accountable? How can we restore accountability? I have described a few of the problems. I have described a very few of the problems. The problems are unbelievable. I think it is the most significant waste, fraud, and abuse, perhaps, in the history of this country, billions and billions of dollars with no one accountable. At the hearings last week, the answer was: It is wartime. So we distribute cash from the back of a pickup truck. We say it is the Wild West, bring a bag. We pay in cash.

And it is wartime. I don't understand that. I have tried to find out who was responsible for having a Florida trucker pick up ice from New York to take to the victims of Katrina in the Gulf of Mexico and have the ice dropped off in Massachusetts, and we get stuck with $15,000, and the victims of the hurricane get nothing. But there is no accountability for anything.

So we will be introducing legislation, with 23 cosponsors later, this week. It is going to punish war profiteers—and, yes, there has been rampant profiteering going on. There will be substantial punishments for war profiteers. This antiprofiteering provision is based on a piece of legislation that Senator LEAHY introduced, and that was included in our contract and reform bill.

Our bill will also restore a Clinton administration rule on suspension and disbarment, which prohibits awarding Federal contracts to companies that exhibited a pattern of failing to comply with the law. That provision, by the way, was done away with by the current administration.

It seems to me it is time to say that you only get one chance, and if you cheat us, no more contracts. This notion of a slap on the wrist and a pat on the back is over. There was a time when exactly the same company had been in Federal court in Alexandria, VA, with allegations of fraud against the American taxpayer against that company; and on the same day, they were signing a new acquisition contract with the Department of Defense. That ought to never happen again.

We ought to crack down on contract cheaters. We ought to force real contract competition. When somebody such as Bunnatine Greenhouse speaks up and says ''this is the most blatant abuse in contracting I have seen in my career,'' that ought not to be a cause for penalty. This woman risked her career and we are still trying to get to the bottom of who is accountable for her demotion. She was given a choice of being fired or demoted because she spoke out against contract fraud and abuse.

We think we need to strengthen whistleblower protection. We think it is important to have full disclosure of contract abuses and to restore the provision that says if there is a pattern of abuse, you don't get to engage in contracting anymore with the Federal Government.

This is very simple. I come from a small town, a town of slightly less than 300 people. There is a very simple code in towns such as that. If you are a business man or woman on Main Street and someone cheats you, you don't do business with them again. That is simple. That is a lesson apparently lost on a behemoth Federal Government.

The contracting provisions we will introduce are common sense, and this Congress ought to adopt them quickly. There will be a substantial number of cosponsors in support of the legislation that is filled with common sense, at the very time that we have witnessed the most significant waste, fraud, and abuse in this country's history. Accountability? What about accountability for what happened? What about accountability for what is about to happen? We are still spending a lot of money. We will have $100 billion requested of us and another $150 billion to replenish accounts, much of it through contracts. We say with this piece of legislation that it is long past the time for this Government to be accountable to the taxpayer and accountable to the citizens of the United States.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Tennessee is recognized.

Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak for up to 15 minutes in morning business.

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

HEAD START REAUTHORIZATION

Mr. ALEXANDER. Mr. President, later this afternoon, several of us will be introducing legislation to reauthorize Head Start. Senator KENNEDY, Senator ENZI, Senator DODD, and myself will be the cosponsors of the legislation. We have been working on it for a long time, all through the last Congress. We have heard from lots of parents, children, and Head Start operators. I wish to talk about that.

The Head Start program is an enormously popular and successful Federal initiative. It began in the 1960s when Lyndon Johnson was President of the United States. In fact, I have always thought it was a part of the story of the American dream that President Johnson went back to Cotulla, TX, near the Mexican border, where he taught first grade, to announce the Head Start program. It exemplifies one of the great principles of what it means to be an American—that we believe in equal opportunity. For that President of the United States to go back to where he was a first grade teacher reminds us that other children could succeed, as he did, in becoming President.

Today, Head Start has grown to a nearly $7 billion Federal program. That amount was spent last year. It served 900,000 children. In my State of Tennessee, 20,000 students or so were served. The funding was $118 million for Tennessee. This is a program that touches a lot of people. It deserves the Senate's attention, and it has had the Senate's attention.

During the last Congress, I made clear, as did several other Senators, that we want to see Head Start serve more children. But first, we wanted to make sure the program is accountable, financially solvent, and meeting the purpose for which it was formed. President Bush, in his message to Congress, said much the same thing 2 years ago. ''Great program,'' he said. ''But let's make it more accountable. Let's recognize that now we expect children to learn more and be able to do more before they arrive at school.'' The President said we want to get the States more involved, which was a good suggestion because when Head Start was founded, it was almost the only program to help preschool children. Today, while it is a large $7 billion program, there are $21 billion more in Federal dollars being spent to help preschool children in one way or the other, and there are a great many State and local programs that are Head Start or preschool programs.

The President's objective, as was ours, was to find a way to make all of these programs work well together. We listened carefully and I believe, as Senators KENNEDY, ENZI, and DODD believe, we have made significant improvements to the bill.

For example, the bill will establish 200 new Centers of Excellence that will serve as model Head Start programs across the country. The Governors will be involved in this. Hopefully, we can learn over the next 5 years from the States how, from these models, we can put together State efforts, local efforts, Federal efforts, and Federal Head Start efforts in a more efficient way to help children who are of preschool age.

Second, our legislation requires grant recipients to recompete for new grants every 5 years to help ensure a constant high level of quality.

Third, we clearly define what we mean by deficiency. We don't aim to catch people doing things wrong; we would rather catch them doing things right. When there are things that are wrong, the Head Start providers deserve to know what the standards are so they can make sure they meet them.

Fourth, this legislation provides clear authority to the governing boards to administer, and be held accountable for, local Head Start programs while ensuring that policy councils on which parents sit continue to play a crucial and important role.

Finally, as I mentioned earlier, this legislation continues to encourage State standards especially that cause there to be more cognitive learning, more emphasis on what children should be able to know and be able to do before they get to first grade—make sure they are ready to learn.

Americans uniquely believe that each of us has the right to begin at the same starting line and that, if we do, anything is possible for any one of us. We also understand that some of us need help getting to that starting line. Most Federal funding for social programs is based upon an understanding of equal opportunity in that way.

Again, Head Start began in 1965 to make it more likely that disadvantaged children would successfully arrive at one of the most important of our starting lines—the beginning of school. Head Start, over the years, has served hundreds of thousands of our most at-risk children. The program has grown and changed, been subjected to debate; but it has stood the test of

time because it is very important. We have made a lot of progress. Only a few professionals had studied early childhood education when it began. Even fewer had designed programs specifically for children in poverty with the many challenges.

The origins of Head Start come from an understanding that success for these children wasn't only about their education. The program was designed to be certain that these children were healthy, got their immunizations, were fed hot meals and of crucial importance—that their parents were deeply involved in the program.

From the beginning, comprehensive services, including medical, dental, and nutritional services—and parent and community involvement were a part of Head Start programs, and that is still true today. In the early days, teacher training and curriculum were seen as less important. Now we know a lot more about brain development and how children learn from birth, and we understand that even for these very young children, teacher training and curriculum are very important.

Today, young children are expected to learn more and be able to do more in order to succeed in school. Many public schools now offer kindergarten. When this program started, Tennessee didn't have a public school kindergarten program. Now 40 States offer early childhood programs.

As Congress prepares to reauthorize Head Start, it is important that we recognize the program's importance and work to make it stronger. But we need to recognize also that today it is not fulfilling its promise as well as we would like. It is not meeting the purpose of serving our children who are most at risk as well as we would hope. I am not satisfied with the current practices, which fall short of the standards the taxpayers should expect, and that is why there are some changes in the bill.

We address this issue, first, by holding up successful local programs as models so others may follow their example, and by clarifying lines of accountability so any corrupt practices may be rooted out. The bill creates ways for States to help strengthen and coordinate Head Start, but would continue to send Federal funds directly to the nearly 1,700 grantees that provide services in over 29,000 Head Start centers that serve just over 900,000 disadvantaged children.

Let me talk about the Centers of Excellence first, because this is one of the most hotly debated parts of the bill—or it was. I think it is pretty well accepted now. The bill authorizes the Secretary of Health and Human Services to create a nationwide network of 200 Centers of Excellence in early childhood built around exemplary Head Start programs. These Centers of Excellence would be nominated by the Governors. Each Center of Excellence would receive a Federal bonus grant of at least $200,000 in each of 5 years, in addition to base funding.

The Centers' bonus grants could be used for some of the following:

One, to work in their community to demonstrate the best of what Head Start can do for at-risk children and families, including getting the children ready for school and ready for academic success.

Two, it can coordinate all early childhood services in the community. As I mentioned earlier, we are spending $21 billion in Federal dollars for these children. Many States and local governments are spending money. We need to spend it together.

Three, we can offer training and support to all professionals working with at-risk children.

Next, we can track Head Start families and ensure that their services are provided seamlessly to children, from prenatal to age 8.

Next, they can be models of excellence held accountable for helping our most disadvantaged children.

Finally, to have the flexibility to serve additional Head Start, or early Head Start children, or provide more full-day services to better meet the needs of working parents.

Head Start centers are uneven in performance, but usually they excel in two areas critical to success for caring and educating children: No. 1, developing community support and, No. 2, encouraging parental involvement. Alex Haley, one of my closest friends, and the author of ''Roots,'' lived by these words:

> Find the good and praise it.

For me, that was an invaluable lesson. My hope is these Centers of Excellence will find the good and praise what is best about Head Start and show it to the rest of us.

It also helps to get the Governors involved. The President had suggested that we turn more of the funding over directly to the States. I and others are not willing to do that, at least at this stage.

One of the beauties of Head Start is that it is very decentralized and for a long time it has worked well that way. So our compromise was that the Centers of Excellence, which will get the Governors involved, will help coordinate the programs more effectively and maybe we can learn something over the next 5 years that we can put then in the next reauthorization of Head Start.

Also, this bill goes a long way to help make the spending of that $7 billion of taxpayers' money more accountable. First, it requires recipients to recompete for grants every 5 years. This ensures that after 5 years, each program is still meeting its standards.

I recognize there are concerns about this recompete requirement. Some people say we need continuity and it will create anxiety among children, among teachers if they are afraid they may lose their right to continue serving after 5 years.

Many Head Start grant recipients are doing a very good job, and rather than causing a disruption every 5 years, I hope this recompete process will highlight their success. To help streamline the process for successful programs, grant recipients that are neither deficient nor have been found to have an area of noncompliance left unresolved for more than 120 days will receive a priority designation during the recompetition process.

Second, the bill defines what makes a local program deficient. Right now, the deficiency standard is very general and inconsistent across the Nation. But if an action threatens the health, safety, or civil rights of children and staff, denies the parents the exercise of their full roles and responsibilities, misuses funds, loses its legal status or financial viability, or violates other standards specified in the bill, those are the more specific standards that are now a part of the bill. It will help make it possible for grantees to have a clearer idea of what they are expected to do.

Finally, the bill makes clear that the governing board shall be the body that is charged with running local programs and which will be held accountable for those programs. This may seem like a little bit of inside baseball, but it is actually not. It goes straight to the heart of several of the problems we have had in some Head Start grantees around the country.

Perhaps the most effective witness I heard in any of our hearings was the mayor of Shelby County, TN—that is around Memphis—A.C. Wharton. A.C. Wharton testified, as did other witnesses, that the dual governance structure between the governing board and the policy council was inadequate and neither body had adequate decisionmaking authority. Here is what he told the committee:

> What we're faced with is not merely a benign situation in which an errant agency through no bad intent runs afoul of the guidelines. In many instances the wrongdoings and shortfalls are calculated to bring about the political empowerment or financial enrichment of those who profit from the wrongdoing.

I believe we fix that problem based on the advice we received from Mayor Wharton and other witnesses. This bill gives governing boards direct authority and holds them accountable. That is an important element of the bill, and I think it is a necessary step. But Mayor Wharton and others reminded us that we need to be careful about how we handle this issue. Mayor Wharton said the governing body should not ''be allowed to ride roughshod over the dignity that should be accorded all participants in Head Start programs whether they are grantees, policy councils, policy committees, or certainly children and parents.''

I appreciate the mayor's concern, and I appreciate that note of caution. I thank him for his straightforward testimony. Perhaps he will know that long trip from Memphis to Washington was not in vain because his concerns are right in the middle of the bill that we will introduce later today.

We all understand the importance of parental involvement and parental responsibility over the operation of the Head Start Program. We want to preserve that parental responsibility, but we also want to make sure we preserve fiscal accountability of the program at the same time, and we believe we have done that. We have crafted a careful balance. We give the governing board fiscal and legal responsibility, while ensuring policy councils on which parents sit continue to play an important role in the running and operation of local Head Start Programs within the framework the governing board sets. It is a fair compromise and one that will strengthen the program.

I learned about the importance of preschool education in a very personal way. When I was growing up in Maryville, TN, at the edge of the Great Smokey Mountains, my mother operated the only preschool education program in our town—well, there may have been one other. I think Mrs. Pesterfield also had one. But she operated this program in a converted garage in our backyard. She had 25 3- and 4-year-olds in the morning and 25 5-year-olds in the afternoon. I think she charged $25 a month for this care for these children.

This was before Head Start. This was before we understood very much about preschool education and the early development of the brain. But parents instinctively knew that was a good place for their children. When Alcoa moved executives to our little town, they usually would find a way to get their children into Mrs. Alexander's nursery school and kindergarten before they looked for a home because those parents knew then that preschool education was important to their children's success.

We all understand that for all of our children. We understand that the earlier this starts—at home first—and then with all the extra help we can give that home, these children will be ready to get to the starting point.

I am the only U.S. Secretary of Education, I think, Mr. President, who spent 5 years in kindergarten. The reason I did was that my mother had no other place to put me than the kindergarten she operated in our backyard. Looking back, there probably wasn't a better place for me to have been than that 5 years of intensive preschool education. It is something we should hope for virtually every child growing up in this country. We believe anything is possible. We believe in free enterprise, we believe in competition, and we believe in the starting line. But there is no Federal program that exists that does a better job of helping disadvantaged children get to the starting line than Head Start.

I congratulate Senator KENNEDY, Senator ENZI, and Senator DODD, and the other Senators who have worked on this legislation. We look forward to introducing the legislation this afternoon. I thank all those who have taken time to come to the hearings, and I especially thank the mayor of Shelby County, Mayor Wharton, for his testimony because it has made its way directly into the legislation to help make sure Head Start not only helps children but that there is accountability to the taxpayers.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. WARNER. Mr. President, I have been on the road and I telephoned in and asked the cloakroom to reserve the period of 3:45 to 4:30 for the Senator from Virginia and seven other Senators to speak briefly. I ask unanimous consent that my request be granted.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. I thank the Presiding Officer.

Mr. THOMAS. Mr. President, may I speak as if in morning business?

The PRESIDING OFFICER. We are in morning business, and the Senator may speak for up to 10 minutes.

Mr. THOMAS. Just 10 minutes?

The PRESIDING OFFICER. That is the order we are under.

NOMINATION OF CARL JOSEPH ARTMAN

Mr. THOMAS. Mr. President, I will talk about something very important which will soon be pending before the Senate; that is, the nomination of Carl Joseph Artman as Assistant Secretary for Indian Affairs.

The Indian program in this country is very important. As part of the Government, we have part of the Interior Department working on it. I rise to offer my strong support for the nomination of Carl Artman for Assistant Secretary for Indian Affairs in the Department of the Interior. Mr. Artman is an excellent candidate with diversity and experience in both the public and private sectors and has the leadership and the academic credentials needed for this extraordinarily demanding position.

This position is unique in that many of the issues with respect to Indian affairs are unique. Yet it has to be someone who has background in government and operations. The Assistant Secretary implements Federal Indian policy set forth by the Congress and facilitates the government-to-government relationships with 561 Indian tribal governments. That is a large challenge.

The Assistant Secretary is responsible for a variety of activities and programs in Indian communities, including economic development, law enforcement, trust assessment management, social services, and education. In discharging these duties, the Assistant Secretary must balance many competing interests and needs in working with the States, in working with the tribes, and in working with the Federal Government. Mr. Artman has pledged to facilitate more vibrant communication among the Indian tribes and their neighbors. I believe that is helpful in terms of furthering Federal policies of interaction with the Indian tribes on a government-to-government basis and encouraging Indian self-determination and self-government. That is our challenge and the challenge the tribes take, to become more independent economically and from a government standpoint so they can operate as they choose with self-government.

The job of Assistant Secretary for Indian Affairs has been made exponentially more difficult by the methamphetamine plague that has ravaged the Indian tribes and the Indian communities. I am encouraged by Mr. Artman's commitment to fighting and defeating this epidemic, which may require aggressive efforts by the agency he will lead as well as other Federal and tribal partners to achieve measurable results.

Mr. Artman is also committed to assisting tribal governments develop the socioeconomic infrastructure and fight the obstacles in many of our Indian reservations that foster hopelessness and despair. One of the issues is to provide opportunities for the tribal members to have jobs, to be somewhat sufficient and self-supporting in terms of their economy.

Although many Indian tribes have made tremendous gains through tribal self-governance and some have managed to flourish materially in recent years through economic development, it is a common misperception that most tribes have experienced economic prosperity as a result of successful gaming facilities. In fact, poverty and unemployment are sill prevalent in far too many communities in Indian Country. A robust and diversified economy is essential to improving the quality of life of these communities and to providing the people living in them with alternatives to such heartbreaking problems of suicide and substance abuse, of which there is an abundance.

I am confident that Mr. Artman will provide outstanding leadership in this daunting challenge. I urge my friends in the Senate to approve his confirmation, which I hope will come before the Senate in the very near future.

I yield the floor.

The PRESIDING OFFICER (Mr. TESTER). The Senator from Oregon.

ORDER OF PROCEDURE

Mr. SMITH. Mr. President, I know we are in morning business. I will speak in such. I came from a meeting with the

majority leader. He indicated a willingness to let me speak without interruption for 20 minutes. If there is no objection, I ask for that, then, by unanimous consent.

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

Mr. SMITH. After that, Mr. President, we will go as we can. I know other colleagues are coming. Senator WARNER has an amendment he wants to speak to at 3:45.

SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT OF 2000

Mr. SMITH. Mr. President, I came here today knowing we were in morning business but looking to find a time to make a case of my State before the United States on an issue of great emergency. The clock is running out. I am speaking of the Secure Rural Schools and Community Self-Determination Act of 2000.

I am pleased to state that in my conversation with my friend, the majority leader, he did indicate that he has become aware of this issue with some intensity through his conversations with Senator WYDEN and now with me, and that Senator WYDEN and I have little choice but to use all of our rights and privileges as Senators to focus the attention of the United States on this dire issue. I know many of my colleagues want to speak. I do not mean to disrupt their schedules, but as long as I can be allowed to speak today and at future opportunities, I intend to speak and to take a lot of time. I came prepared to speak for 5 hours today. I have a long speech, a lot of phonebooks in the cloakroom. I have a tale to tell that I believe America needs to hear about the Pacific Northwest and the people I am privileged to represent.

I want Members to understand my position in the Senate, how a rural businessman from eastern Oregon was elected to the Senate, the first time someone with my profile has been elected in my State in over 70 years. It is because my political base was heard and through my candidacy has tried to be heard. It is a political base the cornerstone of which consists of farmers, fishermen, and foresters.

The rural people I live with in rural Oregon, my hometown of Pendleton, OR, are counting on me to do everything I can to bring to the attention of this Senate and to the Congress in general the dire situation in which our State finds itself.

I talked about the Secure Rural Schools and Community Self-Determination Act of 2000. That program actually expired last December. Despite many efforts in this Senate and from my colleagues in the House, efforts to extend the safety net have simply failed. Senator WYDEN is working the way I did with my leadership before when we were in the majority. I hope he finds something different from what I found. What I found was people willing to listen, your cause is just, but we can't do anything for you unless and until everyone is in agreement.

The problem for this particular bill is that it isn't Republican and Democratic; it is the United States against the Pacific Northwest. It is State versus State. It is Idaho complaining about Oregon's formula allocation or Washington about Oregon or Montana or California or Mississippi or all the States in the Southeast that look for county funding from this act. It is really more parochial. It is more local. It is more about individual constituencies.

The formula complained about was a formula derived from this bill that Senator CRAIG, Senator WYDEN, and myself, as the original sponsors, authored. It is a formula based on historic harvest off of public lands. By that historical formula, Oregon got about half of the money allocated under this program. There is disgruntlement now with that formula. The problem is no one can agree on another formula without doing great damage to the historical position in which Oregon finds itself.

As I speak today, thousands of layoff notices are being prepared by rural counties in my State. These include law enforcement officers, county road crews, surveyors, assessors, clerks, public health workers, district attorneys, among others. These are the basic units of our extended democracy. These services are required by the Oregon State Constitution to be provided by our counties. Now those units of government are in jeopardy.

My amendment cannot be called up because the amendment tree has been filled by the majority, as is their right—a practice that is coming, though, under increased scrutiny. I will briefly describe the amendment. It provides a 1-year extension of the safety net. Literally, what we are talking in the totality of this budget is a .09 percent across-the-board cut to other programs funded in this bill. I realize the majority would prefer to have this Chamber acquiesce to the preexisting contents of the bill. The fact that we are only now considering it, just hours before the Federal Government shuts down, illustrates this point.

Some have said to me: How can you try to look for opportunities to filibuster the continuing resolution? How can you do that, Senator, and shut down the Government? I believe this Senate should know my heart and feeling is the United States will shut down Oregon in many respects if the continuing resolution is allowed to go forward without, literally, $360 million. That is what we are talking about—in a $1.7 trillion budget, $365 million. That is a lot of money to you and me individually; it is a rounding error in a $1.7 trillion continuing resolution. When that is translated to what it means to Oregon counties, it means shutdown.

This is not a pure continuing resolution, though. The Committee on Appropriations of both the House and the Senate have shifted billions of dollars between accounts in support of their priorities. Many of those adjustments are laudable and reflect the Nation's priorities. But the fact that the county payments safety net was not addressed in this bill requires me to come to this floor and do what I can to change it. It may also reflect that many of my colleagues do not understand what this program means—not only to my State but to 8.5 million schoolchildren, 557,000 teachers, and 18,000 schools nationwide.

But to fully understand the safety net and this Government's moral obligation to rural counties, a history lesson is in order. My colleagues need to understand why Federal forest management decisions make or break my State and why the consequences of these decisions have moral implications for this Chamber to consider and to act upon.

The Oregon story is a history of trees and timber, of boom and bust. The Federal Government plays a central role in this account, both as protagonist and antagonist.

Alexis de Tocqueville, writing about democracy in America in the 1830s, believed that any history—of men and nations alike—must begin at infancy. He wrote:

> A man has come into the world; his early years are spent without notice in the pleasures and activities of childhood. As he grows up, the world receives him when his manhood begins, and he enters into contact with his fellows. He is then studied for the first time, and it is imagined that the germ of the vices and the virtues of his maturer years is then formed.
>
> This, if I am not mistaken, is a great error. We must begin higher up; we must watch the infant in his mother's arms; we must see the first images which the external world casts upon the dark mirror of his mind, the first occurrences that he witnesses, we must hear the first words which awaken the sleeping powers of thought, and stand by his earliest efforts if we would understand the prejudices, the habits, and the passions which will rule his life. The entire man is, so to speak, to be seen in the cradle of the child.

Like Alexis de Tocqueville's America, the Oregon story must be told from the beginning.

Many of my colleagues are familiar with the slogan ''54–40 or fight!'' This referred to the territorial dispute between Great Britain and the United States over the Northwest Territory, lying south of the parallel 54 degrees, 40 minutes.

In 1846, Great Britain conceded absolute jurisdiction to the United States, and in 1848, Congress formally declared this land ''the Oregon Territory,'' albeit below the 49th parallel.

Joseph Lane, of Roseburg, OR, became the first territorial Governor of Oregon Territory. Soon thereafter, the Columbia River divided it into two territories, with Washington Territory demarcated north of the river.

Two days from now will mark the 148th anniversary of a great act of this body. By the way, Oregon's birthday is Valentines Day every year.

Let me read from the CONGRESSIONAL RECORD—then called the Journal of the Senate—from February 14, 1859:

Mr. President: The House of Representatives has passed the bill of the Senate (S. 239) for the admission of Oregon into the Union.

Mr. Jones reported from the committee that they had examined and found duly enrolled the bill (S. 239) for the admission of Oregon into the Union.

A message from the President of the United States by Mr. Henry, his secretary:

Mr. President: The President of the United States this day approved and signed an act (S. 239) for the admission of Oregon into the Union.

Mr. Pugh presented the credentials of the honorable Joseph Lane, elected a senator by the legislature of the State of Oregon.

The credentials were read; and the oath prescribed by law was administered to Mr. Lane and he took his seat in the Senate.

Mr. Gwin presented the credentials of the honorable Delazon Smith, elected a senator by the legislature of the State of Oregon.

The credentials were read; and the oath prescribed by law was administered to Mr. Smith and he took his seat in the Senate.

I note that my colleague, Senator WYDEN, is on the floor. As a matter of interest to him and me, I sit in the seat of, I suppose appropriately, Delazon Smith. Senator WYDEN sits in the seat of Joseph Lane.

Mr. President, as an aside, I have always thought the best movie I had ever seen as a little boy was ''Mr. Smith Goes to Washington.'' Apparently, I am going to be denied that opportunity today, but I do want to begin this 5-hour speech which the Senate will hear in its entirety eventually and on other pieces of legislation inevitably.

Mr. Gwin submitted the following resolutions; which were considered, by unanimous consent, and agreed to:

Resolved, That the Senate proceed to ascertain the classes in which the senators from the State of Oregon shall be inserted, in conformity with the resolution of the 14th of May, 1879, and as the Constitution requires.

Resolved, That the Secretary put into the ballot box two papers of equal size, one of which shall be numbered one, and the other shall be numbered two, and each senator shall draw out one paper; that the senator who shall draw the paper numbered one shall be inserted in the class of senators whose term of service will expire the 3d day of March, 1859, and the senator who shall draw the paper numbered two shall be inserted in the class of senators whose term of service will expire the 3d day of March, 1861.

Whereupon—The papers above mentioned, being put by the Secretary into the ballot box, the honorable Joseph Lane drew the paper numbered two, and is accordingly in the class of senators whose term of service will expire the third day of March, 1861. The honorable Delazon Smith drew the paper numbered one, and is accordingly in the class of senators whose term of service will expire the third of March, 1859.

That is the end of the citation.

This is how Oregon entered the Union and its first two U.S. Senators were welcomed into this great deliberative body—148 years ago this Wednesday.

On February 14, 1859, Oregon had a population of 52,465 people. Congress passed and President Lincoln signed into law the Homestead Act in 1862. That law offered 160 acres to any citizen who would live on frontier land for 5 years. By 1866, Oregon's population was nearly doubled by those answering the Federal Government's call into the fertile valleys and along the fish-filled rivers of Oregon. Even when the land in the valleys and along the rivers was all taken, there was another wave of pioneers ready to head into the mountains.

One such story is recounted by Jessie Wright in her book ''How High the Bounty.'' Jessie and Perry Wright were granted the first of five homesteads in the Umpqua National Forest. This story—as were thousands of others—was a call to the Manifest Destiny, embodied in our State song, ''Oregon, My Oregon.'' By the way, if I get a chance to get back at this, eventually I will read the whole book, ''How High the Bounty,'' here in the Senate. But our State song embodies this Manifest Destiny. It sings like this. I will not sing it to you, Mr. President.

Land of the Empire Builders,
Land of the Golden West;
Conquered and held by free men,
Fairest and the best.
Onward and upward ever,
Forward and on, and on;
Hail to thee, Land of Heroes,
My Oregon.

Land of the rose and sunshine,
Land of the summer's breeze;
Laden with health and vigor,
Fresh from the Western seas.
Blest by the blood of martyrs,
Land of the setting sun;
Hail to thee, Land of Promise,
My Oregon.

When Oregon entered the Union in 1859, the State itself was given roughly 3.5 million acres of the 62 million acres lying within its boundaries. The remaining 95 percent of the land base was retained by the Federal Government as national public domain lands. Think of that, Mr. President. Just like your State, I suspect, the Federal Government owns most of it.

Over a period of 75 years, following Oregon's statehood, the U.S. General Land Office sold, exchanged, donated, or otherwise disposed of 23 million acres of Oregon's land—reducing Federal ownership from 91 percent to 52 percent.

The Federal Government continues to hold ownership to 33 million acres of Oregon land, wielding autocratic control over a majority of my State—a practice exercised only against Western States, holding them in what can only be described as a form of economic bondage. Neither the State of Oregon nor its counties can tax federally controlled land or exercise any control whatsoever over them. But since 1908, with the passage of the 25 Percent Act, the Federal Government has paid counties 25 percent of the income generated from timber, mining rights, grazing leases, and other benefits from the land it owns in Oregon. Twenty-five percent; that is what we are talking about. That is what has gone away through timber law changes and court decisions and administrative Executive orders.

Since 1937, the Bureau of Land Management has shared 75 percent—and more recently 50 percent—of its timber receipts with affected counties.

It was out of the 33 million acres of Federal land that were created, first, the forest reserves and then the national forests. The General Revision Act in 1891 allowed Presidential withdrawal of forest reserves. The Organic Act and the Forest Reserve Act followed, expanding the National Forest System and Federal assertion over the management of these forests.

In creating these Federal forests, President Teddy Roosevelt had a clear policy. This is what Teddy Roosevelt said:

And now, first and foremost, you can never afford to forget for one moment what is the object of our forest policy. That object is not to preserve the forests because they are beautiful, though that is good in itself; nor because they are refuges for wild creatures of the wilderness, though that, too, is good in itself; but the primary object of our forest policy in the United States, is the making of prosperous homes. Every other consideration comes as secondary.

Unlike other Western States with national forests, Oregon has a unique tract of Federal forestland. Its official name is the Revested Oregon and California Land Grant and the Reconveyed Coos Bay Wagon Road grant lands, or O&C for short. These forests have a fascinating history of their own. To capture this history, I will borrow from the book ''Saving Oregon's Golden Goose,'' interviews with Joe Miller. It reads as follows:

Think of railroads as the internet of America's Gilded Age. . . .

Am I done, Mr. President? I am just getting to the good part. You would really enjoy this.

The PRESIDING OFFICER. The Senator has used his 20 minutes. It has been good.

Mr. SMITH. I thank the Presiding Officer for the time and the majority leader for his courtesy. I was informed by the majority leader that after Senator WYDEN and other Senators who have reserved time speak, I could again ask for time, and would indicate that being my intention because I do not want you to miss this. This is really getting good, Mr. President. There is about 4½ hours to go of it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I believe the distinguished Senator from Virginia has time reserved at about 3:45. I ask unanimous consent to be able to speak up until 3:45, when the distinguished Senator from Virginia has his time allotted.

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

Mr. WYDEN. Mr. President, before he leaves the floor, let me tell my colleague from Oregon that I very much appreciate his comments with respect to the county payments legislation. The top priority—the top priority—for Oregon's congressional delegation in

this session is getting this program reauthorized.

I wrote this law in 2000 with Senator CRAIG because it was my view in 2000 that without this program, Oregon's rural communities would not survive. I am here today to tell the Senate that if this program is not reauthorized, there is a serious question today whether these rural communities will be able to survive. Now, I want to bring the Senate up to date on three developments with respect to the reauthorization of this critically needed program.

The distinguished Senator from Nevada, the majority leader, Mr. REID, has been the majority leader for just over 1 month.

I have had many conversations with the majority leader about this program. He vacationed in our beautiful State this summer. He saw the importance of our bountiful forests. I explained to him that the Federal Government owns more than half of our State. He has told me that he is determined to work with me until our State gets a fair shake with respect to this critically important program.

Second—and this is something that the distinguished Senator from Montana knows something about—we have a good bipartisan group of Senators on the legislation I have authored to reauthorize the program. Both Senators from Oregon, both Senators from Washington, and both Senators from California, the distinguished Senator from Montana, and the distinguished Senator from Alaska have all joined us in the effort to reauthorize this program.

Third, as the chairman of the Forestry Subcommittee, I would like to announce that the first hearing we are going to have in the Forestry Subcommittee is to reauthorize this program. Because it is so important, because it is a lifeline to rural communities across our State, we are making this the subject of the first hearing. We have pink slips going out now, county commissions trying to make decisions about schools and law enforcement. These programs involved are not extras. They are not the kind of thing that you consider something you would like to have. These are programs that involve law enforcement, that raise the question of whether we are going to have school in our State other than three times a week in some of these rural communities. I am committed to making sure that doesn't happen. Senator SMITH is committed to it. The whole Oregon congressional delegation is committed to it.

In Curry County, for example, on the Oregon coast, they are looking at the prospect of laying off all nonessential workers, including patrol officers, some of whom would be left to perform only their mandated correction duties. In a few months, they will have laid off 20 percent of their county workforce. My judgment is—and this comes directly from those folks in Curry County—there is a real question about whether they are going to be able to continue as a county without this essential program.

We have seen similar cuts put on the table all through the rural part of our State. A lot of Senators—I know the Senator from Montana knows a little bit about it—can't identify with something like this. In most of the East, they don't have half of their land in public ownership. They essentially have private property. A piece of private property is sold, revenue is generated, taxes are paid. That is how they pay for services. We have not been able to do that in our State because the Federal Government owns more than half of our land.

People ask: How is it—and Senator SMITH has touched on this this afternoon—that Oregon depends on these revenues for essential services? Well, God made a judgment that what we ought to do in Oregon is grow these beautiful trees. And, by God, we delivered. That is what we do. And we do it better than anybody else. So we didn't come up with some arbitrary figure back in 2000 and say, well, let's just give the State of Oregon a whole bunch of money because we decided to exercise raw political muscle. It was essentially based on a formula that is decades old, built around the proposition that where the Federal Government owns most of the land, we ought to make it possible for those communities to get help, at least at that time, through timber receipts. But when the environmental laws changed, suddenly those counties were high and dry.

So I went to the Clinton administration. Frankly, I was pretty blunt. I have been blunt with the Bush administration, but I was even more blunt with the Clinton administration.

I said: You don't pass this program, you might as well not come to our State because you are not going to be able to make a case for cutting off this program when those communities are getting hammered through no fault of their own. They did nothing wrong.

What happened in this country is that values changed. Environmental priorities changed. All of a sudden those counties had nowhere to turn. So you are seeing that in Montana, in Oregon, throughout these small communities.

Senator SMITH has seen this as well. You can't go to a small community in rural Oregon, such as John Day, and tell them they ought to set up a biotechnology company in the next few months. They are making a big push right now to diversify and get into other industries. But these resource-dependent communities, communities that are looking at the axe falling on them, not in 6 months, not in a year, but coming up in a matter of weeks, they have nowhere to turn. So we consider ourselves the last line of defense.

What we are asking for is what I and Senator REID, the majority leader, have been talking about. And that is a fair shake for our State, not a death warrant for rural communities in our State, not a program that, in effect, has them shrivel up and disappear. We want a fair shake.

This is an extraordinarily important issue. I just had a big round of townhall meetings across my State. We are all going home for the recess. I will start another round of those townhall meetings in rural Oregon this weekend. What happens at these meetings is you have law enforcement people. I had Sheriff Mike Winter from southern Oregon—I am sure Senator SMITH knows Mike Winter—talking to us about what the cuts would mean in law enforcement in rural areas. We are talking about law enforcement, the fight against methamphetamines, which I know the Senator from Montana knows something about. It is a scourge that is clobbering the whole West. We can't leave our communities defenseless. We can't leave our communities without the resources they need to fight meth and these other critical problems.

I have open meetings, one in every county every year. I am sure the Senator from Montana will be starting something like that. Folks in these rural school districts used to come up and say: Ron, we are not going to have school but for 3 days a week if we don't have this program. So what we are talking about is any serious semblance of public instruction in rural communities in our State. We don't see how we are going to be able to achieve it without this particular program.

The consequences here are very real. The consequences are tragic. This is not a question of the Oregon congressional delegation, Senator SMITH and myself, crying wolf and coming out and just being alarmists on the floor of the Senate. This is what we hear from our constituents. I heard it at town meetings a little bit ago, just a little over a week. I am going to hear it again this weekend. Suffice it to say, over 700 counties in 39 States are involved. Many of them are in parts of the country where the Federal Government owns most of the land. That is certainly the case in Oregon where we have many rural communities where significantly over half of the land is owned by the Federal Government.

Mr. SMITH. Mr. President, I wonder if my colleague will yield for a question.

Mr. WYDEN. I am happy to yield.

Mr. SMITH. My colleague is the author of this legislation. As he has worked in the 109th Congress from the minority side, and I worked the majority side, I suppose he found, as I did, that many people said: Well, the cause is just, but just work it out. There weren't a lot of folks who wanted to work it out. Now, as we come to the final business of the last Congress in this Congress, in a congressional resolution, is it not true that we only have this piece of legislation and the emergency supplemental that we have to attach this to? And if we don't, the pink slips are for real?

Mr. WYDEN. The Senator is right with respect to how critical this question is. As he knows, because he and I have made this a top priority now for quite some time, we didn't get a fair shake in the last session of Congress. I put a hold on several appointments from the Bush administration because I wanted to make sure that they got the wake-up call. I lifted that hold and, frankly, I wish I hadn't because I think they have never put the effort into trying to get this warranted program reauthorized. So Senator SMITH is correct in terms of saying that this program should have been reauthorized some time ago. He and I have put it at the top of our priority list.

This is not an abstract question. Decisions are being made by rural school officials, by county commissions at this time. They are looking at cuts that are going to affect our ability to protect the communities from serious matters as it relates to criminal justice, to adequate public education. And we are not talking about extras. We are talking about basics, as Sheriff Mike Winter from southwestern Oregon has noted, and local school officials as well. We want to make it clear just what the consequences are going to be.

I mentioned Curry County on the Oregon coast, for example. A number of our other communities—Douglas County, Lane County, in particular—are going to see direct and painful consequences as a result of this program and the failure of this program to be reauthorized. County payments legislation is supported by a diverse coalition. We are pleased to see that this is a top priority of the National Association of Counties. A number of labor organizations have also said that they believe this is critically important.

I will just wrap it up by saying that I believe these cuts in payments to rural counties are going to hit the rural part of my State and rural America like a wrecking ball. They are going to pound these communities. And it doesn't have to happen. Senator SMITH has made that point. I have made that point. The whole Oregon congressional delegation, every member of our House delegation, we don't have 50 Members representing us in the House of Representatives like California, but we are going to be heard.

I have been gratified that Senator REID, our majority leader, has been willing to spend so much time with me. He is a westerner. He knows what the impact is in a public lands State. He was in our State. He saw what the forests mean to us. He is an honorable man and a man of his word. He said he would work with me to make sure that our State gets a fair shake. We are going to make sure that message is heard loudly and clearly when we have the hearing in the Forestry Subcommittee. We will make sure the legislation that the Senator from Montana has joined me on will get a thorough hearing at that particular discussion.

I thank the distinguished Presiding Officer for being a cosponsor of this bill. We are glad to have him in our bipartisan coalition.

I wanted to wrap up by saying I appreciate Senator SMITH's remarks here on the floor. He is going to hear from the Oregon congressional delegation and Oregon Senators again and again and again, until this critical program is reauthorized.

I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, 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. WYDEN. 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. WARNER. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. Is there objection to calling off the quorum?

Mr. WARNER. No. Before the Senator begins to speak, I want to make this clear. I ask the Presiding Officer, am I not to be recognized for the time between 3:45 and 4:30?

Mr. WYDEN. Mr. President, the distinguished Senator from Virginia, I think, will be pleased with my request.

I ask unanimous consent that Senator WARNER be recognized at this time for up to 60 minutes and, following that, Senator MURRAY be recognized for 15 minutes, a Republican Senator be recognized next for 10 minutes, then Senator MCCASKILL be recognized for 10 minutes, and then Senator SMITH be recognized for up to 75 minutes. I will be joining Senator SMITH during his 75 minutes. That is my request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Virginia is recognized.

IRAQ RESOLUTION

Mr. WARNER. Mr. President, I shall be joined by a number of colleagues and the purpose of our taking this time is as follows: We have decided to put in an amendment to H.J. Res. 20, amendment number 259 which will be printed in today's record. This amendment mirrors S. Con. Res. 7, a resolution prepared by myself and others sometime last week, which expresses certain concerns we have with regard to the President's plan as announced on January 10 of this year.

This amendment, to H.J. Res. 20 is cosponsored by Mr. LEVIN, Ms. COLLINS, BEN NELSON of Nebraska, Mr. HAGEL, Ms. SNOWE, Mr. SMITH, Mr. BIDEN, and as other Senators return to town, we may have further cosponsors.

We are concerned that the fighting rages on throughout Iraq, and particularly in Baghdad. It is very important that the Senate should, as the greatest deliberative body—certainly in matters of war and peace—in a prompt way address the issues regarding Iraq.

Our men and women in the Armed Forces are fighting bravely in that conflict, as they are in conflicts elsewhere worldwide. Our concerns are heartfelt, not driven by political motivation. As we gathered as a group in the past 2 weeks to work on this, we took note of the fact that the President, on January 10, in his message to the Nation explicitly said that others could come forward with their ideas. I will paraphrase it—the exact quote is in the amendment we are putting in today—that he would take into consideration the views of others. So in a very constructive and a respectful way, our group said we disagreed with the President and we gave a series of points urging him to consider those points as he begins to implement such plan as finally devised throughout Iraq but most specifically in Baghdad.

We are very respectful of the fact that the plan put in by the President was in three parts: a diplomatic part, an economic part, and a military part. We explicitly stated in the resolution our support for the diplomatic and economic parts, and we are hopeful it can be put together in a timely fashion. There is some concern as to whether the three main parts can progress together, unified, in this operation, given the short timetable to implement it. So two parts of the program we wholeheartedly support and so state in this amendment.

The concern is about the military section. We state the explicit nature of our concerns. Some Senators have suggested the resolution expresses matters which I can find no source whatsoever in the resolution for those complaints. Nevertheless, I will address in the course of this time each and every one of those concerns.

Indeed, on the weekend talk shows, one Senator said: My problem with the Warner proposal and others that criticize the surge is, what is your plan? All right. That is a legitimate question. I say that our amendment states a clear strategy. It says as follows:

> The Senate believes the United States should continue vigorous operations in Anbar Province specifically for the purpose of combating an insurgency including elements associated with the al-Qaida movement and denying terrorists a safe haven.

Secondly, the primary objective of the overall strategy in Iraq should be to encourage Iraqi leaders to make political compromises that will foster reconciliation and strengthen the unity government, ultimately leading to improvements in the security situation.

Next, the military part of the strategy should focus on maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, conducting counterterrorism operations, promoting regional stability, supporting the Iraqi efforts to bring

greater security to Baghdad, and training and equipping Iraqi forces to take full responsibility for their own security.

Likewise, another part of our amendment states:

The United States military operations should, as much as possible, be confined to these goals and should charge the Iraqi military with the primary mission of combating sectarian violence.

The United States Government should engage selected nations in the Middle East to develop a regional, internationally sponsored peace and reconciliation process. Overall, military, diplomatic, and economic strategies should not be regarded as an open-ended or unconditional commitment, but rather, as a new strategy, hereafter should be conditioned upon the Iraqi government meeting benchmarks that must be delivered in writing and agreed to by the Prime Minister.

Then we spell out a series of benchmarks. Such benchmarks should include, but not be limited to, the deployment of that number of additional Iraqi security forces as specified in the plan in Baghdad, ensuring equitable distribution of resources of the Government of Iraq without regard to the sect or ethnicity of recipients, enacting and implementing legislation to ensure that the oil resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds and other Iraqi citizens in an equitable manner, and the authority of the Iraqi commanders to make tactical and operational decisions without political intervention.

Further, some Senators have indicated, again incorrectly, that our resolution either fails to recognize, or disagrees with all aspects of the President's plan, namely the political and economic aspects, in addition to the military part of his plan.

In fact, our resolution acknowledges directly that the President's plan is multi-faceted. Our resolution states, whereas, on January 10, 2007, following consultations with the Iraqi Prime Minister, the President announced a new strategy, which consists of three basic elements: diplomatic, economic, and military.

As such, our resolution disagrees only with the military aspect of the President's plan, and actually supports the diplomatic and economic aspects of his plan.

Finally, some Senators have suggested that our resolution either fails to support the troops, or threatens a cut-off in funding. Actually, our resolution does neither. It states forcefully our support for the troops: whereas, over 137,000 American military personnel are currently serving in Iraq, like thousands of others since March 2003, with the bravery and professionalism consistent with the finest traditions of the United States Armed Forces, and are deserving of our support of all Americans, which they have strongly; whereas, many American service personnel have lost their lives, and many more have been wounded, in Iraq, and the American people will always honor their sacrifices and honor their families.

And our resolution, specifically protects funding for our troops in the field and states: the Congress should not take any action that will endanger United States military forces in the field, including the elimination or reduction of funds for troops in the field, as such an action with respect to funding would undermine their safety or harm their effectiveness in pursuing their assigned missions.

In sum, our resolution aims not to contravene the Constitutional authorities as Commander-in-Chief, but, rather, to accept the offer to Congress made by the President on January 10, 2007 that, ''if members have improvements that can be made, we will make them. If circumstances change, we will adjust.''

It is clear that the United States' strategy and operations in Iraq can only be sustained and achieved with support from the American people and with a level of bipartisanship in Congress.

The purpose of this resolution is not to cut our forces or to set a timetable for withdrawal, but, rather, to express the genuine concerns of a number of Senators from both parties about the President's plan.

It is not meant to be confrontational, but instead to provide a sense of bipartisanship resolve on our new strategy in Iraq. It follows many of the conclusions of the Baker-Hamilton report by focusing on what is truly in our national interest in Iraq, and spells those goals out in detail.

I want to divide our time between colleagues. I will ask at this time that the distinguished Senator from Nebraska, Mr. HAGEL, be recognized and that, following his comments, I shall be recognized again to give the remainder of my remarks. I say on a personal note to the Senator how much I valued our conversation over the weekend, together with our distinguished colleague from Maine, after which we decided today to put the language of S. Con. Res. 7 in as an amendment to the pending matter before the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Mr. President, I rise to join my colleagues, Senators WARNER, COLLINS, and others, in offering this amendment to the continuing resolution.

Last week, Senators COLLINS, SNOWE, SMITH, VOINOVICH, COLEMAN, and myself sent a letter to the Senate leadership urging our distinguished majority and minority leaders to reach an agreement so the Senate could debate the war in Iraq.

We said, and I quote from that letter:

The current stalemate is unacceptable to us and to the people of this country.

In the letter, we pledged to—again quoting the letter—''explore all of our options under the Senate procedures and practices to ensure a full and open debate on the Senate floor.'' That, of course, is why we are here today.

I, similar to my colleagues, am deeply disappointed that a full and open debate on Iraq remains stymied in the Senate. All Members—Members of both parties—have the right and responsibility to present their views and, if they choose, submit other resolutions regarding the war in Iraq.

I am also deeply disappointed that both sides have used procedural tactics in this process. My colleagues and I were assured that the leaders were committed to reaching an agreement on this debate. That has not yet happened, and I, similar to my colleagues, intend to do everything in my power as a Senator to ensure a full and open debate of the Iraq war on the Senate floor in front of the American people. We owe it to our soldiers and their families, and we owe it to the American people.

I wish to focus on one particular aspect of this debate and that has to do with the resolution itself—the relevancy and importance of Senate resolutions. In the last 15 years, there is ample, strong, and significant precedent in the Senate debating a President's military policies while troops are deployed overseas—Bosnia, Somalia, Haiti, Kosovo. In each of those situations, I and many of my colleagues here today in the Senate debated and most of us voted binding and nonbinding resolutions regarding U.S. military operations abroad. Many of these measures expressed opposition to the military operations, criticizing, for example, one, the open-ended nature of the deployment; two, the danger of mission creep or escalation of military involvement; three, the danger of deploying U.S. forces into sectarian conflict; and four, the failure of the President to consult with Congress.

It might be instructive to review some of the Senate's history on these recent debates regarding these recent resolutions. Let me begin with Bosnia.

In June of 1992, U.S. forces began to deploy to Bosnia. In December 1995, the United States was preparing to deploy substantial ground forces into Bosnia, roughly 20,000 American ground force combat troops, very similar to the number we are now looking at in the President's escalation of more American troops into Iraq today.

As a result of President Clinton's decision in 1995, the Senate considered Senate Concurrent Resolution 35, a resolution submitted by our colleague from Texas, the senior Senator, Mrs. HUTCHISON. This resolution was a nonbinding resolution. Again, this was a nonbinding resolution. This resolution said:

The Congress opposes President Clinton's decision to deploy United States military ground forces into the Republic of Bosnia and Herzegovina to implement the General Framework Agreement for peace in Bosnia. . . .

This resolution also said:

Congress strongly supports the United States military personnel who may be ordered by the President to implement the general framework for the peace in Bosnia.

So, therefore, it is saying we support our troops, but we disapprove of the President's policy to send more troops. This resolution also said it was a continuation of the previous debate on support of the troops already deployed.

As Senator HUTCHISON said on the Senate floor on December 13:

There are many of us who do not think that this is the right mission, but who are going to go full force to support our troops. In fact, we believe we are supporting our troops in the most effective way by opposing this mission because we think it is the wrong one. . . .

A month earlier in November 1995, Senator HUTCHISON framed the complexities of our military intervention in Bosnia in terms that are eerily relevant to today. She said:

I am very concerned that we are also setting a precedent for our troops to be deployed on the ground in border conflicts, in ethnic conflicts, in civil wars. . . .

Opposition to the President's policy but strong support for the U.S. military—this is similar to the debate we are having today on Iraq.

Senator HUTCHISON's resolution had 28 cosponsors, including our friends and colleagues, Senators INHOFE, CRAIG, KYL, LOTT, BENNETT, HATCH, SHELBY, and STEVENS.

On December 13, 1995, 47 Senators voted in favor of Senator HUTCHISON's nonbinding resolution. That day, 47 Senators believed you could oppose the President's policy but still support our troops.

The next day, December 14, 1995, the Senate considered Senate Joint Resolution 44, a binding resolution introduced by Senator Dole. This resolution supported U.S. troops in Bosnia. This resolution had six cosponsors, including our colleagues, Senators MCCAIN and LIEBERMAN.

On December 14, 1995, the Senate adopted this resolution by a vote of 69 to 30. That was Bosnia in 1995.

Somalia: In December 1992, U.S. troops began to deploy to Somalia. Nearly a year later, in September 1993, the Senate debated the objectives, the mission, and strategy of our military deployment in Somalia. Speaking on the Senate floor on September 23, 1993, Senator MCCAIN framed the debate when he said:

Somalia is a prime example of lofty ambitions gone awry. Our service men and women have become . . . part of a mission to build Somalia into a stable democracy—something, incidentally, it has never been, and shows no sign of ever becoming this decade.

The manner in which military force is to be used to further this grandiose objective has been left unclear. Without a clear military objective, our forces in Somalia have found themselves involved in a situation where they cannot distinguish between friend and foe. They have often been presented with situations where they cannot even distinguish between civilians and combatants.

On September 9, the Senate voted 90 to 7 to adopt a nonbinding—a nonbinding—sense-of-Congress resolution submitted by Senator BYRD. This resolution called on the President to outline the goals, objectives, and duration of the U.S. deployment in Somalia and said Congress believes the President ''should seek and receive congressional authorization in order for the deployment of U.S. forces to Somalia to continue.''

There are 11 cosponsors of the Byrd measure, including our colleagues, Senators MCCAIN, COCHRAN, BOND, and WARNER.

One month later, after the horrible death of 18 U.S. troops in early October, the Senate considered two binding measures to cut off funds, one introduced by Senator MCCAIN and one by Senator BYRD.

On October 15, 1993, the McCain measure, which would have terminated further U.S. military operations in Somalia, was tabled 61 to 38. That same day, the Senate voted 76 to 23 to adopt the Byrd measure to cut off all funding in March 1994 for U.S. forces in Somalia.

There are two more very clear examples, such as the examples I have given on Somalia and Bosnia, that I could discuss—Haiti and Kosovo—in some detail, and I may do that later. But the point is, the facts are clear. There is clear precedent—clear precedent—for both binding and nonbinding resolutions, as well as legislation to redirect, condition or cut off funds for military operations, and this is at the same time we have and we had military forces in those countries.

So to argue, to state, to imply this is somehow not only irrelevant but unprecedented is not the case. The Congress has always had a responsibility, not just constitutionally but morally, to inject itself in the great debate of war.

Mr. WARNER. Mr. President, will the Senator yield on that very point?

Mr. HAGEL. Yes, I yield to Senator WARNER.

Mr. WARNER. We had in our discussions, and Senator COLLINS joined in this discussion—that we could not conceive—and that I, this Senator from Virginia, could ever participate in a cutoff-of-funding in regards to this situation in Iraq.

But back to historical precedents. I have this volume, the ''Encyclopedia of the United States Congress,'' compiled by 20 eminent historians in 1995. And on this subject that the Senator addressed, they said the following:

Another informal power of the Congress in the foreign policy field is the passage of resolutions by the House or the Senate, often called a sense-of-the-House or sense-of-the-Senate resolution. Although not legally enforceable, such resolutions are often taken seriously by the President and his foreign policy advisers because they are useful indicators of underlying public concern about important foreign policy questions. Moreover, as a general rule, the White House wants to maintain cooperative relations with the Congress and to give legislators the impression that their views have been heard and have been taken into account in policy formulation.

Clear documentation of the Senator's points in this very erudite resource of the history of the Congress. I thank the Senator.

Mr. HAGEL. Mr. President, I thank the Senator from Virginia.

In conclusion, I add that the American people have had enough of the misrepresentations, the politics, and the procedural intrigue in the Senate. I say again to our distinguished leaders of both our parties: It is your responsibility, as leaders of this body, to resolve this procedural dispute so that the Senate can have a full, fair, open debate on the war in Iraq. And I will continue to join my colleagues—Senators WARNER, COLLINS, SNOWE, and others—in making every effort to bring up our resolution at every available opportunity until that debate occurs.

Mr. President, I yield the floor.

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

Mr. WARNER. Mr. President, before the Senator leaves the floor, I have another point of history. I find this fascinating. I hope, hereafter, colleagues, pundits, and writers will at least recognize that, and I repeat it. Senate Historian documents confirm the Senate has been posing sense-of-the-Senate resolutions since 1789. Thus, our Framers of the Constitution and those who served in the early Congresses recognized the value of this type of resolution.

I yield the floor. I thank my distinguished colleague from Maine, again, for her steadfast support and advice throughout this entire process today, tomorrow, and well into the future.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, I am very pleased to join with the distinguished senior Senator from Virginia—a former chairman of the Senate Armed Services Committee, an individual who has devoted his life to the support of our military—in offering, along with a number of our colleagues, this very important resolution as an amendment to the continuing resolution. There are many differing views in this body on the road ahead in Iraq, and those views are legitimate but they deserve to be debated. There is no more pressing issue facing this country than Iraq. The public is disappointed to see the Senate avoid the debate on the most important issue of our day. The current stalemate is unacceptable. It is unacceptable to the American people. Regardless of our views on the appropriate strategy for Iraq, we have an obligation, we have a duty as Senators to fully debate this issue and to go on record on what we believe to be the appropriate strategy, the road ahead in Iraq.

I am very disappointed that the procedural wrangling on both sides of the aisle prevented that kind of full and fair debate last week. I believed strongly that we should go ahead with that debate, and I am sorry that did not occur. I hope our leaders on both sides of the aisle will work together to come up with a fair approach to debate this most important issue.

Just this last weekend, the State of Maine lost another soldier in combat in Iraq. The American people deserve to know where each and every one of us stands on the President's strategy, on whether to cut off funding, on the important issues related to this very pressing issue. There are legitimate arguments on both sides. There are those who agree with my position that a surge of 21,500 troops would be a mistake. There are those who believe that the surge is the right course to follow. I respect the views of Senators on both sides of the aisle and, indeed, this is not a partisan issue. But surely—surely this is an issue that deserves our full debate in the best traditions of this historic body. Surely—surely our constituents deserve to know where we stand.

I think this is so important that nothing should prevent us from going to this debate prior to our recessing. I think we should make this so important that if it is not done, perhaps we should reconsider our plans for next week. I think we should proceed with this most important debate without further delay. There are a number of worthwhile resolutions that have been brought forward. Let the debate begin.

Finally, I want to add just a couple of comments to those made by the distinguished Senator from Virginia and the distinguished Senator from Nebraska, and that is about the importance of these resolutions. They are by no means unprecedented, as both of my colleagues have so articulately pointed out. They offer guidance to the administration. It remains my hope that if the Senate passes the resolution that I have helped to coauthor that the President will accept our invitation to take a second look at his plan. We urge him to explore all alternatives and to work with us on a bipartisan strategy to chart a new road ahead in Iraq.

As a result of my trip to Iraq in December, I concluded that we face a number of different challenges in Iraq and the strategy depends on where you are in Iraq. In Baghdad, the capital is engulfed in sectarian violence. Yes, Baghdad is in the midst of a civil war between the Shiites and the Sunnis. To insert more American soldiers in the midst of this sectarian struggle would, in my judgment, be a major mistake. Only the Iraqis can devise a solution to the sectarian strife that is gripping Baghdad, and I think if the Iraqis had taken the long overdue political steps, if they more fully integrated the Sunni minority into the power structures, if they had passed an oil revenue bill that more equitably distributed oil revenues, if they had held the long overdue provincial elections, we would not be in the crisis in which we are today.

Indeed, that is not just my opinion, that was the opinion of General Petraeus when I asked him that question during his nomination hearing before the Armed Services Committee.

By contrast to the sectarian strife that is plaguing Baghdad, the battle is very different in Anbar Province to the west. There the fight is with al-Qaida and with foreign jihadists, and there and only there did I hear an American commander ask for more troops—only in Anbar Province—and he did so in order to capitalize on a recent positive development in which some of the local Sunni tribal leaders are now backing the coalition forces against al-Qaida.

My conclusion is that we do need more troops in Anbar, but we should reallocate from troops already in the country. I personally would choose to take troops out of Baghdad and send them west, to Anbar Province, and put the Iraqis in charge, fully in charge of security in Baghdad. I fear that by inserting thousands of additional troops into the midst of the sectarian strife in Baghdad, ironically we will ease the pressure on the Iraqi leaders to take the long-overdue steps to quell the sectarian violence, for I am convinced that the sectarian violence in Baghdad requires a political, not a military, solution.

In Basra, the third stop on our trip, I heard a British commander, a British colonel, give an excellent presentation to us. He said that initially the British and American troops were welcomed in Iraq, but as time has gone on, what he called the consent line has declined and their presence has been less and less tolerated and more and more resented.

I think perhaps the only issue on which all Members of this body can agree is that our troops have served nobly and well in Iraq, and that we need a new strategy. We disagree on the road ahead, but that is what democracy and the traditions of the Senate are all about. We should not be afraid of this debate. We should debate this issue fully and openly and let our constituents and the administration know exactly where the Senate stands.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I thank our colleague. I wonder if I could ask our colleague a question before she departs? She made reference to her trip and the discussions that she had with the senior commanders. I would like to bring to her attention testimony that came before our committee, of which the distinguished Senator from Maine is a member, at which time we heard from the Commander of the United States Central Command, General Abizaid.

In the course of his testimony to Congress on November 15, 2006—right in the timeframe the Senator made her trip—I will quote him, General Abizaid. The general said:

I met with every divisional commander, General Casey, Corps Commander, and General Dempsey—we all talked together. And I said, ''In your professional opinion, if we were to bring in more American troops now, does it add considerably to our ability to achieve success in Iraq?'' And they all said no. And the reason is because we want the Iraqis to do more. It's easy for the Iraqis to rely upon us to do this work. I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future.

I say to my colleague, that quote captured my own visit, which was just barely a month before that, when I came back and I described in my public comments that the situation in Iraq was drifting sideways.

That was a very serious summary. But I said it because I felt obligated to our troops who were fighting bravely and courageously and with a level of professionalism that equals the finest hour in the 200-plus-year history of our military—and the support their families give them. I felt ever so strongly that we were obligated as a country to reexamine our strategy and I called for that reexamination of strategy and it has been done.

But I say to my colleague, General Abizaid's summary about the need for more forces, does that not summarize what you learned on your trip?

Ms. COLLINS. Mr. President, if I may respond to the Senator from Virginia, I remember very well General Abizaid's testimony before the Armed Services Committee in mid-November. And as the Senator has pointed out—and he presided over that hearing—it could not have been clearer General Abizaid said that he consulted with all the American commanders and that the effect of bringing in more American troops would be to relieve the pressure on the Iraqis to step up and take control of the security themselves.

Indeed, and ironically, General Petraeus, the new commander in Iraq, had written an article for the Military Review in January of 2006 in which he said that one of the lessons from his tours of duty in Iraq was that you should not do too much, that you should call upon the Iraqis to take responsibility for themselves. Indeed, my experience was just as the Senator's was. About a month after General Abizaid's testimony, I was in Iraq. I talked with the commanders on the ground, and I would like to share with the senior Senator what one American commander told me.

He said that a jobs program for Iraqis would do more good to quell the sectarian violence than the addition of more American troops. He told me that some Iraqi men are so desperate for money because they have been unemployed for so long that they are joining the Shiite militias. They are planting roadside bombs simply for the money because they are desperate.

I thought that was such a telling comment, I say to my distinguished colleague, because this was from a very experienced commander who had been in Iraq for a long time. At that moment he was not calling for more troops. None of the American commanders with whom I talked in Baghdad called for more troops. The only place where we heard a request for more troops was in Anbar Province, and as I have explained, the situation

in Anbar is totally different. It is not sectarian violence. The violence is with al-Qaida, the foreign jihadists, mainly Sunni versus Sunni, and it requires a different strategy.

So my experience, when added to the distinguished Senator's, shows a consistent pattern. Whether it was the distinguished Senator's trip in October or the testimony of General Abizaid in November or my journey in December, we heard exactly the same themes, exactly the same answers to the questions of whether we needed more troops.

Finally, let me say I went to Iraq with a completely open mind on this issue, and I came back convinced that sending more troops to Baghdad would be a colossal error.

Mr. WARNER. Mr. President, I thank our colleague. I wonder if at this point in the colloquy—and then I will yield the floor because I know other Senators are anxious to speak—but we, the United States, the military, and the taxpayers have trained and equipped over 300,000 Iraqi security forces composed of the professional Army, police, border security, and a group of others. The thrust of our resolution originally, and this one that is here, the amendment which is identical, was to give the Iraqis this opportunity, which the Prime Minister himself called for. He said: Give us the opportunity to show that we can do this operation.

That is the basis on which we drew up the resolution. And in our resolution we said two things: The responsibility for Iraq's internal security and halting sectarian violence must rest primarily with the Government of Iraq and Iraqi security forces. Then, specifically we said in the conclusion: The United States military operations should, as much as possible, be confined to the goals that are enumerated in the previous paragraph and should charge—I repeat—charge the Iraqi military with the primary mission of combating sectarian violence, and that is in the Baghdad operation.

So I think those facts, our resolution, now referred to as an amendment, absolutely parallels what we learned firsthand on our trips into that region.

Mr. President, I see other Senators are waiting. I see the distinguished senior Senator from Maine, Ms. SNOWE.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. SNOWE. Mr. President, first, I want to commend the senior Senator from Virginia, Senator WARNER, for his unparalleled leadership, because it is borne of a tremendous credibility based on his military and professional experience on these vital issues, and that precise credibility lends the kind of expertise to the Senate, to the Congress, and to our Nation that is so vital at this point in time. But I think in the final analysis, it is something we have to honor as we consider the most consequential issue of our time.

I am very pleased the Senator has offered an amendment that reflects his resolution that was modified and that was supported by both sides of the political aisle. I am pleased to join my colleague from Nebraska, Senator HAGEL, and my colleague from Maine, Senator COLLINS, because this is a critical issue. It is one of the issues that is the most significant of our time.

As we begin this week, it is regrettable we don't have the Iraq debate before the floor of the Senate in the form of considering a resolution. Tomorrow, the House of Representatives is going to proceed. They are going to proceed to debate a resolution in opposition to the troop surge proposed by the President of the United States. They will have that debate this week. The question is when and if the Senate is going to have that debate on a specific resolution, on specific issues, with specific votes.

Unfortunately, what we are witnessing today is the shrinking role of the Senate when it comes to the war in Iraq, a war that has been ongoing for 4 years. I am dismayed because I don't see any evidence. I don't see any evidence of working on a bipartisan basis to coalesce around an issue and on a position where it has been demonstrated there is a majority of support in the Senate to have negotiations, to have consultation, to work it out. I don't see any evidence of that. Have we come to the point in the Senate where we haven't been able to determine procedurally how to move forward on a nonbinding resolution? It is hard to believe the Senate would be marginalized on that point.

Now I am speaking from experience. This is my 13th year in the Senate—my 13th year. I served in the House of Representatives for 16 years. I served for more than 20 years—I think about 24 years—on Foreign Affairs, Foreign Relations, Armed Services, and currently the Intelligence Committee. So I speak from experience. You have to work across the political aisle. And there wasn't a time when we didn't discuss these issues: Lebanon, Persian Gulf, Panama before the Persian Gulf. We had Bosnia and Kosovo. We were able to work it out. The fact is I well recall a statement I had drafted back in 2000 illustrating examples of bipartisanship here on the floor of the Senate, one of which I said about the Senator from Virginia, Senator WARNER, in working across the aisle with the Senator from West Virginia, Mr. BYRD, on the issue of Kosovo.

That has been the hallmark of the Senate. Does it mean that we disagree on a major issue of our time? No. There are differences of opinion, but what is the Senate afraid of? What are we afraid of? To debate and to vote on various positions, whether it is on our position on the troop surge, whether it is on the position of cutting out funding, the troop gaps, a new authorization? Some of those issues and positions I would disagree with. But does that mean to say the Senate cannot withstand the conflicting views of various Members of the Senate? It is not unheard of, that both sides of the political aisle will have differing views.

I came to this debate a few weeks ago when we were getting prepared ostensibly to work on this issue, to debate, which is consistent with the traditions and principles of this institution, which has been its hallmark. That is why it has been considered the greatest deliberative body in the world. Unfortunately, it is not living up to that expectation or characterization, regrettably. But I joined with the Senator from Nebraska in his effort across the aisle with the chairman of the Foreign Relations Committee and the chairman of the Senate Armed Services Committee because I wanted to send a message that here and now, there will be those of us on this side of the aisle who disagree with the President on the troop surge. So I wanted to send that message. I read the resolution. I know there are some on this side of the aisle who didn't accept that language. But I thought it was important to do that. I cosponsored that resolution.

We had many meetings, as the Senator from Nebraska would note, with Chairman BIDEN and Chairman LEVIN, to work through this issue: how we could work with the Senator from Virginia, because we knew we had a majority on both sides of the aisle that could work it out, who were opposed to the troop surge. So how is it we couldn't get from here to there? And we met in good faith to negotiate, working out even the procedures. We agreed: Let's have an open, unfettered, unrestricted debate, which is consistent with this institution that is predicated on our Founding Fathers' vision of an institution based on accommodation and consensus. You have to get 60 votes. So we said: Let's work it out, and the good Senator from Virginia worked it out. He incorporated our concerns in his modified resolution so we could enjoin our efforts.

Now, it is not surprising on this side of the aisle that there are strong views that support the President, that don't believe we should have a vote. But does that mean to say we can't move forward and the House of Representatives can? So the House of Representatives is going to be debating this issue this week, and the Senate is going to be dithering. While our troops are on the front lines, the Senate is sitting on the sidelines.

I am amazed we have reached this point in the Senate. We should be embracing this moment. We are the voice of the American people. Constitutional democracy is predicated on majority rule, but a respect for minority rights. I don't see any ongoing negotiations and discussions. Maybe I missed something. I don't see that happening across the political aisle. If historically we took the position: You missed your chance, that you missed your chance with a vote—2 weeks ago—you mean that is it in the Senate? How did we pass major pieces of legislation, major

initiatives without saying: That is it; there is no room for discussion, there is no room for negotiation, there is no room for compromise.

Oftentimes I am challenged on this side because I work so much across the political aisle. Senator HAGEL did the same thing, as did Senator WARNER. We worked across the political aisle to make it work. But I do not see that mutual trust to say: Let's see how we can move forward on the most profound issue of our time. It is unimaginable that we cannot develop a strategy for deliberating on this most consequential issue.

We are expecting to adjourn next week for a recess. I thought to myself: Why? Why, so we will get back to Iraq before we know it? That is what we have heard: Just wait. The troop surge isn't going to wait. The Iraqi war doesn't take a recess. Our men and women aren't taking a recess. Why can't we debate now and vote on these issues? Are we saying we are simply not capable of talking?

That is what the Senate is all about. It is based on consensus. It is based on compromise. It is based on conciliation. It is based on the fact that you have to develop cooperation in order to get anything done. It is not unusual. If historically we took the position: You missed your chance because there are disparate views, so that there would be no opportunity to further discuss or negotiate—we missed our chance? Are we talking about scoring political points? Are we talking about what is the best policy for this country with respect to Iraq at a time when men and women are on the front lines; at a time when the President is proposing a troop surge which I and others joined with Senator WARNER because we oppose that; at a time in which we are almost a year to the anniversary of the bombing of the Golden Mosque in Samarra?

In fact, Senator WARNER and I paid a visit just days after that, the first congressional delegation, and we saw all the manifestations of what exists today in the most pronounced way. And we are saying we can't get it done in the Senate. Is this about scoring political points? I read every day: Who is winning politically? Because that is what it is about. It is about winning politically on a policy with respect to Iraq where we have been mired for 4 years with a strategy that hasn't been working. And we are saying, who is winning politically? Isn't it about Iraq? Isn't it about our men and women? Isn't it about what is in the best interests for this country?

We have given so much. Our men and women have sacrificed immeasurably. As Senator COLLINS indicated, we lost another from Maine this weekend, SGT Eric Ross, 26. These men and women have put themselves on the frontlines. Yet we sit and hesitate to talk about what is in their best interests. Some say it is a nonbinding resolution that has no impact. I daresay, if it doesn't have any impact, then why is it we are not voting? What has a greater resonance in America? Is it silence or is it taking action on the most consequential issue of our time? I can only imagine, if we had an overwhelming bipartisan vote on Senator WARNER's resolution—that is bipartisan, I might add—because those Members strove to make it bipartisan in the Senate, many strive to do that, so we can send a message that would be profound, that would resonate. To have a strong vote in the Senate or silence, which would have greater resonance? I think we know the answer to this question.

I am concerned we are taking a political U-turn away from the message in the last election. I was in that last election. I heard loudly and clearly. I don't blame the people of Maine or across this country for their deep-seated frustration. They are right. There was too much partisanship and too much polarization.

What we need now is leadership. We need leadership for this country. They are thirsting for a strong leadership, an honorable leadership that leads us to a common goal. No one expected unanimity in the Senate but we would give integrity to this process to allow it to work and not cynically say who is winning and who is losing today politically, so we have 30-second ads that will be run by outside groups or we are seeing them now. We are not shedding the political past. We have made a political U-turn. We are returning to it.

This isn't about party labels. This isn't whether it is good for Republicans or good for Democrats. It is what is good for America. It is not about red States and blue States. It is about the red, white, and blue.

I am dismayed we are the second month into a new Congress, after the American people resoundingly repudiated the politics of the past, the partisanship and polarization, creating a poisonous environment. They repudiated all of that. Here we are, back to the same old approach. Instead of giving confidence to the American people that we will speak, we are their voice, we give voice to their fears and to their hopes, to their concerns that they rightfully have because we are not making the kind of progress, we are moving in a different direction on Iraq that obviously has been exemplified by the continuing and ongoing sectarian warfare.

Fifteen months ago when Senator WARNER came to the Senate and offered a resolution, 2006 was going to be the year of transition to Iraqi sovereignty. It was 2006 when we would turn over all the security to the Iraqi security forces. But 2006 has come and gone. We haven't made any measurable progress.

As I said, when I was there a year ago, we saw the manifestations of the sectarian warfare, a vacuum had been created politically because no new central government had been created. That took months. We allowed that vacuum to continue. We got a new government. Yet they have been hesitant—indeed, they have been an impediment—to quelling the sectarian violence and confronting and demobilizing the militias.

I heard a year ago about the graft and corruption that was running rampant in the ministries, as we saw recently with the Deputy Minister of Health funneling money to support the sectarian violence and the militias. We have seen and we have known all of that.

So Senator WARNER got that resolution passed. We united around him. In June of 2006, we passed a resolution as well that called for a regional conference so we would begin the diplomatic offensive the Iraq Study Group spoke to. But that has been ignored as well. I know the administration has had a number of strategies in Iraq. They had the national strategy for victory that was also 15 months old, that represented all the issues Senator WARNER has embraced in his resolution, to which they only paid lip service, regrettably.

So we are here today. We want to give voice to the concerns of the American people who want us to move in a different direction, not to commit additional troops at a time in which we have a government in Iraq that hasn't demonstrated a measurable commitment to controlling the sectarian violence and make the political changes within its Government that demonstrate a good-faith effort—whether it is the oil revenue-sharing distribution money, the provincial elections and, as I said, the demobilization of the militias; in fact, impeding our efforts to capture people who were responsible for some of the genocide and the warfare. But here we are.

I hope we can find a way. What could be of higher priority than to be able to debate and to vote on our respective positions, to give a vote on the Warner resolution that is so important that a majority of Senators support? I know we can build the threshold for the 60. It is imperative we do it. It is inexcusable, frankly, that on the process for debating, we cannot reach an agreement. We are failing the American people on a colossal scale. We are held up by arcane procedural measures that could be worked out, if only we reached across the political aisle.

Mr. WARNER. Mr. President, I thank our distinguished colleague from Maine.

The PRESIDING OFFICER. The Senator's 60 minutes has been expired.

Mr. WARNER. I ask for 2 minutes.

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

Mr. WARNER. I thank the Senator from Maine. The Senator mentioned the bipartisan spirit. I am very pleased to state that Senator LEVIN, whom I spoke with this afternoon, Senator BEN NELSON, who has been with us steadily on this, and Senator BIDEN allowed with very extensive enthusiasm to

have their names attached as cosponsors.

I thank my colleagues who have come over and participated in this debate and others who have listened. I thank the distinguished Senator, my good friend from Nebraska, for working so hard on this amendment. We will fight on.

We may be idealists, but we will fight on for what we believe in and the integrity of this institution because we firmly believe, to the extent we can, forging a bipartisan consensus is the extent to which we can hopefully regain the full confidence of the American people on what we are doing in Iraq.

I agree with the President, we should not let it slip into a chaotic situation, but we do have some different constructive thoughts as to our strategy ahead.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

CONTINUING RESOLUTION

Mrs. MURRAY. Mr. President, I come to the Senate to talk about my strong support of the House Joint Resolution 20 that is the joint funding resolution for the current fiscal year we are considering this week.

I am very concerned because we are fast approaching the wire on getting this important resolution passed. If we don't pass this bipartisan bill, the safety of American citizens could be put in danger. If this bill is not passed this week, our air traffic controllers will be furloughed. Our air safety inspectors will be furloughed. It we don't pass this bipartisan bill in the next several days, we are going to see a decline in our ability to provide railroad inspections, pipeline safety inspections, and truck safety inspections.

As chair of the Subcommittee on Transportation and Housing on Appropriations, I am very concerned. I am here to talk about some of the consequences if we don't get our work done on the CR this week. We are going to be feeling the consequences in the area of housing. If we don't pass this bill, hundreds of thousands of Americans are going to face a housing crisis.

Mr. President, 157,000 low-income people could lose their housing if we don't get this bill passed in the next several days; 70,000 could lose their housing vouchers; 11,500 units that are housing the homeless could be lost. Those are some of the consequences Americans will face under my jurisdiction if this Congress fails to pass the joint funding resolution in the next few days.

But don't take my word for it. Last Thursday, I held a hearing with President Bush's very able Secretary of Transportation, Mary Peters. Secretary Peters is not a newcomer to transportation. She has spent her entire career working to ensure safety and execute infrastructure projects, largely in her home State of Arizona, but she also served as the Federal Highway Administrator.

Secretary Peters told us last week, in very clear terms, how safety would be affected if we failed to pass this joint funding resolution. I share her exact words from a few days ago. Secretary Peters told the Senate:

> [I]f we were funded at the '06 levels . . . it would have drastic consequences, not only at the FAA, but as you mentioned with our other safety programs, such as our rail safety programs, our truck inspection programs and of course the air traffic controllers and inspectors at maintenance facilities for the aviation community.

The Bush administration's Transportation Secretary is warning of drastic consequences if we fail to pass this continuing resolution. I am here tonight to talk about some of those consequences. I asked Secretary Peters what it would mean for safety and what it would mean for hiring if Congress doesn't pass this joint funding resolution. President Bush's Secretary of Transportation said:

> [W]e will see a serious decline in the number of safety inspectors: Truck safety inspectors, rail safety inspectors, aviation inspectors across the broad range in our program.

That is directly from the President's Transportation Secretary.

I don't think any Senator wants to be responsible for voting for a serious decline in the number of truck safety inspectors, rail safety inspectors or aviation space. I don't think Members want to explain to our constituents we voted to undermine their safety as they travel by car, train or plane. Let me be clear: No one can say Members didn't know how your vote would hurt a State because we have very clear warnings from the Transportation Secretary herself.

The first reason we need to pass this joint funding resolution is to keep our critical safety inspectors on the job, protecting the American people, as they are doing today. We also need to pass a joint funding resolution because, without it, States will not be able to address their most pressing highway, bridge, and road problems. In fact, Secretary Peters also warned us that some States could miss an entire construction season if Congress does not enact this bill.

She said that State transportation commissioners need to know how money will be available to them this year. So she said to us last week at the hearing:

> It is especially important to those states who have a construction season that will be upon us very, very shortly and if they are not able to know that this funding is coming and be able to let contracts, accordingly, we could easily miss an entire construction season.

That is what this joint funding resolution is about. Let me be very clear. Your constituents, my constituents, all of our constituents will feel the impact of our vote on roads that are not fixed or roads that remain clogged or congested or unsafe.

Those are a few of the safety consequences if we fail to pass the bipartisan joint funding resolution in the next several days. The failure to pass H.J. Res. 20 will also have a painful impact on housing for hundreds of thousands of Americans. In this bipartisan bill, we worked very hard to make sure vulnerable families would not be thrown on the streets or face out-of-reach rent increases.

We provided some critical support for section 8, homeless assistance grants, housing equity conversion loans, HOPE VI, and the Public Housing Operating Fund.

For Section 8 project-based assistance, this spending resolution we will be considering this week provides an increase of $939 million over last year's fiscal year 2006 level. It provides $300 million over the President's 2007 budget request. This is essential, I want my colleagues to know, to preserve affordable housing for 157,000 low-income households. Without this increase, without us acting in the next several days, many of these low-income residents are going to become homeless or be displaced or face unaffordable rent increases.

For section 8 tenant-based assistance, this spending resolution provides an increase of $502 million, equal to the President's 2007 budget request, to continue to renew expiring vouchers. Without this increase, without us acting in the next several days, more than 70,000 housing vouchers are going to be lost. That means residents may become homeless or displaced or forced into overcrowded housing.

For homeless assistance grants, this funding resolution we are considering provides an increase of $115 million to meet expiring contracts for homeless individuals and their families. Without this increase, without us acting in the next several days, as many as 11,500 units will not be renewed—not be renewed—forcing these homeless individuals and families back onto the street.

The joint resolution also helps thousands of seniors to stay in their homes because it supports the housing equity conversion loans. Currently, 90 percent of all reverse mortgages for the elderly fall under this guarantee program. Without this language, this popular program will shut down, and it will hurt the ability of thousands of elderly individuals and couples to remain in their homes and pay for critical living expenses.

The joint resolution we are considering this week also extends the authorization for the HOPE VI Program, which is helping us across the country knock down the most deteriorated public housing units and replace them with new, safe housing units for families. If this funding resolution is not adopted this week, not a single dollar will go out for this popular program for the rest of this year.

Finally, this resolution will help housing authorities meet their soaring expenses. This resolution supports the

Public Housing Operating Fund. It provides an increase of $300 million over the 2006 level to meet the tremendous shortfalls being faced by our public housing authorities when it comes to meeting things such as increased energy costs and providing necessary security to help them prevent crime. Recently, more than 700 public housing authorities have announced layoffs. According to HUD, without this increase—without this resolution—public housing authorities will receive only 76 percent of their true operating needs in this fiscal year. So the consequences will be severe for very vulnerable families if this Congress fails to pass the joint funding resolution by this Thursday.

Mr. President, I want to step back for a minute and share how we developed this bipartisan bill we are considering and how we worked to make sure those critical needs are met.

Today, every agency in the Federal Government, with the exception of the Departments of Defense and Homeland Security, are operating under what is called a continuing resolution. That freezes almost every Federal program at last year's level. If a program is not frozen at last year's level, it is operating at a level consistent with the cuts that were adopted by the House of Representatives last year. So at present, almost all of our Federal agencies are operating under a funding formula that makes no accommodations for the true needs of our agencies or the true needs of the American people. What that means is we are not addressing critical education needs, health care needs, the needs of our veterans, the needs of law enforcement, transportation, housing—you name it.

The current continuing resolution expires this Thursday, February 15. The time has now come for us in this Congress to finally stand up to our responsibility and implement a spending bill that will meet the needs of the American people. And that bill will be in front of us this week. It is H.J. Res. 20. That bill passed the House of Representatives by more than a 2-to-1 margin. The time has now come for us in the Senate to finally fulfill our responsibility.

H.J. Res. 20 was developed by both the House and the Senate Appropriations Committees on a bipartisan basis. The joint funding resolution, for the most part, freezes programs across the Government at their 2006 funding level. Importantly, however, the bill also makes necessary funding adjustments to deal with critical programs that cannot and should not endure a funding freeze.

In the case of the Transportation Department, we were not about to ignore our responsibility to ensure safety in our skies or on our highways or on our railways. This bill provides funding increases totaling more than a quarter billion dollars to ensure there are adequate numbers of personnel to control air traffic—control air traffic, critical to all of the American flying public. It also provides funds to make sure we inspect and enforce safety rules governing our commercial airliners, trucks, railroads, and pipelines. Without this additional funding—if we do not pass the CR this week—the FAA Administrator told us that she would be required to put every air traffic controller and every aviation inspector on the street for 2 weeks without pay between now and the end of September.

The joint funding resolution before us this week also boosts funding for Amtrak to $1.3 billion. Operating under the current continuing resolution, Amtrak's funding would remain $200 million lower than it was last year. If we do not pass this funding resolution which is before us, we will endanger our passenger rail service across the country, as well as the annual maintenance expenses that must be made to ensure safe operations in the Northeast corridor.

Finally, the bill pending before the Senate provides an additional $3.75 billion in formula funding for our Nation's highway and transit systems. That funding will serve to create almost 160,000 new jobs while alleviating congestion. It is an important infusion of cash to our States to help them address their most pressing bridge replacements, highway widenings, and safety enhancements. When you look at all the highway needs across just my home State of Washington, that additional $71 million our State will receive is urgently needed and will be put to work right away.

Mr. President, I ask unanimous consent that a table provided to me by the Federal Highway Administration that displays the highway funding increases that will be enjoyed by each and every State be printed in the RECORD.

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

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION

COMPARISON OF ACTUAL FY 2006 OBLIGATION LIMITATION AND ESTIMATED FY 2007 OBLIGATION LIMITATION INCLUDING REVENUE ALIGNED BUDGET AUTHORITY

(Including takedowns for NHTSA Operations and Research)

STATE	ACTUAL FY 2006 OBLIGATION LIMITATION	ESTIMATED FY 2007	DELTA
ALABAMA	535,056,170	600,869,788	65,813,618
ALASKA	228,288,252	270,731,918	42,443,666
ARIZONA	499,506,758	593,277,405	93,770,647
ARKANSAS	330,837,555	381,949,909	51,112,354
CALIFORNIA	2,381,267,388	2,680,526,468	299,259,080
COLORADO	338,198,419	400,663,892	62,465,473
CONNECTICUT	376,937,736	402,325,874	25,388,138
DELAWARE	104,178,113	121,131,724	16,953,611
DISTRICT OF COLUMBIA	112,407,878	123,804,359	11,396,481
FLORIDA	1,289,559,918	1,544,927,499	255,367,581
GEORGIA	940,654,903	1,067,010,791	126,355,888
HAWAII	120,644,520	127,596,268	6,951,748
IDAHO	197,536,278	222,829,360	25,293,082
ILLINOIS	898,006,320	1,010,811,302	112,804,982
INDIANA	661,150,145	775,353,318	114,203,173
IOWA	288,499,793	330,589,700	42,089,907
KANSAS	292,376,091	309,772,956	17,396,865
KENTUCKY	460,544,276	520,949,132	60,404,856
LOUISIANA	404,683,450	474,862,364	70,178,914
MAINE	128,192,073	136,355,671	8,163,598
MARYLAND	418,246,584	490,032,577	71,785,993
MASSACHUSETTS	466,003,994	501,926,732	35,922,738
MICHIGAN	828,533,266	909,761,902	81,228,636
MINNESOTA	425,664,013	485,442,279	59,778,266
MISSISSIPPI	310,973,491	367,059,847	56,086,356
MISSOURI	618,465,606	711,268,494	92,802,888
MONTANA	255,215,718	287,386,573	32,170,855
NEBRASKA	197,252,237	223,867,736	26,615,499
NEVADA	172,076,917	210,350,302	38,273,385
NEW HAMPSHIRE	130,407,725	137,769,576	7,361,851
NEW JERSEY	695,744,922	822,265,394	126,520,472
NEW MEXICO	250,952,902	290,194,749	39,241,847
NEW YORK	1,292,715,319	1,366,155,757	73,440,438
NORTH CAROLINA	755,312,308	872,183,722	116,871,414
NORTH DAKOTA	166,994,190	189,098,718	22,104,528
OHIO	951,965,833	1,109,710,100	157,744,267
OKLAHOMA	413,931,430	459,904,524	45,973,094
OREGON	299,292,210	347,410,836	48,118,626
PENNSYLVANIA	1,287,067,418	1,357,719,130	70,651,712
RHODE ISLAND	134,484,666	154,154,462	19,669,796
SOUTH CAROLINA	424,589,865	511,384,433	86,794,568

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION—Continued

COMPARISON OF ACTUAL FY 2006 OBLIGATION LIMITATION AND ESTIMATED FY 2007 OBLIGATION LIMITATION INCLUDING REVENUE ALIGNED BUDGET AUTHORITY

(Including takedowns for NHTSA Operations and Research)

STATE	ACTUAL FY 2006 OBLIGATION LIMITATION	ESTIMATED FY 2007	DELTA
SOUTH DAKOTA	174,696,675	202,845,805	28,149,130
TENNESSEE	572,103,666	672,761,834	100,658,168
TEXAS	2,183,334,526	2,574,558,747	391,224,221
UTAH	190,146,092	220,645,255	30,499,163
VERMONT	115,678,528	129,379,891	13,701,363
VIRGINIA	697,407,933	830,852,486	133,444,553
WASHINGTON	448,545,807	519,595,013	71,049,206
WEST VIRGINIA	285,867,458	325,592,845	39,725,387
WISCONSIN	520,781,728	586,036,437	65,254,709
WYOMING	174,357,693	207,256,184	32,898,491
SUBTOTAL	26,447,336,756	30,170,912,038	3,723,575,282
ALLOCATED PROGRAMS	9,103,451,278	8,794,320,215	−309,131,063
TOTAL	35,550,788,034	38,965,232,253	3,414,444,219

AMOUNTS INCLUDE FORMULA LIMITATION, SPECIAL LIMITATION FOR EQUITY BONUS AND APPALACHIA DEVELOPMENT HIGHWAY SYSTEM. AMOUNTS EXCLUDE EXEMPT EQUITY BONUS AND EMERGENCY RELIEF.
ALLOCATED PROGRAMS AMOUNT REFLECT NHTSA TRANSFER OF $121M.

Mrs. MURRAY. I understand some of our colleagues have apparently suggested we should not adopt this new joint funding resolution. Instead, they have advocated we simply just extend the current existing CR for the remainder of this year. Well, they are saying we should forgo these desperately needed funds for our highways and transit. They are saying we should allow the FAA to furlough all its safety personnel for 2 weeks. They are saying we should allow our aviation, truck, railroad, and pipeline inspection workforce to dwindle.

If we want to keep our air traffic controllers on the job, we have to pass this bill. If we want to keep our air safety inspectors on the job, we need to pass this bill. If we want to keep highway, pipeline, and truck inspections on track, we need to pass this bill. If we want to help our States address their most urgent bridge, road, and highway problems, we have to pass this bill. And if we want to keep our vulnerable families from losing their housing, we have to pass this bill.

The consequences are very high. That is why I came to the floor this evening, to outline to my colleagues, under just my jurisdiction, on the transportation and housing bill, how important this joint funding resolution is and to urge my colleagues to help us move it through this week by the Thursday deadline.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from New Mexico.

Mr. DOMENICI. Madam President, am I correct, I was scheduled to speak next?

The PRESIDING OFFICER. That is correct. Under the previous order, a Republican Senator, the Senator from New Mexico, is now recognized for 10 minutes.

Mr. DOMENICI. Madam President, I want to ask, does the Senator want to speak for a short time?

Mrs. MCCASKILL. Go ahead.

Mr. DOMENICI. The Senator does not mind listening. I thank her so much. I would have yielded, if she had a short speech.

Madam President, I ask unanimous consent that whatever time I had be extended, if necessary, to 15 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ENERGY POLICY ACT OF 2005

Mr. DOMENICI. Madam President, I rise to speak about the great success of the Energy Policy Act of 2005. I recall when we passed the bill, you, Madam President, and everyone else were, in the well, very happy and joyous that we passed—after 15 or 20 years without one—a major energy bill. And then, right away, the next year, people wanted another energy bill. Now, this year, they want another one.

I would like to tell the Senate why the bill we have is doing so much good and how and why there is still room to try to implement it and, in doing that, to do it a lot more without a new bill. We need a bill to cover some things we did not cover, but I would like to end this, with people understanding this bill provides many things we have not done and many things that have been very successful.

First, I urge policy makers in the administration and Congress to commit themselves to investing time, energy, and economic resources to fully implement this important act. We must achieve all we envisioned in passing this comprehensive energy policy.

This past week marked the 18-month anniversary of the enactment of the Energy Policy Act. I rise today to speak about the gains we have made in strengthening our Nation's energy security and the even greater promise that lies ahead.

On August 8, 2005, the President of the United States signed the Energy Policy Act of 2005 in my home State of New Mexico. This legislation is the catalyst of our Nation's nuclear renaissance and the driving force behind new investments in clean coal technology. Passage of the Energy bill also marks the genesis of a secure American electricity grid and the transformation of an agricultural enterprise into an energy industry.

This act has helped strengthen our energy security, stimulate our economy, create American jobs, and diversify our Nation's fuel supply. Simply put, since the passage of the Energy bill, America is on the move. We are starting up a renewable fuels industry in America through the first ever renewable fuels standard and a production tax credit. These policies have helped create approximately 160,000 American jobs across almost all sectors of our Nation's economy.

In the last 18 months, 73 new ethanol plants have broken ground, spurring us to exceed the biofuel mandate for 2006 by at least 800 million gallons. As a result of the Energy bill, 759 E85 ethanol pumps have been installed around the country. Today, there are over 6 million alternative-fuel vehicles on the road.

I stand here today to tell you that even more can be done. I am pleased President Bush and my colleagues on both sides of the aisle have committed to an even stronger, more robust biofuels policy. The President spoke of it. We are all interested in enforcing it and seeing it is done in the biomass area. We will work together on this important energy issue. Chairman BINGAMAN of the Energy Committee and I, as ranking member, will build on our Energy bill success.

Because of the Energy Policy Act, we are making significant breakthroughs in coal—America's most abundant and affordable energy resource. Because of the clean coal provisions in the legislation, there are 159 new coal-based facilities in various planning stages.

Over the next 5 years, the United States will add an estimated 60,000 coal miners to the American workforce. The Energy bill will accelerate the development of a new generation of clean coal technologies. Because of title XIII of the Energy bill, the administration has appropriately and recently announced that it would award $1 billion in tax credits for clean coal projects such as IGCC projects for electricity generation, gasification projects, and other projects using innovative technologies. With $650 million in tax credits to

come next year, we are providing incentives for the American people to make better choices about the kind of energy we will use. And because of the Energy bill, those choices will be clean energy choices.

Today, 50 percent of our Nation's electricity comes from coal, and the EIA estimates that by 2025, 54 percent of electricity consumed will be generated from coal. In China, they are building a coal-fired powerplant every 10 days. Let it be our mission to invest both the human and capital resources to the goal of zero-emission, coal-based power generation.

Having made the statement about China, let me hope that we will find a way to negotiate with China so that they, too, will begin to be concerned about what they are generating and begin some mutual programs of restraint. Wouldn't that be good news for the world? Let us dedicate ourselves to choosing a free-market, incentive approach rather than a punitive, regulatory approach to solving this global problem.

On nuclear energy, what did we do? In advancing nuclear power, Congress affirmed sound science and technology and rejected irrational fear. By doing this, we strengthened the nuclear renaissance in America. We provided Federal risk insurance for the first six nuclear reactors, production tax credits, and loan guarantees, and we renewed the Price-Anderson Act. All these initiatives and more provided evidence of our renewed support for clean nuclear power.

Until the passage of the Energy bill 18 months ago, the world was passing us by on nuclear power. The renaissance was fading. Then Congress acted. Since that time, as many as 32 new nuclear reactors are in the planning stages. These nuclear plants would provide enough electricity to power 29 million homes. If these plants come into fruition, they will displace 270 million metric tons of carbon dioxide each year.

Consider this: When all of those plants are operating for 5 years, it is estimated that they will have displaced the same amount of carbon emissions that the 230 million cars on the road in America today produce each year.

This is what is at stake as we implement the various provisions of the Energy Policy Act of 2005. We must do more to solve our growing nuclear waste problem, and we must do more to show Americans what the rest of the world already knows: nuclear power is the largest source of clean, carbon-free energy in the world. Advancing nuclear power is essential for our economic strength and environmental well-being. While we do it, we will not be able to stop using other kinds of energy. So the coal people need not worry. They will be used, too, because this great land needs both and more.

With the passage of the Energy Policy Act, we helped to stabilize long-term prices of natural gas by providing the Federal Energy Regulatory Commission with the tools necessary to ensure the safe operation and reliability of our Nation's liquid natural gas assets. Since the passage of the Energy bill in August of 2005, FERC has approved seven new LNG terminals or terminal expansions. Working with private sector operators, FERC has brought on line the capacity equivalent of 1.34 billion cubic feet per day of natural gas, with the potential to increase that to 13.3 billion cubic feet per day. We must continue to look for ways domestically to find additional supplies of natural gas, as we did last year with the passage of the Gulf of Mexico Energy Security Act of 2006.

In passing the Energy Policy Act, we substantially advanced renewable sources of energy in America. By the end of 2007, 2 million American homes will be powered by wind as we bring on line 6,000 megawatts of new wind power this year, part of the $4.5 billion in wind power investments spurred by the Energy bill. As a result of the wind power brought on line, we will displace 11 billion pounds of carbon dioxide annually.

And there is so much more that we did. We promoted a modernized electricity grid, invested in solar energy, tax provisions that helped add almost 340,000 hybrid vehicles, and the list goes on. I continue to look for more to be done. In this Congress, we all will focus our efforts on convincing colleagues and the American people that the solutions to our energy and environmental challenges lie in the genius of the American people. I will not support energy policies that burden the people with higher energy costs and undue regulations. I oppose the creation of additional unmanageable bureaucracy with its potential for punitive and burdensome regulations that harm the American worker. We will meet the challenge of providing clean, affordable, and abundant energy supplies in this Nation by facilitating and unlocking the ingenuity of the American people with more capital investment, more loans guaranteed for people with new ideas to build new things. That is what we did in the Energy Policy Act of 2005, and that is what we will continue to do, hopefully.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

THE BUDGET

Mrs. MCCASKILL. Madam President, over the past week, I have taken a good look at the President's budget submission. I am new around here, and I will admit that the Federal budget is very complex. But as somebody who has spent the last years of my life as an auditor, I have come to one inescapable conclusion about the budget that has been presented to this Congress for consideration. First, it is not honest; second, it has the wrong priorities.

This budget reflects part of the problem we have; that is, our country is facing incredible problems that are very difficult, and we want the American people to support us and believe in us. We cannot expect them to join us in a fight against these complex problems if we aren't going to begin the process by being honest with them. We cannot expect them to support what we do if we are not willing to tell them the complete and unvarnished truth about the situation we face in America today in terms of our budget.

The President claims with a straight face that this budget will eliminate the deficit by 2012. In fact, the President claims it will create a surplus in 2012. That sounds great. The problem is, it is not true. The numbers do not add up. First, he fails to include the full cost of the war in Iraq. In this budget, it says the war will only cost $50 billion in 2009. Keep in mind that in this budget cycle, we will spend over $240 billion on the war in Iraq. The confusing part to me about the $50 billion is that it is a mystery. Why is this $50 billion a mystery? It is a mystery because no one seems to know where the figure came from.

As a member of the Armed Services Committee, I had the opportunity to listen, as the Secretary of Defense and Chairman of the Joint Chiefs of Staff, and even the Comptroller for the Department of Defense were asked the question: Where did the $50 billion figure come from? They did not know. If the leadership of our military and the highest ranking financial official in the Department of Defense do not know where a figure in the budget came from for our war effort, what does that tell you about the integrity of the document? If that figure came from somewhere other than the leaders of the military, we have a problem.

The President also conveniently left out the long-term cost of alternative minimum tax relief for the middle class, which the administration knows we all support. The AMT was never designed to reach down into the middle class, as it does and will continue to do in an ever-increasing way, to cause even more stress and pressure on a middle class that believes it is under attack from all sides. Furthermore, this budget assumes deep cuts in education and health care, cuts that the administration knows are not realistic.

Finally, it hides the long-term cost of the President's ill-advised program to privatize Social Security. This budget is a gimmick. It is the kind of gimmick that the American people have grown very tired of. If proper budgeting procedures were followed, the Federal Government would still be hundreds of billions of dollars in the red by 2012.

If it is not bad enough that this budget is not honest with the American people as to what its implications are, it is even worse when you look at the priorities. First, let's talk about the tax cuts in the President's budget. It preserves billions of dollars in oil subsidies, despite the fact that, once again, we just heard that one of the big

oil companies had a record profit-making quarter. Second, there is $73 billion in this budget to extend tax cuts for millionaires through 2012. I am not talking about tax cuts for people who make $200,000 a year or $300,000 a year. I am talking about for millionaires, $73 billion. Maybe you think that is not so bad, $73 billion for millionaires, until you realize the rest of the story that is contained in this budget.

In this budget, the President wants our veterans to spend as much as $15 billion more for the health care they have been promised. According to McClatchy newspapers, this figure could be as high as $15 billion. It is at least $5 billion for additional enrollment fees in health care and additional pharmaceutical costs. Our veterans are being given a tax increase. They say it is not a tax increase; it is a revenue enhancement. This budget is filled with revenue enhancements, also known as user fees, also known as tax increases. So we have a tax cut in this budget for the millionaires, and we have taxes being raised on our veterans. We also have $37.8 billion over 10 years for seniors to increase their Medicare premiums. Tax cuts for the millionaires; tax increases for our veterans and seniors.

Besides the seniors and veterans, who else will pay? Our children will pay through cuts in the health insurance program for children. There may be a little more money in this budget, but there is not enough money to cover the children who currently are covered under this program in the United States. Missouri is one of those States that has a shortfall in funding. If we do not fix the President's budget, we will be taking care of the millionaires, and tens of thousands of children will be removed from health care rolls in the State of Missouri.

The COPS Program is cut, law enforcement. College loan programs are cut.

I have heard in the last couple of years in my life the phrase ''support our troops'' as often as I have heard almost the words ''good morning.'' I have heard it in this room dozens of times in the last few days, as people have argued about the war in Iraq and said, ''You are not supporting our troops. You have to show that you support our troops.''

This budget is the way we show whether we support our troops. Supporting our troops is not a phrase for a political campaign. It is not something to be bandied about to get political advantage, over which resolution we are voting on, or who looks better, the Republicans or the Democrats. It should be embodied in what we do as we decide the priorities for the money we spend on behalf of the American people.

In this budget, we have said to veterans coming home—and that we are talking about veterans under the age of 65—that they will have to pay more. That is being proposed at the same time we are walking around here righteously indignant that we are not doing enough to support our troops. In reality, the veterans of this Nation have been losing benefits throughout the Iraq war conflict. They have been fighting for their health care, fighting to see a doctor, and waiting in long lines. This budget is an opportunity to quit talking the talk and begin to walk the walk when it comes to the men and women who have put their lives on the line for our flag and for the country we love.

There are not very many veterans coming home from Iraq who are having sleepless nights, worrying about the estate tax on their $10 million estates. There are not very many veterans coming home from Iraq who are worried about their capital gains tax on a multimillion dollar piece of property or their stock portfolio. But there are veterans coming home from Iraq who are having sleepless nights about their health care, about their children's health care, about their children's education, and about their retirement security.

This budget does not reflect that we care about those veterans and their sleepless nights. Let's make the phrase ''support the troops'' mean something other than trying to jockey for position in a political game of hardball. Let's get our priorities straight. Let's fix this deeply flawed budget for the American people, and let's begin by being honest about the budget.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

ORDER OF PROCEDURE

Mr. SMITH. Madam President, two of my colleagues came to the floor and asked that they be recognized. Out of courtesy to them, I ask unanimous consent that Senator ISAKSON be given 5 minutes and Senator CHAMBLISS be given 5 minutes, and that the time I have reserved be retained.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Georgia is recognized.

SCHIP

Mr. ISAKSON. Madam President, I rise to wholeheartedly endorse an amendment filed today prior to the 2:30 deadline, authored by Senator CHAMBLISS and coauthored by myself. The amendment relates to SCHIP, State Children's Health Insurance Program, and a crisis that exists right now, this minute, in 17 States in the United States of America.

As the occupant of the chair knows, SCHIP is a program where our most needy children are able to get health insurance. It is a 71-percent Federal Medicaid match. But unlike Medicaid, it is not an entitlement; it is an appropriated amount annually that is derived by a formula as the States get their benefit. What has happened this year is that a number of States, with a number of children eligible for the program, have run out of their Federal match and it is capitated.

Also, a number of States have a significant surplus. What Senator CHAMBLISS has proposed, and what I am advocating, is an amendment we want to propose to the CR which would take that amount of surplus SCHIP money in States with more than 200 percent of their estimated need—take that amount above 200 percent and put it into a pool and reallocate it to those States that are falling short, so that through this fiscal year every child in America who has been promised children's health insurance can in fact get it.

It doesn't penalize any State that has a surplus because that is money they have not and will not use. It doesn't benefit any State who has abused the system. It is just that we have a number of States that have grown rapidly in their numbers. In Georgia alone, in the aftermath of Hurricane Katrina, we added 43,000 children immediately into our State's population, most all of whom remain today.

I know the CR amendment tree has been filled as of now. The distinguished majority leader has filled the tree, so there will be no room for amendments to the continuing resolution. I intend to vote tomorrow for cloture to allow us to complete this resolution and continue appropriations for this year. I hope the distinguished majority leader will think about the value of saving the SCHIP program this year.

I ask unanimous consent to have printed in the RECORD a letter that was distributed by the majority leader and the Speaker, written to the President of the United States, on February 2.

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

CONGRESS OF THE UNITED STATES,
Washington, DC, February 2, 2007.

The PRESIDENT
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We understand you plan to submit a request for emergency supplemental appropriations soon, which news reports indicate could exceed $100 billion. As you consider the emergency needs of our nation, we respectfully request that you not forget the millions of low-income Americans who are insured under the State Children's Health Insurance Program (SCHIP). We ask that you submit a separate spending proposal to cover shortfalls in SCHIP for Fiscal Year 2007 which have been estimated to be $745 million. Unless we act quickly to provide additional funds to this important program, we are putting the health coverage of thousands of Americans in jeopardy.

As you know, over 46 million Americans are without health insurance. We can ill afford to increase the rolls of the uninsured for failure to adequately fund a successful and efficient insurance program such as SCHIP. Yet we know that at least fourteen states will face a shortfall of SCHIP funds within months. The Governor of Georgia has written to us stating that ''It is vitally important to our most needy citizens that Congress act expeditiously.''

At the end of the last Congress, we were successful in including a provision to avert a

similar crisis, but unfortunately, we are again in need of another short-term solution. While we plan to work in Congress later this year to reauthorize SCHIP and address longer-term issues, it is essential that you work with us to again provide a short-term fix. The cost of filling the funding shortfall is minor in comparison to your other emergency requests.

SCHIP has become a vital part our safety net, providing health care coverage to millions of Americans who otherwise would be uninsured. Including funds to address fully the looming SCHIP shortfall would assure that states can continue to provide this important coverage while we work to address the longer-term success of the program.

Sincerely

HARRY REID,
Senate Majority Leader.
NANCY PELOSI,
Speaker.

Mr. ISAKSON. Madam President, they made my case better than I make it in this letter. Speaker NANCY PELOSI and Majority Leader HARRY REID say we must fix the SCHIP program and suggested that the President add that to the emergency supplemental on Iraq, which we are going to take up in April.

The problem with that is, my State of Georgia runs out of SCHIP money at the end of this month—maybe, at the latest, at the end of March. We are having to cut off new enrollees now and will soon send out the notices to 273,000 children. There will be no money for the remainder of the year after March to meet the obligations of SCHIP. That will take place in States around the country, North, South, East and West.

Think about it. If you have enough money here and everybody who had that money allocated has used all they need, and you don't have enough money over here, it is a simple accounting measurement to fix that in this interim time. Senator GRASSLEY and Senator BAUCUS have already committed, and Senators ROCKEFELLER and REID—all of us on both sides have all said we have to fix the formula; we will get to it toward the end of the year. But we can fix it in the interim to see to it that no child with health care under SCHIP loses that before we make the permanent fix.

I commend Senator CHAMBLISS, who is on the floor, on his leadership and this amendment. I ask the majority leader to give close thought to this issue that was referenced in his own letter of February 2. If there was one amendment that could go on the continuing resolution and would receive unanimous support in the Congress and in the Senate, it is the amendment authored by Senator CHAMBLISS and cosponsored by myself. I ask the leadership to seriously consider allowing an opening on the amendment tree so that amendment can be passed and adopted, and children in Georgia and around the country will end up having the health care that they have been promised and that they deserve.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. CHAMBLISS. Madam President, first, I thank my dear friend from Oregon for letting us have some time here to talk about this issue that is so critical to 17 States, which my colleague so eloquently stated. I appreciate that.

I say to my colleague from Georgia, he and I have worked on this issue so closely together, and the authorship is a combination between the two of us. He has been very generous with his time on this issue and, most importantly, very generous with the thought process he always puts into the most difficult issues we face up here. Without Senator ISAKSON, we would not be where we are today on this amendment.

Today I wish to speak to a critical piece of legislation. It is my hope that this legislation will remedy a situation currently facing hundreds of thousands of hard-working families in Georgia who depend on the State Children's Health Insurance Program—or what we know as SCHIP.

In Georgia, some 273,000 previously uninsured children are now receiving health insurance provided by our State's Peachcare Program. Georgia is one of several States facing a projected funding shortfall for fiscal year 2007.

Last week, the Georgia Department of Community Health that runs Peachcare announced that it will stop enrolling new children into the program effective March 11, 2007.

Senator ISAKSON, Congressman NATHAN DEAL, and I have been working relentlessly with our Governor, the Centers for Medicare and Medicaid Services, Senator GRASSLEY, and the Finance and Budget Committees to find a short-term solution for the children of Georgia who are dependent upon this program. Unfortunately, to this point there has been no resolution.

Senator ISAKSON would like to introduce an amendment today to the continuing resolution that would redistribute fiscal year 2005 and 2006 funds from States that have an excess of more than 200 percent in Federal SCHIP funds to cover the shortfall for States in need for the remainder of fiscal year 2007.

Congress has already passed legislation in an attempt to continue to cover children in States that are running out of funding for SCHIP. H.R. 6164, which became public law on January 15, 2007, required a redistribution of SCHIP funds in an attempt to delay State shortfalls until May of 2007. The estimated remaining shortfall is approximately $750 million for 14 States. According to recent estimates there is about $4 billion in unspent funds which have accumulated in other States.

Hard-working Georgians who qualify for this program don't need to wonder how they are going to pay for their children's health care. We must bridge the gap so that these children can continue to be insured, and I hope the Democratic leadership will allow this amendment to be considered.

Time is running out on this funding issue for Georgia's children and children in other States. The continuing resolution is an important funding vehicle that will allow us to solve this problem for the remainder of the year until Congress can reauthorize this program.

Georgia's Peachcare Program is providing health insurance to the children of hardworking Americans. They are the kids of the mechanic who works on your car at the local service station, the woman who checks you out every week at the grocery store, or the teacher who is providing your children with the basic knowledge they will use throughout their life. SCHIP programs are for the men and women who make too much money to receive Medicaid yet cannot afford to provide premium insurance for their children at the level of care that they need.

I read in the Atlanta Journal-Constitution recently about Sylvia Banks, a mother of 3 from Ringgold, GA, who is a parent that is concerned the Peachcare Program will soon run out of money. Her 13-year-old son, Benjamin, wears a $7,000 insulin pump, and supplies for him are around $300 a month, paid for by Peachcare. In a recent news article, Ms. Banks, whose husband is a minister, states, ''We can't do without the insurance. We are taxpayers trying our best to earn an honest living. We are not trying to suck up the government's money. We see this as a benefit and blessing.''

Peachcare, and other programs funded through SCHIP throughout the country, allow families to bridge the gap between Medicaid and high priced premium insurance that many families cannot afford.

The importance of this program is too vital to our country's working class not to find a solution to this problem, and find a solution soon.

Mr. President, let me just briefly read some excerpts from a letter written to President Bush from Majority Leader REID and Speaker NANCY PELOSI, who have echoed our sentiments about this critical funding issue:

As you consider the emergency needs of our Nation, we respectfully request that you not forget the millions of low-income Americans who are insured under the State Children's Health Insurance Program (SCHIP). We ask that you submit a separate spending proposal to cover shortfalls in SCHIP for fiscal year 2007 which have been estimated to be $745 million. Unless we act quickly to provide additional funds to this important program, we are putting the health coverage of thousands of Americans in jeopardy.

As you know, over 46 million Americans are without health insurance. We can ill afford to increase the rolls of the uninsured for failure to adequately fund a successful and efficient insurance program such as SCHIP. Yet we know that at least fourteen States will face a shortfall of SCHIP funds within months. The Governor of Georgia has written to us stating that ''it is vitally important to our most needy citizens that Congress act expeditiously.''

The letter goes on to say:

SCHIP has become a vital part of our safety net, providing health care coverage to millions of Americans who otherwise would

be uninsured. Including funds to address fully the looming SCHIP shortfall would assure that States can continue to provide this important coverage while we work to address the longer-term success of the program.

So again, we have introduced our amendment today because Georgia's children are waiting. This is about them—our children. They are our Nation's future—and their health care needs must be met. The people in Georgia want a solution to this problem. Hard working Georgians and Americans across the U.S. don't need to wonder how they are going to pay for their children's health care. These are our middle class citizens who work to find a solution and that is what we have been doing and what we will continue to do.

I urge the Democratic leadership to allow consideration of this amendment, and I urge my colleagues to support this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

CONTINUING RESOLUTION

Mr. SMITH. Madam President, the role of the Federal Government is both a protagonist and an antagonist of Oregon, and what a desperate situation we are in. I say this because some have said to me that you cannot filibuster a continuing resolution, you will shut down the Government. My point back is that whatever it takes, maybe in getting the Federal Government to look over the abyss with me, it will understand how many Oregon counties are feeling at this critical hour.

Senator WYDEN and I are one on this issue. He is working the majority now, and I worked the majority in the 109th Congress. He will find it frustrating trying to get a focus on this issue that affects not just our State but so many others, but ours is affected disproportionately.

The Federal Government owns 53 percent of Oregon and 57 percent of our timberlands. As you know, local communities cannot tax the Federal Government. So the deal that was cut back at the turn of the last century was that, in lieu of taxes, local communities would get 25 percent of timber receipts and, with that, kids could go to school, neighborhoods could be safer, streets would be paved, and civilizations would be built in these timber-dependent, isolated areas, and you are talking about most of Oregon.

So my call tonight is to lay out before the American people the plight, the history, and the reason for my arguing now on this bill and the next bill but, frankly, if the 110th Congress doesn't solve this on the continuing resolution, or on the emergency supplemental, the pink slips that have already gone out will turn red, and there will be tremendous damage done to rural Oregon, which is most of Oregon.

So I pick up now, Madam President, where I was interrupted before by the needs of others and at the request of the majority leader:

Think of railroads as the internet of America's Gilded Age . . . a totally transforming technology . . . that allowed people in the late 1800s to communicate and travel great distances faster, cheaper, and more efficiently than ever before. Nowhere was this transformation more profound than in the Pacific Northwest.

Prior to the completion of the transcontinental railroad in 1869, there were less than 130,000 American settlers residing in all of the Oregon country, including the Washington and Idaho territories. Communications were typically hand delivered documents. To transport them across the country, they first had to be carried to Missouri, probably by riverboat or wagon, and then carted cross country to the Pacific Coast.

Alternatively, they could be delivered by boat from the Atlantic Coast, sailing around the southern tip of South America, then up the Pacific Coast; or, as a third option, sailing from the Atlantic coast to Central America, crossing over the mountains to the Pacific Ocean, loaded back on board ship, and sailing up the Coast.

However it was done, the trip was lengthy, dangerous and expensive. Having the ability to ride a railroad from the Atlantic to the Pacific changed America dramatically and helped to stitch together a nation nearly torn asunder by a horrific Civil War.

Eastern railroads connected to Omaha, where the route to the West began. The Union Pacific route more or less followed the Oregon Trail west to Utah where it connected with the Central Pacific, ultimately reaching San Francisco.

Building the railroad, itself, transformed the West. Congress enacted various ''land grant'' programs, selling off vast amounts of land in the West, to both bring settlers and raise money, to help finance construction. Many of these new ''sodbusters'' were attracted west by the promise of cheap farmland. They fenced and plowed the prairie to start their farms. The railroads, in turn, hauled their crops to far away cities, in so doing also transforming what Americans ate.

As rail construction moved westward, crews and supplies were constantly moved out to the end of the line, settling there until the next section of road was completed. These new towns were soon filled with a ''Wild West'' brood of gunslingers, cardsharps, prostitutes, saloons and bordellos, gathered to separate the construction crews from their wages.

As the line moved further along, the railroad also moved its supply stop. Some of the older towns left behind survived, and a few even thrived, but most were abandoned. Residents wanting to move to the next stop were loaded onto railroad cars, along with their buildings, including the saloons and bordellos, and hauled to the new end of the line, giving birth to the expression ''Hell on wheels.''

Even with completion of the transcontinental railroad, the Pacific Northwest remained largely isolated. Supplies and communications still needed to be packed in by wagon from the nearest rail line in Utah, or brought by land or ship north from San Francisco.

Rivers were the highways of the Northwest, and Portland, located near the confluence of the Columbia and Willamette Rivers, became the gateway. Millions of dollars worth of gold and silver poured through Portland on its way to San Francisco from mines as far away as Montana and Idaho.

Settlers quickly learned that the thick forests of the Northwest could be logged, and much of the lumber, when shipped south to California, created gold of its own.

In 1859, when Oregon became the first Northwest state admitted to the Union, Portland's population was less than 800 residents. Ten years later it had grown to nearly 10,000. It all happened so fast that Portland became known as ''Stumptown.'' Early residents logged the riverfront to create the new town, not bothering to remove the stumps. Instead, they simply painted them white, hoping they could be seen in the dark.

It didn't take long for Oregonians, and East Coast financiers, to figure out that a railroad from Portland to San Francisco could transform the Northwest economy, making a lot of money along the way, for its builders.

By 1866, two rail lines had started south from Portland, one on the west side of the Willamette River, and the other on the east side. Construction was very expensive. Neither line had the financial wherewithal to make much progress. Oregonians needed the deep pockets of Uncle Sam to help build their railroad.

The Union victory in the Civil War created a spending spree in Congress. Taking advantage of this postwar exuberance, Oregon Senator George H. Williams persuaded Congress to authorize construction of a rail line from Portland to the California border.

''The Oregon and California Land Grant Act of 1866'' provided that railroad construction would be subsidized by a grant of 5 million acres of public land in alternating 640 acre sections extending like a checkerboard for 10 miles on each side of the proposed rail line.

While the Act left it up to the Oregon Legislature to decide who would build the railroad, it provided that the United States Department of the Interior, through its General Land Office, would sell the land to ''actual settlers'' in plots no bigger than 160 acres, at a price no more than $2.50 per acre. The land turned out to be some of the richest timberland in the world.

That kind of government largesse naturally brought out less than the best in business and political interests. It wasn't long before the railroads were dominating the state legislature. Since, at that time, legislatures still selected U.S. Senators, Sen. Williams was soon replaced.

Previously proving his worth to the railroads as President of the Oregon State Senate, [Senator John Mitchell] would represent Oregon as U.S. Senator, off and on, for the next 20 years. During his entire time in public office, Mitchell was also on the payroll, as legal counsel, to both the Northern Pacific and the O&C Railroads. He was known to boast that what the railroads wanted, he wanted.

Williams, suddenly retired as Oregon's Senator, did not return directly to Oregon. Instead, he was appointed Attorney General by recently elected President Ulysses Grant.

He served in that capacity for six years until an opening occurred as Chief Justice of the U.S. Supreme Court, and Grant nominated his Oregon friend for the job.

Unfortunately for Williams, the national railroad scandals then rocking Congress, combined with increasing rumors of things not being quite what they should in Oregon, convinced the Senate not to confirm Williams. He returned to Portland to practice law, and ultimately was elected Mayor of the growing city.

Even with the O&C land grants, railroad promoters went broke several times before construction was finally completed 20 years later. By this time, the O&C Railroad was a part of the Southern Pacific line. The driving of the mandatory ''golden spike'' near Ashland, Oregon in 1887 linked Portland to San Francisco at last.

To help pay for the lengthy construction, the federal government, through the Interior

Department's General Land Office, had been selling off 160 acre parcels of the O&C lands to all comers, regardless of whether they were ''actual settlers'', as the law required.

''Doing a land office business'' took on a rather dubious meaning in Oregon, as land speculators hauled drunks out of saloons and sailors off ships, delivering them to the Government Land Office to claim a piece of federal land. The new ''owners'' then transferred their deed to the speculators, sometimes for as little as a bottle of whiskey, all with the Land Office approval.

In the process more than 3 million acres were fraudulently looted from Oregon's public domain.

Rumors of the O&C land fraud soon began circulating in the nation's capitol, but it wasn't until Teddy Roosevelt entered the White House in 1901 that the federal government responded.

Special investigators were sent by the President to Oregon in 1903, where they were met with intense hostility from Oregon's political and business community. The railroad and logging interests attempted to stonewall the investigators, but a series of damning articles, published by crusading editor Harvey Scott of the Portland Oregonian, finally exposed the fraud.

The federal investigators soon returned 1,032 indictments, including Senator Mitchell, several Oregon Congressmen, U.S. Attorney's, GLO officials, judges, mayors, lawyers and businessmen. When the cases went to trial in 1905, they were pared down to 35 of the chief culprits, of whom 34 were convicted, including Senator Mitchell. He died at age 70 before being sent to prison.

Just as completion of the railroad transformed the Northwest economy, the land scandal transformed its politics, creating a populist foundation which can still be felt.

Led by political reform groups such as the farm-based Grange, the ''Oregon System'' was enacted by the Oregon Legislature, calling for the direct election of U.S. Senators, and public oversight of Legislative Acts. Voters could decide public issues at the ballot box, with measures to initiate laws (initiative), repeal legislative acts (referendum), or even remove officeholders (recall).

Within a decade the 17th Amendment to the U.S. Constitution was adopted nationwide, requiring the direct election of all U.S. Senators, and the initiative, referendum and recall became the state standard for political reform.

After the spectacular trials of 1905, the federal government acted to take back the valuable O&C timberlands, now owned by the Southern Pacific, but the Railroad fought back in court. The battle raged in the courts until 1915 when the Supreme Court ruled for the government.

The following year, Congress set up an ''O&C'' account, funded by timber sales off the lands, to reimburse the Southern Pacific for the lands the federal government had taken back, and to provide funds to the O&C Counties where the lands were located.

It wasn't until the depression years that Oregon's Senator Charles McNary turned the O&C lands golden. Senator McNary had become the Republican Minority Leader of the Senate in 1933, at the beginning of President Franklin Roosevelt's second term.

Over martini's at the White House, the Republican Senator and the Democrat President sorted out their differences and agreed on significant legislation beneficial to the Northwest, including federal help for farmers, the creation of the Bonneville Power Administration, the International Pacific Salmon Fisheries Act, and the O&C Lands Sustained-Yield Act, all enacted by 1937.

The new O&C Act transformed federal funding for the 18 Oregon counties home to the O&C lands, and Oregon's golden goose was born. The Act created the Bureau of Land Management in the Department of the Interior, out of the ashes of the old General Land Office, and directed the BLM to harvest timber off the O&C Lands, on a sustained yield basis, with an unprecedented 75 percent of the receipts from the timber sales being returned to the O&C counties.

At one of those White House visits, Roosevelt, in anticipation of his run for a third term in 1940, suggested McNary should be his Vice-Presidential running mate on a ''Unity Party'' platform. McNary declined and was later nominated by the Republicans to run as their Vice Presidential candidate with corporate attorney Wendell Willkie at the head of the GOP ticket.

With the post war building boom in the 1950s, the O&C revenues were pumping hundreds of millions of dollars into Oregon's cash starved rural counties, funding schools and other local projects. The golden goose had become the touchstone of Oregon politics.

Oregon's Mark Hatfield championed the O&C lands as governor, and used the issue to help get elected to the Senate in 1966. As he gained power on the Senate Appropriations Committee, Hatfield became the guardian of Oregon's unique golden goose.

Madam President, that is a brief history of the O&C lands—one that will become more consequential later in my statement, when I specifically discuss county payments safety net.

The fundamental point I am trying to make is that between the national forests and the O&C lands, the Federal Government holds 57 percent of Oregon's standing timber. Yet the Federal Government contributes less than 7 percent to the State's total timber harvest. This was not always the case.

The history of my State, as well as its current predicament, is closely tied to the harvest of timber, of ''green gold.'' Atop our State capitol in Salem stands a 23-foot gold-gilded pioneer, an ax proudly in his hand.

In 1909, the Oregon State Board of Forestry described my State's timber wealth as follows:

Beyond question, the greatest national endowment of Oregon is the unsurpassed wealth stored up in the forests of the State.

Oregon has approximately 300 billion feet of standing merchantable timber. This is not an idle guess, but it is the average of the estimate of government officials, cruisers, and timber experts who have traversed the entire State and made the matter a thorough study. This is a much greater amount than is possessed by any other State in the Union and is nearly one-sixth of the total amount of standing merchantable timber in the United States. It is noteworthy that this immense amount of timber is found on an area which is only 57 percent of the area of the State. The value of this body of timber is twofold; first, as a source of lumber supply; second, as a factor in the maintenance of a perpetual flow of water in the streams and rivers of the State, by retarding the melting of the snow and holding a continuous supply of moisture in the ground during the summer months.

Commercially, the value of the standing timber of Oregon, when manufactured into lumber and sold at the rate of $12 per thousand, would be $3.6 billion, a sum in excess of the total amount of currency in the United States at the present time.

Amazing. At current lumber prices, the value of this standing timber would be $150 billion in stumpage value alone. But in the early years of Oregon country, timber was not a primary commodity, it was considered a nuisance and a detriment to agriculture. Trading companies such as the Hudson's Bay Company harvested Oregon's wealth from its fur-bearing animals, such as the beaver—the State animal of Oregon and the mascot of our land grant college, Oregon State University. Go Beavs! But as time rolled on, the settlers of Oregon country sought a new source of wealth in the lush virgin forest all around them. Oregonians made great strides into turning trees into 2 by 4s. The first power-driven sawmill was built in 1836, 23 years before our statehood. The first commercial production of Douglas fir plywood was invented in St. John's, OR, by the Autzen family. That name is now familiarly associated with the University of Oregon football stadium. Go Ducks!

The single most important invention affecting logging was the chainsaw of 1935. It was not invented in Oregon, but it was perfected in Oregon. In 1947, a lumberjack named ''Joseph Cox'' invented chainsaw teeth. Joe was chopping firewood one chilly autumn day in 1946, when he paused for a moment to examine the curious activity in a tree stump. A timber beetle larva the size of a man's forefinger was easily chewing its way through sound timber, going both across and through the wood grain at will.

Joe was an experienced operator of the gas-powered saws used in those days, but the cutting chain was the problem. It required a lot of filing and maintenance time. He said: I spent several months looking for nature's answer to the problem. I found it in the larva of the timber beetle.

Joe knew if he could duplicate the larva's alternating C-shaped jaws in steel, it might catch on. He went to work in the basement shop of his Portland, OR, home and came up with a revolutionary new chain. The first Cox Chipper Chain was produced and sold in November 1947. The basic design of Joe's original chain is still widely used today and represents one of the biggest influences in the history of timber harvesting.

In 1907, there were 173 sawmills in Oregon, but with new and improved chainsaws in the woods, came equally impressive sawmills. C.A. Smith Lumber and Manufacturing Company built the Nation's largest sawmill in Coos Bay. Coos Bay also became the largest lumber-exporting port in the world. The world's largest pine lumber factory was built by Weyerhaeuser in Klamath Falls, south of the Winema National Forest.

By 1929, there were 608 lumber mills, 5 paper mills, 64 planing mills, and 47 furniture factories in Oregon. By 1947, Oregon had 1,573 lumber mills turning out more than 7 million board feet.

Timber also served as a national strategic interest. The Federal Government built its own sawmill in Toledo,

OR, to harvest spruce trees for airplane manufacturing during World War I.

During World War II, Oregon had the unfortunate distinction of receiving the first mainland aerial bombing. On September 9, 1942, a Japanese pilot flew over the Oregon coast, with the intention of dropping a firebomb on the thick forest and causing a massive fire, shocking Americans and diverting resources from fighting the war to fighting fire. Once over forested land, the pilot released the bomb, which struck leaving a crater about 3 feet in diameter and 1 foot deep.

In 1944, Japan launched over 9,000 firebomb balloons over the Pacific Ocean. Once again, the goal was to start forest fires in Oregon and wreak havoc. The most tragic incident involving balloon bombs also found a place in history as yielding the only deaths due to enemy action on mainland America during World War II.

The events unfolded on May 5, 1945, as a pastor and his wife took five children for a picnic on a beautiful spring day east of Bly, OR. I should note that a few years ago, Mr. President, the Federal authorities thwarted al-Qaida plans to build a jihadist training camp in Bly, OR. But back in 1944, Rev. Archie Mitchell parked his car near Bly, and he heard his pregnant wife call out: Look what I found, dear.

One of the children tried to remove the balloon from a tree and triggered the bomb. The force of the blast immediately filled the air with dust, pine needles, twigs, branches, and dead logs. The entire family was killed.

During World War II, private timberlands, not Federal, fueled the war effort. This was necessary because they had roads and quick access to timber that was needed to help win the war. Lumber producers also had implicit assurances from the Federal Government that Federal forests would open up after the war. As Associate Forest Service Chief Sally Collins recently stated:

> Post-World War II, the Forest Service entered a new period characterized, in large part, by timber production. From the 1960s to the 1980s, every administration, with strong congressional support, called for more timber harvest from the national forests, with the goal of replacing the depleted stocks of private and State timber as a result of the war effort. At its peak in 1987, the national forests provided close to 30 percent of the Nation's timber supply.

The bulk of the wood came from Federal lands in Oregon. Postwar timber harvest on Federal land alone in my State oscillated between 4 and 5 billion feet per year—enough wood to build nearly 300,000 homes. The revenues from these harvests energized rural Oregon, not to mention the Federal Treasury, since 75 percent of the proceeds came right here and were deposited in Washington, DC.

It was a win-win and in the spirit of the Federal Government acting in the aide, not the ailment, of the States united under its banner. It was the same spirit in which Franklin Delano Roosevelt dedicated the Bonneville Dam on the mighty Columbia River. Said he at the time:

> The responsibility of the Federal Government for the welfare of its citizens will not come from the top in the form of unplanned hit or miss appropriations of money, but will progress to the national capital from the ground up, from the communities and counties and States which lie within each of the logical geographical areas.

The timber industry built itself literally from the ground up and is a living legacy in Oregon to this day. Back cuts and board feet, buckers and fellers, chokers and cruisers, skidders and slashers, springboards and spring poles and widow-makers, these are terms still heard in the woods, in smokey bars, and in Forest Service rigs all across Oregon.

The great Johnny Cash once wrote a song about Roseburg, OR, the timber capital of the world. In spoken word, on his ''Ride this Train'' album, the ''man in black'' said this:

> Ride this train to Roseburg, Oregon, now there's a town for you; and you talk about rough, you know a lot of places in the country claim Paul Bunyon lived there; but you should have seen Roseburg when me and my daddy'd come there; every one of them loggers looked like Paul Bunyon to me; as I was a skinny kid about 16 and I was scared to death when we walked into that camp; none of the lumberjacks paid any attention to me at first; but when my pa told the boss that me and him wanted a job; a lot of 'em stopped their work to see what was gonna happen; that big boss walked around me, looked me up and down, and said, Mister, I believe that boy is made out of second growth timber, and I guess I was. Everybody but me and my pa had a big laugh over it. Pa got kinda mad and the boss finally said he might start me out as a high climber—I didn't know what a high climber was. Boy, I sure learned fast. That steel corded rope cut my back, and that ax, I thought it was gonna break my arms off, but I stuck with it. It wasn't long till I learned a man's got to be a lot tougher than the timber he's cuttin'. Finally I could swing that crosscut saw with the best of them.

Country singers were not the only artists to embrace Oregon's logging heritage. Ken Kesey might be known to some of my colleagues as the author of ''One Flew Over The Cuckoo's Nest.'' Oregonians know Ken Kesey as one of their own—a countercultural figure, bridging the gap between the beatniks of the 1950s and the hippies of the 1960s.

Kesey's second novel, ''Sometimes a Great Notion,'' tells of a hardheaded Oregon logging family hacking a family wage out of the woods. I would read some of that work, but in the interest of getting through this 5-hour speech in an hour, I will save that for another day. His work does personify the pride, passion, and perseverance of the Oregon logger and the Oregon spirit itself.

Kesey's words vividly describe the back-breaking work of logging, seen through the eyes of a long-lost brother from the east coast. In the nonfiction world, another east coast brother—''Big Brother,'' if you will—would break the back of Oregon's logging industry.

(Mr. SANDERS assumed the Chair.)

Mr. WYDEN. Mr. President, will the Senator yield for a question?

Mr. SMITH. I will yield.

Mr. WYDEN. Through the Chair, I would like to pose a couple of questions to my colleague making an important speech.

I have been attending a lot of town meetings across the State, and I know my colleague is attending some as well. What is your sense of how dire the situation is at home? When I talk to people, you get the sense this is a real lifeline, and I think it would be helpful if you could lay out exactly that sense of urgency you are picking up at home.

Mr. SMITH. My response is the same as the Senator's. It is a sense of abandonment, a sense of betrayal, a sense that the Federal Government made a deal, changed the terms, and now is welching on the deal.

That is why I am here giving the history of this State, trying to share with my colleagues some of the feeling, the history, the blood, sweat, and tears that went into building Oregon and why the Federal Government needs to be the protagonist for Oregon again, not the antagonist.

So that would be my answer. They feel like the Federal Government gave its word and needs to keep it.

Mr. WYDEN. Again, through the Chair, Mr. President, would it be my colleague's sense that at home the kinds of services that are on the line are not exactly what the people call the extras? We are talking about law enforcement. We are talking about schools.

I know the Senator shares a long friendship with Sheriff Mike Winters, for example, of southern Oregon, and he has told me the kinds of cutbacks we have seen in law enforcement are extraordinary, such as involving the effort to fight methamphetamines.

What is your sense of the kinds of services we would see go by the boards if this program is not sustained?

Mr. SMITH. Well, Senator, I have spoken to it at the beginning, in the middle, and at the end of this, the kinds of things you are asking, the kinds of services that will be jeopardized or the kinds of services every American citizen expects local communities to provide. Most communities provide them through property taxes, local levies of some kind that keep our teachers, our policemen, our roads paved, health services, and more. These are the kinds of things which are the cornerstone of what we would call ''civilization'' in rural places.

It is that and more. We could go looking at program after program that, if the Federal Government welches on its bargain, are the kinds of services that will be lost to Oregon because Oregon is over half owned by the Federal Government. It is real simple. Time is up, and the deal needs to be kept.

Mr. WYDEN. Continuing through the Chair, Mr. President, isn't it correct, I

ask my colleague, that members of our delegation, of both political parties, have suggested alternatives for funding this program? For example, our whole delegation to a person was very troubled about this idea of selling off our treasures because not only was that not morally right, clearly it would have no prospect whatever of passing in the Senate. So I know our colleague in the other body who represents the eastern part of our State had some good ideas, and our colleague in the other body from southwestern Oregon had some good ideas. It seems to me—and I think it would be helpful if you could bring the Senate up to date—that both Democrats and Republicans have been trying to work in good faith for ideas that would responsibly fund this program. I think it would be helpful to have my colleague's reaction on that.

Mr. SMITH. The Senator is exactly right. There has been virtually nothing taken off the table. The administration made a proposal for funding this that had difficulties with our delegation, in selling off public lands or other forest land. To me, the offset ought to be the word of the United States, and ultimately the funding source is really the American Treasury because the American Treasury gains so much from Oregon, owns over half of Oregon, and contributes 7 percent to its local governments. So you are absolutely right. There have been many suggestions made. I have supported virtually all of them to try to break through this logjam that we find in Congress. It has been a labor of the greatest frustration for this Senator, and I know for you.

Now we have traded sides as to who is in the majority and who is in the minority. My recourse in the minority is to do what I am doing, and that is to look for every opportunity I can to speak for Oregon, to slow down the Federal Government if necessary to get the Federal Government to understand its obligation.

Mr. WYDEN. Mr. President, one last question, if I might, for my colleague. I appreciate his point with respect to the alternatives because the administration offered a proposal, a selloff of national treasures. I and others thought that was wrong. We went to work. Our colleagues came up with alternatives. Senator BAUCUS and I found an example in an area where Government contractors were not paying taxes in a prompt way. There were questions about whether it made sense, at least in the administration. Then they went off and took the revenues.

I think your point about how Democrats and Republicans have brought alternatives with respect to how to pay for this program in the Congress is an important one.

The last one I would like to have you lay out for the Senate is that I want Senators to know that this is not some exercise on our part, in terms of just plucking an arbitrary figure out of the air and saying: By God, this is the money that we want for our State. As I understand the presentation of the Senator, you are trying to lay out the history.

Mr. SMITH. I am.

Mr. WYDEN. The history goes back to the beginning of the last century, essentially. Because the Federal Government owns more than half of our land, we historically received payments for essential services—schools, police and the like—that were based on timber receipts. Now that the environmental laws have changed, those funds are not there.

So, as I understand it, the presentation that my colleague is making today is based on the idea that this is not about Oregon's seeking some kind of arbitrary figure that we basically would like to offer up as kind of a wish list or to try to get through because we will try to bull it through, but that it is really based on history. It is based on a historical formula that stems from the fact that the Federal Government owns most of the land. Is that essentially the kind of historical viewpoint that my colleague is trying to bring to the Senate?

Mr. SMITH. Absolutely. I will be making it several more times in this presentation—5 hours condensed into an hour and a half, I suppose. But when you and Senator CRAIG first cut the deal—and I was an original cosponsor with you—you had to have a basis for the money, the formula for distributing it. You all wisely came up with what is the historical timber harvest on Federal lands. That made sense. It makes logical sense. It is defensible. Now some of our neighboring Senators don't like that deal anymore. They want to change that. They would like to ignore that history, but that is the basis of the formula for these secure county schools payments. It is literally replacing the money lost from the way Oregon historically operated in collaboration with the Federal Government. The terms were changed. The terms were changed in the 1990s.

There is a cost to not harvesting timber. The rest of the country wants us not to harvest timber, but there is a cost to not doing that, and the cost is borne by humans, by local governments. I think it is a dastardly thing on the Federal Government's part to walk away from this now, for it to change the terms and not care for the people impacted by that.

Mr. WYDEN. One last question, if I might, Mr. President. Also, let me also tell the Senate we are very pleased that the Senator from Vermont has joined the Energy and Natural Resources Committee. He is going to hear us talking an awful lot in the committee about the county payments legislation, but I just want to say tonight in the Senate I am very pleased the Senator from Vermont has come to the Senate, and we are glad to have him on the committee.

The last question I would pose to my colleague deals, again, with the urgency of all of this, so the Senate is clear on this. I think there is always a sense that sometimes you come to the floor and there is a little bit of an alarmist kind of approach.

My understanding is in our home State, from county officials, there are pink slips going out now. There are budgets that are being made now that are going to be very hard to alter. I appreciate my colleague's presentation over the last bit, and I enjoyed the earlier one as well, and I felt it was an important presentation.

What exactly is taking place? So the Senate is up on this in terms of county budgets, layoff notices, and the kind of pain—that is what this is really all about, the pain we are seeing working families and citizens going through—what exactly is taking place as these budget choices are being made?

Mr. SMITH. The Senator is exactly right in his description of the local pain and the bewilderment of many public employees who work in the counties and need to make mortgage payments, want their kids educated, and would like their neighborhoods kept safe. They are getting pink slips as we speak.

This act expired in September of last year. The money runs out in June. The last two vehicles you and I have to fix this is the CR or the emergency supplemental. My good friend, my senior colleague, is doing exactly what I was doing when I was in the majority, and that is meeting with chairmen, meeting with the leader, describing the intensity of the problem and the moral importance of this for the Federal Government to keep its word. It was an experience in great frustration.

Now I am in the minority, and I am left to stall, throw wrenches in the works, make the moral case. I will continue to do that. You and I, as we have done since our earliest days in the Senate, will work in tandem because, when it comes to Oregon's interests, between Senator WYDEN and myself, politics stop at the State border. This is a perfect example of it. We have two shots.

Mr. WYDEN. I thank my colleague for his presentation. I hope the entire Senate followed this discussion—that our whole country does.

I yield the floor.

Mr. SMITH. In 1976, shortly after the Endangered Species Act became law, an Oregon State graduate student named Eric Forsman published a master's thesis.

It surmised that the spotted owls of Oregon were ''declining as a result of habitat loss.'' The study caused a sensation among the environmental community, which was looking for an Endangered Species test case.

By 1988, the environmental activists had defined their battle—to preserve, ''old growth forests.'' In their own words, these activists needed a ''surrogate'' species—one that lived in and needed old growth for its habitat. At a law clinic in 1988, one activist stated:

Thanks to the work of Walt Disney, and Bambi and his friends . . . wildlife enjoys substantive statutory protection. While the northern spotted owl is the wildlife species

of choice to act as the surrogate for old growth protection, and I've often thought ''thank goodness the spotted owl evolved in the Northwest, for if it hadn't we'd have to genetically engineer it.'' It's a perfect species for use as a surrogate. First of all, it is unique to old growth forests. And there's no credible scientific dispute on that fact. Second of all, it uses a lot of old growth. That's convenient because we can use it to protect a lot of old growth.

And ''convenient'' it was to those seeking to end timber harvest in Oregon. The United States Fish and Wildlife Service was forced to review the status of the spotted owl in 1982 and again in 1987.

In both instances it found that a listing under the Endangered Species Act was not warranted. In 1986, an Audubon Society report stated that the spotted owl population was teetering toward the doomsday number of 1500 pairs.

Further reviews by the Fish and Wildlife Service in 1989 and 1990 proposed that it should be listed as threatened throughout its range—northern California, Oregon and Washington.

By 1989, environmental litigants had secured a court injunction on BLM timber sales near spotted owl sites. My predecessor, Senator Mark Hatfield, and Senator Brock Adams of Washington intervened that same year.

They passed what was called the ''Northwest Compromise''—also known as the ''section 318 rider.'' This rider required the BLM and Forest Service to map out ecologically significant old growth stands for interim protection, while insulating federal timber sales outside those areas from litigation challenges.

I would like to read from a floor statement Senator Hatfield gave that year:

For those who like to isolate themselves in a little cocoon and talk about theoretical and esoteric subjects, let us not forget we are talking about human problems. That leads back to a common denominator which is the adequacy or inadequacy to house human beings. There may come a time when we will have to opt for a choice between an owl and a human being, but let me tell you in this proposal today we do not have to make that choice.

We have opted to continue studying the owl as a threatened species, and there is nothing in this report that in any way impinges upon the Endangered Species Act. But at the same time we are sensitive to human need. In my 30 years as a governor and Senator, I have often found myself in the eye of the storm when I have been accused by some of trying to preserve too much of our natural resources for posterity, including seashores, including the Columbia River Gorge, including wild and scenic rivers and including wilderness.

On the other hand, I often find myself in the eye of the storm from those representing the environmental community who think somehow we have sacrificed the spotted owl for timber production.

Mr. President, the facts will not bear that out. I think sometimes that striking the balance is the most impossible political stance to take. It is far easier to line up with one side or the other. To try to strike a balance in anyone of these controversial areas, particularly as it represents economic and human need on one side and they need to preserve unique areas of our God-created Earth on the other, is very difficult. I fear that too often we are adopting the single-issue mentality that bubbles up to the top in many of these groups today.

When you subscribe to that single-issue mentality, it is not what you have done in the past or what you are trying to do for the future; it is how you cross the t's and dot the i's today, and it is a dogmatic mind that is very difficult to try to find any kind of accommodation. Thank goodness, I think that the minds of balance and the minds of many of these people in both groups prevailed and made this compromise possible.

So I want to say, Mr. President, we have made great movement in trying to accommodate those from the environmental community who have raised legitimate issues and concerns.

Unfortunately, according to many of the statements coming out of that community, it is not enough. On the other hand, when I face in my State 70 communities that are totally dependent on a 1- or 2-mill economy, I can say this: I look forward not with anything but anxiety and concern that we are going to see some of those communities so deeply impacted that I may have to repeat an experience I had in Valsetz, OR.

On that occasion I gave the last high school commencement. Instead of the usual smiles and laughter at such an event, there were tears and sadness in the faces of the members of that small timber-dependent community whose mill had recently closed. In 2 weeks the bulldozers came in, and today there is not a sign left of community life because we are now finding the underbrush taking over.

We face that reality in our State. It is awfully easy for people from other States to say, oh, well we have to do this and that. But I have to concern myself with representing the people who have to put bread on the table of their children, and to cut it off abruptly, without any consideration for the human needs, to me, is cruelty.

If we want to reduce our timber sales level by half, all right. But let us have a prospective goal, and give time to re-train those employees, give time to readjust those communities, give time to those human needs, but to do it as proposed by various members of the environmental community is to do it without human concern.

Following Senator Hatfield's action in the Senate, the House Agriculture Committee ordered the creation of a team of scientists—forest experts—to analyze and report on the management of old growth forests within the range of the spotted owl.

This group came to be known as the ''Gang of Four.'' Their report found that the amount and distribution of old growth forests in the Pacific Northwest was insufficient to support both current timber harvest level and the viability of the spotted owl.

The Gang of Four presented 14 management alternatives, from the status quo to massive set asides of old growth reserves.

Congress considered many of these alternatives, but acted on none of them.

In 1990, the hammer finally fell. The U.S. Fish and Wildlife Service formally listed the northern spotted owl as ''threatened'' under the Endangered Species Act.

A federal court soon ordered the agency to declare critical habitat for the spotted owl in western Oregon and Washington and northern California. A spotted owl recovery team was appointed in 1992.

The year that the spotted owl was listed, 1990, Time Magazine ran this cover story.

It read:

WHO GIVES A HOOT?

The timber industry says that saving this spotted owl will cost 30,000 jobs. It isn't that simple.

When this story ran, the Senator from Tennessee, Mr. Gore, came to this floor to with the magazine in hand.

The distinguished Senator stated:

Why would Time magazine do a cover story on the spotted owl, to say it is not that simple? Because the issue has been misunderstood, and it is not that simple.

Well, Senator Gore and Time Magazine were right. The battle between loggers and owls wasn't that simple. The economic fallout under the forthcoming Clinton-Gore administration would be far worse. And despite draconian federal actions, the owl would not be saved.

Following the ESA listing of the spotted owl, biologists and foresters within the federal government began their own war with each other. With critical habitat in place, the Fish and Wildlife Service warned the BLM that its planned timber sales would jeopardize the survival of the spotted owl.

In October 1991, Interior Secretary Manuel Lujan convened the Endangered Species Committee—also known as the ''God Squad.'' The God Squad consisted of three cabinet-level appointees and one representative from the State of Oregon. They convened a month of evidentiary hearings in Portland, OR with 97 witnesses.

The God Squad decided to exempt several of the BLM's timber sales from ESA guidelines, while also requiring the agency to implement the draft spotted owl recovery plan in other areas.

Without a final recovery plan, however, litigants seized the opportunity to shut down the remaining timber sales. Blanket injunctions were issued by Federal courts in 1991 and 1992, finally bringing western Oregon's Federal timber program to a complete deadfall.

This chart shows timber harvest on each of Oregon's thirteen National Forests. The Willamette National Forest alone was producing nearly a billion board feet of timber a year. By 1992, it was in a free-fall to near zero, where it remains today.

Think of the economy. think of the human consequences. But maybe we saved the owl. We will get to that.

Enter the presidential campaign between George Herbert Walker Bush and the Governor of Arkansas, Bill Clinton. Both candidates made numerous visits to the Pacific Northwest. Bush lamented to loggers the situation that had unfurled on his watch. Clinton promised labor unions that he would convene a ''forest summit'' to resolve the problem and end the gridlock.

In April 1993, President Bill Clinton did just that—at least insofar as the ''summit.'' In Portland, OR the president convened his Vice-President, Al

Gore, along with the Secretaries of Agriculture, Interior, Labor, and Commerce, plus the EPA Administrator, the Deputy Director of the Office of Management and Budget, and his Science and Technology Advisor.

At the conclusion of the eight-hour, televised summit, President Clinton announced a 60-day deadline by which his Cabinet would craft a plan to break the Pacific Northwest's forest impasse.

He said that his goal was to develop a policy based on principles that would

Produce a predictable and sustainable level of timber sales that will not degrade or destroy our forest environment.

That plan would come to be known as the ''Northwest Forest Plan.'' It called for the set aside of 88 percent of federal forests within the range of the spotted owl. The ''predictable and sustainable'' level of timber would come from the remaining 12 percent of the landscape. This amounted to 1.1 billion board feet a year—a 78 percent reduction from historic levels. But it was more than zero, which is what we had. So we were happy. We would get 1.1, even though there used to be 8 billion.

In all honesty, both trenches in the timber war shirked at the Northwest Forest Plan. The timber industry did not want to codify such a dramatic drop in federal timber sales.

Environmentalists objected to the fact that the Plan explicitly relied on some old growth harvest to meet its volume prediction.

Nonetheless, the Northwest Forest Plan—and its equivalent in eastern Oregon, the Interior Columbia Basin Ecosystem Management Project—became the law of the land, without a single vote in Congress. The Plan was implemented through administrative rulemaking and blessed by federal judges.

Nonetheless, federal timber sales remained gridlocked in court. Harvest levels were still dropping. Mills were still closing. Unemployment lines were still growing. Oregon was no better off.

The year Oregon cast its electoral ballots for Bill Clinton a second time, in 1996, it also elected to send me to the United States Senate.

Holding the Clinton Administration to its own promise to Oregon was a primary directive from my constituents. And I did what I could.

I pleaded with Clinton Administration officials to fully fund its own Northwest Forest Plan. It never did.

I fought off efforts in this chamber to slash funding from the federal timber sale program. And the Senate never did.

The time between 1996 and 2000 was a grueling and frustrating fight. While the president lamented the poverty in Appalachia, his administration was creating it in Oregon.

It became obvious very quickly that the promise of the Clinton Northwest Forest Plan was a ruse—sabotaged by its own architects at every political turn.

When George W. Bush took office in 2001, he agreed to make good on Bill Clinton's 1993 commitment. His administration has tried to fix the Northwest Forest Plan, to fund it and to implement it.

Unfortunately, the current president's efforts have been stifled by federal courts.

Northwest Forest Plan timber harvest under President Bush has been consistently lower than under President Clinton. And it has never risen above 30 percent of what Bill Clinton promised Oregon 13 years ago.

These are the legal and political facts of the case. Let me take a moment to describe the human, social and economic casualties of the timber war.

Between 1989 and 2003, 213 lumber mills in Oregon were closed, some permanently. I'd like to read you the list:

			Employees
Simpson Timber Co.	Albany	Plywood	200
Stone Forest Industries	Albany	Sawmill	286
Weyerhaeuser	Albany	Sawmill	39
Willamette—Duraflake	Albany	Sawmill	
	Alicel	Sawmill	
Croman Corporation	Ashland	Sawmill	
Astoria Plywood	Astoria	Plywood	300
Ellingson Lumber Co	Baker City	Sawmill	152
	Bandon	Sawmill	
	Beavercreek	Sawmill	
Crown Pacific	Bend	Sawmill	
Weyerhaeuser	Bend	Particle board	111
Vanport Manufacturing	Boring	Sawmill	180
	Carver	Sawmill	
Cascade Cascade Locks Lumber	Cascade Locks	Sawmill	44
Rough & Ready Lumber	Cave Junction	Sawmill	
Central Point Lumber	Central Point	Sawmill	
Double Dee Lumber	Central Point	Sawmill	40
Tree Source	Central Point	Sawmill	
	Chiloquin	Sawmill	
Beaver Lumber	Clatskanie	Sawmill	70
	Coburg	Sawmill	
Coos Bay Mill	Coos Bay	Sawmill	
Weyerhaeuser	Coos Bay	Sawmill	175
Weverhaeuser—Dellwood Logging	Coos Bay	Sawmill	40
Georgia Pacific	Coquille	Sawmill	340
Brand-S Corporation	Corvallis	Sawmill	6
Leading Plywood	Corvallis	Plywood	46
Midway Engineered Wood Products	Corvallis	Sawmill	50
Superior Hardwoods	Corvallis	Sawmill	40
Cascade Lumber	Cottage Grove	Sawmill	40
Starflre Lumber Co.	Cottage Grove	Sawmill	30
Weverhaeuser	Cottage Grove	Sawmill	235
Cress Ply	Creswell	Plywood	65
Bohemia	Culp Creek	Sawmill	225
	Cushman	Sawmill	
Diversified Fiber Corp.	Dairy	Sawmill	70
Weyerhaeuser	Dalles	Sawmill	
Roseburg Forest Products	Dillard	Sawmill	275
Roseburg Forest Products	Dillard	Plywood	
	Dixonville	Sawmill	
	Drain	Sawmill	
	Eddyville	Sawmill	
Boise Cascade	Elgin	Stud Mill	37
Boise Cascade	Elgin	Sawmill	
Great Western Pellet Mills	Enterprise	Pellets	14
Estacada Forest Products	Estacada	Sawmill	
Cuddeback Lumber	Eugene	Sawmill	75
Falcon Manufacturing	Eugene	Sawmill	120
Seneca Sawmill	Eugene	Sawmill	24
Springfield Forest Products	Eugene	Sawmill	60
WTD Industries	Eugene	Sawmill	55
WTD Industries	Eugene	Veneer	80
Zip-O-Log Mills	Eugene	Sawmill	30
	Forest Grove	Sawmill	
	Foster	Sawmill	
International Paper	Gardiner	P&P	
Willamette—Bohemia	Gardiner	Sawmill	280
Gregory Forest Products	Glendale	Plywood	25
Gold Beach Plywood, Inc.	Gold Beach	Plywood	315
Cone Lumber Co.	Goshen	Sawmill	69
Goshen Veneer	Goshen	Veneer	53
Fourply Lumber	Grants Pass	Sawmill	200
Medford Corporation	Grants Pass	Plywood	170
U.S. Forest Industries	Grants Pass	Sawmill	200
Spalding & Son	Grants Pass	Sawmill	160
Olympic Mill (Interforest)	Gresham	Veneer	44
Wl—Cascade Logging	Griggs	Sawmill	32
DG Mouldings	Harrisburg	Sawmill	95
Noble & Bittner Plug Co.	Hebo	Sawmill	19

			Employees
Kinzua-Heppner Mill	Heppner	Sawmill	135
Frontier Forest Products	Heppner	Sawmill	
Louisiana Pacific	Hines	Sawmill	116
Snow Mountain Pine Ltd.	Hines	Sawmill	260
Hanel Lumber	Hood River	Sawmill	138
Green Veneer, Inc.	Idanha	Veneer	
	Idanha	Sawmill	
Peacock Lumber Co.	Imbler	Sawmill	25
Mountain Fir	Independence	Chip Mill	45
	Jasper	Sawmill	
Malheur Lumber	John Day	Sawmill	30
Boise Cascade	Joseph	Sawmill	52
Joseph Timber	Joseph	Sawmill	70
R–Y Timber, Inc.	Joseph	Sawmill	68
Junction City Lumber (WTD)	Junction City	Sawmill	102
Circle D	Klamath Falls	Chip Mill	
Collins Products	Klamath Falls	Plywood	
Klamath Veneer	Klamath Falls	Veneer	50
Modoc Lumber	Klamath Falls	Sawmill	169
Roseburg Forest Products	Klamath Falls	Sawmill	680
Weyerhaeuser	Klamath Falls	Sawmill	
American Precision Millwork	Lakeview	Sawmill	27
Goose Lake Lumber	Lakeview	Sawmill	60
Lakeview Lumber	Lakeview	Sawmill	60
	Langlois	Sawmill	
Lebanon Mill	Lebanon		
White Plywood	Lebanon	Plywood	180
WI—Lebanon Plywood	Lebanon	Plywood	125
Linnton Plywood	Linnton	Plywood	235
Blue Mountain Forest	Long Creek	Sawmill	20
	Madras	Sawmill	
	Mapleton	Sawmill	
	Maupin	Sawmill	
Boise Cascade	Medford	Plywood	450
Boise Cascade	Medford	Veneer	
Pine Products	Prineville	Sawmill	97
Crown Pacific	Prinville	Sawmill	
Cascade Pine Specialties	Redmond	Sawmill	60
Crown Pacific	Redmond	Sawmill	214
DAW Forest Products	Redmond	Sawmill	45
International Paper	Reedsport	Sawmill	80
International Paper	Gardiner	P&P	325
C & D Lumber	Riddle	Sawmill	80
Louisiana Pacific	Rogue River	Veneer	
Medford Corporation	Rogue River	Veneer	75
California Cedar Products	Roseburg	Sawmill	50
Champion (Seneca Timber)	Roseburg	Plywood	260
P&M Cedar Products	Roseburg	Sawmill	
Pacific Chips	Roseburg	Chip Mill	36
Roseburg Forest Products	Roseburg	Sawmill	42
Willamette Industries	Saginaw	Sawmill	62
Diamond Pacific Milling/Dry Kilns	Salem	Sawmill	15
North Santiam Plywood	Salem	Plywood	100
Kohl Lumber	Seaside	Sawmill	13
Taylor Lumber & Treating	Sheridan	Sawmill	
Silverton Forest Products	Silverton	Sawmill	65
Georgia Pacific	Springfield	Plvwood	250
Nicolai Company	Springfield	Sawmill	163
Oregon Cedar Products	Springfield	Sawmill	80
Springfield Forest Products	Springfield	Sawmill	200
Stone Forest Industries	Springfield	Sawmill	53
Weyerhaeuser	Springfield	Sawmill	270
Weyerhaeuser Pulp and Paper	Springfield	P&P	520
Weyerhaeuser	Springfield	P&P	140
Pacific Western Forest Products	St. Helens	Plywood	288
St. Helens Mill	St. Helens		
Weyerhaeuser	Stayton	LVL Plant	43
	Sutherlin	Sawmill	
Linn Forest Products	Sweet Home	Sawmill	95
Weyerhaeuser	Sweet Home	Sawmill	81
WI—Foster Sawmill	Sweet Home	Sawmill	44
WI—Midway Veneer	Sweet Home	Veneer	80
Willamette Industries	Sweet Home	Plywood	168
	Swisshome	Sawmill	
WTD	Tillamook	Sawmill	30
Wheeler Manu. (Conf. Tribes of Siletz)	Toledo	Sawmill	90
American Hardwoods	Tualatin	Sawmill	166
	Tygh Valley	Sawmill	
WTD Industries	Union	Sawmill	80
	Vaughn	Sawmill.	
C B Cedar Co.	Medford	Sawmill	50
Eugene F. Burrill Lumber Co.	Medford	Sawmill	112
KOGAP	Medford	Sawmill	200
Medford Corporation	Medford	Sawmill	320
Miller Redwood	Merlin	Sawmill	85
Bugaboo Timber	Mill City	Sawmill	50
Green Veneer	Mill City	Veneer	40
Young & Morgan	Mill City	Sawmill	
Simpson Timber Co.	Millersburg	Sawmill	200
Murphy Co.	Milwaukie	Sawmill	97
Avison Lumber Co.	Molalla	Sawmill	
Brazier Forest Industries	Molalla	Stud Mill	83
Murphy Creek Lumber Co.	Murphy	Sawmill	24
	Myrtle Point	Sawmill	
	North Bend	Sawmill	
	North Plains	Sawmill	
Tree Source	North Powder	Sawmill	
	Norway	Sawmill	
Evergreen Forest Products	Oakland	Sawmill	480
Bald Knob	Oakridge	Sawmill	140
Pope & Talbot	Oakridge	Sawmill	370
Pope & Talbot	Oakridge	Sawmill	20
	Ophir	Sawmill	
Stimson Lumber	Oregon City	Sawmill	85
Caffal Brothers	Oregon City	Sawmill	
	Paisley	Sawmill	
	Pedee	Sawmill	
Diamond B Georaia Pacific)	Philomath	Sawmill	155
Philomath Wood Products	Philomath	Sawmill	106
Tree Source Pac/Soft	Philomath	Sawmill	
Tree Source/Phil. FP	Philomath	Sawmill	
Special Products of Oregon	Phoenix	Sawmill	80
Louisiana Pacific	Pilot Rock	Sawmill	60
Boise Cascade	Portland	R&D	55

			Employees
Felt Mill	Portland		
Portland Mill	Portland		
Weyerhaeuser	Headquarters	Admin	345
	Prairie City	Sawmill	
Crown Pacific Ltd.	Prineville	Sawmill	36
Crown Pacific Ltd.	Prineville	Sawmill	60
D & E Wood Products	Prineville	Sawmill	15
Northwest Pacific Moulding & Cutstock	Prineville	Moulding	18
Ochoco	Prineville	Sawmill	80
Ochoco Lumber	Prineville	Sawmill	100
International Paper	Veneta	Sawmill	100
	Waldport	Sawmill	
Rogge Wood Products	Wallowa	Sawmill	30
Wallowa Forest Products	Wallowa	Sawmill	50
Warm Springs FP	Warm Springs	Sawmill	
Warrento Lumber Products	Warrengton	Sawmill	147
Boise Cascade	White City	Veneer	30
Burrill Lumber Co.	White City	Sawmill	
Double Dee Lumber Co.	White City	Sawmill	20
Medco	White City	Sawmill	
Medford Corporation	White City	Sawmill	
Medite Corporation	White City	Sawmill	80
Conifer Plywood Co.	Willamina	Plywood	158
Williams Sawmill	Williams	Sawmill	
Winchester Sawmill	Winchester	Sawmill	
Weyerhaeuser	Winston	LVL Plant	37
Weyerhaeuser	Wood Burn	Sawmill	57
Yoncalla Timber Products (WTD)	Yoncalla	Sawmill	45

It goes on and on. These mill closures manifest themselves in the most horrific human ways. It is more than just loss of logging and truck driving jobs and destroyed communities in places I have mentioned. Thirty-five thousand Oregonians in the forest products industry lost their jobs in the 1990s—35,000. I remember those dark days. The year the Federal courts shut down the woods, I was elected as State Senator from Pendleton, OR. At the time there was talk that Oregon had to move on from the boom-and-bust cycle of Federal timber sales. There was talk that we could swap out jobs in the Douglas fir forests for ones in the silicon forest.

Such talk seems so hollow now. But of the 35,000 Oregonians who lost their jobs in the woods and in the lumber mills, nearly half of them never found work again in our State. They either moved to another State, retired or remained chronically unemployed. Those who did find other work ended up with lower wages than they earned a decade before. Mr. President, 450 workers out of 35,000, just 1 percent, joined the high-tech industry.

Not surprisingly, high unemployment in Oregon led to higher hunger rates. Between 1999 and 2001 Oregon had the Nation's highest incidence of hunger. Now my State faces a new epidemic, that of methamphetamine.

But we might ask, how is the owl doing? The answer may surprise you. It infuriates me.

The spotted owl has become one of the most intensely studied species on earth. Ten years of research and more than 1,000 published studies detail the threats to its survival, but none is conclusive.

Most recently, in 2004, the U.S. Fish and Wildlife Service reviewed the status of the northern spotted owl. It did so at the request not of environmentalists, but the timber industry—who wanted to know if the shut-down of the forests had actually worked.

The status review introduced a new antagonist to the saga. Not the logger, but another owl. The barred owl is not native to the Pacific Northwest. It is larger, more aggressive, more successful in predation and reproduces faster than the spotted owl.

No one knows for sure how the barred owl made its way to the Northwest from the east coast. Some biologists believe that, ironically, the growth and planting of trees across the Great Plains created a ''tree bridge'' for the barred owl to traverse the nation and into spotted owl habitat.

The Fish and Wildlife Service report found, quote:

> Barred owls react more aggressively towards northern spotted owls than the reverse. There are also a few instances of barred owl aggression and predation on northern spotted owls. The information collected to date indicates that encounters between these two species tend to be agonistic in nature, and that the outcome is unlikely to favor the northern spotted owl. Given this relationship, barred owls may be able to displace or preempt northern spotted owls from territories. Further, use of more diverse habitat types and prey, may confer some competitive advantage to barred owls over northern spotted owls with respect to reproductive output.

The report cited empirical evidence that barred owls were killing the spotted owl. Here is a biologist's account of one such incident:

> On 11 May 1997 at approximately 14:30 Leskiw found a freshly (blood fresh and wet) killed Spotted Owl along a trail in Redwood National Park, Humboldt County, California. Two sets of feathers were found within 60 meters of the body. The owl was decapitated, but the head could not be located. Additionally, what appeared to be several Spotted Owl feathers were seen in a tree 4 meters above the ground. Finally, the ground litter was disturbed in a 2 meter radius around the carcass, suggesting a struggle had occurred. Leskiw left the area and returned at approximately 15:30. When he returned to the kill site at 15:45, a Barred Owl spontaneously hooted nearby. . . . Gutierrez necropsied the Spotted Owl. The bird's head had been removed by disarticulation of the cervical vertebrae. The muscle from the left side of the bird's breast, side, and wing were eaten. These lines of circumstantial evidence combine to suggest that a Barred Owl indeed killed and partially consumed this Spotted Owl.

One writer put the relationship between barred and spotted owl more eloquently. She wrote:

A new twist emerges in the turf war over Pacific Northwest forests as a new adversary invades the remaining haunts of the threatened spotted owl.

Just before dawn, a chill fog drifts through the old-growth redwoods of northwestern California. A group of birders breathe out puffs of steam as they listen to the growing chorus of morning birdsong. Then the gentle sounds of kinglets and thrushes are buried under a torrent of avian rock 'n' roll as the wild, intense hoots of a barred owl ring out.

It is one of the first recorded sightings of this species in this part of California. A couple of months later an agitated barred owl will be found perched near the body of a freshly killed spotted owl in Redwood National Park, near the Oregon border, feathers of his presumed victim stuck in his talons. The latest turf war in the Pacific Northwest has reached redwood country.

Dark-eyed woodland species, the barred owl and spotted owl are cousins that look so similar that novice birders have trouble telling them apart. Until recently, the two birds never met. The barred owl haunted forests east of the Great Plains, while the spotted owl lived only in old conifer forests of the Pacific Northwest. Now the barred owl is on the move—and it is moving in on the threatened spotted owl.

Eric Forsman, the Oregon State University masters student who wrote the first major opus on the decline of the spotted owl in 1976, is now a biologist for the Forest Service and a leading researcher of the barred owl. He recently commented:

> For the last thirty years we've been trying to come up with ways of protecting the spotted owl, and now all of a sudden, this huge monkey wrench gets thrown into the works. In the past, we could assume that what we were seeing in terms of habitat would help us to understand what was happening with the spotted owl. Now we don't know if spotted owls aren't there because there is no habitat for them or because of the barred owls.

A spokesperson for the Audubon Society, which led the charge to set aside spotted owl habitat in the 1980s and 90s, reacted to news of the barred owl by simply stating: ''We are ambivalent.''

Biologists, too, are perplexed over another question: why more old growth forest has resulted in fewer spotted owls.

A ten year review of the Clinton Northwest Forest Plan found that there are 600,000 more acres of old

growth in western Oregon and Washington than there was a decade ago.

However, the sharpest decline in spotted owl populations actually occurred where the least amount of federal timber harvest took place namely the Olympic Peninsula of Washington State. This is also the location of the greatest number of barred owls.

The spotted owl actually increased its population in southern Oregon—where the most federal harvest activity took place, and had the smallest incidence of barred owl invasion.

One thing is for certain—the future of the spotted owl is not only affected by the teeth of chainsaws, but in the bloody talon of the barred owl.

And there is a third twist. Forest fires are decimating spotted owl habitat. Over 100,000 acres of spotted owl habitat was severely burned over the last 10 years. Now, we don't clear-cut for human use, we just burn it all in wildfires.

This is the Biscuit Fire, the largest fire in Oregon's history, the most expensive to fight in Forest Service history, costing in excess of $150 million. Shoot, folks, with $150 million we could take care of all the problems I am talking about with Oregon counties. The Biscuit Fire incinerated 65,000 acres of the spotted owl habitat as seen in this picture. This is more than four times the amount affected by timber sales in the 50 years preceding the fire. One notable difference is that areas harvested were replanted.

So after 15 years of not logging old growth, growing new growth, and burning ''protected'' old growth, the Federal Government doesn't know what to do for the spotted owl. After 15 years since its listing under the ESA, the Federal Government does not even have a recovery plan for the spotted owl. And now we are hearing from the Federal Government it doesn't have much of a plan for the people whose lives were ruined.

As I stand here today, it is also clear that the Federal Government doesn't know what to do with these communities in the wake of its failed management decisions.

Let me also mention a fourth impact. This should be of particular interest to those Members concerned about the outsourcing of U.S. jobs and industries to other countries. As wood production fell on the Federal timberlands, it was replaced—board foot by board foot—by the Canadian Government in its ''Crown Lands.'' Does anyone think the spotted owl knows the difference between the United States and Canadian borders? I don't think they know. But what we are doing now is not harvesting our land. What we are doing now is burning our land, and the Canadians are overcutting their lands.

This trend is mirrored in reverse by the blue line on this chart, showing Canadian lumber imports into this country.

The green and blue lines diverge in 1990—the years the spotted owl was listed as threatened. The flood of Canadian imports met the ever-growing U.S. demand for lumber.

So instead of milling our lumber, harvested from our own forests, with our own environmental laws, we are exporting the impact and the jobs to other countries—other countries with fewer environmental protections and where forests regenerate more slowly.

For a further example of the outsourcing of our lumber industry, go to Hurricane Katrina in 2005. With western timber locked up in court, southern timber blown down in the storm, the administration actually floated the idea of lowering tariffs on foreign imported lumber for the Katrina rebuilding effort.

Needless to say, that concept did not move far. Plenty of lumber was reproduced for the reconstruction. Much of it was salvaged, probably from Mississippi and Louisiana.

The point here is that actions have consequences. If the United States wants to consume wood, and it should, then it needs to recognize where wood comes from. But if Americans don't want wood to come from American forests, harvested under the strictest environmental guidelines in the world, then let's face that reality. But the reality has consequences.

I wonder if I can ask for an additional 15 minutes and that will be all I will require.

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

Mr. SMITH. I thank the Senator from Vermont for listening to me. I have detailed for you the dramatic story of the Federal timber in Oregon that serves as the backdrop for the issue at hand.

Beginning in the late 1980s, timber sales received the primary funding source for the 25 Percent Fund and began a precipitous decline for the reasons I have explained earlier. This plunge in receipts intensified and then bottomed out at a much lower level in the 1990s. The decline in receipts impacted rural communities in the West, particularly communities in Washington, Oregon, northern California, and Idaho.

For example, in fiscal year 1995, national forest revenues were $557 million, only 36 percent of fiscal year 1989 peak revenues of $1.531 billion. In fiscal year 2004 national forest revenues were $281 million. That is from ''billions'' to ''millions.''

Payments to many States under the 25 Percent Fund Act declined by an average of 70 percent from 1986 through 1998. These are national figures. Those in Oregon were far more severe, reflecting the drastic fall in the timber sales program.

The problem was compounded because 18 Oregon counties have different revenue-sharing agreements with the Bureau of Land Management.

Mr. SANDERS. I ask the Senator to yield so I can do some housekeeping.

Mr. SMITH. If I don't lose my place.

ADDITIONAL STATEMENTS

HONORING JOE AND DEE SPORTS

● Mr. ISAKSON. Mr. President, today I honor two wonderful Georgians, Joe and Dee Sports of Conyers, as they celebrate 50 years of marriage.

Joe and Dee both grew up in south Georgia. Joe is a native of Douglas in Coffee County, and the former Dee Plymell hails from Thomasville. They are blessed with one daughter, Susan, and two grandsons, Ali Joseph and Amir Elias.

Joe has worn many hats over the years in Georgia and Washington including political leader, newspaper and television reporter, congressional aide and public affairs consultant. He was executive director of the Democratic Party of Georgia during the administrations of 2 Governors and served as a congressional aide to U.S. Senator David Gambrell as well as four Georgia congressmen. He began his governmental affairs firm, Joe Sports & Associates, over 25 years ago. He also edits Georgia Beat, Georgia's oldest political newsletter.

Dee is retired from the Georgia Secretary of State's office after many years of distinguished service. She now enjoys helping to raise her grandsons, who live close by with their mom.

On February 24, Joe and Dee will gather together with their family and friends to celebrate this truly momentous occasion. Although I cannot be there in person, it is a privilege to stand in this Senate and honor this tremendous milestone that embodies the profound love and commitment they have for one another. Their marriage is an inspiration to us all.●

WE THE PEOPLE NATIONAL FINALS

● Mr. BINGAMAN. Mr. President, from April 28–30, 2007, more than 1,200 students from across the country will visit Washington, DC, to take part in the national finals of We the People: The Citizen and the Constitution, an important program developed to educate young people about the U.S. Constitution and Bill of Rights. The We the People program is funded by the U.S. Department of Education and administered by the Center for Civics Education.

I am proud to announce that the State of New Mexico will be represented by a class from Highland High School from Albuquerque at this prestigious national event. These outstanding students, through their knowledge of the U.S. Constitution, won their statewide competition and earned the chance to come to our Nation's Capital and compete at the national level.

While in Washington, the students will participate in a 3-day academic

competition that simulates a congressional hearing in which they ''testify'' before a panel of judges. Students demonstrate their knowledge and understanding of constitutional principles as they evaluate and defend positions on relevant historical and contemporary issues. Independent studies show that students in the We the People program display a greater political tolerance and commitment to the principles and values of the Constitution and Bill of Rights than do students using traditional textbooks and approaches. With many reports and surveys indicating the lack of civic knowledge and civic participation, I am pleased to support such a valuable program that is producing an enlightened and engaged citizenry.

The names of these outstanding students from Highland High School are:

Aaron A, Adams, Allison J. Anglin, Richard S. Baca, Laura E. Baldwin, Kristy R. Calderon, Daniel Chavez, Danielle N. Easley, Heather L. Goldberg, Gabriel J. Hogan, Peyton K. Holloway, Martha A. Muna, Denise H. Ortiz, Milagro Padilla, Catherine U. Pham, Long Pham, Mark Ridder, Evan D. Root, Whitney A. Sousa, and Ruby R. Watkins.

I also wish to commend the teachers of the class, Bob Coffey and Steve Seth, who are responsible for preparing these young contestants for the national finals. Also worthy of special recognition is Dora Marroquin, the State coordinator, and Patricia Carpeneter, the district coordinator, who are among those responsible for implementing the We the People program in my State.

I wish these students much success as they prepare to compete at the We the People national finals and applaud their great achievement.●

IN MEMORY OF LEO T. McCARTHY

● Mrs. BOXER. Mr. President, today I ask my colleagues to honor the memory of one of California's great lawmakers and dedicated public servants, former California Lieutenant Governor and State Assembly Speaker Leo T. McCarthy. Leo passed away in San Francisco on February 5, 2007 at the age of 76. He leaves behind a legacy of commitment to California.

Leo was born in Auckland, New Zealand in 1930. When he was 3, his family moved to San Francisco's Mission District. Leo served in the Korean war, in the intelligence unit of the Strategic Air Command. He studied history at the University of San Francisco, USF, before entering USF law school. Leo began his political career through work on various political campaigns during law school.

Leo was first elected to the San Francisco Board of Supervisors in 1963, when at the age of 33, he became the youngest supervisor in San Francisco history. One of his enduring legacies is the creation of the San Francisco Human Rights Commission. He also protected San Francisco's precious open spaces. During this time, he was appointed by then Governor Edmund ''Pat'' Brown to the Commission on Aging, where he demonstrated his devotion to aging issues which continued throughout his career.

He was elected to the California State Assembly in 1968 and became the powerful Speaker of the Assembly in 1974. He helped bring more openness and efficiency to the legislature. He also promoted gay rights and coastal protection.

Leo served three terms as lieutenant governor from 1983–1995. As lieutenant Governor, he was active with the State Lands Commission and public education through the University of California. Lieutenant Governor McCarthy helped coordinate California's disaster relief efforts following the Loma Prieta earthquake. As a member of Congress, I was proud to work with Leo on this disaster relief effort. I am so pleased that our paths crossed many times over the years on so many important issues.

Leo retired from politics in 1994. He helped establish the Leo T. McCarthy Center for Public Service and the Common Good at USF in 2002. The Center ''seeks to inspire and equip students for lives and careers of ethical public service and serving others.'' The Center speaks volumes about Leo's lifelong commitment to open government and public service.

Leo McCarthy was a highly respected and beloved political leader in California. My heart goes out to Leo's family and friends. He will be missed by all who knew him. We take comfort in knowing that future generations will benefit from his spirit, his vision, and his leadership. He is survived by his wife Jackie; 4 children, Sharon, Conna, Adam and Niall; and his 11 grandchildren.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE PRESIDENT

The following message from the President of the United States was transmitted to the Senate by one of his secretaries:

REPORT RELATIVE TO THE EXPORT OF ITEMS TO THE PEOPLE'S REPUBLIC OF CHINA—PM 6

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the provisions of section 1512 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), I hereby certify that the export to the People's Republic of China of the following items is not detrimental to the U.S. space launch industry, and that the material and equipment, including any indirect technical benefit that could be derived from such exports, will not measurably improve the missile or space launch capabilities of the People's Republic of China:

Twenty Honeywell model QA 750 accelerometers to be incorporated into railway geometry measurement systems for China's Ministry of Railways.

Equipment and technology associated with the production and testing of composite components for Boeing commercial aircraft.

GEORGE W. BUSH.

THE WHITE HOUSE, *February 11, 2007.*

ECONOMIC REPORT OF THE PRESIDENT DATED FEBRUARY 2007 WITH THE ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS FOR 2007—PM 7

The PRESIDING OFFICER laid before the Senate the following message from the President the United States, together with an accompanying report; which was referred to the Joint Economic Committee:

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

Economic growth in the United States has been above the historic average and faster than any other major industrialized economy in the world. January was the 41st month of uninterrupted job growth produced by this economy, in an expansion that has thus far added more than 7.4, million new jobs. Unemployment is low, inflation is moderate, and real wages are rising. Our economy is on the move and we can keep it that way continuing to pursue sound economic policy based on free-market principles.

Sound economic policy begins with low taxes. We should work together to spend the taxpayers' money wisely and to tackle unfunded liabilities inherent in entitlement programs such as Social Security, Medicare, and Medicaid. I have laid out a detailed plan in my budget to restrain spending, cut earmarks in half by the end of this session, and balance the budget by 2012 without raising taxes. The tax relief of

the past few years has been a ingredient in growing our economy, and it should be made permanent.

Our growing economy is dynamic. The rise of new technologies, new competition, and new markets abroad is changing how we do business. We need to take action in four key areas to keep America's economy flexible and dynamic.

First, we must break down barriers to trade so our workers can sell more goods and services to the 95 percent of the world's customers who live outside of our borders. Global trade talks like the Doha Round at the World Trade Organization have the potential to level the playing field so we can compete on fair terms in foreign markets, while helping lift millions of people out of poverty around the world.

The only way we can complete the Doha Round and make headway on other trade agreements is to extend Trade Promotion Authority, which is set to expire on July 1st. This authority is essential to completing good trade agreements. The Congress must renew it if we are to improve our competitiveness in the global economy.

Second, we must work to make private health insurance more affordable and to give patients more choices and control over their health care. One of the most promising ways to do this is by reforming the tax code. We must end the unfair bias against individuals who buy insurance on their own. I propose creating a standard deduction for every American who buys health insurance, whether they get it through their jobs or on their own. In a changing economy, we need a health care system that is flexible and consumer-oriented. With this reform, more than 100 million Americans who are now covered by employer-provided insurance will benefit from lower tax bills. Those who now purchase health inurance on their own would save money on their taxes. Millions of others who now have no health insurance at all would find basic private coverage within their reach. My proposal also taps the innovation of States in making basic, affordable insurance available to all by creating Affordable Choices grants to help ensure the poor and the sick have access to private health insurance.

Third, we must continue to diversify our energy supply to benefit our economy, national security, and environment. In my State of the Union Message, I set an ambitious goal of reducing gasoline usage in the United States by 20 percent over the next 10 years. Meeting this goal will require significant changes in supply and demand, but we should let the market decide the best mix of technologies and fuels to most efficiently attain it. On the supply side, I propose a higher and reformed fuel standard that would include renewable and other alternative fuels. We should also allow environmentally friendly exploration of oil and natural gas. On the demand side, I propose enhancing Corporate Average Fuel Economy standards for cars and extending the current rule for light trucks, so that we can reduce the amount of gasoline that our passenger vehicles consume, and do so in a more efficient way.

Fourth, a strong and vibrant education system is vital to maintaining our Nation's competitive edge in the world and extending economic opportunity to every citizen here at home. Five years ago, we rose above partisan differences to enact the No Child Left Behind Act, preserving local control, raising standards, holding schools accountable for results, and providing more choice. This year, we must reauthorize and strengthen this good law preserving its core principles.

Strong productivity growth underlies much of the good economic news from the past few years and the policies discussed above. Productivity growth helps to increase our standards of living and improve our international competitiveness. To maintain this progress, we must pursue a variety progrowth policies, including those contained in the American Competitiveness Initiative and comprehensive immigration reform.

These and other issues are discussed in the 2007 Annual Report of the Council of Economic Advisers. The Council has prepared this Report to put into broader context the economic issues that underlie my Administration's policy decisions. I commend it to you.

GEORGE W. BUSH.

THE WHITE HOUSE, *February 2007*.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 2007, the Secretary of the Senate, on today, February 12, 2007, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House had passed the following bill, in which it requests the concurrence of the Senate:

H.R. 547. An act to facilitate the development of markets for biofuels and Ultra Low Sulfur Diesel fuel through research and development and data collection.

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

The PRESIDENT pro tempore (Mr. BYRD) announced that on February 8, 2007, he had signed the following enrolled bill, which was previously signed by the Speaker of the House:

H.R. 434. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through July 31, 2007, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–728. A communication from the Under Secretary of Defense (Personnel and Readiness), transmitting, a report on the approved retirement of Lieutenant General Thomas L. Baptiste, United States Air Force, and his advancement to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

EC–729. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Procedure on Rescission Request Procedures'' (Rev. Proc. 2007–21) received on February 6, 2007; to the Committee on Finance.

EC–730. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Weighted Average Interest Rate Update'' (Notice 2007–20) received on February 6, 2007; to the Committee on Finance.

EC–731. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Updated Mortality Tables for Determining Current Liability'' ((RIN1545–BE72)(TD 9310)) received on February 6, 2007; to the Committee on Finance.

EC–732. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Certain Transfers of Stock or Securities by U.S. Persons to Foreign Corporations'' ((RIN1545–BG10)(TD 9311)) received on February 6, 2007; to the Committee on Finance.

EC–733. A communication from the Chief of the Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Field Directive on Section 936 Exit Strategies'' (Secondary Audit Index Number LMSB–04–0107–002) received on February 6, 2007; to the Committee on Finance.

EC–734. A communication from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, a report relative to standards and requirements for royalty relief for marginal properties for oil and gas leases on the Outer Continental Shelf; to the Committee on Energy and Natural Resources.

EC–735. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plan for Designated Facilities and Pollutants; Florida: Emissions Guidelines for Small Municipal Waste Combustion Units'' (FRL No. 8276–7) received on February 7, 2007; to the Committee on Environment and Public Works.

EC–736. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; West Virginia; Amendments to the Minor New Source Review Program'' (FRL No. 8276–3) received on February 7, 2007; to the Committee on Environment and Public Works.

EC–737. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics and Innovation, Environmental Protection Agency, transmitting,

pursuant to law, the report of a rule entitled ''Outer Continental Shelf Air Regulations Consistency Update for Alaska'' (FRL No. 8249–2) received on February 7, 2007; to the Committee on Environment and Public Works.

EC–738. A communication from the Board Members, Railroad Retirement Board, transmitting, pursuant to law, a report relative to the justification of its budget estimates for fiscal year 2008; to the Committee on Health, Education, Labor, and Pensions.

EC–739. A communication from the Inspector General, Railroad Retirement Board, transmitting, pursuant to law, the Office's budget request for fiscal year 2008; to the Committee on Health, Education, Labor, and Pensions.

EC–740. A communication from the Director, Office of Personnel Management, transmitting, a report of proposed legislation relative to making corrections to the process for certification of Federal agencies' performance appraisal systems; to the Committee on Homeland Security and Governmental Affairs.

EC–741. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the Office's Annual Privacy Activity Report for 2006; to the Committee on Homeland Security and Governmental Affairs.

EC–742. A communication from the Director, Financial Management, Government Accountability Office, transmitting, pursuant to law, the annual report of the Comptrollers' General Retirement System for fiscal year 2006; to the Committee on Homeland Security and Governmental Affairs.

EC–743. A communication from the General Counsel, Department of Defense, transmitting a report of proposed legislation entitled ''National Defense Authorization Bill for Fiscal Year 2008''; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the Judiciary, with an amendment:

S. 214. A bill to amend chapter 35 of title 28, United States Code, to preserve the independence of United States attorneys.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. NELSON of Nebraska (for himself, Mr. BUNNING, Ms. STABENOW, Ms. SNOWE, Mr. KERRY, Ms. COLLINS, Mr. REED, Mrs. CLINTON, and Mr. MENENDEZ):

S. 543. A bill to improve Medicare beneficiary access by extending the 60 percent compliance threshold used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility under the Medicare program; to the Committee on Finance.

By Mr. ROBERTS (for himself, Mr. NELSON of Nebraska, and Mr. ISAKSON):

S. 544. A bill to amend the Internal Revenue Code of 1986 to provide a credit to certain agriculture-related businesses for the cost of protecting certain chemicals; to the Committee on Finance.

By Mr. LOTT:

S. 545. A bill to improve consumer access to passenger vehicle loss data held by insurers; to the Committee on Commerce, Science, and Transportation.

By Mr. CHAMBLISS (for himself and Mr. ISAKSON):

S. 546. A bill to amend title XXI of the Social Security Act to make available additional amounts to address funding shortfalls in the State Children's Health Insurance Program for fiscal year 2007; to the Committee on Finance.

By Mr. VOINOVICH (for himself, Mr. AKAKA, Mr. LEVIN, and Mrs. MCCASKILL):

S. 547. A bill to establish a Deputy Secretary of Homeland Security for Management, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. LEAHY (for himself, Mr. BENNETT, Ms. CANTWELL, Mr. CARDIN, Mr. COCHRAN, Mr. COLEMAN, Mr. CONRAD, Mr. DODD, Mr. DOMENICI, Mr. DURBIN, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. KERRY, Mr. LIEBERMAN, Mr. SANDERS, Mr. SCHUMER, and Mr. STEVENS):

S. 548. A bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor; to the Committee on Finance.

By Mr. KENNEDY (for himself, Ms. SNOWE, Mr. REED, and Mr. BROWN):

S. 549. A bill to amend the Federal Food, Drug, and Cosmetic Act to preserve the effectiveness of medically important antibiotics used in the treatment of human and animal diseases; to the Committee on Health, Education, Labor, and Pensions.

By Mr. AKAKA (for himself, Mr. VOINOVICH, and Mr. LIEBERMAN):

S. 550. A bill to preserve existing judgeships on the Superior Court of the District of Columbia; to the Committee on Homeland Security and Governmental Affairs.

By Mr. ROBERTS (for himself, Mr. NELSON of Nebraska, and Mr. ISAKSON):

S. 551. A bill to amend the Internal Revenue Code of 1986 to provide a credit to certain agriculture-related businesses for the cost of protecting certain chemicals; to the Committee on Finance.

By Ms. MURKOWSKI (for herself and Mr. STEVENS):

S. 552. A bill to provide for the tax treatment of income received in connection with the litigation concerning the Exxon Valdez oil spill and for other purposes; to the Committee on Finance.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 553. A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Eightmile River in the State of Connecticut as components of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DORGAN:

S. 554. A bill to reduce the Federal budget deficit, and for other purposes; to the Committee on Finance.

By Ms. SNOWE (for herself, Mr. BOND, and Mr. BINGAMAN):

S. 555. A bill to amend the Internal Revenue Code of 1986 to allow small businesses to set up simple cafeteria plans to provide nontaxable employee benefits to their employees, to make changes in the requirements for cafeteria plans, flexible spending accounts, and benefits provided under such plans or accounts, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. ENZI, Mr. DODD, and Mr. ALEXANDER):

S. 556. A bill to reauthorize the Head Start Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER (for himself, Mr. ROBERTS, Mr. NELSON of Florida, Mrs. DOLE, Ms. STABENOW, and Mr. KYL):

S. 557. A bill to amend the Internal Revenue Code of 1986 to make permanent the depreciation classification of motorsports entertainment complexes; to the Committee on Finance.

By Mr. DOMENICI (for himself, Mr. KENNEDY, Mr. ENZI, Mr. BROWN, Mr. SMITH, Mr. FEINGOLD, Mr. COLEMAN, Mr. LAUTENBERG, Mr. WARNER, Mrs. BOXER, Ms. MURKOWSKI, Mr. AKAKA, Mr. ROBERTS, Mr. CARDIN, Mr. HATCH, Ms. CANTWELL, Ms. COLLINS, Ms. STABENOW, Ms. SNOWE, Mr. BIDEN, Mr. GRAHAM, and Mr. NELSON of Nebraska):

S. 558. A bill to provide parity between health insurance coverage of mental health benefits and benefits for medical and surgical services; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. INHOFE (for himself and Mr. BROWNBACK):

S. Res. 77. A resolution expressing support for the Transitional Federal Government of the Somali Republic; to the Committee on Foreign Relations.

By Mrs. CLINTON (for herself, Mr. REID, Mr. KENNEDY, Mr. SCHUMER, Ms. MIKULSKI, Mr. CARDIN, Mr. LIEBERMAN, Mr. BROWN, Mr. KERRY, Mr. LUGAR, Mr. SANDERS, Mr. CRAPO, Mr. MENENDEZ, Ms. LANDRIEU, Ms. CANTWELL, Mr. LEVIN, Mr. WHITEHOUSE, Mr. DURBIN, Ms. STABENOW, Mrs. BOXER, Mr. BIDEN, Mr. WEBB, Mr. BYRD, Mr. ROCKEFELLER, Mr. STEVENS, Mr. WARNER, Mr. CASEY, and Mr. BAUCUS):

S. Con. Res. 10. A concurrent resolution honoring and praising the National Association for the Advancement of Colored People on the occasion of its 98th anniversary; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 21

At the request of Mr. REID, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 21, a bill to expand access to preventive health care services that help reduce unintended pregnancy, reduce abortions, and improve access to women's health care.

S. 52

At the request of Mr. ISAKSON, the name of the Senator from North Carolina (Mrs. DOLE) was added as a cosponsor of S. 52, a bill to amend the Tennessee Valley Authority Act of 1933 to increase the membership of the Board of Directors and require that each State in the service area of the Tennessee Valley Authority be represented by at least 1 member.

S. 98

At the request of Mr. KERRY, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor

of S. 98, a bill to foster the development of minority-owned small businesses.

S. 117

At the request of Mr. OBAMA, the names of the Senator from New York (Mr. SCHUMER), the Senator from Maryland (Ms. MIKULSKI), the Senator from Massachusetts (Mr. KERRY), the Senator from Delaware (Mr. BIDEN) and the Senator from Ohio (Mr. BROWN) were added as cosponsors of S. 117, a bill to amend titles 10 and 38, United States Code, to improve benefits and services for members of the Armed Forces, veterans of the Global War on Terrorism, and other veterans, to require reports on the effects of the Global War on Terrorism, and for other purposes.

S. 170

At the request of Mr. ENSIGN, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 170, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communications services.

S. 179

At the request of Mr. ENSIGN, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 179, a bill to amend title 10, United States Code, to establish the position of Deputy Secretary of Defense for Management, and for other purposes.

S. 206

At the request of Mrs. FEINSTEIN, the names of the Senator from Massachusetts (Mr. KERRY) and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 206, a bill to amend title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

S. 214

At the request of Mrs. FEINSTEIN, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from Washington (Ms. CANTWELL) were added as cosponsors of S. 214, a bill to amend chapter 35 of title 28, United States Code, to preserve the independence of United States attorneys.

S. 238

At the request of Mrs. FEINSTEIN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 238, a bill to amend title 18, United States Code, to limit the misuse of Social Security numbers, to establish criminal penalties for such misuse, and for other purposes.

S. 261

At the request of Ms. CANTWELL, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of S. 261, a bill to amend title 18, United States Code, to strengthen prohibitions against animal fighting, and for other purposes.

S. 270

At the request of Ms. SNOWE, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 270, a bill to permit startup partnerships and S corporations to elect taxable years other than required years.

S. 304

At the request of Mr. VOINOVICH, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 304, a bill to establish a commission to develop legislation designed to reform tax policy and entitlement benefit programs and to ensure a sound fiscal future for the United States, and for other purposes.

S. 326

At the request of Mrs. LINCOLN, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 326, a bill to amend the Internal Revenue Code of 1986 to provide a special period of limitation when uniformed services retirement pay is reduced as result of award of disability compensation.

S. 329

At the request of Mrs. LINCOLN, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 329, a bill to amend title XVIII of the Social Security Act to provide coverage for cardiac rehabilitation and pulmonary rehabilitation services.

S. 331

At the request of Mr. THUNE, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 331, a bill to provide grants from moneys collected from violations of the corporate average fuel economy program to be used to expand infrastructure necessary to increase the availability of alternative fuels.

S. 402

At the request of Mrs. LINCOLN, the names of the Senator from Oklahoma (Mr. COBURN) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 402, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for qualified timber gains.

S. 407

At the request of Mrs. HUTCHISON, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 407, a bill to amend the Intermodal Surface Transportation Efficiency Act of 1991 to designate a portion of Interstate Route 14 as a high priority corridor, and for other purposes.

S. 430

At the request of Mr. BOND, the name of the Senator from New Hampshire (Mr. SUNUNU) was added as a cosponsor of S. 430, a bill to amend title 10, United States Code, to enhance the national defense through empowerment of the Chief of the National Guard Bureau and the enhancement of the functions of the National Guard Bureau, and for other purposes.

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 430, supra.

At the request of Mr. LEAHY, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 430, supra.

S. 432

At the request of Mrs. LINCOLN, the name of the Senator from North Carolina (Mr. BURR) was added as a cosponsor of S. 432, a bill to amend title XVIII of the Social Security Act to provide coverage for kidney disease education services under the Medicare program, and for other purposes.

S. 450

At the request of Mr. ENSIGN, the names of the Senator from California (Mrs. BOXER) and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 450, a bill to amend title XVIII of the Social Security Act to repeal the medicare outpatient rehabilitation therapy caps.

S. 466

At the request of Mr. ROCKEFELLER, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 466, a bill to amend title XVIII of the Social Security Act to provide for coverage of an end-of-life planning consultation as part of an initial preventive physical examination under the Medicare program.

S. 494

At the request of Mr. LUGAR, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Ohio (Mr. VOINOVICH) were added as cosponsors of S. 494, a bill to endorse further enlargement of the North Atlantic Treaty Organization (NATO) and to facilitate the timely admission of new members to NATO, and for other purposes.

S. 496

At the request of Mr. VOINOVICH, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 496, a bill to reauthorize and improve the program authorized by the Appalachian Regional Development Act of 1965.

S. RES. 33

At the request of Mr. LUGAR, the names of the Senator from Georgia (Mr. ISAKSON) and the Senator from South Carolina (Mr. DEMINT) were added as cosponsors of S. Res. 33, a resolution expressing the sense of the Senate that the United States should expand its relationship with the Republic of Georgia by commencing negotiations to enter into a free trade agreement.

AMENDMENT NO. 242

At the request of Mr. BAUCUS, his name was withdrawn as a cosponsor of amendment No. 242 intended to be proposed to H.J. Res. 20, a joint resolution making further continuing appropriations for the fiscal year 2007, and for other purposes.

AMENDMENT NO. 246

At the request of Mr. MARTINEZ, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of amendment No. 246 intended to be proposed to H.J. Res. 20, a joint resolution making further continuing appropriations for the fiscal year 2007, and for other purposes.

AMENDMENT NO. 248

At the request of Mr. MARTINEZ, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of amendment No. 248 intended to be proposed to H.J. Res. 20, a joint resolution making further continuing appropriations for the fiscal year 2007, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON of Nebraska (for himself, Mr. BUNNING, Ms. STABENOW, Ms. SNOWE, Mr. KERRY, Ms. COLLINS, Mr. REED, Mrs. CLINTON, and Mr. MENENDEZ):

S. 543. A bill to improve Medicare beneficiary access by extending the 60 percent compliance threshold used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility under the Medicare program; to the Committee on Finance.

Mr. NELSON of Nebraska. Mr. President, today I am introducing the Preserving Patient Access to Inpatient Rehabilitation Hospitals Act of 2007 to make changes to a rule issued by the Centers for Medicare and Medicaid Services, CMS, which has restricted the ability of rehabilitation hospitals to provide critical care.

In my home State of Nebraska, Madonna Rehabilitation Hospital in Lincoln is a nationally recognized premier rehabilitation facility offering specialized programs and services for those who have suffered brain injuries, strokes, spinal cord injuries, and the latest care for cardiac, pulmonary, cancer, pain, and joint replacement patients. If the CMS rule is not updated, Madonna and other facilities will not be able to continue to offer critical care to patients eager to restore their past health and physical function.

When CMS first looked at whether facilities would qualify as inpatient rehabilitation facilities, IRFs, a list of criteria were created to determine eligibility. The narrow criteria, generally referred to as the ''75-percent rule,'' were first established in 1984, but were never strictly enforced and ultimately suspended in 2002 due to inconsistencies in accurately determining medical necessity.

Since establishing strict enforcement of the 75-percent rule in 2004, field data estimates that as many as 88,000 Medicare patients have been denied critical IRF services. The rule will, by CMS's own estimate, shift thousands of patients both Medicare and non-Medicare into alternative care settings which may be inappropriate and inadequate. Bipartisan Congressional efforts have repeatedly petitioned both the U.S. Department of Health and Human Services and CMS for cooperation in averting an escalation of the 75-percent threshold, which currently stands at 60 percent.

For cost-reporting periods beginning July 1, 2007, the compliance threshold is scheduled to jump to 65 percent, with full 75-percent implementation scheduled for July 2008. If legislative action is not taken, IRFs will be forced to turn away more and more patients in order to operate as rehabilitation hospitals or units. By freezing the compliance threshold at 60 percent and ending the inconsistent and unpredictable use of fiscal intermediaries' local coverage determinations, our efforts will ensure that patients across America will continue to have access to the rehabilitative care they need.

I am pleased a bipartisan group of Senate Finance Committee; Health, Education, Labor, and Pension Committee; and Special Committee on Aging members have joined me in supporting this legislation. In addition, the American Association of People with Disabilities, the American Academy of Physical Medicine and Rehabilitation, the American Hospital Association, the American Medical Rehabilitation Providers Association, the Federation of American Hospitals, and numerous other associations and advocacy groups have endorsed our bill. Just as I have heard from patients and medical providers who have experienced problems with the 75-percent Rule, my colleagues and the members of these associations have witnessed the devastating effect this rule is having on those who need this type of critical care.

I urge my colleagues to join Senators JIM BUNNING, DEBBIE STABENOW, OLYMPIA SNOWE, JOHN KERRY, SUSAN COLLINS, JACK REED, HILLARY CLINTON, ROBERT MENENDEZ and me in supporting this important bill. My colleagues and I are determined to resolve this lingering problem and return medical necessity decisions back into the hands of medical providers, while ensuring access to improved inpatient rehabilitation care. The Preserving Patient Access to Inpatient Rehabilitation Hospitals Act of 2007 is a top priority, and I look forward to its passage this year.

By Mr. VOINOVICH (for himself, Mr. AKAKA, Mr. LEVIN, and Mrs. MCCASKILL):

S. 547. A bill to establish a Deputy Secretary of Homeland Security for Management, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. VOINOVICH. Mr. President, I rise today to introduce legislation with my good friend and partner on the Oversight of Government Management Subcommittee, Senator AKAKA, to address the critical management challenges facing the Department of Homeland Security (DHS). I am pleased to have Senators LEVIN and MCCASKILL as original cosponsors of this measure.

The legislation would elevate the role and responsibilities of the current Under Secretary for Management of the Department to a Deputy Secretary of Homeland Security for Management. The language preserves the authority of the Secretary and Deputy Secretary of DHS as the first-and second-highest ranking Department officials, respectively. The individual appointed as the Deputy Secretary for Management would serve a five year term and be the third highest ranking official at the Department. A term would provide management continuity at the Department during times of leadership transition, such as following a presidential election.

The role and responsibilities of the Deputy Secretary for Management would include serving as the Chief Management Officer and principal advisor to the Secretary on the management of the Department. The Deputy Secretary for Management would also be responsible for strategic and annual performance planning, identification and tracking of performance measures, as well as the integration and transformation process in support of homeland security operations and programs.

The division of labor between the Deputy Secretary and the new Deputy Secretary for Management will be similar to the leadership structure at the Office of Management and Budget. The Deputy Secretary will continue to be the Secretary's first assistant on all policy matters, while the newly created Deputy Secretary for Management will be the Secretary's principal advisor on the development of sustained, long-term management strategies.

I offer this legislation today because of my belief that the existing Under Secretary position lacks sufficient authority to direct the type of sustained leadership and overarching management integration and transformation strategy that is needed department-wide.

There continue to be significant management challenges associated with integrating the Department of Homeland Security, whose creation represented the single largest restructuring of the Federal Government since the creation of the Department of Defense in 1947. In addition to its complex mission of securing the Nation from terrorism and natural hazards through protection, prevention, response, and recovery leadership of the Department of Homeland Security has the enormous task of unifying 180,000 employees from 22 disparate Federal agencies.

Since 2003, the Government Accountability Office (GAO) has included implementing and transforming the Department of Homeland Security on its high-risk list of programs susceptible to waste, fraud, abuse, and mismanagement. In announcing its 2007 high-risk list, Comptroller General Walker said that, ''The array of management and programmatic challenges continues to limit DHS's ability to carry out its roles under the National Homeland Security Strategy in an effective risk-based way.''

Similarly, in December 2005, the DHS Inspector General issued a report warning of major management challenges facing the Department of Homeland

Security. The report noted that although progress has been made since the Department's inception, ''Integrating its many separate components in a single, effective, efficient, and economical Department remains one of DHS' biggest challenges.''

The Department's own Performance and Accountability Report, released in November 2006, states that it did not meet its strategic goal of ''providing comprehensive leadership and management to improve the efficiency and effectiveness of the Department,'' further underscoring the need for good management.

The Homeland Security Advisory Council Culture Task Force Report, published in January 2007, detailed persisting organizational challenges within DHS, and prescribed leadership and management models designed to empower employees, foster collaboration, and encourage innovation. The third recommendation of the report is that the Department establish an operational leadership position. The report noted, ''Alignment and integration of the DHS component organizations is vital to the success of the DHS mission. The CTF believes there is a compelling need for the creation of a Deputy Secretary for Operations (DSO) who would report to the Secretary and be responsible for the high level Department-wide measures aimed at generating and sustaining seamless operational integration and alignment of the component organizations.''

The creation of the Deputy Secretary for Management will help address the concerns outlined by GAO, the DHS Inspector General, the Homeland Security Advisory Council, and the Department itself.

As former Chairman and now Ranking Member of the Oversight of Government Management Subcommittee, improving the management structure at the Department has been one of my top priorities. The Subcommittee's Chairman, Senator AKAKA, and I have been committed to ensuring that DHS has the proper tools to make continual improvements in its operations. It has become clear that the Department needs a stronger management focus to enable programmatic and operational success. Congress must act to strengthen the management function at DHS.

During my long career in public service, including as a Mayor and Governor, I have repeatedly observed that the path to organizational success lies in adopting best practices in management, including strategic planning, performance and accountability measures, and effectively leveraging human capital. When instituting reforms as Mayor and Governor, individuals tasked with implementation would tell me, ''We don't have time for Total Quality Management; we are too busy putting out fires.'' I appreciate that DHS is also busy putting out fires. But the connection between good management practices and operational success should not be lost.

With the four year anniversary of the Department only weeks away, we must be honest about the remaining management challenges it faces. The legislation I offer today provides the focused, high-level attention that will result in effective management reform. I believe this legislation is vital to the Department's success. I urge my colleagues to join me in supporting this legislation.

Mr. AKAKA. Mr. President, I am extremely pleased to join with my good friend, the senior Senator from Ohio, in reintroducing legislation today to establish a Deputy Secretary for Management who would be the chief management officer at the Department of Homeland Security (DHS). I am especially pleased that we are joined by two of our colleagues on the Homeland Security and Governmental Affairs Committee, Senator LEVIN, who is also the chairman of the Armed Services Committee, and Senator MCCASKILL.

The Department of Homeland Security continues to face serious challenges, some of which stem from integrating 22 separate entities with existing management problems into one agency. Such a broad, large-scale merger is why the Government Accountability Office (GAO) continues to place DHS on the GAO High-Risk List. Our bill would assign overall management responsibilities to one individual who would be accountable for leading and instituting change. A Deputy Secretary for Management would provide the leadership necessary to move forward and sustain these needed changes. This presidentially appointed and Senate-confirmed individual, who will have a term of office of five years, would serve as a bridge between political appointees and career employees. Changing agency culture is difficult and takes time. As Comptroller General David Walker notes, successful transformation initiatives in large private and public sector organizations can take at least five to seven years.

In addition to serving as chairman of Oversight of Government Management Subcommittee, I am also the chairman of the Armed Services Readiness and Management Support Subcommittee, and I have witnessed firsthand how the Department of Defense (DoD) continues to struggle with business modernization despite clear congressional directives to do so. We cannot afford to allow the Department of Homeland Security, which has an extremely complex and critical mission, to be affected by the same management problems facing DoD. Our bill is born out of our concern and frustration that DHS is not doing better. We believe elevating the Under Secretary for Management to the Deputy Secretary level will provide DHS the necessary tools needed to avoid making the same mistakes as DoD. Having a single focus for key management functions, such as human capital, financial management, information technology, acquisition management, and performance management are essential if DHS is to avoid the stovepipe style of management at DoD.

A Deputy Secretary for Management would bring needed attention to management issues and transformational change; would integrate various key operational and transformation efforts; and would institutionalize accountability for addressing management issues and leading change. Our bill enhances, not diminishes, the ability of the Secretary and Deputy Secretary of DHS to focus on policy decisions while leaving the management efforts to the Deputy Secretary for Management. It is good business practice to have one individual responsible for integrating strategic plans and overseeing change.

I would like to note that the Homeland Security Advisory Council, established to advise and make recommendations to the Secretary of the Department of Homeland Security, created a Culture Task Force (CTF) at the request of Secretary Chertoff in June 2006. The CTF issued its recommendations to the Secretary last month. The January 2007 Report of the Homeland Security Culture Task Force recommends establishing an operational leadership position, ''who would report to the Secretary and be responsible for the high level Department-wide measures aimed at generating and sustaining operational integration and alignment of the component organizations.''

Congress has a responsibility to ensure that agencies are instituting sound management practices that will empower agencies to spend taxpayer dollars more wisely while carrying out critical missions. A fully accountable chief management officer at DHS will make the difference by ensuring strong leadership over essential government programs.

By Mr. LEAHY (for himself, Mr. BENNETT, Ms. CANTWELL, Mr. CARDIN, Mr. COCHRAN, Mr. COLEMAN, Mr. CONRAD, Mr. DODD, Mr. DOMENICI, Mr. DURBIN, Mrs. FEINSTEIN, Mr. KENNEDY, Mr. KERRY, Mr. LIEBERMAN, Mr. SANDERS, Mr. SCHUMER, and Mr. STEVENS):

S. 548, A bill amend the Internal Revenue code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor, to the Committee on Finance.

Mr. LEAHY. Mr. President, today we reintroduce the ''Artist-Museum Partnership Act,'' and once again, I am pleased to be joined in this effort by Senator BENNETT. This bipartisan legislation would enable our country to keep cherished art works in the United States and to preserve them in our public institutions. At the same time, this legislation will erase an inequity in our tax code that currently serves as a disincentive for artists to donate their works to museums and libraries.

We have introduced this same bill in each of the past four Congresses. It was also included in the Senate-passed version of the 2001 tax reconciliation bill, the Senate-passed version of the 2003 Charity Aid, Recovery, and Empowerment (CARE) Act, and the Senate-passed version of the 2005 tax reconciliation bill. I would like to thank Senators CANTWELL, CARDIN, COCHRAN, COLEMAN, CONRAD, DODD, DOMENICI, DURBIN, FEINSTEIN, KENNEDY, KERRY, LIEBERMAN, SANDERS, SCHUMER, and STEVENS for cosponsoring this tri-partisan bill.

Our bill is sensible and straightforward. It would allow artists, writers, and composers to take a tax deduction equal to the fair market value of the works they donate to museums and libraries. This is something that collectors who make similar donations are already able to do. Under current law, artists who donate self-created works are only able to deduct the cost of supplies such as canvas, pen, paper and ink, which does not even come close to their true value. This is unfair to artists, and it hurts museums and libraries—large and small—that are dedicated to preserving works for posterity. If we as a Nation want to ensure that works of art created by living artists are available to the public in the future—for study and for pleasure—this is something that artists should be allowed to do.

In my State of Vermont, we are incredibly proud of the great works produced by hundreds of local artists who choose to live and work in the Green Mountain State. Displaying their creations in museums and libraries helps develop a sense of pride among Vermonters, and strengthens a bond with Vermont, its landscape, its beauty, and its cultural heritage. Anyone who has contemplated a painting in a museum or examined an original manuscript or composition, and has gained a greater understanding of both the artist and the subject as a result, knows the tremendous value of these works. I would like to see more of them, not fewer, preserved in Vermont and across the country.

Prior to 1969, artists and collectors alike were able to take a deduction equivalent to the fair market value of a work, but Congress changed the law with respect to artists in the Tax Reform Act of 1969. Since then, fewer and fewer artists have donated their works to museums and cultural institutions. For example, prior to the enactment of the 1969 law, Igor Stravinsky planned to donate his papers to the Music Division of the Library of Congress. But after the law passed, his papers were sold instead to a private foundation in Switzerland. We can no longer afford this massive loss to our cultural heritage. Losses to the public like this are an unintended consequence of the 1969 tax bill that should be corrected.

Congress changed the law for artists more than 30 years ago in response to the perception that some taxpayers were taking advantage of the law by inflating the market value of self-created works. Since that time, however, the government has cut down significantly on the abuse of fair market value determinations.

Under our legislation, artists who donate their own paintings, manuscripts, compositions, or scholarly compositions would be subject to the same new rules that all taxpayer/collectors who donate such works must now follow. This includes providing relevant information as to the value of the gift, providing appraisals by qualified appraisers, and, in some cases, subjecting them to review by the Internal Revenue Service's Art Advisory Panel.

In addition, donated works must be accepted by museums and libraries, which often have strict criteria in place for works they intend to display. The institution must certify that it intends to put the work to a use that is related to the institution's tax exempt status. For example, a painting contributed to an educational institution must be used by that organization for educational purposes and could not be sold by the institution for profit. Similarly, a work could not be donated to a hospital or other charitable institution that did not intend to use the work in a manner related to the function constituting the recipient's exemption under Section 501 of the tax code. Finally, the fair market value of the work could only be deducted from the portion of the artist's income that has come from the sale of similar works or related activities.

This bill would also correct another disparity in the tax treatment of self-created works—how the same work is treated before and after an artist's death. While living artists may only deduct the material costs of donations, donations of those same works after death are deductible from estate taxes at the fair market value of the work. In addition, when an artist dies, works that are part of his or her estate are taxed on the fair market value.

I want to thank my colleagues again for cosponsoring this bipartisan legislation. The time has come for us to correct an unintended consequence of the 1969 law and encourage rather than discourage the donations of art works by their creators. This bill will make a crucial difference in an artist's decision to donate his or her work, rather than sell it to a private party where it may become lost to the public forever.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Artist-Museum Partnership Act''.

SEC. 2. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

(a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

''(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

''(i) the amount of such contribution shall be the fair market value of the property contributed (determined at the time of such contribution), and

''(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

''(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright thereon (or both), but only if—

''(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 18 months prior to such contribution,

''(ii) the taxpayer—

''(I) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

''(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal,

''(iii) the donee is an organization described in subsection (b)(1)(A),

''(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under subsection (c)),

''(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

''(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

''(I) owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

''(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

''(C) MAXIMUM DOLLAR LIMITATION; NO CARRYOVER OF INCREASED DEDUCTION.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

''(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

''(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

''(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

''(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

''(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

''(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—Subparagraph (A) shall not apply to any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

''(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f)(3).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act in taxable years ending after such date.

By Mr. KENNEDY (for himself, Ms. SNOWE, Mr. REED, and Mr. BROWN):

S. 549. A bill to amend the Federal Food, Drug, and Cosmetic Act to preserve the effectiveness of medically important antibiotics used in the treatment of human and animal diseases; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, it is a privilege to join Senator SNOWE in introducing ''The Preservation of Antibiotics for Medical Treatment Act of 2007.'' I am also pleased that this year we are joined by Senator SHERROD BROWN, who championed this legislation so ably as a member of the House of Representatives.

Our goal in this important initiative is to take needed action to preserve the effectiveness of antibiotics in treating diseases. These drugs are truly modern medical miracles. During World War II, the newly developed ''wonder drug'' penicillin revolutionized care for our soldiers wounded in battle. Since then, such drugs have become indispensable in modern medicine, protecting all of us from deadly infections. They are even more valuable today, safeguarding the Nation from the threat of bioterrorism.

Unfortunately, in recent years, we have done too little to prevent the emergence of antibiotic-resistant strains of bacteria and other germs, and many of our most powerful drugs are no longer effective.

Partly, the resistance is the result of over-prescribing such drugs in routine medical care. Mounting evidence shows that indiscriminate use of such drugs in animal feed is also a major factor in the development of antibiotic resistant germs.

Obviously, if animals are sick, whether as pets or livestock, they should be treated with the best veterinary medications available. That is not the problem. The problem is the widespread use of antibiotics to promote growth and fatten healthy livestock. Such nontherapeutic use clearly undermines the effectiveness of these important drugs, because it leads to greater development of antibiotic-resistant bacteria that can make infections in humans difficult or impossible to treat.

In 1998—nine years ago—a report prepared at the request of the Department of Agriculture and the Food and Drug Administration by the National Academy of Sciences, concluded: ''There is a link between the use of antibiotics in food animals, the development of bacterial resistance to these drugs, and human disease.'' The World Health Organization has specifically recommended that antibiotics used to treat humans should not be used to promote animal growth, although they could still be used to treat sick animals.

In 2001, a Federal interagency task force on antibiotic resistance concluded that ''drug-resistant pathogens are a growing menace to all people, regardless of age, gender, or socio-economic background. If we do not act to address the problem . . . [d]rug choices for the treatment of common infections will become increasingly limited and expensive—and, in some cases, nonexistent.''

The Union of Concerned Scientists estimates that 70 percent of all U.S. antibiotics are used nontherapeutically in animal agriculture—8 times more than are used in all of human medicine. This indiscriminate use clearly reduces their potency.

Major medical associations have been increasingly concerned, and have taken strong stands against antibiotic use in animal agriculture. In June 2001, the American Medical Association adopted a resolution opposing nontherapeutic use of antibiotics in animals. Other professional medical organizations that have taken similar stands include the American College of Preventive Medicine, the American Public Health Association, and the Council of State and Territorial Epidemiologists. The legislation we are offering has been strongly endorsed by the American Public Health Association and numerous other groups and independent experts in the field.

Ending the current detrimental practice is feasible and cost-effective. Last month an economic study by researchers at Johns Hopkins University examined data from the poultry producer Perdue. In this study of 7 million chickens, the slight benefit from the nontherapeutic use of antibiotics was more than offset by the cost of purchasing antibiotics.

In fact, most of the developed countries in the world, except for the United States and Canada, already restrict the use of antibiotics to promote growth in raising livestock. In 1999, the European Union banned such use, and funds saved on drugs have been invested in improving hygiene and animal husbandry practices. Researchers in Denmark found a dramatic decline in the number of drug-resistant organisms in animals—and no significant increase in animal diseases or consumer prices.

These results have encouraged clinicians and researchers to call for a similar ban in the United States. The title of an editorial in the New England Journal of Medicine 6 years ago said it all: ''Antimicrobial Use in Animal Feed—Time to Stop.''

In the last Congress, over 350 organizations representing scientific and medical associations, consumer and environmental groups as well as animal rights and religious groups endorsed this legislation and called for an end to the reckless and irresponsible use of these critically important medicines.

The Nation is clearly at risk of an epidemic outbreak of food poisoning caused by drug-resistant bacteria or other germs. In recent years, many nations, including the United States, have been plagued by outbreaks of food-borne illnesses. Imagine the consequences of an outbreak caused by a strain of bacteria immune to any drugs we have. It is time to put public safety first and stop this promiscuous use of drugs essential for protecting human health.

The bill we are introducing will phase out the non-therapeutic use in livestock of medically important antibiotics, unless manufacturers can demonstrate that such use is no danger to public health. The Act applies this same strict standard to applications for approval of new animal antibiotics. Such use is not restricted if the animals are sick, or if they are pets or are animals not used for food. In addition, FDA is also given authority to restrict the use of important drugs to treat such animals, if risk to humans is in question.

According to the National Academy of Sciences, eliminating the use of antibiotics as feed additives in agriculture will cost each American consumer not more than five to ten dollars a year. The legislation recognizes, however, that economic costs to farmers in making the transition to antibiotic-free practices may be substantial. In such cases, the Act provides for Federal payments to defray the cost of shifting to antibiotic-free practices, with special preference for family farms.

Antibiotics are one of the great miracles of modem medicine. Yet today, we are destroying them faster than the pharmaceutical industry can replace them with new discoveries. If doctors lose these vital medications, the most vulnerable Americans will suffer the most—children, the elderly, persons with HIV/AIDS, and others who are most in danger of drug resistant infections. I urge my colleagues to support this clearly needed legislation to protect the health of all Americans from the reckless and unjustified use of antibiotics.

Ms. SNOWE. Mr. President, today we face concerns about infectious disease which few could have anticipated. Over a half century ago, following the development of modem antibiotics, Nobel Laureate Sir McFarland Burnet

summed up what many experts believed when he stated, ''One can think of the middle of the twentieth century as the end of one of the most important social revolutions in history, the virtual elimination of infectious diseases as a significant factor in social life.''

How things have changed! Today we face grave concern about pandemic influenza, and in fact every day many of the most serious health threats come from infectious diseases. When we consider the greatest killers—HIV, tuberculosis, malaria—it is clear that infectious diseases have not abated. At the same time we have seen an alarming trend as existing antibiotics are becoming less effective in treating infections. We know that resistance to drugs can be developed, and that the more we expose bacteria to antibiotics, the more resistance we will see. So it is critical to address preserving lifesaving antibiotic drugs for use in treating disease.

Today over nine out of ten Americans understand that resistance to antibiotics is a problem. Most Americans have learned that that colds and flu are caused by viruses, and recognize that treating a cold with an antibiotic is inappropriate. Our health care providers are more careful to discriminate when to use antibiotics, because they know that when a patient who has been inappropriately prescribed an antibiotic actually develops a bacterial infection, it is more likely to be resistant to treatment.

When we overuse antibiotics, we risk eliminating the very cures which scientists fought so hard to develop. The threat of bioterrorism amplifies the danger. I have supported increased NIH research funding, as well as Bioshield legislation, in order to promote development of essential drugs, both to address natural and man-made threats. It is so counterproductive to develop antimicrobial drugs and see their misuse render them ineffective.

Yet every day in America antibiotics continue to be used in huge quantities for no treatment purpose whatsoever. I am speaking of the non-therapeutic use of antibiotics in agriculture. Simply put, the practice of feeding antibiotics to healthy animals jeopardizes the effectiveness of these medicines in treating ill people and animals.

Recognizing the public health threat caused by antibiotic resistance, Congress in 2000 amended the Public Health Threats and Emergencies Act to curb antibiotic overuse in human medicine. Yet today, it is estimated that 70 percent of the antimicrobials used in the United States are fed to farm animals for non-therapeutic purposes including growth promotion, poor management practices and crowded, unsanitary conditions.

In March 2003, the National Academies of Sciences stated that a decrease in antimicrobial use in human medicine alone will not solve the problem of drug resistance.

Substantial efforts must be made to decrease inappropriate overuse of antibiotics in animals and agriculture.

Two years ago five major medical and environmental groups—the American Academy of Pediatrics, the American Public Health Association, Environmental Defense, the Food Animal Concerns Trust and the Union of Concerned Scientists—jointly filed a formal regulatory petition with the U.S. Food and Drug Administration urging the agency to withdraw approvals for seven classes of antibiotics which are used as agricultural feed additives. They pointed out what we have known for years—that antibiotics which are crucial to treating human disease should never be used except for their intended purpose—to treat disease.

In a study reported in the New England Journal of Medicine, researchers at the Centers for Disease Control and Prevention found 17 percent of drug-resistant staph infections had no apparent links to health-care settings. Nearly one in five of these resistant infections arose in the community—not in the health care setting. We must do more to address inappropriate antibiotic use in medicine, the use of these drugs in our environment cannot be ignored.

This is why I have joined with Senator KENNEDY in again introducing the ''Preservation of Antibiotics for Medical Treatment Act''. This bill phases out the nontherapeutic uses of critical medically important antibiotics in livestock and poultry production, unless their manufacturers can show that they pose no danger to public health.

Our legislation requires the Food and Drug Administration to withdraw the approval for nontherapeutic agricultural use of antibiotics in food-producing animals if the antibiotic is used for treating human disease, unless the application is proven harmless within two years. The same tough standard of safety will apply to new applications for approval of animal antibiotics.

This legislation places no unreasonable burden on producers. It does not restrict the use of antibiotics to treat sick animals, or for that matter to treat pets and other animals not used for food. The Act authorizes Federal payments to small family farms to defray their costs, and it also establishes research and demonstration programs that reduce the use of antibiotics in raising food-producing animals. The Act also requires data collection from manufacturers so that the types and amounts of antibiotics used in animals can be monitored.

As we are constantly reminded, the discovery and development of a new drug can require great time and expense. It is simply common sense that we preserve the use of the drugs which we already have, and use them appropriately. I call on my colleagues to support us in this effort.

By Mr. AKAKA (for himself, Mr. VOINOVICH, and Mr. LIEBERMAN):

S. 550. A bill to preserve existing judgeships on the Superior Court of the District of Columbia; to the Committee on Homeland Security and Governmental Affairs.

Mr. AKAKA. Mr. President, today I rise to introduce legislation that would preserve existing seats on the District of Columbia Superior Court. I am pleased that Senators VOINOVICH and LIEBERMAN are joining me in this effort.

As my colleagues know, the Superior Court is the trial court of general jurisdiction over local matters in the District of Columbia. When a vacancy on the court occurs, the District of Columbia Judicial Nominations Commission solicits applicants to fill the vacancy and sends three names to the President. The President then selects one candidate and sends the individual's nomination to the Senate for confirmation. Existing law caps the total number of judges on the Superior Court at 59.

However, the District of Columbia Family Court Act of 2001 created three new seats for the Family Court, which is a division of the Superior Court, but failed to increase the overall cap on the number of judges seated on the court. As a result, three existing seats in the other divisions of the court—including the criminal, civil, probate, and tax divisions—were effectively eliminated. Therefore, when vacancies in those divisions occur, new judges cannot be seated.

Ever since the Family Court Act became law, the Homeland Security and Governmental Affairs Committee and the Senate has been in the untenable position of delaying the confirmation of judicial nominees when the cap has been reached. The end result is that residents of DC will face delay of justice due to a lack of judicial personnel.

The bill we introduce today would address this problem by amending the DC Code to increase the cap on the number of associate judges on the Superior Court. Similar legislation introduced by my good friend Senator COLLINS in both the 108th and 109th Sessions of Congress was favorably reported by the Committee on Homeland Security and Governmental Affairs and passed by the Senate. I urge my colleagues to once again support this important legislation.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMPOSITION OF SUPERIOR COURT.

Section 903 of title 11 of the District of Columbia Code is amended by striking ''fifty-eight'' and inserting ''61''.

By Ms. MURKOWSKI (for herself and Mr. STEVENS):

S. 552. A bill to provide for the tax treatment of income received in connection with the litigation concerning the Exxon Valdez oil spill and for other purposes; to the Committee on Finance.

Ms. MURKOWSKI. Mr. President, I rise to introduce a bill that will help the commercial fishermen and others whose livelihoods were negatively impacted by the Exxon Valdez oil spill. I am pleased to have Mr. STEVENS join me in introducing this important legislation.

The Exxon Valdez ran aground on Bligh Reef on March 24, 1989, spilling 11 million gallons of oil into Prince William Sound in Alaska. A class action jury trial was held in Federal court in Anchorage, AK, in 1994. The plaintiffs included 32,000 fishermen among others whose livelihoods were gravely affected by this disaster. The jury awarded $5 billion in punitive damages to plaintiffs. The punitive damage award has been on repeated appeal by the Exxon Corporation since 1994. Many of the original plaintiffs, possibly more than 1,000 people, have already died.

Once the punitive damage award of the Exxon Valdez litigation is settled, many fishermen will receive payments to reimburse them for fishing income lost due to the environmental consequences of the Exxon Valdez oil spill. The eventual settlement could be as much as several billion dollars.

My bill gives the affected fishermen, as well as other plaintiffs in this case, a fair shake when it comes to contributions to retirement plans and averaging of income for tax purposes.

With respect to retirement plan contributions, my bill increases the caps on both deductions and income for traditional IRAs to the extent of the income a plaintiff receives from the settlement or judgment. Also, it allows the plaintiffs to make contributions to Roth IRAs and other retirement plans to the extent of the income received from the settlement or judgment.

Fishermen are currently allowed to average their income over three years due to the often inconsistent nature of the fishing business. The litigation stemming from the Exxon Valdez oil spill poses an even more unique situation since fishermen and other plaintiffs have been waiting to receive lost income—in the form of a settlement or judgment—since 1994. My bill allows plaintiffs to average their income for the period of time between December 31 of the year they receive the settlement or judgment payment and January 1, 1994—the year of the original jury award in Federal court.

It is imperative that we address this important issue to help those affected by the Exxon Valdez oil spill plan for their retirement.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 552

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Exxon Valdez Oil Spill Tax Treatment Act''.

SEC. 2. TAX TREATMENT OF INCOME RECEIVED IN CONNECTION WITH THE EXXON VALDEZ LITIGATION.

(a) INCOME AVERAGING OF AMOUNTS RECEIVED FROM THE EXXON VALDEZ LITIGATION.—

(1) IN GENERAL.—At the election of a qualified taxpayer who receives qualified settlement income during a taxable year, the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for such taxable year shall be equal to the sum of—

(A) the tax which would be imposed under such chapter if—

(i) no amount of elected qualified settlement income were included in gross income for such year, and

(ii) no deduction were allowed for such year for expenses (otherwise allowable as a deduction to the taxpayer for such year) attributable to such elected qualified settlement income, plus

(B) the increase in tax under such chapter which would result if taxable income for each of the years in the applicable period were increased by an amount equal to the applicable fraction of the elected qualified settlement income reduced by any expenses (otherwise allowable as a deduction to the taxpayer) attributable to such elected qualified settlement income.

Any adjustment under this section for any taxable year shall be taken into account in applying this section for any subsequent taxable year.

(2) COORDINATION WITH FARM INCOME AVERAGING.—If a qualified taxpayer makes an election with respect to any qualified settlement income under paragraph (1) for any taxable year, such taxpayer may not elect to treat such amount as elected farm income under section 1301 of the Internal Revenue Code of 1986.

(3) DEFINITIONS.—For purposes of this subsection—

(A) APPLICABLE PERIOD.—The term ''applicable period'' means the period beginning on January 1, 1994, and ending on December 31 of the year in which the elected qualified settlement income is received.

(B) APPLICABLE FRACTION.—The term ''applicable fraction'' means the fraction the numerator of which is one and the denominator of which is the number of years in the applicable period.

(C) ELECTED QUALIFIED SETTLEMENT INCOME.—The term ''elected qualified settlement income'' means so much of the taxable income for the taxable year which is—

(i) qualified settlement income, and

(ii) specified under the election under paragraph (1).

(b) CONTRIBUTIONS OF AMOUNTS RECEIVED TO RETIREMENT ACCOUNTS.—

(1) IN GENERAL.—Any qualified taxpayer who receives qualified settlement income during the taxable year may, at any time before the end of the taxable year in which such income was received, make one or more contributions to an eligible retirement plan of which such qualified taxpayer is a beneficiary in an aggregate amount not to exceed the amount of qualified settlement income received during such year.

(2) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of paragraph (1), a qualified taxpayer shall be deemed to have made a contribution to an eligible retirement plan on the last day of the taxable year in which such income is received if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

(3) TREATMENT OF CONTRIBUTIONS TO ELIGIBLE RETIREMENT PLANS.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income, then—

(A) except as provided in paragraph (4)—

(i) to the extent of such contribution, the qualified settlement income shall not be included in taxable income, and

(ii) for purposes of section 72 of such Code, such contribution shall not be considered to be investment in the contract, and

(B) the qualified taxpayer shall, to the extent of the amount of the contribution, be treated—

(i) as having received the qualified settlement income—

(I) in the case of a contribution to an individual retirement plan (as defined under section 7701(a)(37) of such Code), in a distribution described in section 408(d)(3) of such Code, and

(II) in the case of any other eligible retirement plan, in an eligible rollover distribution (as defined under section 402(f)(2) of such Code), and

(ii) as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) SPECIAL RULE FOR ROTH IRAS AND ROTH 401(k)S.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to paragraph (1) with respect to qualified settlement income to a Roth IRA (as defined under section 408A(b) of such Code) or as a designated Roth contribution to an applicable retirement plan (within the meaning of section 402A of such Code), then—

(A) the qualified settlement income shall be includible in taxable income, and

(B) for purposes of section 72 of such Code, such contribution shall be considered to be investment in the contract.

(5) ELIGIBLE RETIREMENT PLAN.—For purpose of this subsection, the term ''eligible retirement plan'' has the meaning given such term under section 402(c)(8)(B) of the Internal Revenue Code of 1986.

(c) QUALIFIED SETTLEMENT INCOME NOT INCLUDED IN SECA.—For purposes of chapter 2 of the Internal Revenue Code of 1986 and section 211 of the Social Security Act, no portion of qualified settlement income received by a qualified taxpayer shall be treated as self-employment income.

(d) QUALIFIED TAXPAYER.—For purposes of this section, the term ''qualified taxpayer'' means—

(1) any plaintiff in the civil action In re Exxon Valdez, No. 89–095–CV (HRH) (Consolidated) (D. Alaska); or

(2) any beneficiary of the estate of such a plaintiff who—

(A) acquired the right to receive qualified settlement income from that plaintiff; and

(B) was the spouse or an immediate relative of that plaintiff.

(e) QUALIFIED SETTLEMENT INCOME.—For purposes of this section, the term ''qualified settlement income'' means income received (whether as lump sums or periodic payments) in connection with the civil action In re Exxon Valdez, No. 89–095–CV (HRH) (Consolidated) (D. Alaska), including interest (whether pre- or post judgment and whether related to a settlement or judgment).

By Mr. DORGAN:

S. 554. A bill to reduce the Federal budget deficit, and for other purposes; to the Committee on Finance.

Mr. DORGAN. Mr. President, this Nation was founded on the principle that the future matters more than the past. It was the first Nation in the world so conceived. The Founders took great pains to ensure that each generation would get a fresh start, free of the encumbrances of the past. They abolished primogeniture, entail, and hereditary titles. Jefferson for one believed that every twenty years or so, the books of the Federal Government should be wiped clean, so that prior generations would not be able to fob their debts off upon later ones who would have no say in the matter.

Over the last half dozen years, we have done exactly what the Founders of this Nation did not intend. We have heaped debt upon debt on the backs of our children and theirs—the very people the Founders thought should be free of such debts. In just about every corner of government and policy, the story has been the same—let's have a party today, and let our kids and grandkids clean up the mess. We've done it with energy, the environment, and, perhaps most of all, we have done it with the Federal budget.

Just six years ago, we had our fiscal house in order. The government had $5.6 trillion in projected surpluses between 2002 and 2011. We were paying down the debt. But now it's changed. We racked up the second largest deficit in our history in 2003, our largest deficit ever in 2004, the third highest deficit in 2005 and the seventh largest deficit last year.

The administration can claim to be making progress only by leaving out of its budget plans the full cost of the ongoing war against terrorism, long term relief from the alternative minimum tax, using Social Security surplus revenues for unrelated spending and by generally setting expectations so low that even failure looks good by comparison. But the reality, of course, is unless the Nation's fiscal policies are dramatically changed, we are going to see large deficits for many years in the future. At the current rate the accumulated debt of this government will grow from $8.6 trillion today to over $12 trillion by 2012.

That projected debt is bigger than the economies of Japan, Germany, France, the United Kingdom and Canada combined. It's almost $39,000 for every man, woman and child in this country. Meanwhile, the Administration has provided big tax cuts for people who use them to buy third homes, pricey wines and three-hundred-dollar dungarees. This is Me-Generation economics. It is economics that says, ''Let others make the sacrifices while we have a bash.'' It is the total opposite of the economics envisioned by the founders of this country, who said that we should meet our own obligations, clean up our own messes and pay our own way, so that those who come after us can have a future that is clear and bright.

To this end, I rise today to introduce legislation called the Act For Our Kids that I hope will help spark a serious discussion in the U.S. Congress, and across our country, about putting the Federal Government's balance sheet back in order. This legislation provides for a package of Federal spending cuts and more revenue that would raise nearly $76 billion the first full year and some $205 billion over five years and every penny would be used to reduce the Federal deficit! It is a real first step in acting like we are serious about fixing our fiscal policies and paying our bills.

Last year on the Senate floor I spoke about an agenda that Congress could be pursuing that would benefit all Americans. Among other things, I said that two of our top priorities ought to be paying our bills and taking care of our kids. Regrettably, however, the administration and the majority in Congress at that time adopted a card credit mentality to fiscal policy that would make even the most aggressive credit card companies blush. If a part of the American dream is ensuring that one's kids and grandkids get at least the same opportunities that we had to climb the economic ladder to success, then the Federal Government's recent approach to fiscal policy has been a full-blown nightmare.

Unless we change the direction of our fiscal policy, the Federal Government will ''borrow'' trillions of dollars of Social Security surplus revenues over the next decade to pay for tax cuts and other spending. Social Security faces significant financial challenges as the baby boomers retire in the years ahead. Loading up the country with more debt and diverting needed revenues away from the Social Security program will only make the program's fiscal problems worse, not better.

The real question is how are we going to dig ourselves out of this fiscal quagmire? The solution offered by the White House and the Republicans in Congress was simple: They said let's run up our Federal credit card balances even more, while at the same time giving more large tax cuts to the richest Americans.

And if President Bush is successful in permanently extending the bulk of his previous tax cuts that mostly benefit the wealthiest Americans, as he proposed in his Fiscal Year 2008 budget submission just this week, another $2 trillion in revenues will be lost over the next decade.

Frankly, I am not aware of any instance in the history of this great country where those in charge of the Federal purse decided to cut revenues on such a large scale while in the midst of war. Today we ask our young men and women in uniform to sacrifice so much, yet the wealthiest among us are not asked to contribute even a portion of their tax cuts to what we are told every day is a noble cause.

In one of his famous fireside chats, President Franklin D. Roosevelt described our obligation as citizens to support our troops during times of war. He said:

> Not all of us can have the privilege of fighting our enemies in distant parts of the world. Not all of us can have the privilege of working in a munitions factory or a ship yard, or on the farms or in oil fields or mines, producing the weapons or the raw materials that are needed by our armed forces. But there is one front and one battle where everyone in the United States—every man, woman and child—is in action. . . . That front is right here at home, in our daily lives, in our daily tasks. Here at home everyone will have the privilege of making whatever self-denial is necessary, not only to supply our fighting men, but to keep the economic structure of our country fortified and secure during the war and after the war.

The sentiments of President Roosevelt's remarks are truly lost on an Administration that has borrowed every dollar it has used to pay for the war in Iraq and the global fight against terrorism.

I think the American public understands that one of our obligations as U.S. citizens is helping to defend this country in whatever way is best. But what we have been missing is leadership and at least some measure of fiscal discipline in paying our war debt and getting other parts of our fiscal house in order.

It is unfair to pile up this massive debt and heave it onto the shoulders of working families and their children. The Federal Government is expected to pay $3.3 trillion in interest payments on the debt alone during the 10-year period ending in 2017.

The legislation I am introducing today includes a number of proposals that, taken together, would reduce the Federal deficit by my estimate $205 billion over the next five years.

First and foremost, this bill requires Federal agencies to tighten their belts by cutting their administrative overhead expenses. Before we ask others to make sacrifices needed to reduce the Nation's debt load, Federal agencies must do their part.

My legislation includes other targeted cuts in Federal spending and will make changes to the tax code to ensure that the wealthiest Americans and most profitable multinational companies that do business in this country pay their fair share of taxes—revenues that are needed to defend this Nation and keep our economy strong and growing.

Among other things, the Act For Our Kids would do the following: Cut Federal agency administrative overhead by 5 percent for fiscal years 2008 through 2012 and save taxpayers an estimated $30 billion. This proposal would reduce ''nuts and bolts'' expenditures, including those relating to agency travel and transportation, advertising, office supplies, conferences and equipment. These savings must come from the bureaucracy, not programs. It is generally understood that administrative expenses do not include personnel compensation and benefits.

Eliminate $3.5 billion that remains in a giveaway fund in the Medicare drug plan. The 2003 Medicare drug bill included a $10 billion ''slush'' fund that the Secretary of the U.S. Department of Health and Human Services could tap to entice regional preferred provider organizations (PPOs) to participate in Medicare. This fund has been roundly criticized by policy experts as an inappropriate use of Federal resources. The Senate has previously supported eliminating this fund altogether and legislation enacted by Congress late last year used $6.5 billion of the $10 billion in the fund for the physician payment fix.

Make drug importation legal and safe. This will not only help consumers by reducing the cost they pay for prescription drugs, but will save the Federal Government and therefore taxpayers an estimated $1.6 billion in Federal health program costs in the five years after its enactment.

Stop providing Federal funding for TV Marti broadcasts into Cuba that are jammed and therefore are not watched by their intended recipients. This provision would save U.S. taxpayers an estimated $100 million in the next half decade.

Restore honesty and accountability in Federal contracting by, among other things, reinstating a Federal rule that would deny Federal contracts to companies with a pattern of overcharging the government or violating other Federal laws, including tax, labor and consumer protections. Other provisions in the bill would crack down on corporate cheaters and require full disclosure of contracting abuses. It requires real contract competition, bans corporate cronyism and takes other significant steps to ensure that Federal contractors. large or small, are not gouging American taxpayers. Based on information derived from similar experiences in the past, and more recently, one could easily expect these reforms would save the Federal Government some $6 billion over a five-year period.

Abolish the U.S. Court of Federal Claims. The docket of the Court of Federal Claims includes a hodgepodge of cases, including patent cases, claims involving Indian property, vaccine injury cases, claims arising from the interment of Japanese Americans, and cases arising under the Fifth Amendment's takings clause. The light caseload of this court could be handled more efficiently by Federal district courts. This elimination of the Claims Court would result in additional taxpayer savings of tens of millions of dollars over five years.

Impose a temporary 2 percent emergency tariff on all imports for two years to help correct our country's $800-billion-plus trade deficit. Article XII of the GATT, which has been incorporated into the World Trade Organization, specifically allows member countries to impose tariffs to correct a balance of payment crisis. Temporary emergency tariffs over two years would help address this crisis, while raising an estimated $66 billion for deficit reduction.

Prevent tax avoidance for U.S. multinational companies that move profits to offshore tax havens by generally treating their controlled ''paper or shell'' subsidiaries set up in foreign tax-haven countries as domestic companies for U.S. tax purposes. This proposal would save taxpayers another $5.8 billion over five years.

Repeal the perverse Federal tax subsidy called tax deferral for U.S. companies that shut down manufacturing plants in the U.S. and move jobs abroad, only to ship their now foreign-made products back into our country. Killing this ill-advised tax break for runaway manufacturing plants would help level the financial playing field for domestic manufacturers while saving taxpayers some $4.2 billion over a five-year period.

Clarify and enhance the application of the economic substance doctrine that courts apply to deny tax benefits from business tax shelter transactions that do not result in a meaningful change to the taxpayer's economic position other than a reduction in their Federal income tax. This proposal would save taxpayers an estimated $5.8 billion over the next five years.

Rescind on a prospective basis a portion of the major tax cuts passed by Congress since 2001 for individuals who are earning more than $1 million annually. Providing some $90 billion in additional large tax cuts over the next five years for millionaires when the Nation is still accruing massive debt and paying ongoing war costs is irresponsible in my judgment.

Disallow the tax deduction for punitive damages that are paid or incurred by taxpayers as a result of a judgment or in settlement of a claim. Allowing a tax deduction for punitive damages undermines the use of punitive damages to discourage and penalize the activities or actions for which punitive damages are imposed. Making this change would save taxpayers about $130 million over a 5-year period.

Lift the U.S. ban on travel to Cuba by U.S. citizens. Repealing this obsolete and ineffective restriction on travel to Cuba would raise an estimated $1 billion in U.S. tax revenues over five years from increased U.S. business activity.

Extend permanently the Federal Communications Commission's (FCC's) authority to auction licenses to those using the radio spectrum. This FCC authority was recently extended by Congress through 2011. A permanent extension of this authority would raise $1 billion between 2012 to 2016, about $200 million annually starting in 2012.

The provisions I have highlighted above and others in the bill would help reduce the Federal debt by what I roughly calculate is $205 billion over the next half decade. I understand that this package does not fully cover our outstanding debt obligations. But I think it is a reasonable and balanced package of spending cuts and revenue enhancements that offer a first installment that will help us begin a thoughtful process of curbing our addiction to deficit spending and hopefully head us once again toward truly a balanced budget not counting Social Security surplus revenue that should be set aside for future beneficiaries, and not used for unrelated spending.

Garrison Keillor once said, ''Nothing you do for children is ever wasted. They seem not to notice us, hovering, averting our eyes, and they seldom offer thanks, but what we do for them is never wasted.'' I believe that one of the greatest gifts we can give for our kids is a future without a mountain of debt from under which they may never dig out. To make this happen, however, we need to set aside our differences and come together, Republicans and Democrats, conservatives and liberals alike, and begin to confront our recent obsession with debt financing. When we decide to do so, our Nation will be better for it, and so will the future of our children.

By Ms. SNOWE (for herself, Mr. BOND, and Mr. BINGAMAN):

S. 555. A bill to amend the Internal Revenue Code of 1986 to allow small businesses to set up simple cafeteria plans to provide nontaxable employee benefits to their employees, to make changes in the requirements for cafeteria plans, flexible spending accounts, and benefits provided under such plans or accounts, and for other purposes; to the Committee on Finance.

Ms. SNOWE. Mr. President, I rise today to introduce the ''SIMPLE Cafeteria Plan Act of 2007,'' which will increase the access to quality, affordable health care for millions of small business owners and their employees. I am pleased that my good friend Senator BOND from Missouri, as well as my good friend from New Mexico, Senator BINGAMAN, have agreed to co-sponsor this critical piece of legislation.

Regrettably, our Nation's healthcare system is in the midst of a crisis. Each year, more and more Americans are unable to purchase health insurance, and there are no signs that things are improving. As evidence, the United States Census Bureau estimates that nearly 47 million people did not have health insurance coverage in 2005. Sadly, this number rose from 41.2 million uninsured persons in 2001—a 13 percent increase.

The lack of health insurance is even more troubling when we look specifically at the small business sector of our economy. In 2005, according to the Employee Benefit Research Institute, a non-partisan health policy group, nearly 63 percent of all uninsured workers were either self-employed or working for private-sector firms with fewer than 100 employees. In comparison, only 13.4 percent of workers in firms with more than 1,000 employees do not have health insurance. These numbers

demonstrate that the majority of uninsured Americans work for small enterprises.

So why are our Nation's small businesses, which are our country's job creators and the true engine of our economic growth, so disadvantaged when it comes to purchasing health insurance?

The main reason that small business owners do not offer their employees health insurance is because many of them cannot afford to provide any health insurance, or other benefits to their employees. Many other small companies can only afford to pay a portion of their employees' health insurance premiums. As a result, many small business employees must acquire health insurance from the private sector rather than through their work place. This more expensive alternative is not practical or possible for the majority of the uninsured.

Clearly, we have a problem on our hands. While we can debate among ourselves why this crisis exists, and how we ended up here, what is not open for debate is that we need to start identifying ways to fix the system. It is simply unconscionable to do nothing while more and more Americans find themselves without health insurance and health care.

Currently, many large companies, and even the Federal Government, allow their employees to purchase health insurance, and other qualified benefits, with tax-free dollars. Larger companies are able to offer these accounts because they meet the specific qualifications outlined in the tax code.

Cafeteria plans is one means for employers to offer health benefits with pretax dollars. As the name suggests, cafeteria plans are programs where employees can purchase a range of qualified benefits. Specifically, cafeteria plans offer employees great flexibility in selecting their desired benefits while allowing them to disregard those benefits that do not fit their particular needs. Moreover, the employees are usually purchasing benefits at a lower cost because their employers are often able to obtain a reduced group rate price for their benefits.

Typically, in cafeteria plans, a combination of employer contributions and employee contributions are used to fund the accounts that employees used to buy specific benefits. Under current law, qualified benefits include health insurance, dependent-care reimbursement, life and disability insurance. Unfortunately, long term care insurance is NOT currently a qualified benefit available for purchase in cafeteria plans. I will come back to long term care insurance in a moment.

Clearly, cafeteria plans play a critical role in our Nation's health care system. The problem though, is that in order for companies to qualify for cafeteria plans they must satisfy the tax code's strict non-discrimination rules. These rules exist to ensure that companies offer the same benefits to their non-highly compensated employees that they offer to their highly compensated employees. These rules strive to ensure that non-highly compensated employees in fact receive a substantial portion of the employee benefits companies provide.

Now, I want to be clear. I believe that these non-discrimination rules serve a legitimate purpose and are necessary employee protections. Indeed, we need to ensure that employers are not able to game the tax system so that the cafeteria plans that qualify for preferential tax treatment are used by a majority of a companies' employees. At the same time these benefits must be made available to small companies and not just large companies.

Unfortunately, we often hear that small businesses lose skilled employees to larger companies simply because the bigger firm is able to offer a more generous employee benefit package. Many small firms have relatively few employees and a high proportion of owners or highly compensated individuals. Right now, if these small companies opened cafeteria plans they will likely violate the nondiscrimination rules, and subject their workers and organizations to taxable penalties.

Consequently, many small companies simply forgo opening cafeteria plans and offering more comprehensive employee benefits because they fear they will violate the non-discrimination rules. According to the Employers' Council on Flexible Compensation, though roughly 38 million U.S. workers had access to cafeteria plans, only 19 percent of those workers were employees of small businesses.

Allowing small business to offer cafeteria plans would provide them with much needed employee recruiting and retention tools. If more small business owners are able to offer their employees the chance to enjoy a variety of employee benefits these firms will be more likely to attract, recruit, and retain talented workers. This will ultimately increase their business output.

In order to help small companies increase their employees access to health insurance and other benefits, and help them compete for talented professionals, I am introducing the SIMPLE Cafeteria Plan Act. This bill will enable small business employees to purchase health insurance with tax-free dollars in the same way that many employees of large companies already do in their cafeteria plans. My bill accomplishes this by creating a SIMPLE Cafeteria Plan, which is modeled after the Savings Incentive Match Plan for Employees, SIMPLE, pension plan.

As with the SIMPLE pension plan, a small business employer that is willing to make a minimum contribution for all employees, or who is willing to match contributions, will be permitted to waive the non-discrimination rules that currently prevent them from otherwise offering these benefits. This structure has worked extraordinarily well in the pension area with little risk of abuse. I am confident that it will be just as successful when it comes to broad-based benefits offered through cafeteria plans.

In addition my bill will expand the types of qualified benefits that can be offered in SIMPLE cafeteria plans and existing cafeteria plans. These modifications will increase the benefits provided for all employees and the likelihood that employees will utilize their cafeteria plans to purchase these benefits.

This legislation modifies rules that pertain to employer-provided dependent-care assistance plans. First, it would increase the current $5,000 annual contribution limitation of these plans to $10,000 for employees that claim two or more dependents on their tax return. This increase is significant because it will allow taxpayers to use their cafeteria accounts to pay for the care of their children and their elderly dependent family members. As the current baby-boomer generation continues to age, this scenario will become increasingly more common.

The bill also works to address our aging populations' need for long-term care insurance. Here in the United States, nearly half of all seniors age 65 or older will need long-term care at some point in their life. Unfortunately, most seniors have not adequately prepared for this possibility, just as many working age individuals have not given much thought to their eventual long-term care needs. With the cost of a private room in a nursing home averaging more than $72,000 annually, many Americans risk losing their life savings—and jeopardizing their children's inheritance—by failing to properly plan for the long-term care services they will need as they grow older.

To address this problem, this bill would allow employees to purchase long-term care insurance coverage through their cafeteria plans and flexible spending arrangements. Allowing employers to offer long-term care benefits through these accounts would make long-term care insurance more affordable and help Americans prepare for their future long-term care needs.

Additionally, by including long-term care insurance as a qualified benefit available for purchase in cafeteria plans employers will be able to include information about long-term care options in their employee benefit packages. This will help increase employee understanding of the need to plan for their care while also increasing their access to long-term care insurance.

Small businesses are the backbone of the American economy. According to the Small Business Administration, small businesses represent 99 percent of all employers, pay more than 45 percent of the private-sector's payroll, and generated 60 to 80 percent of net new jobs annually over the last decade. It is critical that small businesses are able to offer their employees cafeteria plans so that they may purchase the health care and other benefits that will provide security for their families.

The ''SIMPLE Cafeteria Plan Act of 2007'' achieves these objectives, in a manner that employers and employees can afford. Although the use of pre-tax dollars to acquire these benefits reduces current Federal revenues, the opportunity to provide small business employees these same benefits currently enjoyed by the employees of the Federal Government, and larger companies, more than justifies this minimal investment. Therefore, I urge my colleagues to join me in supporting this important legislation as we work with you to enact this bill into law.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''SIMPLE Cafeteria Plan Act of 2007''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. ESTABLISHMENT OF SIMPLE CAFETERIA PLANS FOR SMALL BUSINESSES.

(a) IN GENERAL.—Section 125 (relating to cafeteria plans) is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

''(h) SIMPLE CAFETERIA PLANS FOR SMALL BUSINESSES.—

''(1) IN GENERAL.—An eligible employer maintaining a simple cafeteria plan with respect to which the requirements of this subsection are met for any year shall be treated as meeting any applicable nondiscrimination requirement with respect to benefits provided under the plan during such year.

''(2) SIMPLE CAFETERIA PLAN.—For purposes of this subsection, the term 'simple cafeteria plan' means a cafeteria plan—

''(A) which is established and maintained by an eligible employer, and

''(B) with respect to which the contribution requirements of paragraph (3), and the eligibility and participation requirements of paragraph (4), are met.

''(3) CONTRIBUTIONS REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph are met if, under the plan—

''(i) the employer makes matching contributions on behalf of each employee who is eligible to participate in the plan and who is not a highly compensated or key employee in an amount equal to the elective plan contributions of the employee to the plan to the extent the employee's elective plan contributions do not exceed 3 percent of the employee's compensation, or

''(ii) the employer is required, without regard to whether an employee makes any elective plan contribution, to make a contribution to the plan on behalf of each employee who is not a highly compensated or key employee and who is eligible to participate in the plan in an amount equal to at least 2 percent of the employee's compensation.

''(B) MATCHING CONTRIBUTIONS ON BEHALF OF HIGHLY COMPENSATED AND KEY EMPLOYEES.—The requirements of subparagraph (A)(i) shall not be treated as met if, under the plan, the rate of matching contribution with respect to any elective plan contribution of a highly compensated or key employee at any rate of contribution is greater than that with respect to an employee who is not a highly compensated or key employee.

''(C) SPECIAL RULES.—

''(i) TIME FOR MAKING CONTRIBUTIONS.—An employer shall not be treated as failing to meet the requirements of this paragraph with respect to any elective plan contributions of any compensation, or employer contributions required under this paragraph with respect to any compensation, if such contributions are made no later than the 15th day of the month following the last day of the calendar quarter which includes the date of payment of the compensation.

''(ii) FORM OF CONTRIBUTIONS.—Employer contributions required under this paragraph may be made either to the plan to provide benefits offered under the plan or to any person as payment for providing benefits offered under the plan.

''(iii) ADDITIONAL CONTRIBUTIONS.—Subject to subparagraph (B), nothing in this paragraph shall be treated as prohibiting an employer from making contributions to the plan in addition to contributions required under subparagraph (A).

''(D) DEFINITIONS.—For purposes of this paragraph—

''(i) ELECTIVE PLAN CONTRIBUTION.—The term 'elective plan contribution' means any amount which is contributed at the election of the employee and which is not includible in gross income by reason of this section.

''(ii) HIGHLY COMPENSATED EMPLOYEE.—The term 'highly compensated employee' has the meaning given such term by section 414(q).

''(iii) KEY EMPLOYEE.—The term 'key employee' has the meaning given such term by section 416(i).

''(4) MINIMUM ELIGIBILITY AND PARTICIPATION REQUIREMENTS.—

''(A) IN GENERAL.—The requirements of this paragraph shall be treated as met with respect to any year if, under the plan—

''(i) all employees who had at least 1,000 hours of service for the preceding plan year are eligible to participate, and

''(ii) each employee eligible to participate in the plan may, subject to terms and conditions applicable to all participants, elect any benefit available under the plan.

''(B) CERTAIN EMPLOYEES MAY BE EXCLUDED.—For purposes of subparagraph (A)(i), an employer may elect to exclude under the plan employees—

''(i) who have less than 1 year of service with the employer as of any day during the plan year,

''(ii) who have not attained the age of 21 before the close of a plan year,

''(iii) who are covered under an agreement which the Secretary of Labor finds to be a collective bargaining agreement if there is evidence that the benefits covered under the cafeteria plan were the subject of good faith bargaining between employee representatives and the employer, or

''(iv) who are described in section 410(b)(3)(C) (relating to nonresident aliens working outside the United States).

A plan may provide a shorter period of service or younger age for purposes of clause (i) or (ii).

''(5) ELIGIBLE EMPLOYER.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible employer' means, with respect to any year, any employer if such employer employed an average of 100 or fewer employees on business days during either of the 2 preceding years. For purposes of this subparagraph, a year may only be taken into account if the employer was in existence throughout the year.

''(B) EMPLOYERS NOT IN EXISTENCE DURING PRECEDING YEAR.—If an employer was not in existence throughout the preceding year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current year.

''(C) GROWING EMPLOYERS RETAIN TREATMENT AS SMALL EMPLOYER.—If—

''(i) an employer was an eligible employer for any year (a 'qualified year'), and

''(ii) such employer establishes a simple cafeteria plan for its employees for such year, then, notwithstanding the fact the employer fails to meet the requirements of subparagraph (A) for any subsequent year, such employer shall be treated as an eligible employer for such subsequent year with respect to employees (whether or not employees during a qualified year) of any trade or business which was covered by the plan during any qualified year. This subparagraph shall cease to apply if the employer employs an average of 200 more employees on business days during any year preceding any such subsequent year.

''(D) SPECIAL RULES.—

''(i) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

''(ii) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person.

''(6) APPLICABLE NONDISCRIMINATION REQUIREMENT.—For purposes of this subsection, the term 'applicable nondiscrimination requirement' means any requirement under subsection (b) of this section, section 79(d), section 105(h), or paragraph (2), (3), (4), or (8) of section 129(d).

''(7) COMPENSATION.—The term 'compensation' has the meaning given such term by section 414(s).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2006.

SEC. 3. MODIFICATIONS OF RULES APPLICABLE TO CAFETERIA PLANS.

(a) APPLICATION TO SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Section 125(d) (defining cafeteria plan) is amended by adding at the end the following new paragraph:

''(3) EMPLOYEE TO INCLUDE SELF-EMPLOYED.—

''(A) IN GENERAL.—The term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

''(B) LIMITATION.—The amount which may be excluded under subsection (a) with respect to a participant in a cafeteria plan by reason of being an employee under subparagraph (A) shall not exceed the employee's earned income (within the meaning of section 401(c)) derived from the trade or business with respect to which the cafeteria plan is established.''.

(2) APPLICATION TO BENEFITS WHICH MAY BE PROVIDED UNDER CAFETERIA PLAN.—

(A) GROUP-TERM LIFE INSURANCE.—Section 79 (relating to group-term life insurance provided to employees) is amended by adding at the end the following new subsection:

''(f) EMPLOYEE INCLUDES SELF-EMPLOYED.—

''(1) IN GENERAL.—For purposes of this section, the term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

''(2) LIMITATION.—The amount which may be excluded under the exceptions contained

in subsection (a) or (b) with respect to an individual treated as an employee by reason of paragraph (1) shall not exceed the employee's earned income (within the meaning of section 401(c)) derived from the trade or business with respect to which the individual is so treated.''.

(B) ACCIDENT AND HEALTH PLANS.—Section 105(g) is amended to read as follows:

''(g) EMPLOYEE INCLUDES SELF-EMPLOYED.—

''(1) IN GENERAL.—For purposes of this section, the term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

''(2) LIMITATION.—The amount which may be excluded under this section by reason of subsection (b) or (c) with respect to an individual treated as an employee by reason of paragraph (1) shall not exceed the employee's earned income (within the meaning of section 401(c)) derived from the trade or business with respect to which the accident or health insurance was established.''.

(C) CONTRIBUTIONS BY EMPLOYERS TO ACCIDENT AND HEALTH PLANS.—

(i) IN GENERAL.—Section 106, as amended by subsection (b), is amended by adding after subsection (b) the following new subsection:

''(c) EMPLOYER TO INCLUDE SELF-EMPLOYED.—

''(1) IN GENERAL.—For purposes of this section, the term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

''(2) LIMITATION.—The amount which may be excluded under subsection (a) with respect to an individual treated as an employee by reason of paragraph (1) shall not exceed the employee's earned income (within the meaning of section 401(c)) derived from the trade or business with respect to which the accident or health insurance was established.''.

(ii) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) is amended to read as follows: ''Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.''.

(b) LONG-TERM CARE INSURANCE PERMITTED TO BE OFFERED UNDER CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.—

(1) CAFETERIA PLANS.—The last sentence of section 125(f) (defining qualified benefits) is amended to read as follows: ''Such term shall include the payment of premiums for any qualified long-term care insurance contract (as defined in section 7702B) to the extent the amount of such payment does not exceed the eligible long-term care premiums (as defined in section 213(d)(10)) for such contract.''.

(2) FLEXIBLE SPENDING ARRANGEMENTS.—Section 106 (relating to contributions by employer to accident and health plans) is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 4. MODIFICATION OF RULES APPLICABLE TO FLEXIBLE SPENDING ARRANGEMENTS.

(a) MODIFICATION OF RULES.—

(1) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986, as amended by section 2, is amended by redesignating subsections (i) and (j) as subsections (j) and (k), respectively, and by inserting after subsection (h) the following new subsection:

''(i) SPECIAL RULES APPLICABLE TO FLEXIBLE SPENDING ARRANGEMENTS.—

''(1) IN GENERAL.—For purposes of this title, a plan or other arrangement shall not fail to be treated as a flexible spending or similar arrangement solely because under the plan or arrangement—

''(A) the amount of the reimbursement for covered expenses at any time may not exceed the balance in the participant's account for the covered expenses as of such time,

''(B) except as provided in paragraph (4)(A)(ii), a participant may elect at any time specified by the plan or arrangement to make or modify any election regarding the covered benefits, or the level of covered benefits, of the participant under the plan, and

''(C) a participant is permitted access to any unused balance in the participant's accounts under such plan or arrangement in the manner provided under paragraph (2) or (3).

''(2) CARRYOVERS AND ROLLOVERS OF UNUSED BENEFITS IN HEALTH AND DEPENDENT CARE ARRANGEMENTS.—

''(A) IN GENERAL.—A plan or arrangement may permit a participant in a health flexible spending arrangement or dependent care flexible spending arrangement to elect—

''(i) to carry forward any aggregate unused balances in the participant's accounts under such arrangement as of the close of any year to the succeeding year, or

''(ii) to have such balance transferred to a plan described in subparagraph (E)

Such carryforward or transfer shall be treated as having occurred within 30 days of the close of the year.

''(B) DOLLAR LIMIT ON CARRYFORWARDS.—

''(i) IN GENERAL.—The amount which a participant may elect to carry forward under subparagraph (A)(i) from any year shall not exceed $500. For purposes of this paragraph, all plans and arrangements maintained by an employer or any related person shall be treated as 1 plan.

''(ii) COST-OF-LIVING ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2007, the $500 amount under clause (i) shall be increased by an amount equal to—

''(I) $500, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting '2006' for '1992' in subparagraph (B) thereof

If any dollar amount as increased under this clause is not a multiple of $100, such amount shall be rounded to the next lowest multiple of $100.

''(C) EXCLUSION FROM GROSS INCOME.—No amount shall be required to be included in gross income under this chapter by reason of any carryforward or transfer under this paragraph.

''(D) COORDINATION WITH LIMITS.—

''(i) CARRYFORWARDS.—The maximum amount which may be contributed to a health flexible spending arrangement or dependent care flexible spending arrangement for any year to which an unused amount is carried under this paragraph shall be reduced by such amount.

''(ii) ROLLOVERS.—Any amount transferred under subparagraph (A)(ii) shall be treated as an eligible rollover under section 219, 223(f)(5), 401(k), 403(b), or 457, whichever is applicable, except that—

''(I) the amount of the contributions which a participant may make to the plan under any such section for the taxable year including the transfer shall be reduced by the amount transferred, and

''(II) in the case of a transfer to a plan described in clause (ii) or (iii) of subparagraph (E), the transferred amounts shall be treated as elective deferrals for such taxable year.

''(E) PLANS.—A plan is described in this subparagraph if it is—

''(i) an individual retirement plan,

''(ii) a qualified cash or deferred arrangement described in section 401(k),

''(iii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iv) an eligible deferred compensation plan described in section 457, or

''(v) a health savings account described in section 223.

''(3) DISTRIBUTION UPON TERMINATION.—

''(A) IN GENERAL.—A plan or arrangement may permit a participant (or any designated heir of the participant) to receive a cash payment equal to the aggregate unused account balances in the plan or arrangement as of the date the individual is separated (including by death or disability) from employment with the employer maintaining the plan or arrangement.

''(B) INCLUSION IN INCOME.—Any payment under subparagraph (A) shall be includible in gross income for the taxable year in which such payment is distributed to the employee.

''(4) TERMS RELATING TO FLEXIBLE SPENDING ARRANGEMENTS.—

''(A) FLEXIBLE SPENDING ARRANGEMENTS.—

''(i) IN GENERAL.—For purposes of this subsection, a flexible spending arrangement is a benefit program which provides employees with coverage under which specified incurred expenses may be reimbursed (subject to reimbursement maximums and other reasonable conditions).

''(ii) ELECTIONS REQUIRED.—A plan or arrangement shall not be treated as a flexible spending arrangement unless a participant may at least 4 times during any year make or modify any election regarding covered benefits or the level of covered benefits.

''(B) HEALTH AND DEPENDENT CARE ARRANGEMENTS.—The terms 'health flexible spending arrangement' and 'dependent care flexible spending arrangement' means any flexible spending arrangement (or portion thereof) which provides payments for expenses incurred for medical care (as defined in section 213(d)) or dependent care (within the meaning of section 129), respectively.''.

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 125 of the Internal Revenue Code of 1986 is amended by inserting ''**AND FLEXIBLE SPENDING ARRANGEMENTS**'' after ''**PLANS**''.

(B) The item relating to section 125 of such Code in the table of sections for part III of subchapter B of chapter 1 is amended by inserting ''and flexible spending arrangements'' after ''plans''.

(b) TECHNICAL AMENDMENTS.—

(1) Section 106 is amended by striking subsection (e) (relating to FSA and HRA Terminations to Fund HSAs).

(2) Section 223(c)(1)(A)(iii)(II) is amended to read as follows:

''(II) the individual is transferring the entire balance of such arrangement as of the end of the plan year to a health savings account pursuant to section 125(i)(2)(A)(ii), in accordance with rules prescribed by the Secretary.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 5. RULES RELATING TO EMPLOYER-PROVIDED HEALTH AND DEPENDENT CARE BENEFITS.

(a) HEALTH BENEFITS.—Section 106, as amended by section 4(b), is amended by adding at the end the following new subsection:

''(e) LIMITATION ON CONTRIBUTIONS TO HEALTH FLEXIBLE SPENDING ARRANGEMENTS.—

''(1) IN GENERAL.—Gross income of an employee for any taxable year shall include employer-provided coverage provided through 1 or more health flexible spending arrangements (within the meaning of section 125(i))

to the extent that the amount otherwise excludable under subsection (a) with regard to such coverage exceeds the applicable dollar limit for the taxable year.

''(2) APPLICABLE DOLLAR LIMIT.—For purposes of this subsection—

''(A) IN GENERAL.—The applicable dollar limit for any taxable year is an amount equal to the sum of—

''(i) $7,500, plus

''(ii) if the arrangement provides coverage for 1 or more individuals in addition to the employee, an amount equal to one-third of the amount in effect under clause (i) (after adjustment under subparagraph (B)).

''(B) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning in any calendar year after 2007, the $7,500 amount under subparagraph (A) shall be increased by an amount equal to—

''(i) $7,500, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting '2006' for '1992' in subparagraph (B) thereof.

If any dollar amount as increased under this subparagraph is not a multiple of $100, such dollar amount shall be rounded to the next lowest multiple of $100.''.

(b) DEPENDENT CARE.—

(1) EXCLUSION LIMIT.—

(A) IN GENERAL.—Section 129(a)(2) (relating to limitation on exclusion) is amended—

(i) by striking ''$5,000'' and inserting ''the applicable dollar limit'', and

(ii) by striking ''$2,500'' and inserting ''one-half of such limit''.

(B) APPLICABLE DOLLAR LIMIT.—Section 129(a) is amended by adding at the end the following new paragraph:

''(3) APPLICABLE DOLLAR LIMIT.—For purposes of this subsection—

''(A) IN GENERAL.—The applicable dollar limit is $5,000 ($10,000 if dependent care assistance is provided under the program to 2 or more qualifying individuals of the employee).

''(B) COST-OF-LIVING ADJUSTMENTS.—

''(i) $5,000 AMOUNT.—In the case of taxable years beginning after 2007, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) $5,000, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting '2006' for '1992' in subparagraph (B) thereof.

If any dollar amount as increased under this clause is not a multiple of $100, such dollar amount shall be rounded to the next lowest multiple of $100.

''(ii) $10,000 AMOUNT.—The $10,000 amount under subparagraph (A) for taxable years beginning after 2005 shall be increased to an amount equal to twice the amount the $5,000 amount is increased to under clause (i).''.

(2) AVERAGE BENEFITS TEST.—

(A) IN GENERAL.—Section 129(d)(8)(A) (relating to benefits) is amended—

(i) by striking ''55 percent'' and inserting ''60 percent'', and

(ii) by striking ''highly compensated employees'' the second place it appears and inserting ''employees receiving benefits''.

(B) SALARY REDUCTION AGREEMENTS.—Section 129(d)(8)(B) (relating to salary reduction agreements) is amended—

(i) by striking ''$25,000'' and inserting ''$30,000'', and

(ii) by adding at the end the following: ''In the case of years beginning after 2007, the $30,000 amount in the first sentence shall be adjusted at the same time, and in the same manner, as the applicable dollar amount is adjusted under subsection (a)(3)(B).''.

(3) PRINCIPAL SHAREHOLDERS OR OWNERS.—Section 129(d)(4) (relating to principal shareholders and owners) is amended by adding at the end the following: ''In the case of any failure to meet the requirements of this paragraph for any year, amounts shall only be required by reason of the failure to be included in gross income of the shareholders or owners who are members of the class described in the preceding sentence.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

By Mr. KENNEDY (for himself, Mr. ENZI, Mr. DODD, and Mr. ALEXANDER):

S. 556. A bill to reauthorize the Head Start Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, it is a privilege to join Senators ENZI, DODD, and ALEXANDER in introducing the Head Start for School Readiness Act. Our goal is to reauthorize Head Start and continue our bipartisan support for this very successful program to prepare low-income children for school.

For over forty years, Head Start has given disadvantaged children the assistance they need to arrive at school ready to learn. It's comprehensive services guarantee balanced meals for children, and a well-defined curriculum to see that children develop early skills in reading, writing, and math, and positive social skills as well. It provides visits to doctors and dentists, and outreach to parents to encourage them to participate actively in their child's early development.

It is clear that Head Start works. A federal evaluation found that Head Start children make gains during the program itself, and the gains continue when the children enter kindergarten. Once Head Start children complete their kindergarten year, they are near the national average of 100 in key areas, with scores of 93 in vocabulary, 96 in early writing, and 92 in early math.

We've made tremendous, bipartisan progress this year in our effort to reauthorize Head Start and build upon a program that serves as a lifeline for the neediest families and children across the Nation.

In this legislation, we build on Head Start's proven track record and expand it to include thousands of low-income children who are not yet served by the program. We provide for better coordination of Head Start with state programs for low-income children. We strengthen Head Start's focus on school readiness and early literacy. We enhance the educational goals for Head Start teachers. And we provide greater accountability for the program, including new policies to ensure improved monitoring visits and new policies to address programs with serious deficiencies.

To strengthen Head Start, we have to begin by providing more resources for it. The need for Head Start is greater than ever. Child poverty is on the rise again. Today, less than 50 percent of children eligible for Head Start participate in the program. Hundreds of thousands of three- and four-year-olds are left out because of the inadequate funding level of the program. Early Head Start serves only 3 percent of eligible infants and toddlers. It is shameful that 97 percent of the children eligible for Early Head Start have no access to it. It's long past time for Congress to expand access to Head Start to serve as many infants, toddlers, and preschool children as possible.

The bill that we introduce today will set a goal to expand Head Start over the next several years. We call for increases in funding, from $6.9 billion in the current fiscal year, to $7.3 billion in FY 2008, $7.5 billion in FY 2009, and $7.9 billion in 2010. These funding levels are critical to advance the essential reforms in this legislation, and to serve thousands of additional children in the Head Start program.

Early Head Start is an especially important program for needy infants and toddlers. Research clearly shows its benefit to infants and toddlers and their families. Early Head Start children have larger vocabularies, lower levels of aggressive behavior, and higher levels of sustained attention than children not enrolled in the program. Parents are more likely to play with their children and read to them.

This bill will double the size of Early Head Start over the course of this authorization, and deliver services to over 56,000 additional children over the course of this authorization.

Our bill establishes a Head Start Collaboration Office in every state to maximize services to Head Start children, align Head Start with kindergarten classrooms, and strengthen its local partnerships with other agencies. These offices will work hand in hand with the Head Start network of training and technical assistance to support Head Start grantees in better meeting the goals of preparing children for school.

States will also have an active role in coordinating their system of early childhood programs, and increasing the quality of those programs. Our bill designates an Early Care and Education Council in each State to conduct an inventory of children's needs, develop plans for data collection and for supporting early childhood educators, review and upgrade early learning standards, and make recommendations on technical assistance and training. For those States ready to move forward and implement their statewide plan, our bill will offer a one-time incentive grant to implement these important efforts.

Over the past four decades, Head Start has built up quality and performance standards to guarantee a full range of services, so that children are educated in the basics about letters and numbers and books, and are also healthy, well-fed, and supported in stable and nurturing relationships. Head Start is a model program, and we can enhance its quality even more.

One way to do that is to strengthen Head Start's current literacy initiative. We know the key to later reading success is to get young children excited about letters and books and numbers. Our bill emphasizes language and literacy, by enhancing the literacy training required of Head Start teachers, by continuing to promote parent literacy, and by working to put more books into Head Start classrooms and into children's homes.

We also make a commitment in this bill to upgrade all of the educational components of Head Start, and ensure that services are aligned with expectations for children's kindergarten year and continue to be driven by the effective Head Start Child Outcomes Framework.

At the heart of Head Start's success are its teachers and staff. They are caring, committed persons who know the children they serve and are dedicated to improving their lives. They help children learn to identify letters of the alphabet and arrange the pieces of puzzles. They teach them to brush their teeth, wash their hands, make friends and follow rules. Yet their salary is still half the salary of kindergarten teachers, and turnover is high—11 percent a year.

Because a teacher's quality is directly related to a child's outcome, our bill establishes a goal to ensue that every Head Start teacher have their A.A. degree and 50 percent earn their B.A. degree over the course of this authorization. Head Start teachers and staff are the greatest resource to children and families in the program, and we must match these ambitious reforms and improvements with the funding needed to see that Head Start programs can meet these goals.

We have also granted additional flexibility in this bill for Head Start programs to serve families and children that need services at the local level. We've lifted the eligibility requirements so that families living below 130 percent of the federal poverty rate can qualify and participate in Head Start. Often, these are the neighbors of Head Start children with similar needs, but currently remain barred from participating in the program.

Under this bill, Head Start programs will be empowered with greater authority to determine the needs of families in their local communities and define services to meet those needs. If programs determine that there is a greater share infants and toddlers in need of services, our bill allows them to apply to the Secretary to convert and expand Head Start to serve those youngest children, consistent with Early Head Start standards. If programs identify a need to provide full-day or full-year care for children and families, they can take steps to do so.

Accountability is a cornerstone of excellence in education and should start early. Head Start should be accountable for its promise to provide safe and healthy learning environments, to support each child's individual pattern of development and learning, to cement community partnerships in services for children, and to involve parents in their child's growth.

Head Start reviews are already among the most extensive in the field. Every 3 years, a federal and local team spends a week thoroughly examining every aspect of every Head Start program. They check everything from batteries in flashlights to how parents feel about the program. Our bill takes a further step to improve the monitoring of Head Start programs, ensures that programs receive useful and timely feedback and information, and strengthens annual reviews and plans for improvement.

Our bill also takes an important step to suspend the Head Start National Reporting System. Four years ago, I insisted that instead of rushing forward with a national assessment for every four- and five-year-old in Head Start, this Administration should instead move more deliberately to develop and implement an assessment tool that would help guide and improve Head Start programs. Unfortunately, they rejected that call and proceeded with an assessment—absent sufficient authorization or oversight from Congress—that was later proven by a GAO study to be flawed and inconsistent with professional standards for testing and measurement.

Any assessment used in Head Start must be held to the highest standard. It must be valid and reliable, fair to children from all backgrounds, balanced in what it measures, and address the development of the whole child. Our bill calls on the National Academy of Sciences to continue their work in surveying assessments and outcomes appropriate for early childhood programs, and to make recommendations to the Secretary and to Congress on the use of assessments and outcomes in Head Start programs. I hope the National Academy's work will be helpful as we consider future improvements in the Head Start program.

Finally, this bill appropriately rejects earlier calls to block grant Head Start services, preserving the community-based structure of the program. It makes no sense to turn Head Start into a block grant to the states. To do so would have dismantled the program and undermined Head Start's guarantees that children can see doctors and dentists, eat nutritious meals, and learn early academic and social skills. The current Federal-to-local structure of Head Start enables it to tailor its services to meet local community needs. Performance standards guarantee a high level of quality across all programs. Yet each program is unique and specifically adapted to the local community. Head Start is successful in serving Inuit children in Alaska, migrant-workers' children in Tennessee, and inner-city children in Boston. It is essential to maintain the ability of local Head Start programs to tailor their services to meet the needs of local neighborhoods and their children.

The Head Start for School Readiness Act we are introducing today will keep Head Start on its successful path, and enable this vital program to continue to thrive and improve. I urge our colleagues on both sides of the aisle to join us in advancing and strengthening this program, and give children the head start they need and deserve to prepare for school and for life.

Mr. ENZI. Mr. President, I rise to join my colleagues in introducing the Head Start for School Readiness Act.

Head Start programs are critical to ensuring that all children, regardless of their background, enter school ready to learn and succeed. I want to thank Senator KENNEDY and his staff for his ongoing commitment to our bipartisan approach, which has resulted in a bill that meets the needs of children and families who participate in the Head Start program throughout our Nation. I would also like to thank our colleagues Senators ALEXANDER and DODD and their staff for their fine work as well.

This legislation would reauthorize the Head Start program and help ensure that children in this important program will be better prepared to enter school with the skills to succeed. Success in life depends a great deal on the preparation for that success, which comes early in life. It is well documented in early childhood education research that students who are not reading well by the third grade will struggle with reading most of their lives. Head Start provides early education for over 900,000 children each year, most of whom would not have the opportunity to attend preschool programs elsewhere. It is because of these 900,000 children we have all worked so hard to improve and strengthen this Act.

I am particularly pleased with the accountability provisions we put forth in this legislation. The legislation we introduce today limits the timeframe for Head Start grantees to appeal decisions made by the Secretary to terminate grants. In some instances, Head Start grantees have been found to be operating programs that are unsafe or misusing Federal funds—and are often continuing those bad practices for months, as long as 600 days in some cases—during the termination process. This equates to children not receiving quality services, and instead of being prepared for success, they fall further behind.

Additional steps have been taken in this legislation to increase the quality of the Head Start program including providing the Secretary the authority to terminate a grantee that has multiple and recurring deficiencies that has not made significant and substantial progress toward correcting those deficiencies.

We recognize that a vast majority of the Head Start agencies provide high quality, comprehensive services for

children in the Head Start programs. However, the provisions in this bill will create an important incentive for programs to operate at their best, and in the best interest of the children they serve.

Senator DODD has provided valuable leadership as we worked to develop a clear policy on the roles and responsibilities of the governing body and policy councils. We have worked together to clarify and strengthen the roles of the governing body and policy councils. After careful review, the Committee found that many of the important fiscal and legal responsibilities of Head Start grantees were not explicitly assigned. The bill clarifies those responsibilities leading to more consistent, high quality fiscal and legal management, which will ensure these programs are serving children in the best possible way.

I want to particularly note emphasis we have placed on the role of parents in Head Start programs. It is vital to remember that this program provides services to children and their families. Parents provide valuable insight and experience as to what a Head Start program should do for children.

Senators ALEXANDER, KENNEDY, and DODD have worked tirelessly on this legislation and championed increasing coordination, collaboration, and excellence in early childhood education and care programs. I wish to thank my colleagues on the Committee, particularly Senators KENNEDY, ALEXANDER, and DODD, for their work in drafting this bipartisan legislation to reauthorize the Head Start Act. I believe the legislation we are introducing today will improve the quality and effectiveness of the Head Start program for generations of children to come. It is my hope that our bipartisan efforts will continue to produce results as we move the bill through the Senate and into Conference.

Mr. DODD. Mr. President, I rise today to join my colleagues, Senator KENNEDY, Senator ENZI, and Senator ALEXANDER in introducing the Head Start for School Readiness Act. I am pleased that we are beginning the process of reauthorizing this important legislation early in the 110th Congress.

Since 1965, Head Start has provided comprehensive early childhood development services to low-income children. The evidence is clear: Head Start works for the more than 900,000 children enrolled in centers throughout the country. As we reauthorize this bill, we have the opportunity to refine and improve the program to make it work even better.

This reauthorization bill maintains the important characteristics of Head Start that have made it such an important program, aiding in the social, emotional, physical and cognitive development of low-income preschool children. The program is successful because each center addresses the needs of the local community. It is more than just a school readiness program; it addresses the comprehensive needs of children and their families by providing health and other services to the enrolled children. Families play the most important role in ensuring the success of their children, and our bill maintains an integral role for parents in the decision-making and day to day operations of the program. Parent involvement is a centerpiece of Head Start and I believe this bill strengthens that component.

This reauthorization bill expands eligibility, improves accountability by clarifying program governance, strengthens school readiness for children and enhances teacher quality. In addition, collaboration and coordination with other early childhood development programs and outreach to underserved populations is greatly improved.

The bill we're introducing enables more low-income children to get a head start by allowing programs to serve families with incomes up to 130 percent of the poverty level, while ensuring that the most vulnerable families below the poverty level are served first. This is important for Connecticut and other States where the cost of living is especially high and many working poor families aren't able to access services because they earn just above the poverty level. In addition, the bill expands access to services for infants and toddlers in Early Head Start by increasing the set-aside from 10 percent to 20 percent over the next 5 years. Programs are also provided more discretion to serve eligible individuals based on the needs of the each community.

Although we do not go as far as I would personally like to see in funding for Head Start, we do authorize additional resources in this bill. Despite the tight budget situation, we authorize an increase of six percent from $6.9 billion to $7.35 billion in Fiscal Year 2008, to $7.65 billion in Fiscal Year 2009 and to $7.995 billion in Fiscal Year 2009. I continue to be gravely concerned about the lack of resources for Head Start—funding levels have been essentially flat since 2002. Currently, only half of eligible children are served in Head Start and fewer than 5 percent are served in Early Head Start.

Across the country, Head Start providers are reporting rising costs in transportation, some more than 15 percent due to fuel prices. Other budget concerns include higher unemployment and health care premiums, facilities maintenance and training for staff. Rising operating costs are coinciding with State, local and private funding partners cutting back their contributions to local Head Start programs. This terrible budget crunch has caused providers to make deep cuts in already tight budgets, as they try desperately to not remove children from their enrollments. I understand the challenges facing the Federal budget and look forward to continuing to work with my colleagues on the budget and appropriations committees to increase vital resources for Head Start.

Research shows that child outcomes are directly related to the quality of the teachers and professionals who work with them on a daily basis. I am pleased that we establish goals in this Head Start bill for improving educational standards for Head Start teachers, curriculum specialists and teacher assistants. Understanding that dedicated Head Start teachers and staff work hard for relatively low wages, there will not be penalties associated with programs not meeting the goal we have established. I would hope that we could offer funding to help teachers meet these goals, but that is not possible at this juncture. I will continue to work toward increased funding to assist teachers in pursuing additional educational goals.

When Head Start began more than 40 years ago, it was the only preschool program available for low-income children; now there are many approaches. Collaboration and coordination with other early childhood programs is also an essential piece of this Head Start bill, reducing duplication and encouraging opportunities for shared information and resources.

I look forward to working with my colleagues as we move this bill through the Senate.

By Mr. SCHUMER (for himself, Mr. ROBERTS, Mr. NELSON of Florida, Mrs. DOLE, Ms. STABENOW, and Mr. KYL):

S. 557. A bill to amend the Internal Revenue Code of 1986 to make permanent the depreciation classification of motorsports entertainment complexes; to the Committee on Finance.

Mr. SCHUMER. Mr. President, I rise today to introduce ''The Motorsports Fairness and Permanency Act.'' This bill extends the current tax treatment for speedways and race tracks around the country. Just over two years ago, Congress codified the seven-year depreciation classification for motorsports facilities. However, this provision of the tax code expires at the end of 2007. The bill I am introducing today would make the seven-year classification permanent, providing much needed clarity and certainty for facility owners who are planning capital investments.

There are over fifty motorsports facilities in every part of New York State: from Long Island Motorsports Park to Poughkeepsie Speedway to Utica-Rome Speedway to Wyoming County International Speedway. These tracks provide entertainment for thousands of fans and are important engines of local and regional economic development.

The highest profile facility in New York State is Watkins Glen International. This storied road course has played an important role in open wheel and stock car racing since it opened in 1956. The Glen has hosted NASCAR racing since 1986, and this year's schedule will include the Grand-Am Rolex Sports Car Series, the IndyCar Series and the NASCAR Nextel Cup. With

these high profile events drawing thousands of out-of-state racing fans to Schuyler County it is no surprise that the Glen's economic impact has been estimated at over $200 million a year.

Watkins Glen is also a prime example of the need for continual capital reinvestment at motorsports facilities. Since 2005, the Glen has added new grandstands and spectator suites and upgraded and repaved the track. Planning multi-million dollar capital projects requires a certain and stable tax regime governing these investments. In order to provide this stability and certainty, I am introducing the Motorsports Fairness and Permanency Act, and I am pleased to be joined by Senators ROBERTS, BILL NELSON, DOLE, STABENOW, and KYL as original cosponsors. Enacting this legislation will be crucial to supporting the economic benefits that motorsports facilities provide across New York State and across the country. I hope that my colleagues will join me in supporting this legislation, and I look forward to working with my colleague from Kansas to have it considered in the Finance Committee.

By Mr. DOMENICI (for himself, Mr. KENNEDY, Mr. ENZI, Mr. BROWN, Mr. SMITH, Mr. FEINGOLD, Mr. COLEMAN, Mr. LAUTENBERG, Mr. WARNER, Mrs. BOXER, Ms. MURKOWSKI, Mr. AKAKA, Mr. ROBERTS, Mr. CARDIN, Mr. HATCH, Ms. CANTWELL, Ms. COLLINS, Ms. STABENOW, Ms. SNOWE, Mr. BIDEN, Mr. GRAHAM, and Mr. NELSON of Nebraska):

S. 558. A bill to provide parity between health insurance coverage of mental health benefits and benefits for medical and surgical services; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Access to mental health services is one of the most important and most neglected civil rights issues facing the Nation. For too long, persons living with mental disorders have suffered discriminatory treatment at all levels of society. They have been forced to pay more for the services they need and to worry about their job security if their employer finds out about their condition. Sadly, in America today, patients with biochemical problems in their liver are treated with better care and greater compassion than patients with biochemical problems in their brain.

That kind of discrimination must end. No one questions the need for affordable treatment of physical illnesses. But those who suffer from mental illnesses face serious barriers in obtaining the care they need at a cost they can afford. Like those suffering from physical illnesses, persons with mental disorders deserve the opportunity for quality care. The failure to obtain treatment can mean years of shattered dreams and unfulfilled potential.

Eleven years ago, Congress passed the first Mental Health Parity Act. That legislation was an important first step in bringing attention to discriminatory practices against the mentally ill, but it did little to correct the injustices that so many Americans continue to face. The 1996 legislation required that annual and lifetime dollar limits for mental health coverage must be no less than the limits for medical and surgical coverage. But more steps are clearly needed to guarantee that Americans suffering from mental illness are not forced to pay more for the services they need, do not face harsher limitations on treatment, and are not denied access to care.

This bill is a chance to take the actions needed to end the longstanding discrimination against persons with mental illness. The late Senator Paul Wellstone and Senator PETE DOMENICI deserve great credit for their bipartisan leadership on mental health parity. If it were not for them, we would not be here today.

The bill prohibits group health plans from imposing treatment limitations or financial requirements on the coverage of mental health conditions that do not also apply to physical conditions. That means no limits on days or treatment visits, and no exorbitant copayments or deductibles. The bill was negotiated by and has the support of the mental health community, the business community, and the insurance industry.

The need is clear. One in five Americans will suffer some form of mental illness this year—but only a third of them will receive treatment. Millions of our fellow citizens are unnecessarily enduring the pain and sadness of seeing a family member, friend, or loved one suffer illnesses that seize the mind and break the spirit.

Battling mental illness is itself a painful process, but discrimination against persons with such illnesses is especially cruel, since the success rates for treatment often equal or surpass those for physical conditions. According to the National Institute of Mental Health, clinical depression treatment can be 70 percent successful, and treatment for schizophrenia can be 60 percent successful.

Over the years we've heard compelling testimony from experts, activists, and patients about the need to equalize coverage of physical and mental illnesses. The Office of Personnel Management talks us that providing full parity to 8.5 million federal employees has led to minimal premium increases. We heard dramatic testimony about the economic and social advantages of parity, including a healthier, more productive workforce.

Some of the most compelling testimony came several years ago from Lisa Cohen, a hardworking American from New Jersey, who suffers from both physical and mental illnesses, and is forced to pay exorbitant costs for treating her mental disorder, while paying little for her physical disorder. She is typical of millions of Americans who not only face the cruel burden of mental illness, but also the cruel burden of discriminatory treatment. No Americans should be denied equal treatment of an illness because it starts in the brain instead of the heart, lungs, or other parts of their body. No patients should be denied access to the treatment that can cure their illness because of where they live or work.

A number of States have already enacted mental health parity laws, but 86 million workers under ERISA have no protection under state mental health statutes.

Mental health parity is a good investment for the Nation. The costs from lost worker productivity and extra physical care outweigh the costs of implementing parity for mental health treatment.

Over the years study after study has shown that parity makes good financial sense. An analysis of more than 46,000 workers at major companies showed that employees who report being depressed or under stress are likely to have substantially higher health costs than co-workers without such conditions. Employees who reported being depressed had health bills 70 percent higher than those who did not suffer from depression. Those reporting high stress had 46 percent higher health costs. McDonnell Douglas found a 4 to 1 return on investment after accounting for lower medical claims, reduced absenteeism, and smaller turnover.

Mental illness also imposes a huge financial burden on the Nation. It costs us $300 billion each year in treatment expenses, lost worker productivity, and crime. This country can afford mental health parity. What we can't afford is to continue denying persons with mental disorders the care they need.

Today is a turning point. We are finally moving toward ending this shameful form of discrimination in our society—discrimination against mental illness. This bill has been seven years in the making, and brings first class medicine to millions of Americans who have been second class patients for too long.

Today, we begin to right that wrong, by guaranteeing equal treatment to the 11 million people receiving mental health services, and promising equal treatment to the remaining 100 million insured workers and their families who never know the day they may need their mental health benefit.

The 1996 Act, was an important step towards ending health insurance discrimination against mental illness. This bill will take another large step forward by closing the loopholes that remain.

It guarantees co-payments, deductibles, coinsurance, out of pocket expenses and annual and lifetime limits that apply to mental health benefits are no different than those applied to medical and surgical benefits.

It guarantees that the frequency of treatment, number of visits, days of coverage and other limits on scope and duration of treatment for mental health services are no different than those applied to medical and surgical benefits.

This equal treatment and financial equity is also applied to substance abuse.

Features of State law that require coverage of mental disorders are protected, to assure those currently protected by state parity laws that their needs will be met.

The medical management strategies needed to prevent denial of medically needed services for patients remain intact.

Finally, the bill is modeled on the parity that is already guaranteed to the 8.5 million persons, including Members of Congress, under the Federal Employee Benefits Program,

Equal treatment of those affected by mental illness is not just an insurance issue. It's a civil rights issue. At its heart, mental health parity is a question of simple justice.

It is long past time to end insurance discrimination and guarantee all people with mental illness the coverage they deserve.

I urge my colleagues to support this important principle, and end the unacceptable double standards that have unfairly plagued our health care systems for so long.

Mr. DOMENICI. Mr. President, I rise today along with my colleagues Senator KENNEDY and Senator ENZI to introduce the Mental Health Parity Act of 2007. I want to thank my colleagues for all of their hard work on this issue and I am glad we are able to introduce this paramount legislation.

Simply put, our legislation will provide parity between mental health coverage and medical and surgical coverage. No longer will people be treated differently only because they suffer from a mental illness. This means 113 million people in group health plans will benefit from our bill.

We are here today after years of hard work. We have worked with the mental health community, the business community, and insurance groups to carefully construct a fair bill. A sampling of the groups include the National Alliance on Mental Illness, the American Psychological Association, the American Psychiatric Association, the National Retail Federation, and Aetna Insurance.

This bill will no longer apply a more restrictive standard to mental health coverage and another more lenient standard be applied to medical and surgical coverage. What we are doing is a matter of simple fairness. Statistics demonstrate that there is a significant need for this change in policy. Currently, 26 percent of American adults or nearly 58 million people suffer from a diagnosable mental illness each year. Six percent of those adults suffer from a serious mental illness. Additionally, more than 30,000 people commit suicide each year in the United States. We need to reduce these numbers, and I believe expanding access to mental health services will allow us to do so.

This bill will provide mental health parity for about 113 million Americans who work for employers with 50 or more employees and ensure health plans do not place more restrictive conditions on mental health coverage than on medical and surgical coverage. Additionally, the legislation includes parity for financial requirements such as deductibles, copayments, and annual lifetime limits. Also, this bill includes parity for treatment limitations regarding the number of covered hospital days and visits. This bill does not Mandate the coverage of mental health nor does it prohibit a health plan from managing mental health benefits in order to ensure only medically necessary treatments are covered.

Again, I would like to thank everyone who contributed to the development of this legislation. I believe we are making a difference today and I look forward to working with my colleagues to move this bill forward.

I ask for unanimous consent that the text of the bill to be printed in the RECORD.

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

S. 558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Mental Health Parity Act of 2007''.

SEC. 2. MENTAL HEALTH PARITY.

(a) AMENDMENTS OF ERISA.—Subpart B of part 7 of title I of the Employee Retirement Income Security Act of 1974 is amended by inserting after section 712 (29 U.S.C. 1185a) the following:

''SEC. 712A. MENTAL HEALTH PARITY.

''(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, such plan or coverage shall ensure that—

''(1) the financial requirements applicable to such mental health benefits are no more restrictive than the financial requirements applied to substantially all medical and surgical benefits covered by the plan (or coverage), including deductibles, copayments, coinsurance, out-of-pocket expenses, and annual and lifetime limits, except that the plan (or coverage) may not establish separate cost sharing requirements that are applicable only with respect to mental health benefits; and

''(2) the treatment limitations applicable to such mental health benefits are no more restrictive than the treatment limitations applied to substantially all medical and surgical benefits covered by the plan (or coverage), including limits on the frequency of treatment, number of visits, days of coverage, or other similar limits on the scope or duration of treatment.

''(b) CLARIFICATIONS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, such plan or coverage shall not be prohibited from—

''(1) negotiating separate reimbursement or provider payment rates and service delivery systems for different benefits consistent with subsection (a);

''(2) managing the provision of mental health benefits in order to provide medically necessary services for covered benefits, including through the use of any utilization review, authorization or management practices, the application of medical necessity and appropriateness criteria applicable to behavioral health, and the contracting with and use of a network of providers; or

''(3) applying the provisions of this section in a manner that takes into consideration similar treatment settings or similar treatments.

''(c) IN- AND OUT-OF-NETWORK.—

''(1) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, and that provides such benefits on both an in- and out-of-network basis pursuant to the terms of the plan (or coverage), such plan (or coverage) shall ensure that the requirements of this section are applied to both in- and out-of-network services by comparing in-network medical and surgical benefits to in-network mental health benefits and out-of-network medical and surgical benefits to out-of-network mental health benefits, except that in no event shall this subsection require the provision of out-of-network coverage for mental health benefits even in the case where out-of-network coverage is provided for medical and surgical benefits.

''(2) CLARIFICATION.—Nothing in paragraph (1) shall be construed as requiring that a group health plan (or coverage in connection with such a plan) eliminate an out-of-network provider option from such plan (or coverage) pursuant to the terms of the plan (or coverage).

''(d) SMALL EMPLOYER EXEMPTION.—

''(1) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of any employer who employed an average of at least 2 (or 1 in the case of an employer residing in a State that permits small groups to include a single individual) but not more than 50 employees on business days during the preceding calendar year.

''(2) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of this subsection:

''(A) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—Rules similar to the rules under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986 shall apply for purposes of treating persons as a single employer.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the preceding calendar year, the determination of whether such employer is a small employer shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(C) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

''(e) COST EXEMPTION.—

''(1) IN GENERAL.—With respect to a group health plan (or health insurance coverage offered in connections with such a plan), if the application of this section to such plan (or coverage) results in an increase for the plan year involved of the actual total costs of coverage with respect to medical and surgical benefits and mental health benefits under the plan (as determined and certified

under paragraph (3)) by an amount that exceeds the applicable percentage described in paragraph (2) of the actual total plan costs, the provisions of this section shall not apply to such plan (or coverage) during the following plan year, and such exemption shall apply to the plan (or coverage) for 1 plan year. An employer may elect to continue to apply mental health parity pursuant to this section with respect to the group health plan (or coverage) involved regardless of any increase in total costs.

''(2) APPLICABLE PERCENTAGE.—With respect to a plan (or coverage), the applicable percentage described in this paragraph shall be—

''(A) 2 percent in the case of the first plan year in which this section is applied; and

''(B) 1 percent in the case of each subsequent plan year.

''(3) DETERMINATIONS BY ACTUARIES.—Determinations as to increases in actual costs under a plan (or coverage) for purposes of this section shall be made by a qualified actuary who is a member in good standing of the American Academy of Actuaries. Such determinations shall be certified by the actuary and be made available to the general public.

''(4) 6-MONTH DETERMINATIONS.—If a group health plan (or a health insurance issuer offering coverage in connections with a group health plan) seeks an exemption under this subsection, determinations under paragraph (1) shall be made after such plan (or coverage) has complied with this section for the first 6 months of the plan year involved.

''(5) NOTIFICATION.—An election to modify coverage of mental health benefits as permitted under this subsection shall be treated as a material modification in the terms of the plan as described in section 102(a)(1) and shall be subject to the applicable notice requirements under section 104(b)(1).

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits.

''(g) MENTAL HEALTH BENEFITS.—In this section, the term 'mental health benefits' means benefits with respect to mental health services (including substance abuse treatment) as defined under the terms of the group health plan or coverage.''.

(b) PUBLIC HEALTH SERVICE ACT.—Subpart 1 of part A of title XXVII of the Public Health Service Act is amended by inserting after section 2705 (42 U.S.C. 300gg-5) the following:

''SEC. 2705A. MENTAL HEALTH PARITY.

''(a) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, such plan or coverage shall ensure that—

''(1) the financial requirements applicable to such mental health benefits are no more restrictive than the financial requirements applied to substantially all medical and surgical benefits covered by the plan (or coverage), including deductibles, copayments, coinsurance, out-of-pocket expenses, and annual and lifetime limits, except that the plan (or coverage) may not establish separate cost sharing requirements that are applicable only with respect to mental health benefits; and

''(2) the treatment limitations applicable to such mental health benefits are no more restrictive than the treatment limitations applied to substantially all medical and surgical benefits covered by the plan (or coverage), including limits on the frequency of treatment, number of visits, days of coverage, or other similar limits on the scope or duration of treatment.

''(b) CLARIFICATIONS.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, such plan or coverage shall not be prohibited from—

''(1) negotiating separate reimbursement or provider payment rates and service delivery systems for different benefits consistent with subsection (a);

''(2) managing the provision of mental health benefits in order to provide medically necessary services for covered benefits, including through the use of any utilization review, authorization or management practices, the application of medical necessity and appropriateness criteria applicable to behavioral health, and the contracting with and use of a network of providers; or

''(3) be prohibited from applying the provisions of this section in a manner that takes into consideration similar treatment settings or similar treatments.

''(c) IN- AND OUT-OF-NETWORK.—

''(1) IN GENERAL.—In the case of a group health plan (or health insurance coverage offered in connection with such a plan) that provides both medical and surgical benefits and mental health benefits, and that provides such benefits on both an in- and out-of-network basis pursuant to the terms of the plan (or coverage), such plan (or coverage) shall ensure that the requirements of this section are applied to both in- and out-of-network services by comparing in-network medical and surgical benefits to in-network mental health benefits and out-of-network medical and surgical benefits to out-of-network mental health benefits, except that in no event shall this subsection require the provision of out-of-network coverage for mental health benefits even in the case where out-of-network coverage is provided for medical and surgical benefits.

''(2) CLARIFICATION.—Nothing in paragraph (1) shall be construed as requiring that a group health plan (or coverage in connection with such a plan) eliminate an out-of-network provider option from such plan (or coverage) pursuant to the terms of the plan (or coverage).

''(d) SMALL EMPLOYER EXEMPTION.—

''(1) IN GENERAL.—This section shall not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for any plan year of any employer who employed an average of at least 2 (or 1 in the case of an employer residing in a State that permits small groups to include a single individual) but not more than 50 employees on business days during the preceding calendar year.

''(2) APPLICATION OF CERTAIN RULES IN DETERMINATION OF EMPLOYER SIZE.—For purposes of this subsection:

''(A) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—Rules similar to the rules under subsections (b), (c), (m), and (o) of section 414 of the Internal Revenue Code of 1986 shall apply for purposes of treating persons as a single employer.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the preceding calendar year, the determination of whether such employer is a small employer shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(C) PREDECESSORS.—Any reference in this paragraph to an employer shall include a reference to any predecessor of such employer.

''(e) COST EXEMPTION.—

''(1) IN GENERAL.—With respect to a group health plan (or health insurance coverage offered in connections with such a plan), if the application of this section to such plan (or coverage) results in an increase for the plan year involved of the actual total costs of coverage with respect to medical and surgical benefits and mental health benefits under the plan (as determined and certified under paragraph (3)) by an amount that exceeds the applicable percentage described in paragraph (2) of the actual total plan costs, the provisions of this section shall not apply to such plan (or coverage) during the following plan year, and such exemption shall apply to the plan (or coverage) for 1 plan year. An employer may elect to continue to apply mental health parity pursuant to this section with respect to the group health plan (or coverage) involved regardless of any increase in total costs.

''(2) APPLICABLE PERCENTAGE.—With respect to a plan (or coverage), the applicable percentage described in this paragraph shall be—

''(A) 2 percent in the case of the first plan year in which this section is applied; and

''(B) 1 percent in the case of each subsequent plan year.

''(3) DETERMINATIONS BY ACTUARIES.—Determinations as to increases in actual costs under a plan (or coverage) for purposes of this section shall be made by a qualified actuary who is a member in good standing of the American Academy of Actuaries. Such determinations shall be certified by the actuary and be made available to the general public.

''(4) 6-MONTH DETERMINATIONS.—If a group health plan (or a health insurance issuer offering coverage in connections with a group health plan) seeks an exemption under this subsection, determinations under paragraph (1) shall be made after such plan (or coverage) has complied with this section for the first 6 months of the plan year involved.

''(5) NOTIFICATION.—An election to modify coverage of mental health benefits as permitted under this subsection shall be treated as a material modification in the terms of the plan as described in section 102(a)(1) and shall be subject to the applicable notice requirements under section 104(b)(1).

''(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require a group health plan (or health insurance coverage offered in connection with such a plan) to provide any mental health benefits.

''(g) MENTAL HEALTH BENEFITS.—In this section, the term 'mental health benefits' means benefits with respect to mental health services (including substance abuse treatment) as defined under the terms of the group health plan or coverage, and when applicable as may be defined under State law when applicable to health insurance coverage offered in connection with a group health plan.''.

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The provisions of this Act shall apply to group health plans (or health insurance coverage offered in connection with such plans) beginning in the first plan year that begins on or after January 1 of the first calendar year that begins more than 1 year after the date of the enactment of this Act.

(b) TERMINATION OF CERTAIN PROVISIONS.—

(1) ERISA.—Section 712 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185a) is amended by striking subsection (f) and inserting the following:

''(f) SUNSET.—This section shall not apply to benefits for services furnished after the effective date described in section 3(a) of the Mental Health Parity Act of 2007.''.

(2) PHSA.—Section 2705 of the Public Health Service Act (42 U.S.C. 300gg-5) is amended by striking subsection (f) and inserting the following:

''(f) SUNSET.—This section shall not apply to benefits for services furnished after the effective date described in section 3(a) of the Mental Health Parity Act of 2007.''.

SEC. 4. SPECIAL PREEMPTION RULE.

(a) ERISA PREEMPTION.—Section 731 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191) is amended—

(1) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (b), the following:

''(c) SPECIAL RULE IN CASE OF MENTAL HEALTH PARITY REQUIREMENTS.—

''(1) IN GENERAL.—Notwithstanding any provision of section 514 to the contrary, the provisions of this part relating to a group health plan or a health insurance issuer offering coverage in connection with a group health plan shall supercede any provision of State law that establishes, implements, or continues in effect any standard or requirement which differs from the specific standards or requirements contained in subsections (a), (b), (c), or (e) of section 712A.

''(2) CLARIFICATIONS.—Nothing in this subsection shall be construed to preempt State insurance laws relating to the individual insurance market or to small employers (as such term is defined for purposes of section 712A(d)).''.

(b) PHSA PREEMPTION.—Section 2723 of the Public Health Service Act (42 U.S.C. 300gg-23) is amended—

(1) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (b), the following:

''(c) SPECIAL RULE IN CASE OF MENTAL HEALTH PARITY REQUIREMENTS.—

''(1) IN GENERAL.—Notwithstanding any provision of section 514 of the Employee Retirement Income Security Act of 1974 to the contrary, the provisions of this part relating to a group health plan or a health insurance issuer offering coverage in connection with a group health plan shall supercede any provisions of State law that establishes, implements, or continues in effect any standard or requirement which differs from the specific standards or requirements contained in subsections (a), (b), (c), or (e) of section 2705A.

''(2) CLARIFICATIONS.—Nothing in this subsection shall be construed to preempt State insurance laws relating to the individual insurance market or to small employers (as such term is defined for purposes of section 2705A(d)).''.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect with respect to a State, on the date on which the provisions of section 2 apply with respect to group health plans and health insurance coverage offered in connection with group health plans.

SEC. 5. FEDERAL ADMINISTRATIVE RESPONSIBILITIES.

(a) GROUP HEALTH PLAN OMBUDSMAN.—

(1) DEPARTMENT OF LABOR.—The Secretary of Labor shall designate an individual within the Department of Labor to serve as the group health plan ombudsman for the Department. Such ombudsman shall serve as an initial point of contact to permit individuals to obtain information and provide assistance concerning coverage of mental health services under group health plans in accordance with this Act.

(2) DEPARTMENT OF HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall designate an individual within the Department of Health and Human Services to serve as the group health plan ombudsman for the Department. Such ombudsman shall serve as an initial point of contact to permit individuals to obtain information and provide assistance concerning coverage of mental health services under health insurance coverage issued in connection with group health plans in accordance with this Act.

(b) AUDITS.—The Secretary of Labor and the Secretary of Health and Human Services shall each provide for the conduct of random audits of group health plans (and health insurance coverage offered in connection with such plans) to ensure that such plans are in compliance with this Act (and the amendments made by this Act).

(c) GOVERNMENT ACCOUNTABILITY OFFICE STUDY.—

(1) STUDY.—The Comptroller General shall conduct a study that evaluates the effect of the implementation of the amendments made by this Act on the cost of health insurance coverage, access to health insurance coverage (including the availability of in-network providers), the quality of health care, the impact on benefits and coverage for mental health and substance abuse, the impact of any additional cost or savings to the plan, the impact on State mental health benefit mandate laws, other impact on the business community and the Federal Government, and other issues as determined appropriate by the Comptroller General.

(2) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall prepare and submit to the appropriate committees of Congress a report containing the results of the study conducted under paragraph (1).

(d) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Labor and the Secretary of Health and Human Services shall jointly promulgate final regulations to carry out this Act.

Mr. ENZI. Mr. President, first and foremost I want to thank my respective colleagues Senator KENNEDY and Senator DOMENICI for their dedication and leadership on the issues of mental health parity. Your commitment and willingness to compromise has gotten us to the point where we are today—introducing a mental health parity bill that has the potential to be signed into law this year.

For many this is monumental. Parity for mental health benefits was first championed by the late Senator Paul Wellstone. Senator DOMENICI in memory of our late colleague took over as the lead advocate for this legislation after the passing of Senator Wellstone.

Today is a reflection of your hard work, Senator DOMENICI, as well as the groundwork that was laid by the late Senator Paul Wellstone.

The advocacy of my good colleagues Senator Wellstone and DOMENICI helped to get the Mental Health Parity Act of 1996 signed into law. This legislation acted as a catalyst for many states to take action in passing their own mental health parity laws. To date 38 States have passed some sort of mental health parity or benefit law. Many of these laws go much farther than the 1996 Act. However, there is a concern that while the 1996 Act requires parity for annual and lifetime dollar limits on coverage, group plans may impose more restrictive treatment and cost sharing requirements. This is a legit concern. There is a also a valid concern that requiring parity or mental health benefits will drive up the cost of insurance, and result in group plans offering less coverage or even worse dropping coverage for both mental and physical health. The bill introduced today recognizes both of these concerns and addresses them. This in turn breaks the log jam that has halted efforts in the past three Congress's to pass a Mental Health Parity Act that is more widely known as the Paul Wellston Mental Health Equitable Treatment Act.

The Mental Health Parity Act we are introducing today is a compromise between the proponents and those who opposed the Paul Wellstone Mental Health Equitable Treatment Act. It is a result of two years of discussion and compromise between the business and insurer industry and the mental health community. I want to thank both of you for coming together in good faith to find a middle ground on an issue has polarized stakeholders. Your support and input has been critical to making this process work. Your willingness to work together to accommodate each others concerns, makes it possible for a mental health parity law to be enacted this Congress.

A vital component of the Mental Health Parity Act introduced today recognizes the importance and need for treating mental health equal to physical health, without unfairly mandating group health plans offer mental health coverage. The legislation applies only to those group health plans that already offer physical and surgical benefits as well as mental health benefits. It does not mandate what types of mental health benefits must receive parity, but leaves that to be defined under the terms of the plan or coverage or as defined under State law. What this legislation does do, is require a plan to provide financial requirements and treatment limitations applied to mental health benefits equal to the financial requirements and treatment limitations applied to medical and surgical benefits that the plan covers. For example, deductibles, co-payments, coinsurance, out of pocket expenses, frequency of treatment, number of visits and days of coverage will now be treated equally for mental health and physical health. To allow for health plans to adequately manage the new parity requirement mechanisms are authorized to allow for medical management tools to be used by health plans. Provisions of this law will preempt provisions of State law that differ. But again, this bill would not preempt State laws mandating that mental health benefits be covered. Furthermore, States that elect to adopt the Federal standards would not be subject to preemption.

In addition, the legislation recognizes the stress many small business employers are under to provide health care to their employees, thus, this bill does exempts small employers. Any employer with 50 or less employees will not be affected by the Federal law, but must still comply with its State law or regulation.

Another critical component of this compromised legislation is a cost exemption. Under the provision, an employer may elect to continue to offer mental health parity if a group plan results in an increase of 2 percent in the case of the first plan year and 1 percent in the case of each subsequent plan year.

The compromises made in this legislation are of great importance to making sure this legislation will not burden employers struggling with health care costs, while not compromising the significance or effect this legislation will have in ensuring individuals have better access to critical mental health services. Approximately 1 in 5 Americans ages 18 and older, have a mental disorder that can be diagnosed in a given year according to the Substance Abuse and Mental Health Service Administration. However, their ability to receive treatment may be hindered due to cost issues or the stigma attached to mental illness. This legislation will help to address both by sending the message that mental health is just as important as physical health, and needs to be treated with the same amount of importance. This bill signals to an individual diagnosed with schizophrenia that his or her illness is as real as an individual diagnosed with diabetes and that they should not have to pay more for the mental illness than the physical. This legislation will help an employee covered by an affected plan who has a child with bipolar disorder better access to the treatment that child needs. In the past 20 years new technologies and treatments have advanced our understanding and ability to treat a mental illness. We now know with the right diagnoses, support, treatment and case management a person with mental illness can be a contributing member of society. It is time to update our laws to reflect this.

While introduction today is a huge step forward for a Mental Health Parity law, much more needs to be done to secure its passage. The legislation, as it is currently crafted, still must pass through the Senate Health, Education, Labor and Pensions Committee as early as Wednesday, the full Senate and then the House. At this point, a process has been created that allows for open and honest discussion. I encourage my colleagues and the stakeholders to continue this process and to remain together throughout each step of the way. By working together, instead of against each other, we can achieve passage of this legislation.

Mr. SMITH. Mr. President, I rise today with my colleagues Senator DOMENICI and Senator KENNEDY to introduce a bill that will have tremendous impact for the millions of Americans who will suffer from mental illness in their lifetime. The Mental Health Parity Act of 2007 is an important bill and I look forward to its passage.

Mental illness can affect people of any age, of any race, and of any income. As a parent with a son who struggled with mental illness, I know all too well the indiscriminate nature of the illness and the frightening statistics of its regular occurrence for those we love. The statistics on the prevalence of mental illness are indeed startling. We know that in any given year, more than a quarter of our nation's adults—60 million people—suffer from a diagnosable mental disorder, many of whom suffer in silence. We also know that mental disorders can disrupt lives and are the leading cause of disability for those aged 15–44 in the United States and in Canada.

Mental illness is just as deadly and serious as a physical illness. Suicide takes the lives of more than 30,000 people each year, with more than 700,000 attempts. We also know that suicides outnumber homicides three to one each year. We also know that people who suffer from mental illness suffer from much higher rates of other chronic conditions, such as cardiovascular disease. However, unlike heart attacks and strokes, mental illness is not something that we, as a nation, want to talk about.

However, we know that effective treatment exists for most people suffering. Help is out there, and this bill will help make it available. Mental health is not a Democratic issue or a Republican issue. Too much is at stake when we talk about mental health care reform to get caught up in partisan politics. We need to work together to find solutions. This bill is a big step and an important step in moving that needed reform forward. Through parity, we can alleviate some of the burden on the public mental health system that results when families are forced to turn to the public system when they do not have access to treatment through private plans.

My home State of Oregon had the wisdom and foresight to see that mental health parity was necessary. I am proud that this year they are implementing parity for the people of Oregon. In a 2004 report by the Governor's Mental Health Taskforce, they found that in any given year 175,00 adults and 75,000 children under the age of 18 are in need of mental health services. It also listed as one of the major problems facing the Oregon mental health system the fact that mental health parity was not, at that time, in effect. That is no longer the case and I look forward to seeing significant improvements in the mental health system in Oregon as a result of the hard work done there.

The introduction of this federal legislation is hard fought and so important. I look forward to working with my colleagues to ensure its passage. I urge my colleagues on both sides of the aisle to support this bill.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 77—EXPRESSING SUPPORT FOR THE TRANSITIONAL FEDERAL GOVERNMENT OF THE SOMALI REPUBLIC

Mr. INHOFE (for himself and Mr. BROWNBACK) submitted the following resolution; which was referred to the committee on Foreign Relations:

S. RES. 77

Whereas, after the collapse of the Somali government in 1991, the main judicial system in Somalia devolved into a system of sharia-based Islamic courts, which have increased their power to include security and enforcement functions;

Whereas, in 2000, the courts consolidated to form the Islamic Courts Union (ICU), which came into conflict with secular warlords in the capitol city of Mogadishu by asserting its ever increasing power;

Whereas, the ICU is known to have links to Al-Qaeda and has provided a safe haven for members of Al-Qaeda;

Whereas, by June 2006, ICU forces controlled Mogadishu and much of southern Somalia, creating a potential haven for Islamic terrorists;

Whereas, in 2004, the Transitional Federal Government of the Somali Republic (TFG) was formed in Kenya;

Whereas, in 2006, the TFG army joined forces with the army of the Federal Democratic Republic of Ethiopia to sweep the ICU from power and, after a string of swift military victories, enter Mogadishu; and

Whereas, the current situation is still volatile, creating a short window of opportunity to positively affect Somalia's stability and future status:

Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Senate expresses its support for the Transitional Federal Government of the Somali Republic;

(2) the Senate recognizes Ethiopia, particularly Prime Minister Meles, and Kenya for the noble efforts aimed toward pursuing peace in Somalia and support for the United States in the War on Terror;

(3) the United States should support and push efforts for serious multi-party talks aimed at establishing a national unity government in Somalia;

(4) the United States should take several measures, at an appropriate time, to promote stability;

(5) assistance from the United States will better equip the TFG to face the challenges of restoring peace to this war-torn country;

(6) the United States should promote foreign investment in Somalia and facilitate financial and technical assistance to the TFG; and

(7) the United States should aid the TFG to—

(A) locate and free Somali-owned financial assets throughout the world;

(B) solicit support from other friendly countries; and

(C) encourage nongovernmental organizations to commit more resources and projects to Somalia.

SENATE CONCURRENT RESOLUTION 10—HONORING AND PRAISING THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE ON THE OCCASION OF ITS 98TH ANNIVERSARY

Mrs. CLINTON (for herself, Mr. REID, Mr. KENNEDY, Mr. SCHUMER, Ms. MIKULSKI, Mr. CARDIN, Mr. LIEBERMAN, Mr. BROWN, Mr. KERRY, Mr. LUGAR, Mr. SANDERS, Mr. CRAPO, Mr. MENENDEZ, Ms. LANDRIEU, Ms. CANTWELL, Mr. LEVIN, Mr. WHITEHOUSE, Mr. DURBIN, Ms. STABENOW, Mrs. BOXER, Mr. BIDEN, Mr. WEBB, Mr. BYRD, Mr. ROCKEFELLER, Mr. STEVENS, Mr. WARNER, Mr. CASEY, and Mr. BAUCUS) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary.

S. CON. RES. 10

Whereas the National Association for the Advancement of Colored People (NAACP), originally known as the National Negro Committee, was founded in New York City on February 12, 1909, the centennial of Abraham Lincoln's birth, by a multiracial group of activists who answered ''The Call'' for a national conference to discuss the civil and political rights of African Americans;

Whereas the NAACP was founded by a distinguished group of leaders in the struggle for civil and political liberty, including Ida Wells-Barnett, W.E.B. DuBois, Henry Moscowitz, Mary White Ovington, Oswald Garrison Villiard, and William English Walling;

Whereas the NAACP is the oldest and largest civil rights organization in the United States;

Whereas the mission of the NAACP is to ensure the political, educational, social, and economic equality of rights of all persons and to eliminate racial hatred and racial discrimination;

Whereas the NAACP is committed to achieving its goals through nonviolence;

Whereas the NAACP advances its mission through reliance upon the press, the petition, the ballot, and the courts, and has been persistent in the use of legal and moral persuasion, even in the face of overt and violent racial hostility;

Whereas the NAACP has used political pressure, marches, demonstrations, and effective lobbying to serve as the voice, as well as the shield, for minority Americans;

Whereas after years of fighting segregation in public schools, the NAACP, under the leadership of Special Counsel Thurgood Marshall, won one of its greatest legal victories in the Supreme Court's 1954 decision in Brown v. Board of Education, 347 U.S. 483;

Whereas, in 1955, NAACP member Rosa Parks was arrested and fined for refusing to give up her seat on a segregated bus in Montgomery, Alabama, an act of courage that would serve as the catalyst for the largest grassroots civil rights movement in the history of the United States;

Whereas the NAACP was prominent in lobbying for the passage of the Civil Rights Acts of 1957, 1960, and 1964 (Public Laws 85–315, 86–449, and 88–352), the Voting Rights Act of 1965 (Public Law 89–110), the Fair Housing Act of 1968 (Public Law 90–284), and the Fannie Lou Hamer, Rosa Parks, and Coretta Scott King Voting Rights Act Reauthorization and Amendments Act of 2006 (Public Law 109–246), laws that ensured legislative protection for victories in the courts; and

Whereas, in 2005, the NAACP launched the Disaster Relief Fund to help survivors in Louisiana, Mississippi, Texas, Florida, and Alabama to rebuild their lives after Hurricanes Katrina and Rita: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes the 98th anniversary of the historic founding of the National Association for the Advancement of Colored People; and

(2) honors and praises the National Association for the Advancement of Colored People for its work to ensure the political, educational, social, and economic equality of all persons.

Mrs. CLINTON. Mr. President, as today marks the 98th anniversary of the founding of the National Association for the Advancement of Colored People (NAACP), I am proud to submit a concurrent resolution to honor our country's oldest and largest civil rights organization for the work they have done to change the path of our Nation. The legacy of pioneers such as W.E.B. Du Bois, Thurgood Marshall, Rosa Parks, hundreds more cannot and must not be forgotten. I urge my colleagues to support this resolution honoring and praising the NAACP for 98 years of championing the cause of equality in the United States.

At the dawn of the 20th century—over half a century after the Civil War—African Americans were still denied the full rights of citizenship. They were forced to endure the daily humiliation and struggle of economic exploitation, social segregation, and sometimes even physical brutality. Racial tensions began to escalate, resulting in riots and lynchings.

It was at this critical juncture in our Nation's history that a group of concerned citizens, recognizing the urgent need to address these intolerable conditions, gathered to form the National Association for the Advancement of Colored People in New York City.

Since its founding, the NAACP has sought to eliminate racial discrimination and has fought for the social, political, and economic equality of all Americans, while maintaining its commitment to nonviolence in achieving these goals.

In 1918, the NAACP successfully persuaded President Wilson to publicly condemn lynching and continued to raise awareness about this horrifying crime. The NAACP fought for, and ultimately achieved, desegregation of the military as well as other federal government institutions.

They were also deeply influential in watershed court cases such as Buchanan vs. Warley, where the Supreme Court held that states cannot restrict and segregate residential districts. In the landmark case Brown v. Board of Education, the NAACP successfully argued that the ''separate, but equal'' doctrine was unconstitutional, thereby making segregation in public schools illegal. The NAACP has also played an integral role in the passage of essential civil rights legislation, including the Civil Rights Act of 1957, 1960, and 1964, the Voting Rights Act of 1965, and the Fair Housing Rights Act. Their efforts continue today. The NAACP led efforts to reauthorize the Voting Rights Act last year. They recognize that we must continue vigilantly to guard against the resurgence of discriminatory practices that would deprive African Americans of the most fundamental right of democracy—the right to vote.

Notwithstanding its powerful voice and extraordinary accomplishments, we must never forget that the NAACP works through the tireless efforts of its individual members united around a common vision of justice and equality. One act of civil disobedience, by NAACP member Rosa Parks, helped to spark the civil rights movement. Another member, Medgar Evers, worked tirelessly, despite many threats, to desegregate schools and to investigate the murder of Emmett Till.

Mary Burnett Talbert, a teacher in Little Rock, Arkansas, was one of the founders of the NAACP and eventually became its president. She once wrote that ''by her peculiar position the colored woman has gained clear powers of observation and judgment—exactly the sort of powers which are today peculiarly necessary to the building of an ideal country.'' The NAACP continues to take us closer to the ''ideal country'' that Mary Talbert envisioned, with every public education campaign, every fight over a judicial nomination, and every lobbying effort to pass progressive legislation.

The NAACP's has always been a multiracial and multicultural organization. Many of its founding members were white, including Oswald Garrison Villiard, Mary White Ovington, and Henry Moscowitz.

Despite the last century of achievements, substantial racial disparities still persist today in educational achievement, access to health care, and economic prosperity. Hurricane Katrina highlighted the tragic and enduring link between race and poverty in our country, as well as emphasized our nation's failure to care for those among us least able to provide for themselves. It is no surprise that the NAACP raised nearly $2 million to aid the victims of the hurricane.

The NAACP has always stood ready to face these and other challenges. Ninety-eight years after a group of concerned citizens assembled in New York around the common goal of creating a more just society, the NAACP's half million members continue to lead the way towards positive social change.

For striving and continuing to push our nation closer to the promise of equality envisioned in our Constitution, we must honor the NAACP.

AMENDMENTS SUBMITTED AND PROPOSED

SA 250. Mr. COBURN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table.

SA 251. Mr. COBURN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 252. Mr. COBURN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 253. Mr. DeMINT submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 254. Mr. BURR submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 255. Mr. CHAMBLISS (for himself and Mr. ISAKSON) submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 256. Mr. CRAPO submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 257. Mr. CORNYN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 258. Mr. CORNYN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 259. Mr. WARNER (for himself, Mr. LEVIN, Ms. COLLINS, Mr. NELSON, of Nebraska, Mr. HAGEL, Ms. SNOWE, Mr. SMITH, Mr. BIDEN, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 260. Mr. KYL submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 261. Mr. KYL submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 262. Mr. MARTINEZ submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

SA 263. Mr. HATCH submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 250. Mr. COBURN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 137, between lines 10 and 11, insert the following:

"CHAPTER ____—GENERAL PROVISIONS

''SEC. 2_____. (a) Each audit, report, and review described in subsection (b) shall be posted for the public on the Internet website of the Federal agency or department required to submit the audit, report, or review, not later than 48 hours after the submission of the audit, report, or review to Congress.

''(b) The audits, reports, and reviews described in this subsection are those audits, reports, and reviews required by this resolution to be submitted by a Federal agency or department to the Committees on Appropriations of the Senate and House of Representatives.

''(c) In posting an audit, report, or review on an Internet website under subsection (a), a Federal agency or department may redact any information the release of which to the public would, as determined by that agency or department, compromise the national security of the United States.

SA 251. Mr. COBURN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

''SEC. _____. (a) Notwithstanding any other provision of this Act, in addition to amounts otherwise appropriated or made available in this division, $1,000,000,000 is appropriated to the Commodity Credit Corporation for the provision of agricultural emergency relief.

''(b) Notwithstanding any other provision of this Act, the amount made available for the Community Development Fund under section 21037 shall be $2,771,900,000, of which $2,710,916,000 shall be for carrying out the community development block grant program.

SA 252. Mr. COBURN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 43, line 5, strike ''malaria'' and insert: ''malaria: *Provided*, That the Global Fund to Fight AIDS, Tuberculosis and Malaria shall post on a publicly available website all internally and externally commissioned audits, program reviews, evaluations, and inspector general reports and findings not later than 7 days after they are reported to the Secretariat or any member of the Board of the Global Fund to Fight AIDS, Tuberculosis and Malaria''.

SA 253. Mr. DEMINT submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 9, strike lines 18 through 22 and insert the following:

SEC. 112. (a) Any language specifying a congressional earmark (as defined in a bill, S. 1, as passed by the Senate on January 18, 2007) in a committee report or statement of managers accompanying any appropriations Act for any fiscal year or any direct communications between federal agencies and Members of Congress or their staff shall have no effect, legal or otherwise, with respect to funds appropriated by this division.

(b) Nothing in section 113 shall be used to circumvent the restriction on earmarks in this section.

SA 254. Mr. BURR submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. BIODEFENSE MEDICAL COUNTERMEASURE DEVELOPMENT FUND.

There are appropriated $160,000,000 to the Biodefense Medical Countermeasure Development Fund (as established in section 319L of the Public Health Service Act) to implement section 319L of the Public Health Service Act (the Biomedical Advanced Research and Development Authority) and to support the advanced research and development of products that are or may become qualified countermeasures (as defined in section 319F-1 of such Act) or qualified pandemic or epidemic products (as defined in section 319F-3 of such Act).

SA 255. Mr. CHAMBLISS (for himself and Mr. ISAKSON) submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. FUNDING SHORTFALLS IN THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.

(a) IN GENERAL.—Section 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)), as added by section 201(a) of the National Institutes of Health Reform Act of 2006, is amended—

(1) in the heading for paragraph (2), by striking ''REMAINDER OF REDUCTION'' and inserting ''PART'';

(2) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively;

(3) in each of subparagraphs (A) and (B) of paragraph (6) (as redesignated by subparagraph (B) of this paragraph), by striking ''and (3)'' and inserting ''(3), and (4)'';

(4) in paragraph (7) (as so redesignated), by striking ''and (3) in accordance with paragraph (5)'' and inserting ''(3), and (4) in accordance with paragraph (6)''; and

(5) by inserting after paragraph (3), the following:

''(4) SPECIAL RULES FOR ADDITIONAL REDISTRIBUTION OF AMOUNTS NECESSARY TO ADDRESS FISCAL YEAR 2007 FUNDING SHORTFALLS.—With respect to months beginning during fiscal year 2007 after April 30, 2007, the Secretary shall apply this subsection in accordance with the following rules:

''(A) ADDITIONAL REDISTRIBUTION OF CERTAIN UNEXPENDED 2005 ALLOTMENTS.—

''(i) Paragraphs (2)(A), (2)(B), (3) (A), and (3)(B) shall be applied by substituting 'April 30' for 'March 31' each place it appears.

''(ii) Paragraph (3)(C) shall be applied—

''(I) by substituting 'the amount described in subparagraph (A)(ii)(I) shall not be available for expenditure by the State on or after May 1, 2007' for 'the applicable amount described in clause (ii) shall not be available for expenditure by the State on or after April 1, 2007'; and

''(II) without regard to clause (ii).

''(iii) Paragraph (2)(B)(ii) shall be applied by substituting 'paragraph (1) and this paragraph (for months beginning during fiscal year 2007 after March 31, 2007)' for 'paragraph (1)'.

''(iv) The heading for paragraph (3) shall be applied by substituting '7 MONTHS' for 'HALF'.

''(v) Without regard to that portion of paragraph (6)(A) that begins with ', but in no case' and ends with 'March 31, 2007'.

''(B) REDISTRIBUTION OF CERTAIN UNEXPENDED 2006 ALLOTMENTS.—After applying this subsection in accordance with subparagraph (A), the Secretary shall further apply this subsection in accordance with the following rules:

''(i) Paragraph (3)(A)(i) shall be applied by substituting 'fiscal year 2006' for 'fiscal year 2005'.

''(ii) Paragraph (3)(B) shall be applied by substituting 'fiscal year 2008' for 'fiscal year 2007'.

''(iii) Paragraph (3)(C)(i) shall be applied by substituting 'May 1' for 'April 1'.

''(iv) Paragraph (3)(C) shall be applied by substituting the following clause for clause (ii) of such paragraph:

'''(ii) APPLICABLE AMOUNT.—For purposes of clause (i), the applicable amount described in this clause is—

'''(I) the amount by which the amount described in subparagraph (A)(ii)(I), exceeds the total of the amounts the Secretary determines will eliminate the estimated shortfalls for all States described in paragraph (2)(B) (after the application of subparagraph (A)) for the fiscal year; multiplied by

'''(II) the ratio of the amount described in subparagraph (A)(ii)(I) with respect to the State to the total the amounts described in subparagraph (A)(ii)(I) for all States.'.''

''(v) Paragraph (6)(B) shall be applied—

''(I) by substituting '2005 OR 2006' for '2005'; and

''(II) by substituting 'fiscal year 2005 under subsection (b) that remain unexpended through the end of fiscal year 2007 or fiscal year 2006 under such subsection that remain unexpended through the end of fiscal year 2008' for 'fiscal year 2005 under subsection (b) that remain unexpended through the end of fiscal year 2007'.

''(vi) Without regard to—

''(I) that portion of paragraph (6)(A) that begins with ', but in no case' and ends with 'March 31, 2007'; and

''(II) paragraph (6)(C)(i).''.

(b) ADDITIONAL CONFORMING AMENDMENTS.—Section 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)) (as so added) is further amended—

(1) in paragraph (1)(B), by striking ''paragraph (4)(B)'' and inserting ''paragraph (5)(B)''; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''paragraph (5)(B)'' and inserting ''paragraph (6)(B)''; and

(B) in subparagraph (B), by striking ''paragraph (4)(B)'' and inserting ''paragraph (5)(B)''.

(c) EFFECTIVE DATE; APPLICABILITY.—The amendments made by this section take effect on the date of enactment of this Act and apply without fiscal year limitation.

SA 256. Mr. CRAPO submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

''SEC. ___. SENSE OF THE SENATE REGARDING REPORTS ON CAPITAL MARKETS.

''(a) FINDINGS.—The Senate finds that—

''(1) the Interim Report of the Committee on Capital Markets Regulation (published in November 2006) and the McKinsey Report on New York Competitiveness (published in January 2007) have expressed concerns that United States capital markets are losing their competitive edge in intensifying global competition, both reports adding considerably to the understanding of the challenges that American capital markets face and offer solutions that could help American markets, companies, and workers to better compete;

''(2) according to the Committee on Capital Markets Regulation, 'A key measure of competitiveness, one particularly relevant to the growth of new jobs, is where new equity is being raised—that is, in which market initial public offerings (IPOs) are being done. The trend in so-called ''global'' IPOs, i.e., IPOs done outside a company's home country, provides evidence of a decline in the U.S. competitive position. As measured by value of IPOs, the U.S. share declined from 50 percent in 2000 to 5 percent in 2005. Measured by number of IPOs, the decline is from 37 percent in 2000 to 10 percent in 2005.';

''(3) according to the McKinsey Report on New York Competitiveness, 'London already enjoys clear leadership in the fast-growing and innovative over-the-counter (OTC) derivatives market. This is significant because of the trading flow that surrounds derivatives markets and because of the innovation these markets drive, both of which are key competitive factors for financial centers. Dealers and investors increasingly see derivatives and cash markets as interchangeable and are therefore combining trading operations for both products. Indeed, the derivatives markets can be more liquid than the underlying cash markets. Therefore, as London takes the global lead in derivatives, America's competitiveness in both cash and derivatives flow trading is at risk, as is its position as a center for financial innovation'; and

''(4) according to the Committee on Capital Markets Regulation, 'Maximizing the competitiveness of U.S. capital markets is critical to ensuring economic growth, job creation, low costs of capital, innovation, entrepreneurship and a strong tax base in key areas of the country. Regulation and litigation play central roles in protecting investors and the efficient functioning of our capital markets, particularly in light of recent, highly publicized abuses. Yet excessive regulation, problematic implementation and unwarranted litigation—particularly when occurring simultaneously—make U.S. capital markets less attractive and, therefore, less competitive with other financial centers around the world.'.

''(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

''(1) Congress, the President, regulators, industry leaders, and other stakeholders should carefully review the Interim Report of the Committee on Capital Markets Regulation (published in November 2006) and the McKinsey Report on New York Competitiveness (published in January 2007), and take the necessary steps to reclaim the preeminent position of the United States in the financial services industry;

''(2) the Federal and State financial regulatory agencies should, to the maximum extent possible, coordinate activities on significant policy matters, so as not to impose regulations that may have adverse unintended consequences on innovativeness with respect to financial products, instruments, and services, or that impose regulatory costs that are disproportionate to their benefits, and, at the same time, ensure that the regulatory framework overseeing the United States capital markets continues to promote and protect the interests of investors in those markets; and

''(3) given the complexity of the financial services marketplace today, Congress should exercise vigorous oversight over Federal regulatory and statutory requirements affecting the financial services industry and consumers, with the goal of eliminating excessive regulation and problematic implementation of existing laws and regulations.

SA 257. Mr. CORNYN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 39, after line 24, add the following:

''SEC. 20327. In addition to the amounts otherwise appropriated or made available by this division or any other Act, $36,000,000 shall be available to carry out the Energy FutureGen Project of the Department of Energy, to be derived by transfer of an equal percentage from each other program and project for which funds are made available by this Act, except each other program and project for which funds are made available by chapters 2, 3, and 8.''.

SA 258. Mr. CORNYN submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 90, line 7, before the semi-colon insert ''(and an additional $18,000,000 offset by a $18,000,000 reduction in the account 'Department of State, Administration of Foreign Affairs, Educational and Cultural Exchange')''.

SA 259. Mr. WARNER (for himself, Mr. LEVIN, Ms. COLLINS, Mr. NELSON of Nebraska, Mr. HAGEL, Ms. SNOWE, Mr. SMITH, Mr. BIDEN, and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further ocntinuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the end add the following:

SEC. ___. SENSE OF SENATE ON IRAQ.

(a) FINDINGS.—The Senate makes the following findings:

(1) We respect the Constitutional authorities given a President in article II, section 2, which states that ''The President shall be commander in chief of the Army and Navy of the United States''; it is not the intent of this section to question or contravene such authority, but to accept the offer to Congress made by the President on January 10, 2007, that, ''if members have improvements that can be made, we will make them. If circumstances change, we will adjust''.

(2) The United States strategy and operations in Iraq can only be sustained and achieved with support from the American people and with a level of bipartisanship.

(3) Over 137,000 American military personnel are currently serving in Iraq, like thousands of others since March 2003, with the bravery and professionalism consistent with the finest traditions of the United States Armed Forces, and are deserving of the support of all Americans, which they have strongly.

(4) Many American service personnel have lost their lives, and many more have been wounded, in Iraq, and the American people will always honor their sacrifices and honor their families.

(5) The U.S. Army and Marine Corps, including their Reserve and National Guard organizations, together with components of the other branches of the military, are under enormous strain from multiple, extended deployments to Iraq and Afghanistan.

(6) These deployments, and those that will follow, will have lasting impacts on the future recruiting, retention and readiness of our Nation's all volunteer force.

(7) In the National Defense Authorization Act for Fiscal Year 2006, the Congress stated that ''calendar year 2006 should be a period of significant transition to full sovereignty, with Iraqi security forces taking the lead for the security of a free and sovereign Iraq''.

(8) United Nations Security Council Resolution 1723, approved November 28, 2006,

''determin[ed] that the situation in Iraq continues to constitute a threat to international peace and security''.

(9) Iraq is experiencing a deteriorating and ever-widening problem of sectarian and intra-sectarian violence based upon political distrust and cultural differences between some Sunni and Shia Muslims.

(10) Iraqis must reach political settlements in order to achieve reconciliation, and the failure of the Iraqis to reach such settlements to support a truly unified government greatly contributes to the increasing violence in Iraq.

(11) The responsibility for Iraq's internal security and halting sectarian violence must rest primarily with the Government of Iraq and Iraqi Security Forces.

(12) U.S. Central Command Commander General John Abizaid testified to Congress on November 15, 2006, ''I met with every divisional commander, General Casey, the Corps Commander, [and] General Dempsey. We all talked together. And I said, in your professional opinion, if we were to bring in more American troops now, does it add considerably to our ability to achieve success in Iraq? And they all said no. And the reason is, because we want the Iraqis to do more. It's easy for the Iraqis to rely upon us to do this work. I believe that more American forces prevent the Iraqis from doing more, from taking more responsibility for their own future''.

(13) Iraqi Prime Minister Nouri al-Maliki stated on November 27, 2006, that ''The crisis is political, and the ones who can stop the cycle of aggravation and bloodletting of innocents are the politicians''.

(14) There is growing evidence that Iraqi public sentiment opposes the continued U.S. troop presence in Iraq, much less increasing the troop level.

(15) In the fall of 2006, leaders in the Administration and Congress, as well as recognized experts in the private sector, began to express concern that the situation in Iraq was deteriorating and required a change in strategy; and, as a consequence, the Administration began an intensive, comprehensive review by all components of the Executive Branch to devise a new strategy.

(16) In December 2006, the bipartisan Iraq Study Group issued a valuable report, suggesting a comprehensive strategy that includes ''new and enhanced diplomatic and political efforts in Iraq and the region, and a change in the primary mission of U.S. forces in Iraq that will enable the United States to begin to move its combat forces out of Iraq responsibly''.

(17) On January 10, 2007, following consultations with the Iraqi Prime Minister, the President announced a new strategy (hereinafter referred to as the ''plan''), which consists of three basic elements: diplomatic, economic, and military; the central component of the military element is an augmentation of the present level of the U.S. military forces through additional deployments of approximately 21,500 U.S. military troops to Iraq.

(18) On January 10, 2007, the President said that the ''Iraqi government will appoint a military commander and two deputy commanders for their capital'' and that U.S. forces will ''be embedded in their formations''; and in subsequent testimony before the Armed Services Committee on January 25, 2007, by the retired former Vice Chief of the Army it was learned that there will also be a comparable U.S. command in Baghdad, and that this dual chain of command may be problematic because ''the Iraqis are going to be able to move their forces around at times where we will disagree with that movement'', and called for clarification.

(19) This proposed level of troop augmentation far exceeds the expectations of many of us as to the reinforcements that would be necessary to implement the various options for a new strategy, and led many members of Congress to express outright opposition to augmenting our troops by 21,500.

(20) The Government of Iraq has promised repeatedly to assume a greater share of security responsibilities, disband militias, consider Constitutional amendments and enact laws to reconcile sectarian differences, and improve the quality of essential services for the Iraqi people; yet, despite those promises, little has been achieved.

(21) The President said on January 10, 2007, that ''I've made it clear to the Prime Minister and Iraq's other leaders that America's commitment is not open-ended'' so as to dispel the contrary impression that exists.

(22) The recommendations in this section should not be interpreted as precipitating any immediate reduction in, or withdrawal of, the present level of forces.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Senate disagrees with the ''plan'' to augment our forces by 21,500, and urges the President instead to consider all options and alternatives for achieving the strategic goals set forth below;

(2) the Senate believes the United States should continue vigorous operations in Anbar province, specifically for the purpose of combating an insurgency, including elements associated with the Al Qaeda movement, and denying terrorists a safe haven;

(3) the Senate believes a failed state in Iraq would present a threat to regional and world peace, and the long-term security interests of the United States are best served by an Iraq that can sustain, govern, and defend itself, and serve as an ally in the war against extremists;

(4) the Congress should not take any action that will endanger United States military forces in the field, including the elimination or reduction of funds for troops in the field, as such an action with respect to funding would undermine their safety or harm their effectiveness in pursuing their assigned missions;

(5) the primary objective of the overall U.S. strategy in Iraq should be to encourage Iraqi leaders to make political compromises that will foster reconciliation and strengthen the unity government, ultimately leading to improvements in the security situation;

(6) the military part of this strategy should focus on maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, conducting counterterrorism operations, promoting regional stability, supporting Iraqi efforts to bring greater security to Baghdad, and training and equipping Iraqi forces to take full responsibility for their own security;

(7) United States military operations should, as much as possible, be confined to these goals, and should charge the Iraqi military with the primary mission of combating sectarian violence;

(8) the military Rules of Engagement for this plan should reflect this delineation of responsibilities, and the Secretary of Defense and the Chairman of the Joint Chiefs of Staff should clarify the command and control arrangements in Baghdad;

(9) the United States Government should transfer to the Iraqi military, in an expeditious manner, such equipment as is necessary;

(10) the United States Government should engage selected nations in the Middle East to develop a regional, internationally sponsored peace-and-reconciliation process for Iraq;

(11) the Administration should provide regular updates to the Congress, produced by the Commander of United States Central Command and his subordinate commanders, about the progress or lack of progress the Iraqis are making toward this end; and

(12) our overall military, diplomatic, and economic strategy should not be regarded as an ''open-ended'' or unconditional commitment, but rather as a new strategy that hereafter should be conditioned upon the Iraqi government's meeting benchmarks that must be delineated in writing and agreed to by the Iraqi Prime Minister. Such benchmarks should include, but not be limited to, the deployment of that number of additional Iraqi security forces as specified in the plan in Baghdad, ensuring equitable distribution of the resources of the Government of Iraq without regard to the sect or ethnicity of recipients, enacting and implementing legislation to ensure that the oil resources of Iraq benefit Sunni Arabs, Shia Arabs, Kurds, and other Iraqi citizens in an equitable manner, and the authority of Iraqi commanders to make tactical and operational decisions without political intervention.

SA 260. Mr. KYL submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

''SEC. ____. Notwithstanding any other provision of law, amounts deposited or available in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) shall not be subject to any obligational limitation in any fiscal year. Amounts made available in this Act, except for amounts for defense, homeland security, and chapter 8, shall be reduced on a pro rata basis by the percentage required to reduce the overall amount made available by $1,253,000,000.''.

SA 261. Mr. KYL submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

''SEC. ____. Notwithstanding any other provision of law, amounts deposited or available in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) in any fiscal year in excess of $1,000,000,000 shall not be available for obligation until the next fiscal year and such additional amounts shall only be available for the purposes of such fund. Amounts made available in this Act, except for amounts for defense, homeland security, and chapter 8, shall be reduced on a pro rata basis by the percentage required to reduce the overall amount made available by $1,253,000,000.''.

SA 262. Mr. MARTINEZ submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 25, between lines 13 and 14, insert the following:

''SEC. _____. Notwithstanding any other provision of this Act, the Secretary of Agriculture may use 1 or more competitive grant programs to distribute funding made available under the heading 'Cooperative State Research, Education, and Extension Service' for fiscal year 2007.

SA 263. Mr. HATCH submitted an amendment intended to be proposed by him to the joint resolution H.J. Res. 20, making further continuing appropriations for the fiscal year 2007, and for other purposes; which was ordered to lie on the table; as follows:

On page 105, after line 6, insert the following:

SEC. ____. Notwithstanding section 101, for the Office of Justice Programs, State and Local Law Enforcement Assistance, $85,000,000 for Boys and Girls Clubs in public housing facilities and other areas in cooperation with State and local law enforcement, as authorized by section 401 of Public Law 104-294 (42 U.S.C. 13751 note). Amounts made available in this Act, except for amounts for defense, homeland security, and chapter 8, shall be reduced on a pro rata basis by the percentage required to reduce the overall amount made available by $85,000,000.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mrs. FEINSTEIN. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, February 14, 2007, at 11:30 a.m., to conduct a hearing on Senate Committee Budget Requests.

For further information regarding this hearing, please contact Howard Gantman at the Rules and Administration Committee at 224–6352.

COMMITTEE ON INDIAN AFFAIRS

Mr. DORGAN. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, February 15, 2007, at 9:30 a.m. in Room 485 of the Russell Senate Office Building to conduct a hearing the President's fiscal year 2008 Budget Request for Tribal Programs.

Those wishing additional information may contact the Indian Affairs Committee at 224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. WYDEN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to hold a hearing during the session of the Senate on Monday, February 12, 2007, at 2:30 p.m. in room SD–366 of the Dirksen Senate Office Building.

The dual purpose of this hearing is to receive recommendations on policies and programs to improve the energy efficiency of buildings and to expand the role of electric and gas utilities in energy efficiency programs.

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

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to the order of the Senate on January 24, 1901, as modified by the order of February 5, 2007, appoints the Senator from Tennessee, Mr. CORKER, to read Washington's Farewell Address on Monday, February 26, 2007.

ORDER FOR STAR PRINT—S. 80

Mr. SANDERS. Mr. President, I ask unanimous consent S. 80 be star printed with the changes at the desk.

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

ANTITRUST MODERNIZATION COMMISSION EXTENSION ACT OF 2007

Mr. SANDERS. I ask unanimous consent the Senate proceed to the immediate consideration of H.R. 742 received from the House.

The PRESIDING OFFICER. The clerk will report the bill by title.

The bill clerk read as follows:

A bill (H.R. 742) to amend the Antitrust Modernization Commission Act of 2002, to extend the term of the Antitrust Modernization Commission and to make a technical correction.

There being no objection, the Senate proceeded to consider the bill.

Mr. SANDERS. I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table with no intervening action or debate, and that any statements related to the bill be printed in the RECORD at the appropriate place as if read.

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

The bill (H.R. 742) was ordered to a third reading, was read the third time and passed.

ORDERS FOR TUESDAY, FEBRUARY 13, 2007

Mr. SANDERS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 10 a.m., Tuesday, February 13; that on Tuesday, following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day; that there then be a period of morning business until 12:30 p.m., with Senators permitted to speak therein, with the time equally divided and controlled between the two leaders or their designees; that at 12:30 p.m., the Senate stand in recess until 2:15 p.m., for the conference recess period; that upon reconvening at 2:15 p.m., the Senate resume H.J. Res. 20 and that the time until 2:30 p.m. be equally divided and controlled between the two leaders or their designees; that at 2:30 p.m., without further intervening action or debate, the Senate proceed to vote on the motion to invoke cloture on H.J. Res. 20; that on Tuesday Members have until 12 noon to file second-degree amendments.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. SANDERS. Mr. President, I ask unanimous consent that the Senate proceed to executive session to the consideration of Executive Calendar No. 23; that the nomination be confirmed and the motion to reconsider be laid upon the table; that any statements thereon be printed in the RECORD; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nomination considered and confirmed is as follows:

DEPARTMENT OF STATE

John D. Negroponte, of New York, to be Deputy Secretary of State.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDER FOR ADJOURNMENT

Mr. SANDERS. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand adjourned under the previous order, at the conclusion of Senator SMITH's remarks.

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

Mr. SANDERS. I thank the Senator.

Mr. SMITH. I thank the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Oregon.

CONTINUING APPROPRIATIONS

Mr. SMITH. Mr. President, I have detailed for you the dramatic story of Federal timber in Oregon. That serves as the backdrop for the issue at hand. As I mentioned I before, 25 percent of Forest Service timber receipts have been given to counties—nationwide—since 1908.

The Twenty-Five Percent Fund Act, Public Law 60–136, reads as follows:

PAYMENT OF RECEIPTS FOR SCHOOLS AND ROADS

On and after May 23, 1908, twenty-five per centum of all moneys received during any fiscal year from each national forest shall be paid, at the end of such year, by the Secretary of the Treasury to the State or Territory in which such national forest is situated, to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and public roads of

the county or counties in which such national forest is situated:

Provided, That when any national forest is in more than one State or Territory or county the distributive share to each from the proceeds of such forest shall be proportional to its area therein. In sales of logs, ties, poles, posts, cordwood, pulpwood, and other forest products the amounts made available for schools and roads by this section shall be based upon the stumpage value of the timber.

Beginning October 1, 1976, the term ''moneys received'' shall include all collections under the Act of June 9, 1930, and all amounts earned or allowed any purchaser of national forest timber and other forest products within such State as purchaser credits, for the construction of roads on the National Forest Transportation System within such national forests or parts thereof in connection with any Forest Service timber sales contract.

The Secretary of Agriculture shall, from time to time as he goes through his process of developing the budget revenue estimates, make available to the States his current projections of revenues and payments estimated to be made under the Act of May 23, 1908, as amended, or any other special Acts making payments in lieu of taxes, for their use for local budget planning purposes. (16 U.S.C. 500)

LAW ENFORCEMENT ASSISTANCE

Officials of the Forest Service designated by the Secretary of Agriculture shall, in all ways that are practicable, aid in the enforcement of the laws of the States and Territories with regard to stock, for the prevention and extinguishment of forest fires, and for the protection of fish and game, and, with respect to national forests, shall aid the other Federal bureaus and departments, on request from them, in the performance of the duties imposed on them by law. (16 U.S.C. 553)

EXPENDITURES FOR FOREST FIRE EMERGENCIES

Advances of money under any appropriation for the Forest Service may be made to the Forest Service and by authority of the Secretary of Agriculture to chiefs of field parties for fighting forest fires in emergency cases and detailed accounts arising under such advances shall be rendered through and by the Department of Agriculture to the General Account Office. (16 U.S.C. 556d)

Beginning in the late 1980s, timber sale receipts, the primary funding source for the 25 Percent Fund Act, began a precipitous decline for reasons I have explained earlier.

This plunge in receipts intensified and then bottomed out at a much lower level in the 1990s. The decline in receipts impacted rural communities in the West, particularly communities in Washington, Oregon, northern California, and Idaho.

For example, fiscal year 1998 national forest revenues were $557 million—only 36 percent of the fiscal year 1989 peak revenues of $1.531 billion. In fiscal year 2004, national forest revenues were $281.1 million.

Payments to many States under the 25 Percent Fund Act declined by an average of 70 percent from 1986 through 1998.

Now these are national figures. Those in Oregon were far more severe, reflecting the drastic halt in the Federal timber sale program there.

The problem was compounded because 18 Oregon counties have a different revenue-sharing agreement with the Bureau of Land Management that manages the O&C lands of western Oregon.

In the original 1937 statute, the BLM is required to give 75 percent of timber revenue to the O&C counties. For the benefit of my colleagues, allow me to read this statute:

PUBLIC LAW NUMBER 405 OF THE 75TH CONGRESS—H.R. 7618

AN ACT Relating to the revested Oregon and California Railroad and re-conveyed Coos Bay Wagon Road grant lands situated in the State of Oregon.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any provisions in the Acts of June 9, 1916 (39 Stat. 218), and February 26, 1919 (40 Stat. 1179), as amended, such portions of the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands as are or may hereafter come under the jurisdiction of the Department of the Interior, which have heretofore or may hereafter be classified as timberlands, and power-site lands valuable for timber, shall be managed, except as provided in section 3 hereof, for permanent forest production, and the timber thereon shall be sold, cut, and removed in conformity with the principal of sustained yield for the purpose of providing a permanent source of timber supply, protecting watersheds, regulating stream flow, and contributing to the economic stability of local communities and industries, and providing recreational facilities:

Provided, That nothing herein shall be construed to interfere with the use and development of power sites as may be authorized by law. The annual productive capacity for such lands shall be determined and declared as promptly as possible after the passage of this Act, but until such determination and declaration are made the average annual cut there from shall not exceed one-half billion feet board measure:

Provided, That timber from said lands in an amount not less than one-half billion feet board measure, or not less than the annual sustained yield capacity when the same has been determined and declared, shall be sold annually, or so much thereof as can be sold at reasonable prices on a normal market.

If the Secretary of the Interior determines that such action will facilitate sustained-yield management, he may subdivide such revested lands into sustained-yield forest units, the boundary lines of which shall be so established that a forest unit will provide, insofar as practicable, a permanent source of raw materials for the support of dependent communities and local industries of the region; but until such subdivision is made the land shall be treated as a single unit in applying the principle of sustained yield:

Provided, That before the boundary lines of such forest units are established, the Department, after published notice thereof, shall hold a hearing thereon in the vicinity of such lands open to the attendance of State and local officers, representatives of dependent industries, residents, and other persons interested in the use of such lands.

Due consideration shall be given to established lumbering operations in subdividing such lands when necessary to protect the economic stability of dependent communities. Timber sales from a forest unit shall be limited to the productive capacity of such unit and the Secretary is authorized, in his discretion, to reject any bids which may interfere with the sustained-yield management plan of any unit.

Section 2. The Secretary of the Interior is authorized, in his discretion, to make cooperative agreements with other Federal or State forest administrative agencies or with private forest owners or operators for the coordinated administration, with respect to time, rate, method of cutting, and sustained yield, or forest units comprising parts of revested or reconveyed lands, together with lands in private ownership or under the administration of other public agencies, when by such agreements he may be aided in accomplishing the purposes hereinbefore mentioned.

Section 3. The Secretary of the Interior is authorized to classify, either on application or otherwise, and restore to homestead entry, or purchase under the provisions of section 14 of the Act of June 28, 1934 (48 Stat. 1269), any of such revested or reconveyed land which, in his judgment, is more suitable for agricultural use than for afforestation, reforestation, stream-flow protection, recreation, or other public purposes.

Any of said lands heretofore classified as agricultural may be reclassified as timber lands, if found, upon examination, to be more suitable for the production of trees than agricultural use, such reclassified timber lands to be managed for permanent forest production as herein provided.

Section 4. The Secretary of the Interior is authorized, in his discretion, to lease for grazing any of said revested or reconveyed lands which may be so used without interfering with the production of timber or other purposes of this Act as stated in section 1:

Provided, That all the moneys received on account of grazing leases shall be covered either into the ''Oregon and California land-grant fund'' or the ''Coos Bay Wagon Road grant fund'' in the Treasury as the location of the leased land shall determine, and be subject to distribution as other moneys in such funds:

Provided further, That the Secretary is also authorized to formulate rules and regulations for the use, protection, improvement, and rehabilitation of such grazing lands.

Section 5. The Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

The Secretary of the Interior is further authorized, in formulating forest-practice rules and regulations, to consult with the Oregon State Board of Forestry, representatives of timber owners and operators on or contiguous to said revested and reconveyed lands, and other persons or agencies interested in the use of such lands.

In formulating regulations for the protection of such timberlands against fire, the Secretary is authorized, in his discretion, to consult and advise with Federal, State, and county agencies engaged in forest-fire-protection work, and to make agreements with such agencies for the cooperative administration of fire regulations therein:

Provided, That rules and regulations for the protection of the revested lands from fire shall conform with the requirements and practices of the State of Oregon insofar as the same are consistent with the interests of the United States.

TITLE II

That on and after March 1, 1938, all moneys deposited in the Treasury of the United States in the special fund designated the ''Oregon and California land-grant fund'' shall be distributed annually as follows:

(a) Fifty per centum to the counties in which the lands revested under the Act of

June 9, 1916 (39 Stat. 218), are situated, to be payable on or after June 30, 1938, and each year thereafter to each of said counties in the proportion that the total assessed value of the Oregon and California grant lands in each of said counties for the year 1915 bears to the total assessed value of all of said lands in the State of Oregon for said year, such moneys to be used as other county funds.

(b) Twenty-five per centum to said counties as money in lieu of taxes accrued or which shall accrue to them prior to March 1, 1938, under the provisions of the Act of July 13, 1926 (44 Stat. 915), and which taxes are unpaid on said date, such moneys to be paid to said counties severally by the Secretary of the Treasury of the United States, upon certification by the Secretary of the Interior, until such tax indebtedness as shall have accrued prior to March 1, 1938, is extinguished.

From and after payment of the above accrued taxes said 25 per centum shall be accredited annually to the general fund in the Treasury of the United States until all reimbursable charges against the Oregon and California land-grant fund owing to the general fund in the Treasury have been paid:

Provided, That if for any year after the extinguishment of the tax indebtedness accruing to the counties prior to March 1, 1938, under the provisions of Forty-fourth Statutes, page 915, the total amount payable under subsection (a) of this title is less than 78 per centum of the aggregate amount of tax claims which accrued to said counties under said Act for the year 1934, there shall be additionally payable for such year such portion of said 25 per centum (but not in excess of three-fifths of said 25 per centum), as may be necessary to make up the deficiency.

When the general fund in the Treasury has been fully reimbursed for the expenditures which were made charges against the Oregon and California land-grant fund said 25 per centum shall be paid annually, on or after June 30, to the several counties in the manner provided in subsection (a) hereof.

(c) Twenty-five per centum to be available for the administration of this Act, in such annual amounts as the Congress shall from time to time determine. Any part of such per centum not used for administrative purposes shall be covered into the general fund of the Treasury of the United States:

Provided, That moneys covered into the Treasury in such manner shall be used to satisfy the reimbursable charges against the Oregon and California land-grant fund mentioned in subsection (b) so long as any such charges shall exist.

All Acts or parts of Acts in conflict with this Act are hereby repealed to the extent necessary to give full force and effect to this Act.

Approved, August 28, 1937.

As my colleagues have just heard, the O&C Act mandates permanent timber production from these lands for the benefit of the counties.

This is a drastically different management direction than the National Forests. In fact, the act states that timber production should not be less than half a billion board feet a year—500 million board feet—but within the sustained yield level.

This means harvesting less than the growth rate of the trees, while still meeting goals for protection of water and wildlife.

In the 1980s, the harvest level on the O&C lands was well in excess of a billion board feet per year. By 1990, harvest had fallen to 100 million board feet—a 94-percent drop within a decade.

Between the O&C Act and the 25 Percent Act, revenue sharing with Oregon counties capitalized public services in my State for generations.

These funds literally built the libraries and schools and roads in the rural parts of Oregon. They paid the bills, bought the books and kept communities safe.

And then, all of a sudden, those funds vanished into thin air. Hundreds of communities in my State—landlocked by Federal land—were left to wither and die on the Federal vine.

In some school districts, revenues from the Forest Service have declined by as much as 90 percent. Timber receipts to Grant County, OR, for roads and schools declined from a high of $12.4 million in 1992 to $1.9 million in 1997.

Schools there operated 4 days a week. Road crews were laid off. Law enforcement and search and rescue were curtailed.

The evisceration of public services in rural counties was matched by affliction in the private sector. In April 1999, 14 of Oregon's 36 counties had an unemployment rate at least twice the national average of 4.1 percent.

There were six counties with unemployment rates in excess of 10 percent, led by Grant County with nearly 17 percent.

It is by no means an exaggeration that this condition was a direct result of Federal forest management decisions.

And Oregon was not the only State held to the flames. The shadow of the Clinton forest philosophy fell upon every State with public lands.

Impacted communities in Idaho, Alaska, California, Montana, Texas, Arkansas, Mississippi, West Virginia, and South Dakota were in equally dire circumstances.

Congress responded to the outcry of these communities. Led by my colleague from Oregon, Senator WYDEN, and my colleague from Idaho, Senator CRAIG—Congress developed a safety net to stop the hemorrhage.

The future of that safety net—and of the communities helplessly held in it—is why I stand in the Senate chamber today.

Mr. President, I do want to talk about Oregon impacts.

On October 30, 2000, Public Law 106–393 was signed into law to offset the effect of decreased revenues available to States from declining timber harvests on Federal lands.

Also known as the Secure Rural Schools and Community Self-Determination Act, it authorized a temporary alternative to the receipts-based payment of the previous 100 years.

In essence, the Secure Rural Schools Act provided direct funding to counties and States based on historic rather than actual timber harvests and receipts. This statute provided annual payments to States for fiscal years 2001 to 2006. An eligible county had the option of electing to receive its share of the State's 25-percent payment or its share of the average of the State's three highest 25-percent payments from fiscal years 1986 through 1999.

Of the 717 counties and the 4,400 rural schools in 41 States that were eligible for their share of the State's amount under the act, 550, or 77 percent, initially decided to accept that payment in fiscal year 2001. By 2003, 615 counties, or 86 percent, of eligible counties took the safety net payments rather than payment from actual timber harvests.

The majority of these counties are located in the western and southern portions of this country, while those that have remained under the 25 Percent Fund Act are primarily in the Great Lakes area, where Federal timber harvest has remained sustainable.

Payments from National Forests authorized by the Secure Rural Schools Act have totaled over $1 billion, and have averaged over $301 million each year since the act was implemented. Payments have varied by region of the country. For example, the fiscal year 2004 payments distribution included approximately $37 million to southern States, $14 million to northeast and midwest States, $273 million to Oregon, Washington, and California, and $71 million to the other western States.

I should note that these figures represent Forest Service allocations, and Oregon receives an additional payment for the O&C lands.

Funding derived from the Treasury has provided not only more stable funding but also significantly higher payments than would have been the case under the 25 Percent Fund. For example, if payments were still based on 25 percent of actual timber receipts in 2004, the total payment to all States would be $71.4 million. In comparison, the full payment amount for all States for fiscal year 2005 is $395.7 million, an 82-percent difference nationwide.

When President Clinton signed the Secure Rural Schools bill into law, his press release stated:

> Rural communities will no longer be dependent on decreasing federal timber sales to staff and equip schools and provide essential government services.

However, the President wrongly assumed that his Northwest Forest Plan was working. Again, his release stated:

> The President's Pacific Northwest Forest Plan broke the stalemate over the northern spotted owl, balancing the preservation of old-growth stands with the economic needs of timber-dependent communities.

While the current administration is doing what it can to bring Federal forest management up to speed, Oregon communities find themselves in the same situation they were in a decade ago.

The county payments safety net expired last September. As this Chamber considers this half-trillion-dollar spending bill, Oregon county commissioners are preparing for a budgetary doomsday scenario. Let me describe what this grim situation is looking like to them.

Baker County: Home of the Oregon Trail Interpretive Center, the Geiser Grand Hotel, and named for COL Edward Baker—Mr. President, I will bet you did not know that there is one State that has more than two statues in Statuary Hall. That State is Oregon. We all get two, but Oregon got three because Edward Baker was a Senator killed in one of the first actions of the Civil War at Ball's Bluff, VA. He was also a former law partner to Abraham Lincoln.

He found his way on a speechmaking tour to Oregon. They were so impressed with him they asked him to be their Senator. I have his seat today. He came back here as a sitting Senator and as an officer in the United States cavalry. While serving in both capacities, he lost his life. So Edward Baker, an Oregonian only briefly, has the third statue for Oregon in Statuary Hall. It is said that at his funeral, conducted in the Rotunda, it was difficult to hear because of the audible sobbings of the President of the United States, Abraham Lincoln.

In 2004, the Baker County Road Department received $577,000 from the Secure Rural Schools and Community Self-Determination Act. If the Baker County Road Department had to rely on actual timber receipt revenue, they would have received only a fraction of that. In 2004, the Baker County School District received $211,000 from the safety net.

Let me go to Benton County, the home of the Oregon State Beavers. It is one of seven counties nationwide to be named for a U.S. Senator, Thomas Hart Benton of Missouri—a longtime advocate of the development of Oregon country. Benton County stands to lose 15 percent of its general discretionary budget, including $285,000 from its road department.

Clackamas County, home of Mount Hood and the historic Timberline Lodge that President Roosevelt dedicated. Between 1984 and 2001, timber harvest fell on the Mount Hood National Forest by 97 percent.

Clackamas County stands to lose $10 million per year without an extension of the safety net.

In 2004, the Clackamas County Road Department alone received over $4 million from the Secure Rural Schools and Community Self-Determination Act. If the Clackamas County Road Department had to rely on actual timber receipt revenue, they would have received $333,128 from U.S. Forest Service lands, a 92-percent reduction in these Federal funds.

Clackamas County schools will receive $1.5 million a year from the Secure Rural Schools and Community Self-Determination Act. That goes away.

Columbia County: In 2004, their discretionary general fund received over $2 million from the safety net. This represents 31 percent of Columbia County's discretionary general fund.

Coos County used to be home to the world's largest lumber-exporting port. Coos County has not only been hard hit by Federal timber policies, but by the collapse of federally managed fisheries.

The safety net provides nearly $8 million a year to Coos County—more than twice what the county can collect in property taxes. Without the safety net, 45 percent of its road and general fund will vanish.

County officials expect to lay off a third of their road crew. Nineteen employees at the Coos County Sheriff's Department have already received their pink slips telling them not to show up for work on February 27. These workers included corrections officers, two patrol deputies, a 911 dispatcher, and two animal control officers. Additional cuts will be made from the district attorney's office, juvenile court counselors, and the public health department.

I should note that these types of services are constitutionally required for counties to provide.

Crook County: Home of the Ochoco National Forest, where timber harvest fell 98 percent between 1991 and 2006. If the safety net is not extended, Crook County stands to lose 28 percent of its general discretionary budget. Its roads and its schools are in great jeopardy.

In 2004, the Crook County Road Department received over $2 million from the Secure Rural Schools and Community Self-Determination Act. If the Crook County Road Department had to rely on actual timber receipt revenue, they would have received $33,160 from U.S. Forest Service lands—a 99-percent reduction in Federal funds.

In 2004, the Crook County School District received $746,535 from the safety net.

Curry County lies in the far southwest corner of Oregon.

Cape Blanco in Curry County stretches out in the Pacific Ocean to form the most western point in the lower 48.

You ought to see how beautiful it is there, Mr. President.

It shares with Josephine County the Siskiyou National Forest, the site of the 2002 Biscuit Fire—the largest in Oregon history. Between 1989 and the year of that colossal wildfire, timber harvest on the Siskiyou National Forest dropped 99.5 percent.

As such, Curry County stands to lose 62 percent of its general discretionary fund. This translates into the loss of seven sheriff's deputies, two county assessors, cutbacks in juvenile services, and loss of a deputy district attorney.

The county sheriff's office presently takes about 52 percent of the county's ''safety net'' dollars, which means that if they had reductions to cover the amount of their percentage, it would lose all of its patrol deputies, two sergeants, its only lieutenant, and two jailors.

The Curry County Road Department will lose 75 percent of its entire budget.

The Brookings-Harbor School District is going to lose $700,000 from the safety net. Curry County is one of those places so dominated by Federal land that new tax revenue from property development is simply impossible. Only 3 percent of the land base is developable.

Deschutes County is a high desert paradise with snow-capped mountains, rugged mountain bike trails, swift whitewater, and the Sisters Rodeo, the ''Biggest Little Show in the World.'' Timber harvest in the Deschutes National Forest fell 83 percent between 1985 and 1999. Large forest fires continue to mar the landscape there, causing evacuations of local communities nearly every summer. We don't manage it. We just burn it now. They are going to lose huge amounts of their county budgets: from the road department, a 79-percent reduction; from the Bend/LaPine School District, they will lose $651,000 from the safety net.

Then Douglas County, timber capital of the world and home to Johnny Cash's ''Lumberjack.'' Given the woodbasket of Douglas Fir, many believe this county was named after the silviculturist David Douglas. But Douglas County was actually named for Stephen Douglas, Abraham Lincoln's opponent in the 1860 Presidential election. Douglas was an ardent congressional supporter for Oregon's entry into the Union. Timber harvest on their forest, the Umpqua National Forest, fell 99 percent between 1984 and 2004. In 2004, Douglas County's discretionary general fund received over $26 million from the safety net. This represents 78 percent of Douglas County's discretionary general fund. The Douglas County Road Department received over $13 million from the Secure Rural Schools and Community Self-Determination Act. If the Douglas County Road Department had to rely on actual timber receipts, they would have received $791,000, a-94 percent loss of Federal revenue.

The Roseburg School District 4 received a $1.8 million from the safety net in 2004. That goes away.

Grant County, home of the John Day Fossil Beds National Monument and the Malheur National Forest, timber harvest on that dropped 98 percent. More than 60 percent of Grant County is owned by the public, and their discretionary fund is going to drop a whopping amount as well. They will lose millions in road and school funding. Two of its three county patrol officers will be eliminated. Sixty-two percent of the land in John Day School District is federally owned, so the district was heavily dependent on Federal forest fees. As a result, in 1998, the district went to a 4-day school week. We always talk about No Child Left Behind. We are going to leave a lot of Oregon kids behind if we don't keep this bargain.

Harney County, home of Steens Mountain, part of the county's 77 percent public ownership. You ought to see Steens Mountain, be down on the Alvord flat, a salt flat, and see the sun come up in the morning and hit those

mountains and turn them pink. It is astonishingly beautiful. They are going to get hammered. Their road department is going to lose 70 percent of its funding. Their school district will lose nearly $700,000.

Hood River County, home of pear orchards, wind surfing, and skiing. In fact, JOHN KERRY still goes there a lot to wind surf, wind surfing capital of the world. Hood River County stands to lose 32 percent of its discretionary funds without the safety net. The road department loses over a million, and their school district will lose half a million and more.

Jackson County, home of the Oregon Shakespearean Festival, dominated by the BLM's O&C lands. Jackson County faces a $20 million shortfall without a county payments extension, 33 percent of its road and general budget. Jackson County is on the verge of closing all 15 of its public libraries, if the safety net is not extended. The county also plans to lay off 30 positions in health and human services and reduce the number of jail beds. In 2004, the Jackson County Road Department received over $3.8 million from county payments. If they had to rely on actual timber harvests, they would have received a 97-percent reduction in Federal funds.

Jefferson County, home of Mount Jefferson—that is a pretty place—Black Butte, Warm Springs Indian Reservation, 300 days of sunshine a year. In 2004, the Jefferson County Road Department received $445,000 from the county payments. If the Jefferson County Road Department had to rely on actual timber receipts, they would have received $89,000 from the U.S. Forest Service.

Josephine County, the home of Oregon Caves National Monument and the Rogue River, 62 percent of Josephine County is publicly owned. They are going to lose 79 percent of their county's general discretionary funds.

Klamath County, home of Crater Lake, the deepest lake in North America and Oregon's first national park. Klamath County is also the home of the devastating shutoff of irrigation water by Federal agencies in 2001. In 2004, Klamath County's discretionary general fund received over $3 million from the safety net. This represents nearly 30 percent of their general discretionary budget.

Lake County, home of the Hart Mountain National Antelope Refuge—78 percent of that county is owned by the Federal Government. Lake County stands to lose 50 percent of its discretionary general funds—again, roads and schools.

Lane County was named for the great Joseph Lane, first territorial Governor, first U.S. Senator from Oregon. Lane County is one of the largest recipients of safety net dollars, and for good reason. This was the epicenter of the spotted owl controversy, and timber harvest was cut back there more than anywhere else in the Nation.

Mr. President, I don't want to abuse your time. I am trying to make a point here. You can probably tell that. I speak more out of sorrow than anger, but I am angry, too. It is a tragedy. Both parties are guilty in the mutation from the Federal Government becoming Oregon's protagonist to its antagonist. I was going to tell you more about Lane County and Linn County, named for U.S. Senator James Linn of Missouri—another Missouri Senator has an Oregon County named for him.

I was going to tell you about Lincoln County, home of Depoe Bay, the whale-watching capital of the world. They will get hammered, too.

Marion County, home of the State capitol, the largest producer of agricultural products in Oregon. The Marion berry—you have probably heard of that—is delicious.

Morrow County; Polk County named for James K. Polk, one of our unsung great Presidents.

Tillamook County—you probably heard of Tillamook cheese. It is fabulous. Their county is in real peril because 64 percent of Tillamook County is publicly owned, and nearly 20 percent of its total discretionary budget is at risk

Union County, land of the Grand Ronde Valley, is near my home. This county is right in the middle of Federal forest lands. They will suffer a 55-percent reduction in Federal funds.

Wallowa County is a little Switzerland. It is one of the loveliest places on Earth. It is where Oregon joins the Rocky Mountains. Their county stands to lose a tremendous percentage of their ability to continue.

Yamhill County. If you like Oregon pinot noirs—I don't drink them, but a lot of people like Oregon pinot noirs—they come from Yamhill County. They are in trouble. And they are in trouble. Wheeler County.

Mr. President, I have talked enough, and you have been indulgent of me. I promised the majority leader I would take only the time he wanted me to speak. But the Federal Government owns my State—more than half of it. It incentivized the development of Oregon's resources. It laid down the terms for the development of timber in Oregon. It built my State. I will bet it even helped build some of the homes in which you live.

But the environmental ethic changed. Whatever side you come down on, in the middle of that contest are people and counties and governmental services that need to be continued until the Federal Government can figure out the right balance in the economic/environmental equation.

I have been down here talking a long time. I have to look for every opportunity to keep talking because I need to awaken my colleagues to the Federal obligation that exists to real people with real concerns and with a real claim on the Federal Government. As we look for offsets, let me simply say that we are out of time.

The real offset ought to be the honor of the Federal Government. It ought to meet this obligation until it can resolve this dispute. President Clinton tried, President Bush has tried, but the Congress and the courts have been in the way. In the meantime, my colleague and I need the Federal Government to get out of the way and continue to help us, instead of hurting the people whom it grew Oregon to bless.

I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10 a.m. tomorrow morning.

Thereupon, the Senate, at 7:22 p.m., adjourned until Tuesday, February 13, 2007, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 12, 2007:

NATIONAL CONSUMER COOPERATIVE BANK

JANIS HERSCHKOWITZ, OF PENNSYLVANIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL CONSUMER COOPERATIVE BANK FOR A TERM OF THREE YEARS, VICE RAFAEL CUELLAR, TERM EXPIRED.

DAVID GEORGE NASON, OF RHODE ISLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL CONSUMER COOPERATIVE BANK FOR A TERM OF THREE YEARS, VICE MICHAEL SCOTT, RESIGNED.

NGUYEN VAN HANH, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL CONSUMER COOPERATIVE BANK FOR A TERM OF THREE YEARS, VICE ALFRED PLAMANN, TERM EXPIRED.

DEPARTMENT OF STATE

ZALMAY KHALILZAD, OF MARYLAND, TO BE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE SESSIONS OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS DURING HIS TENURE OF SERVICE AS REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS.

ZALMAY KHALILZAD, OF MARYLAND, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY, AND THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA IN THE SECURITY COUNCIL OF THE UNITED NATIONS.

FORD M. FRAKER, OF MASSACHUSETTS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF SAUDI ARABIA.

NATIONAL COUNCIL ON DISABILITY

MARYLYN ANDREA HOWE, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 2008, VICE GLENN BERNARD ANDERSON, TERM EXPIRED.

LONNIE C. MOORE, OF KANSAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 2008, VICE MARCO A. RODRIGUEZ, TERM EXPIRED.

CYNTHIA ALLEN WAINSCOTT, OF GEORGIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 2008, VICE BARBARA GILLCRIST, TERM EXPIRED.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

W. CRAIG VANDERWAGEN, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR PREPAREDNESS AND RESPONSE, DEPARTMENT OF HEALTH AND HUMAN SERVICES. (NEW POSITION)

NATIONAL BOARD FOR EDUCATION SCIENCES

DAVID C. GEARY, OF MISSOURI, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL BOARD FOR EDUCATION SCIENCES FOR A TERM EXPIRING NOVEMBER 28, 2010, VICE ROBERTO IBARRA LOPEZ, TERM EXPIRED.

ERIC ALAN HANUSHEK, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL BOARD FOR EDUCATION SCIENCES FOR A TERM EXPIRING NOVEMBER 28, 2010. (REAPPOINTMENT)

CAROL D'AMICO, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL BOARD FOR EDUCATION SCIENCES FOR A TERM EXPIRING NOVEMBER 28, 2010. (REAPPOINTMENT)

UNITED STATES POSTAL SERVICE

ELLEN C. WILLIAMS, OF KENTUCKY, TO BE A GOVERNOR OF THE UNITED STATES POSTAL SERVICE FOR A TERM EXPIRING DECEMBER 8, 2014. (REAPPOINTMENT)

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

KRISTINE MARY MILLER, OF COLORADO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2010, VICE D. BAMBI KRAUS, TERM EXPIRED.

BRENDA L KINGERY, OF TEXAS, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2012, VICE JOHN RICHARD GRIMES, RESIGNED.

JULIE E. KITKA, OF ALASKA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2012, VICE KATHERINE L. ARCHULETA, TERM EXPIRED.

SONYA KELLIHER-COMBS, OF ALASKA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2008, VICE MICHAEL A. NARANJO, TERM EXPIRED.

PERRY R. EATON, OF ALASKA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2012, VICE A. DAVID LESTER, TERM EXPIRED.

CONFIRMATION

Executive nomination confirmed by the Senate Monday, February 12, 2007:

DEPARTMENT OF STATE

JOHN D. NEGROPONTE, OF NEW YORK, TO BE DEPUTY SECRETARY OF STATE.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

WITHDRAWAL

Executive Message transmitted by the President to the Senate on February 12, 2007 withdrawing from further Senate consideration the following nomination:

Ellen C. Williams, of Kentucky, to be a Governor of the United States Postal Service for a term expiring December 8, 2016. (Reappointment), which was sent to the Senate on January 9, 2007.