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Senate

The Senate met at 9:30 a.m., and was called to order by the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York.

PRAYER

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

Let us pray.

O Lord our God, we turn to You for strength and courage and faith. We thank You for Your promise to supply all our needs from Your bountiful reservoir of grace.

Today, empower our lawmakers to find new opportunities for service. Lord, infuse them with such hope and purpose that their labors will bring a harvest of goodness and justice that will reign in our land and world. May our Senators yield their attitudes and dispositions to Your control so that they might work effectively with each other.

We pray in Your gracious Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable KIRSTEN E. GILLIBRAND 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. INOUYE).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 18, 2012.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KIRSTEN E. GILLIBRAND, a Senator from the State of New York, to perform the duties of the Chair.

DANIEL K. INOUYE,
President pro tempore.

Mrs. GILLIBRAND thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

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

BRING JOBS HOME ACT—MOTION TO PROCEED

Mr. REID. Madam President, I move to proceed to Calendar No. 442.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to S. 3364, a bill to provide an incentive for businesses to bring jobs back to America.

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

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

The assistant legislative clerk proceeded to call the roll.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

SCHEDULE

Mr. REID. Madam President, the schedule here this morning is that the first hour will be equally divided and controlled between the two leaders or their designees, the majority controlling the first half and the Republicans the final half.

Yesterday cloture was filed on the motion to proceed to the Bring Jobs Home Act. Unless an agreement is reached, this vote will occur tomorrow morning.

MEASURE PLACED ON THE CALENDAR—S. 3393

Mr. REID. Madam President, I am told S. 3393 is at the desk and due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 3393) to amend the Internal Revenue Code of 1986 to provide tax relief to middle-class families.

Mr. REID. Madam President, I object to any further proceedings on this bill at this time.

The ACTING PRESIDENT pro tempore. Objection is heard. The bill will be placed on the calendar under the provisions of rule XIV.

TAXPAYER SUBSIDIZATION

Mr. REID. Madam President, if you want to do business in America today, your goal should be to make a profit. There is nothing wrong with that. That is good. Millions of hard-working American entrepreneurs are the backbone of our economy. And if your company boosts profits by sending jobs overseas, that is your right as a business owner. But American taxpayers shouldn't subsidize your business decision to outsource jobs, especially when there are millions of people in this country looking for work.

Over the last 10 years, about 2½ million jobs in call centers, sales centers, financial firms, and factories were shipped overseas, and American taxpayers helped foot the bill for sending those jobs overseas. Every time U.S. companies ship jobs or facilities overseas, American taxpayers help cover the moving costs. The Bring Jobs Home Act will end these disgraceful subsidies for outsourcing and would give a 20-percent tax break to cover the cost of moving those jobs back to the United States.

But Republicans are filibustering this commonsense legislation. It is no surprise Republicans are on the side of corporations—corporations making big

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

bucks—sending American jobs to China, India, and other places. After all, their Presidential nominee, Mitt Romney, made a fortune in outsourcing jobs also. So Republicans are once again putting tax breaks for big corporations and multimillionaires ahead of the needs of ordinary Americans.

What most Americans need is a good job—a job here at home—and the assurance their taxes won't go up on January 1. Democrats, Republicans, and Independents across the country agree with our plan. It is only Republicans in Congress who disagree. Yet Republicans here in the Senate are filibustering legislation to bring jobs back to America. They have twice blocked a vote on legislation to keep taxes low for 98 percent of American families.

It was Republicans who asked for a vote on the plan to raise taxes for 25 million families and a vote on our plan to keep taxes low for 135 million American taxpayers. So we offered them what they wanted. We offered them up-or-down votes on both proposals—no procedural hoops, no delay tactics, just a simple majority vote on our plan and theirs. And they refused.

Maybe Republicans refused our offer because they don't have the votes for their plan to raise taxes on 25 million Americans or maybe they have refused it because the majority of Americans support our plan to keep taxes low for 98 percent of families, while asking only the top 2 percent to contribute a little bit more to reduce the deficit. Everyone across America—the majority of Republicans—supports our plan. Yet, still, Republicans here in the Senate are holding hostage tax cuts for nearly every American family to extort more budget-busting giveaways to millionaires and billionaires.

For a year, the budget deficit was all Republicans wanted to talk about. They were willing to end Medicare as we know it, slash funding for nursing homes for seniors, investments in education, and raise taxes on the middle class all in the name of deficit reduction. But now that Democrats have a plan to reduce the deficit by almost $1 trillion simply by ending wasteful tax breaks, Republicans have given up fiscal responsibility.

So I say this to my Republican friends: You can't have it both ways. You can't call yourself a deficit hawk and fight for more tax breaks for millionaires and billionaires while the deficit increases. You can't call yourself a fiscal conservative and fight to protect tax breaks for companies that outsource jobs to India and China.

RECOGNITION OF THE MINORITY LEADER

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

SENATE PROCEDURE

Mr. MCCONNELL. Madam President, I indicated to the majority leader before the Senate convened today that I wanted to have a discussion, the two of us, on several items.

No. 1, I understand my friend the majority leader, last night on MSNBC, said it was his intention at the beginning of the next Congress, if Democrats were in the majority, to change the rules of the Senate by a simple majority. So I want to begin by asking my friend the majority leader if his comments at the beginning of this Congress, on January 27, 2011, are no longer operative. At that time, my friend the majority leader said:

> I agree that the proper way to change Senate rules is through the procedures established in those rules, and I will oppose any effort in this Congress or the next to change the Senate's rules other than through the regular order.

So my first question to my friend the majority leader is: Is that statement no longer operative?

Mr. REID. Madam President, through the Chair, I would answer my friend the Republican leader, as I have said here on the floor. I believe what took place at the beginning of this Congress was something that was very important for this body. It was led by Senator UDALL of New Mexico and Senator MERKLEY of Oregon. They had been here a little while and they thought the Senate was dysfunctional. Well, they hadn't been here a long time, and I was still willing to go along at that time with the traditional view of let's not rock the boat here. But that was with the hope, and I thought the assurance of my Republican colleagues, that we would not have these continual, nonsensical motions to proceed filibustered, taking a week to get through that before finally moving to a piece of legislation.

So I said here in the Senate a few months ago that I was wrong. It is hard to acknowledge you are wrong. It is difficult for any of us to do, especially in front of so many people. But I said I think they were right and I was wrong, and I stick by that. I think what has happened the last few years of changing the basic rules of the Senate where we require not 50 votes to pass something but 60 votes on everything is wrong. I think we waste weeks and weeks on motions to proceed.

I had a conversation with a real traditionalist last evening—CARL LEVIN, the Senator from Michigan—where we talked about this at some length. He acknowledges the motion to proceed is a real problem here but he disagrees with me. Others can talk to him personally, but that is the way I understood him. But I am convinced something must change, unless there is an agreement to change how we focus on the motion to proceed.

I will try to end this quickly, but I think the leader deserves a full explanation. The filibuster was originally devised—it is not in the Constitution—to help legislation get passed. That is the reason they changed the rules here to do that. Now it is being used to stop legislation from passing, and so we have to change things because this place is becoming inoperable.

Mr. MCCONNELL. I gather then my friend the majority leader's commitment at the beginning of the Congress, that we would follow the regular order to change the rules of the Senate, is no longer operative. So let me turn to a second area of discussion.

The principal advantage of being in the majority is you get to schedule legislation. And of course there are a number of things that can be done with a simple majority of 51. So I would ask my friend the majority leader why it is his view Republicans have somehow prevented the Senate from passing a budget, which could have been done with a mere 51 votes anytime during the last 3 years?

Mr. REID. Madam President, that is an easy question to answer. We already have a budget. We passed, in August of last year, a budget that took effect for the last fiscal year and this fiscal year. It set numbers—302(b) numbers, in effect. There was no need for a budget this year. We already had one.

So the hue and cry of my Republicans friends that we need to have a budget is just a lot of talk. We already have a budget.

Mr. MCCONNELL. Madam President, I would say to my friend the majority leader, he knows the Parliamentarian disagrees with his view that we already have a budget. But let us assume for the sake of discussion we do have a budget. Then I would ask my friend the majority leader why we haven't passed a single appropriations bill?

Mr. REID. That also is an easy question to answer. The Republicans in the House—and this is a bicameral legislature—have reneged on the law that was passed last August where it set numbers. Their appropriations bills have artificially lowered the numbers and violated the law, in effect, here in this Congress. As a result, Senator INOUYE has marked up his bill—subcommittee bills.

But I would also say the House is not serious about what they do. Energy and Water used to be one of the most important subcommittees—the most popular, I should say, in addition to being important—in this body. I was fortunate to serve on that subcommittee for more than a quarter of a century under great leaders—Domenici, Bennett, Johnson, and the committee chairs switched back and forth. But the House sent over here an Energy and Water Subcommittee appropriations bill that has more than 30 riders directed toward EPA-type functions alone. I mean, they are not serious about doing legislation. They are serious about satisfying their tea party and the ridiculous messages they are trying to send.

I would also say one of the other problems we have is we have to fight to get to anything—any legislation. We have to fight to get that done. As you know, we have wasted—I said weeks earlier—months trying to get legislation on the floor. So appropriations bills, I want to get these done. I am an appropriator. But it has been unrealistic with the actions of the House.

Mr. MCCONNELL. Madam President, what we just heard is that it is not the

Senate's fault, it is the House's fault that the Senate won't schedule appropriations bills that have been marked up in the Senate appropriations committees.

My concern here is that nobody is taking responsibility for the Senate itself. We are not responsible for what the House is doing. And typically these differences in what we call 302(b)s; that is, what each subcommittee is going to spend, are worked out in conference. We can't have a conference on any of the bills because we haven't passed any of the bills across the Senate floor.

So the majority leader doesn't want to do a budget. He doesn't want to schedule votes on appropriations bills. Then I would ask my friend, why don't we do the DOD authorization bill?

Mr. REID. The answer is pretty simple there too: We have spent the last many weeks working through procedural matters on bills the Republicans have held up.

We are now in a cloture situation. I spoke to Senator LEVIN last night about that. He is the chairman of that committee. I have spoken to JOHN MCCAIN several times on this matter. I know how important they feel this legislation is, and I think it is important also. But we can only do what we have to do.

One of the things I have an obligation for our country to get to is cybersecurity. I was asked to visit with General Petraeus. I did that a day or two ago. And we don't have to have a briefing by General Petraeus to understand how important it is to do something about cybersecurity. There are people out there making threats on this country every day, and we have been fortunate in being able to stop a number of them. So we are going to have to get to cybersecurity before we get to the Defense authorization bill because on the relative merits of the two, cybersecurity is more important. They are both important, but I believe that one is more important than the other.

Mr. MCCONNELL. Madam President, it is pretty obvious that the reason the Senate is so inactive is because the majority leader doesn't want to take up any serious bills that are important to the future of the country. He mentioned cybersecurity. Why isn't it on the floor? Defense authorization: Why isn't it on the floor? Appropriations bills: Why don't we call them up? These are not partisan bills. They are widely supported. They are the basic work of government, including the budget. And I understand his view is that the Parliamentarian is wrong and that we really did pass a budget. But the budget could be done with a simple majority. The appropriations bills are not partisan in nature. If there are differences in the 302(b)s, they could be worked out in conference, which is the way we did it for years.

We have followed the regular order occasionally, and when we have Senators have been involved, they were relevant in the process. I will give five examples. The Export-Import Bank reauthorization, trade adjustment assistance patent reform, FAA reauthorization, the highway bill, and the farm bill are all examples of when Senators were made relevant by the fact that we took up bills that actually came out of committees, that were worked on by Members of both parties, that were brought up on the floor, amendments were offered, and in the end bills passed.

The core problem here is that my good friend the majority leader as a practical matter is running the whole Senate because everything is centralized in his office, which diminishes the opportunity for Senators of both parties to represent their constituents.

Look, we all were sent here by different Americans who expected us to have a voice, to have an opportunity to effect legislation.

I would say to my good friend the majority leader, we don't have a rules problem, we have an attitude problem. When is the Senate going to get back to normal?

I can recall my friends on the other side saying repeatedly that the difference between the House and Senate is you get to vote; it is not a top-down organization the way the House is, it is really kind of a level playing field in which the majority leader has a little more advantage than any of the rest of us and the right of first recognition, but really, once a bill is called up, it is a jump ball.

What my friend the majority leader is saying is that it is inconvenient, it is hard to work with all these Senators who have different points of view and want to do different things. Well, heck, that is the way legislation is passed. It is not supposed to be easy, and Senators are supposed to have an opportunity to participate.

I would argue that in the examples I just cited where Senators did participate—both in the committee and on the floor—the Senate functioned the way it used to. And all this talk about rules change is just an effort to try to find somebody else to blame for the fact that the Senate has been ruled essentially dysfunctional by 62 efforts by my good friend the majority leader to fill up the tree—in effect, deny Senators, both Democrats and Republicans, the opportunity to offer any amendments he doesn't select. That is the reason we are having this problem. So it doesn't require a rules change, it requires an attitude change. And I sense on both sides of the aisle—this is not just a Republican complaint, I would say to my friend the majority leader. I have talked to a lot of Democrats about this too. They would like to be relevant again, and the way Senators are relevant is for their committee work to be respected and to be important and to become a part of the bill coming out of committee or, if it didn't, an opportunity to offer an amendment to effect it on the floor.

Sure, we don't have rules of germaneness. We generally are able to work that out. When we were in the majority, we got nongermane amendments from the Democratic side, and I used to tell my Members that the price of being in the majority is you have to cast votes you don't want to cast because that is the way you get a bill across the floor and get it to completion.

So I would say to my good friend the majority leader, quit blaming everybody else. It is not the House; it is not the Senate; it is not the motion to proceed. Why don't we operate the way we used to under leaders of both parties and understand that amendments we don't like are just part of the process because everybody here doesn't agree on everything? That would be my thought about how to move the Senate forward.

But at the beginning of this discussion, the majority leader made it clear that what he said at the beginning of the Congress is no longer operative. It is now his view that the Senate ought to operate like the House—it ought to operate like the House, with a simple majority. I think that is a mistake. I think that would be a mistake if I were the majority leader and he were the minority leader, which could be the case by the end of the year. And now I will probably have to argue to many of my Members why we shouldn't do what the majority leader was just recommending about 6 months before.

Let's assume we have a new President and I am the majority leader next time and we are operating at 51. I wonder how comforting that is to my friends on the other side. How does it make you feel about the security of ObamaCare, for example? I think that is worth thinking about.

The Senate has functioned for quite a number of decades without a simple majority threshold for everything we do. It has a good effect because it brings people together. To do anything in the Senate, you have to have some bipartisan buy-in.

My colleagues, do we really want the Senate to become the House? Is that really in the best interests of our country? Do we want a simple majority of 51 to ramrod the minority on every issue? I think it is worth thinking about over the next few months as the American people decide who is going to be in the majority in the Senate and who is going to be the President of the United States.

Mr. REID. Madam President, the Republican leader has asked a few questions, so I will proceed to answer.

I can remember reading with great interest George Orwell's ''1984'' book where, as you know, it came out that up was down and down was up. The Republican leader is living in a fantasy world if he believes what he said, and I assume he does. That is why two scholars, Mann and Ornstein, a couple months ago wrote a book. They have been watching Washington for three or four decades, and they said they have over the years been like a lot of people

who are writers—Democrats did this, Republicans did this—but their conclusion was that what has happened in recent years is the Republicans have stopped this body from working by all of their shenanigans on these motions to proceed, creating 60 votes where it never existed before.

Robert Caro, who is writing the definitive work on Lyndon Johnson, one of my predecessors, said that I had a very difficult job based on how the Senate has changed with what the Republicans are doing.

Now, we have tried mightily. We have gotten a few things done. Whenever there is a decision made that they want to help a bill get passed, we get it done—for example, the highway bill. That bill took so long to get done. We had one major piece of legislation that we waited 4 weeks before they could get it out of their system that instead of doing highways, we should be doing birth control, determining what birth control women should be entitled to. All of these extraneous issues—important legislation held up. One of the Republicans over here decides they are a better Secretary of State than Hillary Clinton, holding up major pieces of legislation.

So I can take the criticism the Republican leader has issued. I assume it is constructive criticism, and I accept that. But I would just suggest to my friend that if a Democratic Senator—as the Presiding Officer knows—has a problem about anything going on around here, they talk to me. I don't think there is any reason for them to talk to the Republican leader. But if they do that, more power to them.

There have been volumes of pieces of legislation that have been brought to a standstill here. Why do we now have a rule that every basic piece of legislation has 60 votes?

I had a meeting with Senator FEINSTEIN, Senator TESTER, and Senator LAUTENBERG. In the course of the conversation, Senator FEINSTEIN looked back and said: You know, I had really a controversial amendment dealing with what should happen to assault weapons. That passed on a simple majority vote. No one suggested filibustering that thing to death. That is new. That is new—legislation being used as an excuse to stop things.

Now, I want the record to be very clear—and I have made it all very clear in all of my public statements—about the need to get rid of the motion to proceed. I am not for getting rid of the filibuster rule. It is ''1984'' to suggest that I think the House and the Senate should be the same. But I do believe that when the filibuster came into being, it was to help get legislation passed. I repeat: It is now to stop legislation from passing. That is not appropriate.

So I am convinced that the best thing to do with filibusters is to have filibusters. I have been involved in a couple of them, and I am sure I irritated people on both of them, but I did that. One of them didn't last too long, but the first one lasted 11 or 12 hours. That is what filibusters are supposed to be, not throwing monkey wrenches into decisions we are trying to make and then walking off the floor.

The rules have to be changed. I acknowledge that, and I don't apologize for it for 1 second.

As far as how I attempt to run the Senate, I do the best I can under very difficult circumstances, as indicated by the two writers Mann and Ornstein.

Mr. MCCONNELL. Madam President, most people think a filibuster is a lot of talking to stop the bill from passing. In fact, cloture is to end debate. And what we have had here on at least 62 occasions while the majority leader was running the Senate are examples of times when Senators were not allowed to talk, not allowed to offer amendments, and not allowed to participate in the process. Cloture is frequently used in order to advance a measure, but, as you can imagine, when Senators have no opportunity to have any input, it tends to create the opposite reaction.

But what is all of this really about? It is about making an excuse for a completely unproductive Senate, much of which could have been done with simple 51 votes, passing a budget, and not even bringing up bills that we all want to act on—all the appropriations bills, the Defense authorization bill. And on the rare occasions when the majority leader has turned to a measure that Senators have been involved in developing, we have come to the floor, we have had amendments, we have had votes, and the bills have passed. That is the way the Senate used to operate.

So this isn't a rules problem, this is a making-excuse argument to try to blame somebody else for the lack of productivity of a Senate that I sense on a bipartisan basis would like to be a lot more productive, which would involve the use of Senators' talents, speaking ability, voting, and debating on the floor of the Senate.

Since when did that go out of fashion?

Yes, we have a big difference of opinion about the way this place is being run. It is not a rules problem; it is an attitude problem. It is a looking for somebody else to blame game.

I say to my friend the majority leader, I think what we need to do is get busy with the serious business confronting the American people. Where is the Defense authorization bill? Where are the appropriations bills? Don't blame it on the House. Don't blame it on Senate Republicans. We want to go to these bills. Our Members have been involved in developing this legislation. In the Armed Services Committee, in the Appropriations subcommittees, Senate Republicans are involved in developing that legislation. We would like to see it brought up on the floor, debated, and considered.

What is more important than funding the government? What is more important than the Defense authorization bill? Why isn't it on the floor? That is my question to the majority leader.

We can have the rules debate later, and apparently we will, but why aren't we doing anything now is my question for my friend the majority leader.

Mr. REID. Madam President, I think this best can be answered in my not responding directly but quoting. This is from an op-ed that appeared around the country by Thomas E. Mann and Norman J. Ornstein. ''Let's just say it,'' is the headline, ''The Republicans are the problem.''

I am quoting:

> Rep. Allen West, a Florida Republican, was recently captured on video asserting that there are ''78 to 81'' Democrats in Congress who are members of the Communist Party. Of course, it's not unusual for some renegade lawmaker from either side of the aisle to say something outrageous. What made West's comment—right out of the McCarthyite playbook of the 1950s—so striking was the almost complete lack of condemnation from Republican congressional leaders or other major party figures, including the remaining presidential candidates.
>
> It's not that the GOP leadership agrees with West; it is that such extreme remarks and views are now taken for granted.

Understand, Ornstein works for the American Enterprise Institute, a conservative think tank. They go on to say:

> The GOP has become an insurgent outlier in American politics. It is ideologically extreme; scornful of compromise; unmoved by conventional understanding of facts, evidence and science; and dismissive of the legitimacy of its political opposition.

I am a legislator. I have been doing it for 30 years here and for quite a few years in Nevada prior to getting here. I have enjoyed being a legislator. These last few years, because of what we hear from Ornstein and Mann, has made it very unpleasant. For the Republican leader, with a straight face, to come and say: Why aren't we doing the Defense authorization bill? Why aren't we doing appropriations bills, everyone knows why we are not doing them. They have not let us get to virtually anything. To be dismissive of me because I say the Republican leadership in the House has been dismissive of the law we have guiding this country, I think says it all. I recognize we are a bicameral legislature. We have our own things to do. But we have to take this as a whole and look at the record—major pieces of legislation we cannot get to.

For example, we cannot get to something dealing with outsourcing of jobs. We are here filibustering a motion to proceed to that—a motion to proceed to it, not the substance of the legislation, a motion to proceed to it.

The record speaks for itself. The record speaks for itself:

> We have been studying Washington politics and Congress for more than 40 years, and never have we seen them this dysfunctional. In our past writings, we have criticized both parties when we believed it was warranted. Today, however, we have no choice but to acknowledge that the core of the problem lies with the Republican Party.

The GOP—

The Grand Old Party, the Republican Party—

has become an insurgent outlier in American politics. It is ideologically extreme; scornful of compromise; unmoved by conventional understanding of facts, evidence and science; and dismissive of the legitimacy of its political opposition.

Mr. MCCONNELL. The reason I am having a hard time restraining my laugher, I actually know Norm Ornstein and Tom Mann. They are ultra ultraliberals. Norm Ornstein is the house liberal over at the American Enterprise Institute. Their problem with the Senate is the Democrats don't have 60 votes anymore. Their problem is the Republicans control the House. Their views about dysfunctionality of the Senate carry no weight, certainly with me. I know they have an ideological agenda, always have, and usually admit it—although it is cloaked in this particular instance.

But I think the best way to wrap it up is nobody else is keeping the majority leader from calling up the appropriations bills, from calling up the Defense authorization bill, from calling up a budget. That is his responsibility. He has a unique role in this institution. He has the opportunity to set the agenda, and just because all 100 Senators do not immediately fall into line—and it may be a little bit difficult to go forward—is no excuse for not doing the important and basic work the American people sent us to do. It is time to bring up serious legislation that affects the future of the country that the American people expect us to act on and not expect 100 Senators to all agree on every piece of legislation from the outset.

Passing bills is inevitably difficult but not impossible. That has been demonstrated on at least five occasions when the majority leader allowed the committees to function, allowed the Senate floor to function, allowed Members to have amendments, and we got a result.

Mr. REID. Madam President, in one committee, the Energy and Water Committee led by Senator BINGAMAN—that committee alone has had hundreds of pieces of legislation held up. It can't get out of the committee. I am sorry it is an unusual thing to have Ornstein and Mann referred to as liberals, but whatever they are, working for the conservative American Enterprise Institute, one of them at least—it is very clear they view this body as being in deep trouble because of the Republicans being dysfunctional themselves.

I think it is very clear we have a situation—I understand there is a Presidential election going on. I clearly understand that. I know there are efforts to protect their nominee. We do what we can to protect the President of the United States. But that should not prevent us from legislating.

For my friend, who has been on the Appropriations Committee as long as I have, to talk about why aren't we doing appropriations bills—it is obvious. We have 12 or 13 appropriations bills. We have simply not been able to get to the appropriations bills——

Mr. MCCONNELL. Have you tried calling up any of them?

Mr. REID. Mr. President, I don't think it calls for my being interrupted. I have listened patiently to all his name calling and I do not intend to do that. But I do say this. I have tried to call up lots of things—lots of things, by consent or by filing motions, and virtually everything has been held up. The bills he is talking about, to stand here and boast about passing five pieces of legislation in an entire Congress is not anything any of us should be happy about. We should not be happy about that at all. We should be passing scores of pieces of legislation, as we did in the last Congress.

But, no, the decision was made at the beginning of this Congress—it may not be a direct quote but substantively accurate—my friend the Republican leader said his No. 1 goal is to stop Obama from being reelected, and that is what this legislation we have tried to get forward has had, the barrel we tried to get around continually. We are going to go ahead. We will have cloture tomorrow on another one of our scores of times we have tried to break cloture this Congress and move on to something else. We have had 13 cloture votes on motions to proceed in the second session of the Congress alone—13. Others just went away because we run out of time to do those kinds of things.

As indicated by the Republican leader, we passed five things. That is about one-third of the motions I have had to file to invoke cloture on motions to proceed, not on basic legislation.

Mr. MCCONNELL. Just one final point on that. The reason it has been difficult to get on bills is we cannot have an agreement with the majority leader to let us have amendments once we do get on the bill. So the reaction on this side is, if the majority leader is not going to let us have amendments, if the only result of invoking cloture on a motion to proceed is that he fills the tree and doesn't allow us to offer any amendments, why would we want to do that? All this is much more easily avoided than you think.

The majority leader is basically trying to convince the American people it is somebody else's fault that the Senate is not doing the basic work of government. Regardless of the blame game, the results are apparent: no budget, no appropriations bills, no Defense authorization. We are not doing the basic work of government and that ought to stop. It is within the purview of the majority leader to determine what bill we try to turn to, and just because it may be occasionally difficult to get to a bill, particularly when the majority leader will not say we can have amendments, is no good excuse for not trying. We spend days sitting around when we could be processing amendments and working on bills. All we would need is an indication from the majority leader that these bills are going to be open for amendment. We tried that a few times and it worked quite well. It is amazing how the Senate can function when Members are allowed to participate, offer amendments, get votes, and move forward. I recommend we try that more often.

Mr. REID. Madam President, we are where we are. I think it is very clear from outside sources—take, for example, I repeat what Caro said, writing the definitive work of Lyndon Johnson, about the difficult job I have had because of the way the Senate has changed because of what has taken place in the last couple years. We have had bills we have been able to work things out with, with Republicans. That is pleasant, and I am glad we have been able to do that. Most of the time we cannot do that. We have, for example, one Republican Senator, when we are in tense negotiations with Pakistan on a lot of very sensitive issues, who wants to do something that is outside the scope of rational thinking, which holds up legislation. We have had—we have tried very hard all different ways to move legislation in this body. For the first time in the history of the country, the No. 1 issue in the Senate of the United States has been a procedural matter: How do we get on a bill? A motion to proceed to something—that has taken over the Senate and it needs to go away. We should not have to do that anymore.

Mr. MCCONNELL. Madam President, the final thing I would say is just last week the chairman of the Appropriations Committee, Senator INOUYE, said his committee has been working hard to have the bills ready to go. To date, the panel has cleared 9 of 12 annual bills. Senator INOUYE is quoted, on July 10, just last week, ''After putting us all to work like this I expect some of these bills to pass.''

I recommend that my good friend the majority leader heed the advice of the chairman of the Appropriations Committee of his party, let's pass some appropriations bills.

Mr. REID. I do not have a better friend in this body than the chairman of the Appropriations Committee. I have been one of his big fans. He has been one of my big fans. He, of course, is a national hero, a Medal of Honor winner, and great chairman of the Appropriations Committee. We work hand in glove. Everything I have said about the appropriations process will be underscored, will be and has been, by Senator INOUYE. He supports what we are unable to do. He realizes that. He realizes his counterpart in the House has fumbled with the numbers and it makes it extremely difficult to get things done. We understand that.

But the main problem is we cannot get legislation on the floor because the No. 1 issue we have talked about in the Senate this entire Congress is how to get on a bill, and that is why the motion to proceed must go away.

Mr. MCCONNELL. A good example of the problem is the bill we are on right now. The Stabenow bill bypassed the committee entirely. It was introduced a week ago and placed on the calendar. This is not the way legislation is normally done. It is crafted in somebody's office. Rule XIV is brought up by the majority leader. I expect it has something to do with the campaign. We spent a week on it when we could have done the DOD authorization bill. Chairman INOUYE says: Where are the appropriations bills?

That is my point.

What are we doing here? Is the Senate a messaging machine or are we doing the basic work of government? We are not doing the basic work of government, but we can change. There are a vast majority of Senators of both parties who would like to become relevant, who would like to participate in the legislative process, and who would like to do the basic work of governing.

Mr. REID. Madam President, one of the most important issues facing America today is jobs being shipped overseas. Whether it is Olympic uniforms being made in China when they could be made by Hickey Freeman in New York and made here in America, outsourcing is an important piece of America that we now have to deal with. And, of course, we have the additional problem that Governor Romney has made a fortune shipping jobs overseas.

The American people care about this issue. We can sit here and point fingers and say: Boy, that is terrible. We are now going to have to deal with outsourcing. We should deal with outsourcing. We should have done it before, but we have had a problem getting legislation on the Senate floor. So I don't apologize to anyone for having the debate on outsourcing. Senator STABENOW has done a wonderful job on that. We couldn't have a better Senator to deal with outsourcing than her. Because of what we did in the stimulus bill, the American Recovery Act directed jobs back to Michigan, Detroit, and other places. With what we did with batteries, billions of dollars were saved. Instead of importing batteries, we are making most of them in America.

Governor Romney wanted to just let General Motors and Chrysler go bankrupt. We didn't do that, and as a result, that created almost 200,000 jobs in the automobile industry alone. Outsourcing is important, and it is a debate we are going to have.

Let me remind the Republican leader it wasn't Democrats who threatened to shut down government last year and took most all the time we had. First, it was the debt ceiling, and then after we got through the debt ceiling, then they weren't going to allow us to do anything for getting funding to take us through the end of the fiscal year.

It was the Republican Party last year that threatened to default the debt we have as a country. Now they are holding up tax cuts for 98 percent of the American people in an effort to satisfy this mysterious man I have never met, but he must be a dandy. He has gotten every Republican, with rare exception, to sign a pledge that they are not going to deal with the 98 percent because they have to protect the 2 percent.

We are here dealing with outsourcing because that is what we should be doing.

RESERVATION OF LEADERSHIP TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved. Under the previous order, the following hour will be equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

WIND PRODUCTION TAX CREDIT

Mr. UDALL of Colorado. Madam President, I am here on the Senate floor urging my colleagues in both parties to extend the production tax credit for wind as soon as possible. I listened with great interest to the discussion the majority leader and the Republican leader just had, and as the majority leader just said, to focus—as it should be—on jobs and the economy. This is a way in which we can enhance job creation and make sure our economy continues to grow; that is, by extending the production tax credit.

This tax credit is also critical to the maintenance of our economic leadership when it comes to clean energy technologies. Every day I have come to the floor of the Senate to talk about a different State and the efforts that are underway in those States. I look forward to talking about the Presiding Officer's State at some point in the future. Today I want to talk about the Buckeye State, Ohio.

Many families and businesses in Colorado and across our country are still struggling in this economic downturn even though we have seen some signs of improvement. This is especially true in Ohio. Over the last couple of decades, Ohio has been plagued by outsourcing and layoffs, which is one of the things we want to prevent by way of Senator STABENOW's bill. Those layoffs and outsourcing have cost Ohioans thousands of jobs. It looked as though we literally devastated the manufacturing base of one of the world's best manufacturing bases in the State of Ohio. But in recent years the wind industry has helped turn that around.

We can see on the map of Ohio that these green circles show all of the activity tied to the wind industry in Ohio. That renewal, if you will, is tied to Ohio's long history as a manufacturing powerhouse. There are dozens of manufacturing facilities that have retooled to build wind turbines across Ohio, while in the process employing thousands of hard-working middle-class Americans. We can see that those manufacturing skills easily transfer to the wind industry. PTC has been key to this and has created those incentives that allowed the manufacturing history of Ohio to take center stage.

I wanted to specifically talk about what is happening in Ohio. When we think about the wind industry, it is not just the building of the towers, the blades, and the cells, but there are maintenance needs. They have support sectors and a supply chain that results in the manufacturing of some 8,000 parts.

In Ohio, 6,000 jobs are tied to the wind energy industry, and that is 50 different companies that have created those jobs. Here is an area that is of real interest as well: $2.5 million in property tax payments result to local governments. That is money that helps fund schools, roads, and other basic services.

It is important to focus too on the people to whom we are alluding. I want to focus on one of the 6,000 employed Ohioans who has been a beneficiary of the tangible effect of wind PTC, and that is Jeff Grabner. He is a wind product sales manager for Cardinal Fasteners in Cleveland, OH. He was originally born in Ohio, but he left Ohio. He returned to Ohio when the wind industry started looking for talented people in the State, and he has been working now for almost 6 years in the wind industry.

Cardinal's Cleveland facility employs almost 55 people. It has been in operation for 30 years. Cardinal used to supply the construction industry, but the demand fell off in recent years. Now this growth in the wind industry presented them with an entirely new market. The factory is retooled and now supplies fasteners, which is the superglue that holds a wind turbine together. In fact, thousands of fasteners were used in every wind turbine to keep them standing and operating securely.

I don't think I have to say that Jeff loves his job at Cardinal, and because of it he is able to provide for his own growing family. In fact, he and his wife are about to celebrate their 1-year wedding anniversary this week. All of that could change if we don't extend the wind production tax credit.

Orders for wind turbines are down 98 percent from last year in large part because of the uncertainty tied to the market. Without new orders, Cardinal and other manufacturers like it may be forced to shut down and let people like Jeff go.

That is why I am back on the Senate floor today urging my colleagues to pass the wind production tax credit now. The PTC equals jobs. We should pass it and extend it as soon as possible. It is a commonsense bipartisan measure. It has strong support across our country. Not only has it shown that we can turn around manufacturing in States like Ohio, but it has shown us that we can outcompete China and other countries. If we want to continue to lead and then win the global economic race—and, specifically, the clean energy race—it is now

time for us to listen to the people of Ohio and Utah and South Carolina and New York.

This shouldn't be a partisan issue. This is an issue on which Americans expect us to work together. We must pass an extension of the production tax credit as soon as possible.

As I close, I want everybody to know I will be back on the Senate floor tomorrow to talk about wind production in another State, and I will keep pushing for this commonsense policy. Let's pass this as soon as possible.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. COONS. Madam President, I appreciate the opportunity to speak today. I am following the Senator from the State of Colorado. My topic is also about manufacturing jobs in the United States. I thank the Senator from Colorado for coming to the Senate floor every day and reminding us of the importance of the consequences of the choices we make, whether it is the tax policy choice of failing to extend the production tax credit and the consequences for high-quality manufacturing jobs in the wind industry or the consequences for manufacturing all across our country, including the great State of New York, the State of Colorado, or the State of Delaware.

What we are on the Senate floor talking about is the Bring Jobs Home Act, which is just one of the many important ways we can and should be fighting for high-quality manufacturing jobs in our home States and across our country.

It was a very dark day when the Chrysler plant in Newark, DE, where I am from, shut its doors. It was built in the early 1950s first as a tank plant and then converted to an auto plant. This was a manufacturing facility that had sustained whole communities over several generations with high-quality, highly-skilled, and highly paid manufacturing jobs. In December of 2008, they closed their doors for the very last time, and that plant has now been torn down to the ground. It is an empty hole in the heart of the city of Newark.

We thought it couldn't have gotten any worse than the day that those thousands of workers filed out of the plant for the very last time, but it did just a few short months later when the General Motors plant—a few miles away in Boxwood—shuttered its doors.

In just a year Delaware went from having two high-performing, high-quality auto plants to none. We lost nearly 3,000 middle-class manufacturing jobs, and this was followed by a whole constellation of other plant closings from Avon, which lost hundreds of jobs to dozens of smaller manufacturers that had supported these auto plants for decades.

I know 3,000 jobs may not sound like a lot in the wreckage of the recession of 2008 to this whole country, but for Delawareans, for our small State, and for all the families who were supported for so long, it was huge.

I have an idea that I talk about all the time at home in Delaware; that is, we need to get back to ''Made in America'' and ''Manufactured in Delaware.'' That means something to us. Back in 1985 when I was just finishing school, transportation equipment manufacturing—which is the fancy way of saying making cars and all the stuff that goes in them—employed 10,000 people in Delaware. Today it is well below one-tenth of that.

Made in America and manufactured in Delaware has to mean something for our families, for our communities, and for our future. Delaware was once a great and strong manufacturing State, as America was once the greatest manufacturing Nation on Earth. Some believe those days are behind us, but I do not.

I know my colleague, Senator DEBBIE STABENOW from Michigan, the lead sponsor of the bill we are debating, the Bringing Jobs Home Act, also does not believe our future as a world-class, world-leading manufacturer is behind us. I know the people of Michigan, the people of New York, and the people of Delaware do not.

I had the great opportunity this morning to visit with two leaders of Delaware-based manufacturers whom I just wanted to lift up for a moment as we talk about the Bring Jobs Home Act. Marty Miller, the CEO of Miller Metal in Bridgeville, DE, has had a little heralded program known as the manufacturing extension partnership that helps small manufacturers streamline their production processes, reduce waste and inefficiency, do their ordering and throughput far more effectively, and compete head-to-head around the world successfully. This manufacturing extension partnership has allowed Marty's company to grow by 25 jobs in just the last year and to compete head to head with Chinese metal fabricating plants in the global market, and win.

ILC Dover has been known to Delawareans for its storied history in our space program. They made all the spacesuits for NASA. But they have also made blimps that have hovered over Iraq and Afghanistan and protected our troops with downward-looking radar and real-time information, and they make the escape hoods and the masks that actually are positioned around the periphery of this Chamber and throughout this building and at the Pentagon. They have made remarkable high quality soft goods for decades and they too have a promising future and the opportunity to grow even in this recovery because they too are focused on things made in America and manufactured in Delaware.

These two companies, these two men, the organizations they lead, are, in my view, just an introduction to what can and should be a renaissance, a recovery, of manufacturing in the United States. We still produce more in dollar value in manufacturing than any country on Earth, but there has been a downward slope in the number of jobs and in the sense of energy and investment and focus in our policy and in our priorities in manufacturing for years.

I think we can become a great manufacturing Nation again and our middle class can be stronger than ever, but we have to make smarter choices. We have to make smarter choices in our Tax Code. We have to look at our Tax Code with an eye toward fairness and investment for the future and not just short-term profitability. We need common sense and we need, in my view, to support companies that are creating jobs here, and we need to cut our support for companies that instead want to create jobs in China, in India, in Vietnam, in Thailand, by exporting jobs from the United States.

As our economy pulls back out of what has been a devastating recession, I can think of no more galling idea than this country incentivizing American companies to ship some of our best jobs overseas. Yet, as the Presiding Officer knows, our current Tax Code allows businesses to deduct the cost of moving expenses, including permits and license fees, lease brokerage fees, equipment installation costs, and certain other expenses. A company can take this deduction if they are moving from Bridgeville, DE, to Birmingham, AL, but it also turns out they can take it if they are moving to Bridgeville from Bangalore or Beijing. Can any of us think of a worse way to spend tax dollars? This is a loophole so big we could drive a car through it, right out of the shuttered manufacturing plants of Delaware.

Fixing the injustice of our Tax Code is the first half of the Bring Jobs Home Act. We say: We are not going to pay anymore for companies that send U.S. jobs overseas. We have better ways to invest our tax dollars in rebuilding the base of manufacturing and the high-quality, high-paying jobs that come from them.

The second thing this bill does is instead of incentivizing the outsourcing of American jobs, we incentivize insourcing. We say: Bring these jobs home. The Bring Jobs Home Act says a company can keep the deduction to help pay moving costs if they are moving from one facility in the United States to another. That is fine. They can still use the moving cost deduction if they are moving from a facility abroad back to the United States. That is better. But this bill takes a further step. We say: If companies bring jobs home to the United States, we will give them an additional 20-percent tax credit on the costs associated with moving that production back to the United States.

The message of this bill is straightforward: If you are an American company and you have manufacturing jobs or service jobs that could be done by Americans, we want you to bring those jobs home, and we are going to help you do it.

For my small State, I want to keep saying every chance I get that what we

want is made in America and manufactured in Delaware. Lord knows we have the workforce. There is an army of talented Delawareans, of Americans, ready to go. Ford knows it; Caterpillar knows it; GE knows it. As we have heard from Senator STABENOW, that is why they have brought jobs home. They are opening new plants in the United States and putting Americans back to work.

There is a company in Newark, DE, called FMC BioPolymer. They make specialty chemicals. They have run a factory in Newark, DE, for 50 years—in fact, exactly 50 years this year. They make a type of cellulose we find in everyday products such as foods, pharmaceuticals, cosmetics, and cleaning products. They had outsourced some of their manufacturing to China to save costs. But as we can imagine, when a company is working with these sorts of advanced products that go into consumer products, safety is key. So for performance and engineering and intellectual property and safety reasons, they brought some of their most critical jobs home. They employ more than 100 people and contribute more than $20 million to our local economy every year, and it is an important part of our economy. So to FMC BioPolymer, I say thank you for bringing jobs home and strengthening made in America, manufactured in Delaware.

If big companies and small companies are figuring this out, when will the Federal Government, when will this Congress figure it out as well?

The best thing we can do for our economy—for millions of talented Americans looking for work, from our returning veterans to those who have searched so hard for work for the last 2 or 3 years, is to invest in them. We can pass the Bring Jobs Home Act as a smart choice to invest in American workers and their communities, to invest in their education, in their schools and in their teachers, to invest in our infrastructure and our roads and our power grid, to make smarter choices as a country and a Congress. There is no better investment I can think of than to make this phrase real, to return to Made in America and manufactured in the States of every one of the Senators of this great body.

This is common sense. But, alas, in the Senate, common sense these days rarely seems to win the day. I hope those watching and I hope those whom we represent take this seriously and recognize that the most important question before us is what are we going to do to take the fight in the global economy, on behalf of our families, on behalf of our communities, on behalf of our manufacturers, and change things in our Tax Code, in our trade policy, in our intellectual property policy, to make it possible to not just invent things here and make them elsewhere but to invent them here and make them here.

I hope this body will proceed to vote in favor of the Bring Jobs Home Act so that for every one of our home States we can make this phrase true—that we want things made in America and manufactured in our home States.

I thank the Chair.

ORDER OF PROCEDURE

Madam President, before I yield the floor, I ask unanimous consent that the remainder of the majority's time be reserved for use following the Republicans' 30 minutes of controlled time.

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

The Senator from Missouri.

Mr. BLUNT. Madam President, I ask unanimous consent to enter into a colloquy with some of my colleagues on the minority side for 30 minutes.

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

Mr. BLUNT. I will yield to Mr. WICKER who I believe has a unanimous consent request as well.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. WICKER. I thank my friend.

Mr. BLUNT. Madam President, we have heard our colleagues talking about jobs. Clearly, that needs to be the No. 1 priority in the country today, and it needs to be domestic jobs.

The private sector is not doing just fine. The answer to the problems we face is not more government jobs, it is more private sector jobs, and the numbers aren't good anywhere we look, any way we look. In fact, if we look at the last 3 months in the country, more people signed up for disability than new jobs were created. More people signed up for disability than new jobs were created. More people decided they were going to opt out of the workforce because of disability reasons than people who got jobs.

We are here talking about things that have minimal impact on the economy when we could be talking about things that have lots of impact on the economy: good energy policy, good tax policy, good regulatory policy. As long as this uncertainty continues or as long as there is substantial certainty that all of those things are going to begin to work against job creators, people aren't going to create jobs.

This week we voted twice on something called the DISCLOSE Act that had absolutely no chance of becoming law this year and everybody on this floor knew it. What we ought to be disclosing is what our budget would look like. The Senate hasn't had a budget in 3 years and the law already requires that. The law already requires a significant disclosure on the part of the Senate, and that is disclosing how we are going to spend the money. The Senate of the United States, for the first time in the history of the Budget Control Act, 3 years ago—the second time 2 years ago and the third time this year—has decided we are not going to obey the law. One of the leaders was asked: Why aren't you having a budget? He said: Well, we would be politically foolish to say what we are for.

What kind of responsible position is that?

The other way we could disclose things is we could have the appropriations bills on the floor. The House has a budget. The House has passed half of the appropriations bills already. We haven't had a single bill on the floor, and the majority leader announced last week that we wouldn't have an appropriations bill on the floor before the election. Why is it we don't want to say before the election what we are for? Why is it we don't want to say before the election how we are going to spend the people's money? Why is it we don't want to say before the election what the budget would be? Even before the last election, the Senate wouldn't say what the budget would be, so we don't have one.

When we don't have a plan, we plan to fail. Clearly, the economy is doing exactly that. Statistic after statistic is not what the American people would want them to be. Housing prices are down. Unemployment is up. The labor group of people who want to be in the economy is at a 30-year low. If we had the same number of people looking for jobs who were looking for jobs and had jobs in January of 2009, the unemployment rate would be over 11 percent. The only reason the unemployment is 8.2 percent is because so many people have given up on the economy. Nobody thinks we have fewer working-aged people than we had when Ronald Reagan was President, but the labor force we are counting is smaller than at any time since Ronald Reagan was President.

There must be some big problem or people would be out looking for jobs. People would be out finding jobs. People would want to be part of an economy that they see as faltering. We are talking about little things instead of big things while the big things that affect America are dramatically affecting American families and American job creators.

The President is telling small businesses that if their business was successful, it wasn't because of them; it was because of all kinds of other factors that they happened to take advantage of. No small businessperson in America believes that. Nobody who ever opened the door to a business on the first day and put their phone number in the phone book the first day and said, ''Call me; I can provide these services for you,'' thinks they weren't successful because of their work.

I wish to turn to my friend, the Senator from Mississippi, Mr. WICKER, to speak on these issues as well. There are so many things we could be talking about today, but clearly jobs and the economy are critical to American families.

Mr. WICKER. Absolutely. I thank my friend for leading us in this colloquy. We ought to be talking about jobs and the economy. We ought to be bringing

legislation to the floor and giving our side an opportunity to offer suggestions and hearing if the majority party in this Senate has something to offer other than the 3½ years of failed policies.

Their intentions are absolutely honorable. Everyone wants to create jobs. Everyone wants the unemployment rate to go down. But I think any fair observer would have to conclude that after 3½ years, the policies of the majority party in this body, the policies of the Obama administration, have been an utter failure—forty consecutive months of unemployment over 8 percent. The latest numbers were 8.2 percent. The last time we had a comparable sustained period of joblessness was World War II. It is absolutely unbelievable that the policies of our Democratic friends have been so unsuccessful and such a failure.

To put that in context, in September of 2008, we had a severe crisis because of the subprime loans, because of the excesses of Fannie Mae and Freddie Mac, which a lot of us who have been in the Congress for some time have tried to rein in. Because of that subprime crisis, unemployment went through the roof, the economy crashed.

The other crisis we had earlier than that, of course, was September 11, 2001, when the terrorists attacked the very heartland and soul of the United States of America—the Twin Towers, the Pentagon. In 2001 we had a spike in unemployment and our economy went in the tank.

Between that time, though, I think Americans should realize we did not have exactly everything we wanted in terms of job growth, but unemployment between 2002 and the middle of 2007 actually averaged between 4.5 percent unemployment and 6 percent unemployment. We were not happy with that then, but wouldn't we love to have that level of unemployment now rather than the 8.2 percent and the over 8 percent we have sustained for 40 straight months.

As a matter of fact, Americans need to remember this does not have to be the case, the 8.2 percent. As late as October 2007, the unemployment rate in this country was 4.4 percent. We can do that again, but we will not do it again with the failed policies the President and his party have been imposing on our country during their entire stewardship.

The Senator from Missouri mentioned it has been 8 percent or higher, and the effective rate is 11 percent if everybody who had left the job force came back trying to get a job. Actually, the unemployment rate in the African-American community is 15 percent—an astounding and shameful figure.

The Obama stimulus program failed. It cost us over $800 billion, and we are going to have to pay that back somehow, but it failed. The unemployment rate for 40 straight months remains above 8 percent. Dodd-Frank failed. The Affordable Care Act not only has made health care less affordable and less available, but it has failed to stimulate any jobs.

Then yesterday, as a member of the Banking Committee, I heard testimony, and this country heard testimony, from the Chairman of the Federal Reserve. Basically, he said he has lowered the economic expectations. He and the rest of the Federal Reserve now say the economy is going to get worse than they expected in January of this year, and the unemployment rate will be above 7 percent in his estimation, even at the end of calendar year 2014. That would be 6 straight years, under these current policies—unless we change our approach to job creation—that would be 6 straight years of unemployment higher than it ever was during the first 7 years even of the Bush administration.

We have some ideas about how to turn that around: an American-made energy policy; ending this regime of overregulation, which is just such a wet blanket on job creation; and ending the situation we have now of the tax burden on job creators. The tax burden on American risk takers is now higher than on any of our allies in the industrialized world. We hit job creators and risk takers and the people we want to help us with this 8.2-percent unemployment rate. We hit them harder than they do in any other country in the industrialized world.

So we have some ideas. We would like an honest-to-goodness jobs bill, and we would like the majority leader to give us a vote on some amendments. Do not just call up a bill, fill up the tree, offer every amendment you could possibly offer on the Democratic side, file cloture, and call that a filibuster. We need to go back to regular order in this Senate and let's offer some ideas. Let's have a debate again on this Senate floor about some ideas we have about job creation.

So I am glad to join my colleagues. I see my friend from Georgia in the Chamber, and I know he has been very thoughtful about this issue.

Mr. ISAKSON. Madam President, I thank the distinguished Senator from Mississippi.

I rise to talk about something I know something about, which sometimes in the Senate we do not do very often. I ran a small business for 22 years. I worked in a small business for 33 years. Quite frankly, I think I understand small business as well as anyone who has done it.

I was astounded, disappointed, and perplexed with the President's statement last week that small business did not owe its success to itself, but it owed it to government, because it is the other way around. We would not exist as a Senate were it not for the taxpayers of the United States of America. They send us our cashflow, they send us the money we invest to build the roads and bridges and highways. So it is an affront to those who have risked capital, as Senator WICKER said, those who have taken chances, and those who have succeeded and those who have failed to build small businesses, to employ the American people, to make this great engine of America work.

But I want to just go down a litany for a second of what small business does to make us exist as a Congress and as a government. Every January 15, April 15, June 15, and September 15 businesses pay their quarterly estimate on their taxes. So do independent contractors. Employees pay it every month in withholdings. The cashflow of the United States is not owed to the government; it is owed to the American people by the contributions they make.

Social Security. Every beneficiary of Social Security for their entire life paid 6.2 percent of their income, and their employer matched it with another 6.2 percent, up to $102,500 in income.

Medicare. With no cap whatsoever, 1.35 percent of your income from day one to the day you die goes to the Medicare trust fund.

Talking about medicine for a second, many small businesses—19 percent of American jobs are in health care now. They now have device taxes. If a small business is building an implant for dental work or something for some kind of a heart treatment or something like that, they have an extra tax because of the affordable health care bill. For those who pay dividends or pay out investment income to their investors, they have a new surtax to help pay for the Affordable Care Act. Then we have our ordinary income tax that we all pay on April 15. For our highways, when we fill up our tanks with gas, we pay the motor fuel tax to build our highways. And for our airports, we pay the passenger facility charge that goes to the government to reinvest in our infrastructure.

So it sounds to me as if it is us who owe small business, not small business that owes us. I think if we began acting like people who understood from whence comes our strength, America would begin to come back.

As Senator WICKER said about Mr. Bernanke yesterday, his downward forecast is because business is not deploying capital. People are not making investments. As one who did that, there is one simple reason. We are a nation of uncertainty. Nobody knows what the boundaries are going to be or what the policy is going to be on January 1.

Let me close with one example. On January 1, the estate tax goes back from a $5 million unified credit and exemption and 35-percent rate to a $1 million unified credit and a 55-percent rate. Do you know what that is going to do? That is going to close thousands of small businesses eventually around America because when a small business is owned by a family—a family farm in Mississippi or Georgia—when the

owner of that farm dies, and they go to pass their assets on to their heirs, after that $1 million deduction, they owe a 55-percent tax on the rest. Most of their value is in real estate and land, which is depressed. They are forced to liquidate land at suppressed prices to pay an income tax within 9 months of death. That is wrong and that should not happen. But if—as Senator MURRAY said yesterday or the day before—we allow every tax treatment we have today to go back to the 2001 rates, small businesses in America will be hit again with a tax that will force them to close or to liquidate.

It is time we understood from whence we get our strength. It is the American taxpayers. As we consider them and their investment in small business, we will make better decisions, we will act faster, and America will be better, and America will be stronger.

I see the Senator from Utah is on the Senate floor. I would like to turn to him.

Mr. LEE. I thank the Senator very much.

Madam President, on Monday we heard from Democrats who insist that Congress must now raise taxes on the American people. In fact, they are so committed to this task that they are willing to take the country off the fiscal cliff in order to get their way. This is unfortunate. It is unnecessary, and it is a course of action we cannot pursue.

Mind you, they are not trying to pursue comprehensive tax reform. No. They are not trying to fix this Byzantine-era Tax Code which occupies tens of thousands of pages. What they are doing instead is just to raise taxes right now so they can get their way right now, so they can cover the shortfall that exists right now because of a chronic failure by Congress over time to set and stick to spending priorities.

Well, the vast majority of Republicans are committed not to raise taxes—not on anyone. There are some very good reasons for it.

First, the Federal Government has proven its inadequacy in this area. Congress has proven time and time again that the money it takes from the American people, from hard-working taxpayers, is not always spent carefully. In fact, it has been spending more than it takes in for so long people almost cannot remember a time when Congress routinely balanced its budget. This is a problem, and it is a problem that should not be fixed by taxing the same people who are already paying this bill even more. This is not the fault of the American people, and the job of fixing it lies right here in Congress—not with the American people.

Second, from the CBO to the IMF to the Federal Reserve to Ernst & Young, experts around the world are warning of the dire economic consequences that await us if we raise taxes. We cannot allow it to happen. We have had over $4 trillion added to the national debt during this President's administration. At the same time, we have had unemployment exceeding 8 percent for the last 41 consecutive months. Nearly 13 million Americans are currently out of work, and millions more are underemployed and looking for more work. We cannot allow this to continue.

I would add here that there is a certain irony in the President's proposal to increase taxes on some Americans while leaving the necessary tax relief in place for others. While purporting to help hard-working Americans, this approach would actually have the opposite effect, hurting most—many of those Americans who can least afford the hit right now.

A new study from Ernst & Young reveals that this tax hike—the tax hike that hits some Americans but not others—would kill 710,000 jobs. These are people who cannot afford to lose their jobs. These are people who are living paycheck to paycheck. These are not CEOs. These are not the top 1 percent. These are hard-working Americans who cannot afford to lose a job. We cannot let a tax hike bring about that kind of terrible consequence.

Democrats will assure you that their tax hikes are all about reducing the deficit. That is curious because their proposal would leave 94 percent of this year's deficit intact, which makes it an inherently unserious proposal insofar as it relates to deficit reduction.

Further, the President's own 10-year budget, which includes massive tax increases, by the way, still adds $11 trillion to the national debt.

I really do appreciate the fact that the President is finally talking about these issues—issues that have long gone unaddressed and need to be addressed—but he cannot look the American people in the eyes and tell them he is doing something about the debt when his own budget, while raising taxes, nearly doubles our already sprawling national debt over the next 10 years.

Republicans have proposals. We have proposals to reform the Tax Code, reduce the deficit, and to do so in ways that will grow the economy, not cause it to contract. I have an amendment I hope will get considered in the next week or two that would permanently keep tax rates at their current levels so American families and businesses can know what to expect. It would also eliminate the death tax, and it would stop the expansion of the alternative minimum tax, which is quickly becoming the middle-income penalty tax.

These measures and others would go a long way—a long way—toward improving our economy and getting the American people back to work again. If my friends on the other side of the aisle disagree, as is their right to do, then let's come together and work to find some common ground. These election-year antics and distractions are not what the American people sent us here to do, and the longer we wait before enacting real reform, the worse the problem is going to get.

I would now like to turn the time over to my friend, the junior Senator from Missouri, who has fought long and hard on these issues, who will wrap this up for us.

Mr. BLUNT. I thank the Senator.

Madam President, how much time do we have?

The ACTING PRESIDENT pro tempore. There is 8 minutes 43 seconds remaining.

Mr. BLUNT. How much?

The ACTING PRESIDENT pro tempore. There is 8 minutes 40 seconds remaining.

Mr. BLUNT. Well, I am pleased to have the time on the floor today to talk about these issues: the attack on small business, and the idea that the private sector is doing fine, that we just need more government jobs. I just do not find anybody in America who believes that is the reality of the world we live in today.

The reluctance of the Senate to take votes—Mr. WICKER, who has served in the House of Representatives with Mr. ISAKSON and I, said we should have amendments; we should take votes; we should say what we are for; and we should not wait until after the election to say what we are for.

The reports that are out are consistent with the President's view in 2010 when he said we should not do anything to change tax policy because the economy was struggling. By any measure of the economy, it is struggling more now than it was in 2010. Growth in the economy is about half what it was when the President said: With this kind of economy, we should not raise taxes. So he agreed to extend the current tax policies for 2 more years.

But the minute we did that, we made exactly the same mistake we had made the previous 2 years: We created a big question mark out there for the American people as to what tax policies were going to be.

We already have the tax increases with the President's health care plan.

It raises the top rate to about 43 percent. The top rate goes up automatically with the President's health care plan to about 43 percent. If we go back to the old 39 rate, then we add the President's taxes in, we put an extraordinary tax on working families who, for whatever reason, decide they are not going to participate in the insurance system. The mandate—the tax on that would fall heavily—50 percent of all of that tax comes from families of four who make less than $72,000. Between $24,000 and $72,000 for families of four—we decided we are going to penalize them with a tax if you voted for the President's health care plan.

What are we thinking here? Why are we ignoring all of the warnings? Last month the Congressional Budget Office, the nonpartisan Congressional Budget Office, gave a rare warning that if we let the defense sequestration go into effect and return to the tax policies of 2000, we will be in a recession, that we will see a 4-percent decline in

growth in an economy, as I said earlier, that has more people signing up for disability than new jobs being created—already the case, and we want to take another 4 percent out of that economy?

The Ernst & Young report my friend from Utah mentioned said that if we drive over this fiscal cliff one of the Senate majority leaders said this week at the Brookings Institute that the majority is prepared to drive over, that we would lose 700,000 jobs, we would shrink the economy by 1.3 percent, we would reduce investment by 2½ percent, and we would cut wages by 2 percent, and this is in a country in which middle-class incomes have already dropped by $4,350 since the President took office. Why would we be looking for another time to cut wages? Why would we think this is a better time to slow the economy than the end of 2010?

Chairman Bernanke from the Federal Reserve was here yesterday and said that we are being held back because there is so much uncertainty. We are being held back because people are not making the investments, they are not taking the risks Senator WICKER talked about.

I would like to go back to Senator LEE and talk a little more about his ideas on taxes.

Whenever you do not reward risk, people do not take risk. If they do not take risk, they do not create opportunity for others. If we look at putting this tax on small businesses, if we are putting this tax on people who otherwise might take a chance with some of their investments, we are just not going to have the risk-reward system work the way it needs to work. If you don't want people to take risks, don't reward risk.

Government has traditionally taxed the things it wanted to discourage and subsidized the things it wanted to encourage. We appear to be subsidizing a lot of things, such as Solyndra, that don't work and taxing a lot of things that might work by constantly talking about not only today's taxes but the likelihood that if the current majority has its way and the President has his way, the current tax policies will dramatically go up. In fact, they are guaranteed to go up from the current rate even if we stayed at the current rate because of all of the health care taxes.

We would also say we want to go back to a death tax that goes back almost to a $1 million exemption. If you are a small business or a family farm—many family farms, if you just calculate the value of your farm equipment, you are suddenly at the edge of that number that sounds so big until you realize you would have to sell the farm to pay the taxes. If you have the business that you are trying to pass along, maybe to the very people who stood by your side, your children and grandchildren, who helped you grow that business—it is almost impossible to evaluate who created that growth. But when you pass away, as the person who started the business, suddenly this big tax obligation falls to your family. Senator LEE's proposal to eliminate the death tax would address that.

The proposal that we are for on this side to continue current tax policies as we look toward an effort to have tax policies that make more sense—we have the highest corporate rate in the world. We are seeing American companies say: Well, we think we are going to incorporate in Great Britain. We are going to move our company, our headquarters, who we are, to Great Britain because they have better tax policies.

Who would have ever thought Great Britain would have better tax policies than the United States of America, but it does today, as does every other European country. We have managed to get at the top of the list.

In return for those lower tax rates and a system that works internationally, let's eliminate a lot of the complexity of this Tax Code. We are for that. But let's not increase taxes while we are having that debate. Let's commit ourselves to that debate and not increase taxes, not move forward with all of the new health care taxes and the taxes that—apparently the majority says: Well, we are prepared to raise taxes on the middle class because then they will put so much pressure on Republicans in the Senate that we will have to eliminate some of the current tax policies that impact small businesses and other individuals.

Does the Senator want to talk a little bit more about it? I think we have now a couple more minutes to think about how these tax policies really hold back opportunity for other people. If you don't reward risk, people don't take risks. If they do not take risks, they do not create opportunity and we do not have the jobs out there in the private sector that are clearly the key.

Mr. LEE. That is right. I think that is the point that often goes missing in this debate, which is that when people talk about wanting to raise takes on one group of Americans and not increasing them on another, that causes problems. And we are concerned about job creation. We are not concerned about any one particular group, we are concerned about Americans as a whole—most importantly, about those who are most vulnerable, those who can least afford to lose their jobs.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. LEE. I see our time has expired.

Mr. BLUNT. I thank the Chair.

I thank my colleagues for joining me.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

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

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

FINANCIAL DISCLOSURE TO REDUCE TAX HAVEN ABUSE ACT OF 2012

Mr. DURBIN. Madam President, there is an old adage that sunlight is the best disinfectant. The reason it is an old adage is it is true. That is why I introduced the Financial Disclosure to Reduce Tax Haven Abuse Act of 2012. I introduced this months ago. It would require candidates for Federal office and certain Federal employees to disclose any financial interests they or their spouses have in an offshore tax haven. If the bill becomes law, individuals who file financial disclosure reports would be required to list the identity, category of value, and location of any financial interest in a jurisdiction considered to be a tax haven by the Secretary of the Treasury. The Secretary would be required to provide a list of those countries to filers and to consider for its inclusion on the list any jurisdiction that has been publicly identified by the Internal Revenue Service as a secrecy jurisdiction.

The American people might be surprised to know that we do not already ask whether candidates and Members of Congress are sheltering their money offshore to avoid paying taxes in America. That is because under current law those individuals—that would be candidates and Members of Congress—are not required to account for where their financial interests are held. Candidates for Federal office, including President, do not have to explicitly disclose their holdings in tax havens. The bill, which I introduced months ago with Senator FRANKEN, would change that.

Today it seems that we have a tax system with two sets of rules: one for those who are very wealthy and one for the rest of the people in America. The wealthiest Americans are able to take advantage of certain breaks, loopholes, to pay lower tax rates than working families. We should not have a political system where a candidate can claim to champion working people while that same person is secretly betting against America through tax avoidance and tax haven abuse.

Without this bill, the American people will not know whether a candidate has taken advantage of foreign tax havens to avoid paying his or her fair share. Offshore tax havens and other similar loopholes cost taxpayers in America $100 billion a year which otherwise would be paid by these Americans who are using these offshore tax havens.

Senator CARL LEVIN of Michigan may be joining me shortly. I hope he can. He has held an extensive set of investigative hearings in the Permanent Committee on Investigations on this particular issue. No one has explored it more than Senator LEVIN of Michigan. I am hoping he can join me and share his findings.

The money that is invested in these offshore tax havens is money that could be invested in America. It could be invested in America's schools, America's roads, America's Medical research, America's jobs, and it could be paying down America's deficit. Instead, that money is headed to Swiss bank accounts and holding companies in Bermuda and the Cayman Islands.

Senator LEVIN and Senator CONRAD, who will be joining me, have both done extraordinary work to shine light on these practices and what they mean to the American economy. Those two Senators, LEVIN and CONRAD, successfully included a provision in the Senate Transportation bill that will give the Treasury Department greater tools to crack down on offshore tax haven abuse. Unfortunately, that provision was not included in the conference report, and so we have to continue to fight to put an end to offshore tax haven abuse.

The American people are rightly concerned that wealthy and well-connected Americans are skirting our laws to avoid paying their taxes. They deserve to know that the people who hope to represent them in Washington are not cheating the system.

Nothing in my bill impinges on any individual's right to hold financial interests anywhere in the world. If there is a legitimate reason for a candidate or a Member of Congress or any other individual who files a financial disclosure to hold their money, let's say, in an account in the Cayman Islands, they should not have any problem explaining that to the voters. But any individual who has or wants to have the public trust should be honest about the practices they have engaged in that, in fact, cost American taxpayers, whom they may wish to represent, literally billions of dollars every single year.

This is an important step we must take to restore the public trust. I would hope that this issue, like the one we just finished debating in the previous several days, is one most Americans will understand. It is one that should be bipartisan.

I happen to have had the good fortune of coming into politics being schooled by two people who were my mentors and inspired me, Senator Paul Douglas of Illinois and Senator Paul Simon, both of whom enjoyed positive reputations after the end of their public career for being honest people. One of the things Senator Douglas started doing—and Senator Simon followed—was to make public disclosure of income and net worth. They did it long before it was the law and always did it to a greater degree and greater detail than was required by law.

I have followed that practice, and sometimes it has been hard. I can remember coming out of law school and going to work for then-Lieutenant Governor Paul Simon in Springfield, IL. There I was, deep in student loan debt with a beat-up old car, a wife and two babies, filing an income and net worth disclosure. My first filing, because of my student loan debt, showed me with a negative net worth. I took a little bit of ribbing as a result of that. But I continued to do it every single year I served on a public staff and every year I was a candidate or elected to office.

So there is a rich trove for anyone who is summarily bothered and wants to spend some time, if they would like to read what happens to a public official over the span of a lifetime, when they are in this business, in terms of their own personal wealth. There have been moments when the detail I have provided in these disclosures has been an invitation to the press; it makes their life easier to take a look at things that I and my family do. I can recall when, regarding my daughter Jennifer, I got a question from a reporter about what was her financial interest in Taco Bell. It turned out her financial interest was as a person working at the Springfield Taco Bell making tacos. That was it. But because we go into detail, those things are open for investigation and provide some clarity about my financial circumstance.

Paul Simon used to always say: When my career comes to an end, I want people to look at my record and say I never understood why he voted this way or that way, but he said I never want them to question my honesty in making a political decision. That has been my goal as well.

What I am suggesting is to expand the disclosure of Members of Congress and candidates for Federal office, such as President of the United States, to include foreign tax havens. I think it is an important element that people who are running for office and serving in office stand and basically explain why they felt it was a better idea to put money, for instance, in a Swiss bank account.

I have made a point of asking people—Members of Congress and business leaders—why would anybody have a Swiss bank account? I asked Warren Buffet, who is one of the wealthiest men in America. I said: You have been a successful businessman for decades. Why would you have a Swiss bank account? He said: I don't know. I have never had one. We have good banks in America, so why would I go there?

There are two reasons: One is to conceal their wealth and how they are changing, moving the money around; and second, if they happen to believe the Swiss franc is a stronger currency, a better bet than the U.S. dollar. That is it. There are no other reasons for an American to have a Swiss bank account. Yet people do. I think they should disclose it, and then they should stand ready to explain which of those two explanations stands behind their decision.

Senator CARL LEVIN has come to the floor. At this point, I will yield to him because he has done extensive investigation on the Senate Permanent Subcommittee on Investigations about these foreign tax havens. He and Senator CONRAD have probably told us more about dollars lost and tax collected and what is happening in some of these tax havens and shelters around the world. I yield to Senator LEVIN.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, I thank the Senator from Illinois for his leadership in dealing with the offshore tax haven problem.

This is not a new issue. It is not a new issue for me. In fact, my Permanent Subcommittee on Investigations has been exploring the damage the secrecy of offshore tax havens has caused for the nearly two decades we have been looking at this issue trying to change the situation that exists, and it is not a new issue for Senator DURBIN. He has been on this issue a long time. Indeed, when President Obama was a Senator, he joined in an effort to bring tax haven abuses to light.

Then-Senator Obama, in 2007, was an original cosponsor of the Stop Tax Haven Abuse Act, which I introduced with our Republican colleague Senator Coleman, and he said the following:

> There is no such thing as a free lunch—someone always has to pay. And when a crooked business or a shameless individual does not pay its fair share, the burden gets shifted to others, usually to ordinary taxpayers and working Americans without access to sophisticated tax preparers or corporate loopholes.

It was a bipartisan bill aimed at preventing the loss to taxpayers that results from tax-avoidance schemes that use secret tax haven jurisdictions, such as the Cayman Islands.

Those words I quoted remain just as true today as they were in 2007. There is indeed no free lunch. In 2006, our Permanent Subcommittee on Investigations estimated that tax havens cost the Treasury in the neighborhood of $100 billion a year, and though we have had some successes in the battle against tax havens since then, tax dodgers and avoiders have continued to exploit every offshore loophole and tax haven they can find.

This has significant consequences to the rest of us. Offshore tax evasion and avoidance takes money out of the hands of our military, takes money out of programs that millions of Americans rely on for good schools, roads, health care, protecting the environment or securing our borders. When money is lost to these tax havens that belongs in our Treasury, it adds to our deficits and debt. Ultimately, the rest of us are forced to pay more on our tax bills to make up for those who shirk their tax-paying responsibilities.

As I said, we spent years in my subcommittee exploring this problem. In 2001, we heard testimony from the former Cayman Islands banker who said 100 percent of his clients were avoiding or evading taxes. In 2006, we reported on some brothers from Texas, who, over the course of 13 years, stashed more than $700 million in offshore tax havens in a massive tax evasion scheme.

When a company incorporates in the Cayman Islands or another tax haven, with a mail drop as their only physical presence in that country, they most likely have one purpose: avoiding taxes. In 2006, we explored the history

of the Ugland House, a small building in the Caymans that, remarkably, is listed as the headquarters for nearly 20,000 different corporations. In 2005, we showed how a Seattle securities firm called Quellos devised a scheme of faked stock trades between two offshore companies, creating phantom stock losses used to avoid taxes on billions of dollars in income. In 2001 and 2002, we explored how Enron used offshore tax havens—dozens of them—as part of its deceptive schemes.

Just yesterday, in our subcommittee hearing on a global bank called HSBC and money laundering, we saw how the secrecy of tax havens, such as the Caymans, so often used to conceal income, can also be used by criminal enterprises to conceal and launder the proceeds of their crimes. HSBC's Mexican affiliate had an office in the Caymans with thousands of U.S. dollar accounts. The bank had no client information on 41 percent of those accounts, and internal documents, our investigation discovered, showed the bank was aware the accounts were being used by drug cartels and were subject to ''massive misuse . . . by organized crime.''

These tax havens have been a pervasive problem for our Treasury and for our economy and for our security.

We can stop them. When it comes to tax avoidance, our Federal fiscal situation demands we stop them. In the past, addressing offshore tax evasion was not a partisan issue. In 2004, Congress stopped companies from taking advantage of what was called inverting. When a company inverts, it will shift its headquarters, on paper, to a low-tax or no-tax country. It is just on paper, though. It was decided we were not going to allow that game to be played by American companies, and we stopped that practice. Since then, every year I have worked with Senator DURBIN and colleagues of both parties to ensure that these inverted companies are prohibited from receiving government contracts. If these tax dodgers cannot see fit to pay their taxes, we shouldn't be giving them our tax dollars.

Much more needs to be done. We could pass the Stop Tax Haven Abuse Act, which I have introduced again in this Congress, to address some of the worst offshore tax abuses and end the use of these tax havens that cost American taxpayers. We could pass the CUT Loopholes Act, which Senator CONRAD and I introduced earlier this year, which includes a number of provisions aimed at stopping offshore tax evasion and closing loopholes that allow companies to dodge their taxes.

The Senate, earlier this year, passed one important provision of the CUT Loopholes Act. This provision is known as the special measures provision. This would have given the Justice Department the same tools to combat tax haven abuses they now have to combat money laundering. Unfortunately, the House of Representatives succeeded in stripping this commonsense provision from the surface transportation bill to which it was attached in the Senate. That vote by the House allows the wealthy and powerful to continue dodging the taxes they owe, increasing the tax burden on American families who abide by the law and by their tax obligations.

The bill Senator DURBIN offered is another way we can combat tax havens, and I thank him for this effort. Simply put, his legislation would bring much needed daylight to the use of offshore tax havens. It would require that officeholders and candidates for public office disclose their financial interests located in tax haven countries. Perhaps there are some who believe individuals and corporations should be allowed to continue concealing their income and their assets overseas, adding to the deficit and forcing the rest of us to carry their own share of the burden and that of tax dodgers as well. But surely we can all agree the American people deserve to know when their public officials are using offshore tax havens. Senator DURBIN's bill would ensure that Americans know when their elected representatives and candidates for office are taking advantage of the offshore tax havens.

This is not about a political campaign; this is about years of effort to make visible those who shortchange their fellow citizens by concealing their finances abroad and to argue for reforms that make our tax system more fair for the vast majority of hardworking Americans who pay what they owe.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

(The remarks of Mrs. MURRAY are printed in today's RECORD under ''Morning Business.'')

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. DEMINT. Madam President, I wish to thank the chairman for her hard work, as well as the staff of the committee, and Representative JEFF MILLER and others who have worked on this bill. I am very supportive of the underlying bill, and I appreciate Senator MURRAY's willingness to consider the modification to make sure the veterans who deserve these benefits get them and they are not taken advantage of by the fraud of others who don't deserve them.

I think the modification the Senator and I have talked about will solve that problem, and hopefully we can get this bill agreed to this afternoon.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Washington.

Mrs. MURRAY. Madam President, I wish to thank the Senator, and I suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. KOHL. Madam President, I am here today to talk about the state of manufacturing in this country, how we can do better, and how we can create more jobs here at home.

The Bring Jobs Home Act is a good bill that will help keep jobs in this country, and help businesses bring more jobs back here at home. It would be especially good for manufacturing—and manufacturing, as we all know, is a critical part of our economy.

A healthy manufacturing sector is key to better jobs, rising productivity, and higher standards of living. Every individual and industry depends on manufactured goods, and the production of these goods creates the quality jobs that keep so many Americans families healthy and strong. That is why we need continued investment in the Manufacturing Extension Partnership, or MEP, as it is called.

Created in 1994, MEP is not just a Federal Government-funded program. MEP is unique in that it is funded almost equally between the States, fees paid by companies that use MEP, as well as the Federal Government. Each year, a bipartisan effort led by Senator SNOWE, Senator LIEBERMAN, and myself has worked to secure funding for this important program.

MEP is the only public-private program dedicated to providing technical support and services to small and medium-sized manufacturers, helping them provide quality jobs for American working people. MEP is a nationwide network of proven resources that helps manufacturers compete nationally as well as globally. Simply put, MEP helps manufacturers grow sales, increase profits, and hire more workers.

Throughout our country, day in and day out, MEP is working with small and medium-sized manufacturers to keep jobs here, and also helping existing businesses bring their outsourced jobs back to the United States. Let me say that again, because it bears repeating. Each day, MEP is working with manufacturers to keep jobs here, and bring their outsourced jobs back to the United States.

Our small and medium-sized manufacturers face different challenges than larger companies, especially in this tough economy. The improvements that come to a business from working with an MEP center can make the difference between profitability or shutting their doors.

You would be hard pressed to find another program that has produced the results MEP has. In fiscal year 2010—the most recent data available—MEP clients across the United States reported over 60,000 new or retained workers, sales of $8.2 billion, cost savings of $1.3 billion, and plant and equipment investments of $1.9 billion.

And in a sign of how strong manufacturing is in Wisconsin, the Wisconsin MEP is opening up a third office in my

State, this time in Milwaukee. The Milwaukee region—which ranks No. 2 among the Nation's top 50 metropolitan areas for manufacturing employment—is seeing high growth in the food processing, equipment manufacturing, and industrial controls fields. These businesses want to create jobs and grow here in the United States, and they are turning to MEP, a public-private partnership, to help them compete in the global economy. Since 1996, Wisconsin MEP has helped over 1,300 Wisconsin manufacturers make nearly $400 million in improvements in technology, productivity, and profits, helping to generate $2 billion in economic impact, and creating or saving over 14,000 manufacturing jobs.

Many people seem to think the decline of American manufacturing is inevitable. These critics point to high wages and claim that those make us uncompetitive worldwide. I do not agree. Look at Germany and Japan, two countries with high-wage structures, and yet both have a larger manufacturing sector as a portion of their economy than we do. So higher wages are not why we trail Germany and Japan in manufacturing. We have failed to invest in manufacturing and employee training sufficiently to keep up with global competition—and that is the problem.

We do have the tools and the programs available to help grow our economy and bring jobs back to the United States. Workers in Wisconsin and across the country stand ready to get back to work. Programs such as MEP help companies do the right thing for both their country as well as their bottom line—because betting on the American worker is still the best investment in the world.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

DEFENDING HUMA ABEDIN

Mr. MCCAIN. Madam President, rarely do I come to the floor of this body to discuss particular individuals. But I understand how painful and injurious it is when a person's character, reputation, and patriotism are attacked without concern for fact or fairness. It is for that reason that I come to the floor today to speak regarding the attacks recently on a fine and decent American, Huma Abedin.

Over the past decade, I have had the pleasure of knowing her during her long and dedicated service to Hillary Rodham Clinton, both in the Senate and now in the Department of State. I know Huma to be an intelligent, upstanding, hard-working, and loyal servant of our country and our government, who has devoted countless days of her life to advancing the ideals of the Nation she loves and looking after its most precious interests. That she has done so well maintaining her characteristic decency, warmth, and good humor is a testament to her ability to bear even the most arduous duties with poise and confidence.

Put simply, Huma Abedin represents what is best about America: the daughter of immigrants, who has risen to the highest levels of our government on the basis of her substantial personal merit and her abiding commitment to the American ideals she embodies. I am proud to know her, and I am proud—even maybe with some presumption—to call her my friend.

Recently, it has been alleged that Huma Abedin, a Muslim American, is part of a nefarious conspiracy to harm the United States by unduly influencing U.S. foreign policy at the Department of State in favor of the Muslim Brotherhood and other Islamist causes. On June 13, five Members of Congress wrote to the Deputy Inspector General of the Department of State demanding that he begin an investigation into the possibility that Huma Abedin, and other American officials, are using their influence to promote the cause of Muslim Brotherhood within the U.S. government. The information offered to support these serious allegations is based on a report, ''The Muslim Brotherhood in America,'' which is produced by the Center for Security Policy. I wish to point out, I have worked with the Center for Security Policy. The head of it is a longtime friend of mine. Still, this report is scurrilous.

To say that the accusations made in both documents are not substantiated by the evidence they offer is to be overly polite and diplomatic about it. It is far better and more accurate to talk straight. These allegations about Huma Abedin and the report from which they are drawn are nothing less than an unwarranted and unfounded attack on an honorable citizen, a dedicated American, and a loyal public servant.

The letter alleges that three members of Huma's family are ''connected to Muslim Brotherhood operatives and/or organizations.'' Never mind that one of these individuals—Huma's father—passed away two decades ago. The letter and the report offer not one instance of an action, a decision, or a public position that Huma has taken while at the State Department or as a member of then-Senator Clinton's staff that would lend credence to the charge that she is promoting anti-American activities within our government. Nor does either document offer any evidence of a direct impact that Huma may have had on one of the U.S. policies with which the authors of the letter and the producers of the report find fault. These sinister accusations rest solely on a few unspecified and unsubstantiated associations of members of Huma's family—none of which have been shown to harm or threaten the United States in any way. These attacks have no logic, no basis, and no merit, and they need to stop. They need to stop now.

Ultimately, what is at stake in this matter is larger even than the reputation of one person. This is about who we are as a Nation and who we aspire to be. What makes America exceptional among the countries of the world is that we are bound together as citizens, not by blood or class, not by sector or ethnicity, but by a set of enduring universal and equal rights that are the foundations of our Constitution, our laws, our citizenry, and our identity. When anyone—not least a Member of Congress—launches specious and degrading attacks against fellow Americans on the basis of nothing more than fear of who they are and ignorance of what they stand for, it defames the spirit of our Nation, and we all grow poorer because of it.

Our reputations and our character are the only things we leave behind when we depart this Earth, and unjust acts that malign the good name of a decent and honorable person are not only wrong, they are contrary to everything we hold dear as Americans.

Some years ago, I had the pleasure, along with my friend, the Senator from South Carolina, LINDSEY GRAHAM, of traveling overseas with our colleague then-Senator Hillary Clinton. By her side, as always, was Huma, and I had the pleasure of seeing firsthand her hard work and dedicated service on behalf of the former Senator from New York, a service that continues to this day at the Department of State and bears with it a significant personal sacrifice for Huma.

I have every confidence in her loyalty to our country, and everyone else should as well. All Americans owe her a debt of gratitude for her many years of superior public service. I hope these ugly and unfortunate attacks on her can immediately be brought to an end and put behind us before any further damage is done to a woman, an American, of genuine patriotism and love of country.

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

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

The bill clerk proceeded to call the roll.

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

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

THE ECONOMY

Mr. COATS. Mr. President, I come to the floor today to comment on a couple of things. One is the dialog that took place this morning between the majority leader and the minority leader regarding how the Senate should function. There were two different views on this between the two, and they had quite a back-and-forth exchange. I am

not sure how many people in America were watching that conversation this morning, but I watched in my office while I was trying to catch up on some other work and then found myself pretty engaged in that discussion.

It all stemmed from the fact that the majority leader announced he was not going to bring any of the appropriations bills to the floor for debate, consideration, amendment, or voting. I am a Member of that Appropriations Committee. The initial information passed on to us was that we would return to regular order; that is, the committees forming, through the committee process, how we spend our money, the limitations, where it should be sent.

We have held all the hearings. We bring in all the agencies. Everybody presents their budget, defends their budget. We make decisions, and we come up with legislation—13 separate pieces of legislation—that essentially covers the functions of this Congress and how we are going to pay for it.

So we go through all this work. We work through subcommittee, then we work through the full committee, and then the bills are ready, stacked up, waiting to be brought to the floor to be debated by Members—both Republicans and Democrats, both sides of the aisle—with amendments offered.

The same process happens in the House. We merge the two bills. We bring one product here. We make a final vote on that and send it to the President. He either signs it or rejects it. But that is a necessary procedure that is a written part of the way this Congress is designed to function.

Yet that procedure has essentially been discarded. To then hear that after all that effort by all of us in our respective committees, including the Appropriations Committee but also authorizing committees in terms of how we are going to spend the money and what direction it goes—after all of this effort, we are told: No, none of those bills will be brought to the floor.

Well, that is not the function of the Senate. The response is, well, we will put it all into one big bill at the end—13 bills, called an omnibus bill. Earlier, we had something put together called a minibus—they took three major bills, and put them together—and we were then asked to have either a ''yes'' or a ''no'' vote on the whole thing.

You know, there is a reason the public is so frustrated with the Congress. They cannot get clear answers from their respective Members as to whether they are for something or against something because when you combine all of those bills together, of course you are for parts of it and you are against parts of it, but Members are only allowed one vote, yes or no.

When I ran for office in 2010, I pledged to the people of Indiana that if I were elected, I would let my yes be yes and my no be no as it applied to a specific program or a specific spending item so that they could then evaluate their Senator in terms of how he was representing them. And they could then make a judgment that, I want to support this person or I am opposed to supporting this person because I do not agree with his vote on this or I support him because I do agree with a vote he took. That is the clarity and transparency the American people are asking for. Of course, they are getting exactly the opposite here.

The other problem with not bringing these bills to the floor one by one and having open debate, with the opportunity to offer amendments, to adjust them—you either pass your amendment or you do not pass your amendment, but in the end the whole thing has been vetted, vetted in front for the American to see, for us to understand, and therefore, when we do vote, we know that our yes means yes and our no means no.

So it is a mystery to me why this year and in previous years under the leadership of the majority leader we have not done what the Senate, historically is designed to do and has done and what I think is a duty and a responsibility to the people whom we represent.

Now, in normal times of economic growth, maybe you can get away with something like this. But at a time when lack of action in Congress contributes to an already staggering economy—many analysts say we are heading back into recession—when we look at the situation around the world and see the slowing down of economic activity and the problems in China and Brazil and in India, the major markets, and we see what is happening in Europe, and we read from analysts their evaluation of our current economic situation and this fiscal cliff that we are driving toward by the end of the year unless we address it, how uncertainty over all of that is negatively affecting our economy and affecting those who are in a position to either buy new machinery for their plant, increase employment, do more research, or expand a business. They are frozen in time saying: I cannot make decisions because there is uncertainty about what money will be available, what our budget will be, what our tax rate will be, what our health care obligations will be, what the Federal Government will be doing with this budget and how it affects our business.

So whether it is paving roads or funding hospitals, addressing education issues or any other function that Federal, State, local governments or individuals and businesses get involved in, this cloud of uncertainty that has settled over this country has kept us from putting those policies in place that are going to restore our country to economic growth, that are going to put people back to work and get our country back on track toward fiscal health.

This is an issue that should not be dividing us on a partisan basis. Whether you are listening to a liberal economic commentator or conservative economic analyst, there is a growing consensus that inactivity, this stalemate that exists is contributing significantly, and the failure to address the fact that we are heading toward this fiscal cliff, with all its ramifications, will have enormous negative consequences if we do not take some action.

So it is not just about the appropriations process, although I think that speaks to the dysfunction of this Senate. It is also about the larger question of some of the major issues that lie before us that the Congress is simply not addressing. We are viewed as a dysfunctional institution, either incapable or unwilling to address the critical issues facing our country—in particular, the dismal state of our economy and the fact that we have now for 41 straight months had unemployment above 8 percent.

This morning more than 12 million Americans woke up without a job and many others woke up with a job much below their abilities, much below what they had hoped to gain in a salary and a pay package that allows them to pay the mortgage, buy the groceries, save for their children's education. So the underemployed combined with the unemployed is a staggering number. That is something I believe we have a moral duty to address.

We may have a disagreement on the policies to address this crisis. I understand that. But when we are not even allowed to come down to this floor and debate those policies and have a package of legislation in front of us that we think will address some of these situations, that is simply taking a pass at a time when our country desperately needs us to be engaged.

If you looked at the Washington Post this morning, you saw the account of Federal Reserve Chairman Ben Bernanke, his testimony before the Senate yesterday, and I want to quote what he said:

> The most effective way that the Congress could help support the economy right now would be to work to address the Nation's fiscal challenges in a way that takes into account both the need for long-run sustainability and the fragility of the recovery.

I think if that question was posed to a Member of this body, whether that Member is conservative or liberal, Democratic or Republican, I think most would simply say: I agree with that. I cannot find fault with what he said.

You know, we look to the Fed to solve all of our problems but the Fed has used about every major tool they have—they might have a couple of little ones left. You can only do so much with monetary policy. The problem is fiscal policy, and fiscal policy is the responsibility of the Congress and the executive branch and the President.

Look, it is clear that we are not going to get any leadership from this President, at least until after this election has taken place. He is clearly in campaign mode. He is not doing business out of the White House relative to policy. He even said months and

months ago: Well, we are not really going to do any more this year.

So that has all been put on hold. Well, in normal times, that might be what Presidents ought to be doing. These are not normal times. We are not getting the leadership we need. And everything we tried to do in 2011 was stopped simply because we did not get support from the top.

But let's set that aside right now and acknowledge that what the Federal Reserve Chairman has said will have a major negative impact on this economy if Congress does not step up and take its responsibility and do what we all know we need to do. I repeat again that statement by the Federal Reserve Chairman:

> The most effective way that the Congress could help support the economy right now would be to work to address the nation's fiscal challenges in a way that takes into account both the need for long-run sustainability and the fragility of the economy.

Economists from across the political spectrum are sounding the alarm. Analysts report that the threat of the fiscal crisis in Europe is now being displaced by the threat of our country's inaction and refusal to address this fiscal cliff now. The American people and American industry and American businesses need to know what our plan is to stabilize our economy. Yes, it is important what Spain is doing and Italy is doing and Greece is doing and Germany is doing and France is doing to work on the European situation. Those of us who live in glass houses should not be throwing stones. There is a lot of criticism over what they are doing or not doing across the Atlantic. But we ought to be looking at ourselves and saying: How dare we tell them what they need to do—as some have tried to do—when we are not doing anything ourselves to address this.

The failure of Congress to act is having a negative impact, not only in my State but across the country. Household confidence is waning. Retail sales are down, according to the latest report. The manufacturing sector is taking a hit. As I said earlier, there have been 41 consecutive months of unemployment above 8 percent.

So it falls to Congress to act. Unfortunately, now we have been told that even on the regular process of how we act on a year-by-year basis to set the spending standards for the taxpayers' hard-earned money out of this Federal Government, set those standards, we are unwilling to have open debates, we are unwilling—the majority leader will not allow us to have amendments, will not even bring the bill to the floor. All of this legislation is needed to ostensibly run this Federal Government. Yet it is being run in a way that throws everything into the pot. It goes right up to the edge, and we have this drama about whether they will pass it or not pass it. In the meantime, the negative impact that it has on our economy is very troubling and not something we ought to be doing.

So here I am again voicing my frustration over our inability to step up to the responsibility that has been given to us by the American people to come here and do our very best, make our best arguments, put forward our best plan, but come to some conclusion as to where we are going in this country in dealing with this fiscal cliff.

It is not just a fiscal cliff, it is a whole range of issues that have enormous implications for our national defense, for our economy, for our budget, for going forward for our retirees, for those beneficiaries of some of the programs of the Federal Government—major implications—and all of that is left in a cloud of uncertainty.

The interesting thing to me is that whether you are a Democrat or Republican, whether you are President of the United States or a candidate for President of the United States, good policy is what the American people are looking for. Action is what they are looking for. Debate is what they are looking for, and then putting that forward with some sense of certainty in terms of where we are going. But right now politics seems to be dominating the Presidential race. I do not think there is anything we can do about that, but what we can do here in this body is acknowledge what was acknowledged by a lot of Democrats and a lot of Republicans in 2011 but not accomplished; what we can do is what we have the responsibility to do, and that is to step into the breach and do everything we can to put those policies in place that I think there is substantial agreement on, put those policies in place that will get our economy moving again, and, most important, put some certainty into what the future looks like so that those who go shopping and those who make products and those who are part of our American economy have the certainty of knowing what the future looks like so they can make decisions.

We have a chance, Mr. President—even as recent discoveries can lead us to energy independence, given our established rule of law, given the fact that right now America is the only safe haven—even though it is getting less safe—to invest your money if you are overseas—we have the opportunity, if we step up to our responsibilities, to open a new chapter and put America back in its place as that ''shining city on a hill,'' that place of freedom and opportunity where you want to put your money and invest, raise your children, an opportunity to be the country the world looks at to take the lead.

We have a golden opportunity now to send that signal. I think the investment markets would respond dramatically, we would start putting people back to work, and get our economy humming again. People would then look at us and say: They are taking this debt and deficit situation seriously. They put a credible long-term plan in place to address it, and we have the confidence to go forward, knowing that America will still be the place to live, work, raise a family, and invest. We can bring our economy back.

I am trying to end on a positive note simply by saying good policy is good politics. The people are hungry for us to stand up and basically say this is what we believe in, what we stand for. Yes, we had to modify this or that in order to get consent on going forward, but we are going forward. We know what the plan will be, and we can send a signal to the world that Congress has lived up to those responsibilities. You are not going to get it out of the White House—at least until November. This is the body where the responsibility falls. I think we all need to stand up and understand not only our constitutional duties but our moral responsibility to move forward and in the regular order address these issues that are so critical to the future of this Nation.

With that, I yield the floor.

The PRESIDING OFFICER (Mr. UDALL of Colorado). The Senator from Kansas is recognized.

Mr. MORAN. Mr. President, I ask unanimous consent to address the Senate as in morning business.

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

KC–46A TANKER BASING

Mr. MORAN. Mr. President, Kansas has a long and remarkable history of supporting our Nation's aviation industry both commercially and in support of our Nation's men and women in uniform. In Kansas, roughly 40,000 citizens support approximately 270 aviation and aerospace companies and generate nearly $2.9 billion in exports annually from our State. Many of those workers live in Wichita, which has long been known as the air capital of the world. Not only do these workers contribute to the vitality of our State's economy, but they also strengthen our Nation's economy, and they certainly contribute to our Nation's defense.

At both McConnell Air Force Base and Forbes Field, in Topeka, members of the Active, Reserve, and the National Guard serve our country through a variety of missions. Since 1941, McConnell Air Force Base has been an instrumental part of the Wichita community, and Kansans have a proud history of standing behind the air men and women who have called McConnell home. McConnell Air Force Base employs more than 17,000 people, military and civilian, and last year it had an overall impact of more than $520 million on our local economy.

I have come to the floor today to outline my support, strong support, for McConnell Air Force Base as the best choice for our Nation's new tanker fleet, the KC–46A. Currently, the Air Force is considering McConnell for the first home—or main operating base 1—for the new tanker, which will be put into service in 2016. McConnell Air Force Base is our Nation's best choice.

McConnell already houses a total of 63 KC–135R tankers—48 assigned and manned, plus an additional 15 for global contingency purposes, making it by

far the largest tanker presence in our country. In fact, McConnell is considered the supertanker base in the Air Force, with twice the number of tankers than any other base.

Looking at the geography of the United States, it is clear McConnell serves our country well in terms of air mobility. Strategically located in the Nation's heartland—equidistant from both coasts—McConnell's location is a great asset.

To this point, the 22nd Air Refueling Wing and the 931st Air Refueling Group at McConnell are frequently called upon for refueling missions, within a 1,000-mile ''service radius'' of the base, which further highlights the reliability of this location in the Midwest for domestic or overseas missions. One thousand nautical miles is a vast portion of the continental United States and includes hundreds of routes, military operating areas, and airspace reserved for various air missions.

McConnell supports all branches of the military and allied partners, refueling off of either coast and around the world every day. The Air Force has long taken advantage of the expansive airspace available over and around Kansas, so it would be natural for McConnell Air Force Base to continue its important air mobility missions with the KC–46As.

McConnell also has a clear advantage in personnel because it houses both Active and Reserve air men and women in the air mobility mission. The Air Force calls this arrangement a classic association, and McConnell is one of the only few bases in the country that can boast this level of coordination between the Active and Reserve in air mobility missions.

The 22nd and 931st are prime examples of Active and Reserve components working together, sharing capabilities, collocating in various facilities, integrating crews and providing global support to operational needs.

The 22nd and 931st have a tremendous history of conducting air mobility operations not only throughout the United States, but in places in Libya, Serbia, Turkey, Iraq and Afghanistan. Furthermore, the Air Force has indicated their strong preference for this arrangement as they choose the location for the first round of KC–46A tankers.

Another advantage McConnell boasts is a surrounding community that fully supports and embraces the air men and women and their families. Since 1960, an organization of area business leaders and residents called Friends of McConnell has supported the men and women of McConnell Air Force Base through a wide range of programs and special events on and off the base each year.

One of those programs, called the Honorary Commander Program, pairs up more than 30 squadron and group commanders with local civic leaders for 2 years to build meaningful relationships between civilian and military leadership. When I talk with the air men and women stationed at McConnell, they often tell me how much they have enjoyed the quality of life Wichita offers them and their families.

When it comes to Air Force air mobility missions, there are four components that make a mission successful: airmen, command and control, infrastructure, and equipment. McConnell Air Force Base not only has the extremely capable airmen of the 22nd and 931st, but it also has the proven command and control to handle a myriad of operational needs and a sprawling infrastructure with enormous capacity. In fact, McConnell will soon have the newest runway in the Air Force at a length of 12,000 feet, which more than exceeds the requirements of the first round of tankers.

By locating the new tankers at McConnell, the Air Force would have the strategic flexibility and capacity needed to carry out a variety of missions both at home and abroad. Now is the time for the Air Force to replace the aging KC–135Rs with the ''iron'' of KC–46As at McConnell Air Force Base.

The Air Force has made clear that the acquisition and recapitalization of the KC–46A is their top priority. Air Force Chief of Staff GEN Norton Schwartz said it best when he stated:

> The KC–46A tanker is a critical force multiplier and essential to the way this Nation fights its wars and provides humanitarian support around the globe.

I agree. I recently had the opportunity to speak with Air Force Secretary Michael Donley while at the Farnborough airshow, and I emphasized personally the need to base KC–46A tankers at McConnell Air Force Base in order to meet this need for global mobility.

It is often said in the military that the difference between success and failure is logistics. McConnell Air Force Base offers the instrumental, logistical muscle that is vital to successful, strategic air power. Kansans have a long history of supporting air power and air mobility, and I know McConnell Air Force Base is the best choice for our Nation's new tanker fleet.

I am hopeful that Kansas air men and women will have the opportunity to continue their tradition of service in defending our Nation with this first round of KC–46As.

Mr. President, I yield the floor and 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. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescind.

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

(The remarks of Mr. SESSIONS pertaining to the introduction of S. 3396 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. SESSIONS. I thank the Chair, I yield the floor, and I suggest the absence of a quorum.

Mr. BLUMENTHAL. 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. BLUMENTHAL. Mr. President, I come to the floor to join the voices of my colleagues in favor of supporting strongly, and I hope persuasively, the Bring Jobs Home Act.

The Bring Jobs Home Act is a measure that contains some provisions that are hardly novel, not complex, and a matter of common sense.

They involve some of the basic ideas we have advanced and advocated in this Chamber for some time. They are measures that are contained in a proposal very eloquently argued for by my colleague, Senator STABENOW, and I thank her for her leadership, as well as for Leader REID's leadership, in bringing this measure to the floor now.

Very simply, the Bring Jobs Home Act will reshore and restore jobs to this country with two simple, straightforward provisions. This measure provides a 20-percent tax credit for the expenses incurred in moving facilities or plants—basically, jobs—back to America. It also does something that is critically vital to this country, which is to close the loopholes that right now reward companies for moving those jobs overseas. Again and again over the past 2 years I have advocated this straightforward, simple step: Close the loopholes that permit companies to deduct expenses when moving those jobs overseas.

The average American—certainly the average person in Connecticut—when told that these loopholes exist, simply is incredulous. They cannot believe the United States of America rewards companies for moving these jobs overseas. Let's close that loophole now. It will produce revenue for the United States. Literally tens of millions of dollars will come back to our country as a result of closing this loophole, and jobs will come back as well. The 20-percent tax credit, although it may not sound like a lot of money to major corporations, could well be the tipping point for executives considering what to do in terms of investing in this country. It is an incentive to invest in the United States instead of moving those jobs abroad. A 20-percent tax credit could be a critical decision point and a turning point in those decisions. The Boston Consulting Group surveyed 37 companies which have $10 billion or more in revenues and found that 50 percent are at that tipping point.

This measure should not be partisan. It should not be a matter of geography or party as to whether one of our colleagues supports it. There should be a bipartisan coalition behind it. I have found in Connecticut, as I go around the State, regardless of party, people support this idea of bringing jobs home and reshoring and restoring jobs to our State and to our country, particularly manufacturing jobs.

In the city of Waterbury, I visited on Monday a steel plant where there are

3,000 manufacturing jobs—part of the 165,000 manufacturing jobs that we have in Connecticut. Manufacturing is alive and well. Taxpayers should not be subsidizing companies that move those kinds of jobs overseas. In the last 10 years, 2.4 million jobs were shipped overseas—mostly manufacturing—and taxpayers helped to foot the bill for it. In Connecticut, the National Bureau of Economic Research has found more than 250,000 jobs are at risk of being outsourced. People are angry and outraged that they are subsidizing that risk, that outsourcing and offshoring of jobs.

In the steel plant I visited, fortunately those jobs have stayed. But from around the country and in Connecticut, many of them have moved overseas because of the economic incentives we have created and that now we should stop. At a time when job creation is our No. 1 priority, American taxpayers deserve that these loopholes and hidden subsidies be closed and ended forever.

I hope I speak for many of my colleagues in saying shipping jobs overseas with the subsidies and incentives now provided very simply is unacceptable. Let's pass the Bring Jobs Home Act now to close those loopholes and to provide these incentives so that companies such as Otis Elevator, United Technology, DuPont, Ford, Master Lock, GE, Spectrum Plastics in Ansonia, CT, will be encouraged to continue doing the right thing, bringing those jobs back, walking the walk, and walking jobs back to Connecticut and to the United States. I will be voting yes to bring jobs home.

Again, I thank my colleague Senator STABENOW for her invaluable leadership on this issue. I am proud to join her today.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I first want to thank my friend and colleague from Connecticut for his commitment and compassion and passion on this issue. I appreciate very much his joining with me and others to come together to put forward what I think is a commonsense bill that focuses on closing a major loophole that is requiring basically taxpayers to help foot the bill when jobs are shipped overseas. So I want to thank the Senator from Connecticut for his efforts and commitment. I know he shares my belief that we need to be bringing jobs home, and that is what we intend to do.

I do want to speak today about the legislation that is in front of us. We can come together and agree we don't have to go forward and have this vote to stop a filibuster. If we could agree to bring up the bill and discuss it and pass it, it would be terrific. We know we have a majority to support this bill and be able to pass it, send it to the House, and the President will sign it in 30 seconds, I know, to be able to close this loophole. But we are, unfortunately, engaged in something right now that we are engaged in all the time now. It used to be a rare occurrence to have an objection that triggers a filibuster. Now it is on every issue. So we find ourselves waiting to be able to vote to see whether we are going to be able to get a supermajority to be able to go to this bill. That is very concerning to me, given the fact that we do have the majority in the Senate that wants to debate and pass this bill and we have the vast majority of Americans. It is not about Democrats or Republicans. We have people all over this country who want to see us move forward on this bill as well as others that will focus on jobs and focus on bringing jobs home. We want to build an economy that lasts. The way we do that I believe is by making things—making things in America.

Two weeks ago, we passed the farm bill on an overwhelmingly bipartisan vote. As chair of the Agriculture Committee, working with my ranking member Senator ROBERTS, we very much appreciated the hard work and support of Members on both sides of the aisle to pass something that is involved in growing things. We don't have a middle class in this country and we don't have an economy unless we make things and grow things. So we showed we could come together around a major piece of legislation that invests in growing things and all of the offshoots of that as it relates to the food economy.

This is an opportunity to say ''we get it'' when it comes to making things and bringing jobs back from overseas so we can make more things again in America. It is unbelievable to me—and I know it is unbelievable to hard-working men and women in Michigan and I know all across the country—that companies actually get a tax writeoff for packing up shop, paying for the moving expenses, doing what they need to do to close down and move jobs overseas. It is actually astounding. And when we look at the fact that we have lost 2.4 million jobs in the last 10 years because of that, it is outrageous when you think about it that we are losing 2.4 million jobs and it continues, and, at the same time, American taxpayers are helping to foot the bill. That makes absolutely no sense.

We have heard a lot about tax reform from Members on both sides of the aisle, and I support that. I think there are some larger tax issues. As a member of the Finance Committee, I am committed to addressing a range of issues that deals with incentives and how we compete globally and our companies are able to compete globally. But this is tax reform we can do right now. We don't have to wait for something big to come someday. We are going to have an opportunity in the next day to vote on tax reform immediately. I know the Presiding Officer shares the desire to bring those jobs home. The fact is, we have something very simple and straightforward we are going to be asked to vote on.

First of all, the Bring Jobs Home Act would end the taxpayer subsidies that are helping to pay for moving costs for corporations that are closing up shop and sending jobs overseas. Secondly, we are going to allow companies to have that deduction when they bring the jobs back. So if we have a company wanting to close up shop in China and bring the jobs back, we are happy to allow a business tax deduction for that. And, on top of it, we will allow an additional 20-percent tax credit for the cost of bringing those jobs back. So we are happy to do that. But we are not paying to ship the jobs overseas.

I don't know of any country in the world right now that would have a tax policy that involves helping to pay for jobs leaving their country. If anything, we are in a situation today where we have other countries either trying to block us from selling to them or they create incentives. I have mentioned so many times but it is true, I have talked to companies that had the Chinese Government approach them and say, ''Come on over, we will build the plant for you.'' And then they steal your patent.

But the fact is other countries are aggressively trying to get what we have had as America, what has created the middle class of America, which is the ability to make things in this country. We don't seem to understand that if we are not vigilant, if we are not paying attention, if we are not focused, if we don't have the right policies and the right kinds of investments and partnerships with the private sector, they are going to have all of those middle-class jobs. So when we look at this, it is time to begin that process. In fact, it is way past time to do this.

Cheryl Randecker would certainly agree with that. She worked at Sensata for 33 years. She has a daughter who is ready to go to college. She is worried about how she is going to pay her bills and put food on the table and pay for her daughter's schooling. And now she finds she has lost her job. It is being shipped to China. Her employer gets a tax deduction that she is helping to pay for, for the moving expenses.

Her coworker Joyce is 60 years old and has worked at the same company for 29 years. She has given them her whole career, and in those years she has developed a very specific set of job skills that have made her a tremendous asset to the work they do at their facility. But those skills aren't necessarily transferrable to another company, and she is worried those companies would rather hire somebody half her age to save money. She is another person who must be absolutely outraged to find out that the taxes she has paid for nearly 30 years in her career are being used to help her company ship her job to China.

I have heard similar worries from my constituents all over Michigan, people who have worked all their lives—often for the same company—in their late fifties, early sixties, a few years shy of

retirement, and who suddenly find the rug pulled out from under them. It is outrageous to think that those individuals, who have played by the rules and worked hard their whole lives, suddenly find themselves in a situation where their jobs are shipped overseas and American taxpayers are subsidizing it. We can change that. We can change that when we vote to move forward on this bill.

The good news, and the reason we need to do this to keep this momentum going, is that we have a lot of companies that are now doing the math and finding it makes good business sense to bring jobs home. So we have some good news stories, and we need to keep them going.

But our Tax Code needs to catch up with that and reward those companies instead of putting them at a competitive disadvantage when we have companies closing up here and shipping jobs the other way.

Caterpillar is making major new investments in the United States, bringing jobs back from Japan, Mexico, and China.

DuPont is building a plant in Charleston, SC, to produce Kevlar. That is great news. They are making investments in Ohio, Iowa, Pennsylvania, and Delaware.

All-Clad Metalcrafters, the folks who make high-end cookware, have brought their production of lids back from China to the United States.

Keen, a shoe manufacturer, just opened a 15,000-square-foot plant to manufacture boots in Portland, OR—production that used to be in China.

Master Lock, the world's largest padlock maker, moved jobs back to their facility in Milwaukee, WI, and they now have 50 products manufactured exclusively in the United States made with U.S. component parts.

US Airways brought hundreds of jobs back to their call centers in North Carolina, Arizona, and Nevada. Today, Lori Manuel is joining me in just a few moments at a press conference to talk about how important those jobs are to her and her colleagues.

Yesterday I was on the floor talking about our American automobile industry. I am very proud that Ford has retooled. The largest plant they have is in North America, in Wayne, MI, and because of that effort and new advanced batteries, they are bringing jobs back from Mexico and, we are now hearing, from China and other places. I know GM and Chrysler are very focused on jobs here and bringing jobs back, and that is all good news.

These are companies that want to invest in America. They want to bring jobs home. Our Tax Code should be rewarding that, not rewarding those who want to leave. Our Tax Code still rewards their competitors who are not making investments in America, and it makes absolutely no sense. When CEOs are making calculations about where to move production, we do not want the Tax Code standing in the way.

It is very simple. We know we have to focus on jobs in America. We are in a global economy. Our companies are competing with countries and policies of countries and investments by other countries. We have to make sure that we are doing everything, that it is all hands on deck, that everybody is moving in the same direction, that the Tax Code works, that we are partnering in the right way in every part of our economy so that the message is sent out: Bring jobs home. ''American made.'' We want to strengthen America.

This is about America first. That is what the Tax Code ought to focus on, and that is what this bill is all about. I am hopeful that our colleagues will get beyond the politics of the moment. I know we are in an election year. I get the partisan politics of the moment. But there are people around our country counting on us—Democrats, Republicans, Independents, folks who vote, folks who do not vote—counting on us to actually step up together and do things that make sense. This makes sense. We need to bring jobs home. This bill will help do that.

I yield the floor.

The PRESIDING OFFICER (Mr. CARDIN). The Senator from Wyoming is recognized.

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

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

A SECOND OPINION

Mr. BARRASSO. Mr. President, I come to the floor, as I do each week, as a physician who practiced medicine in Wyoming for a quarter of a century, taking care of so many families there, to give a doctor's second opinion about the health care law that has now been found constitutional by the Supreme Court. Although it may not be unconstitutional, it is still unworkable, it is unaffordable, and it is very unpopular.

Today I wish to talk about one of the specific components of the health care law; that is, the issue of Medicaid expansion.

Most of the discussion of the Supreme Court's health care decision has been focused on the individual mandate, that incredibly unpopular portion of the law that forces every American to buy a government-approved product, government-approved health insurance. The Supreme Court has ruled it a tax. It is a tax. Still, the American people know it is a mandate coming out of Washington that they buy a government-approved product for the first time ever in American history.

Today I would like to talk about another important part, which is the Supreme Court's ruling that the law's Medicaid mandate is unconstitutional. As many Americans know, Medicaid is a government program that is jointly funded between States and the Federal Government. The President's health care law contained a huge expansion of Medicaid, and more than half of the new insurance coverage provided by the health care law was supposed to be delivered through the Medicaid Program.

The President's health care law forces States to expand their Medicaid eligibility or face the loss of all of their Medicaid matching funds. Currently, the States put up some money, and the Federal Government puts up some—it varies from State to State. In my State of Wyoming, the State puts up half, the Federal Government puts up half, and 15 States are in that 50–50 range. In some States, it goes up to 70 cents from the Federal Government and 30 cents from the State. Across the board, the average is about 57 cents from Washington, 43 cents from the home State.

Many States believed that this expansion, this forced expansion, this forced mandate on them was unconstitutional, that it was expensive, and that it would essentially leave States with no choice but to participate in the program. That is why 26 different States filed a lawsuit against the Federal Government to stop this massive Medicaid overreach.

Supreme Court Chief Justice Roberts and a majority of Justices agreed with the States. Chief Justice Roberts described the Medicaid expansion as a ''gun to the head'' that would leave States no choice but to participate in the program. The decision of the Supreme Court made clear that States cannot be forced by Washington—cannot be forced by Washington—to participate in the health care law's Medicare expansion.

In response, after the Supreme Court announced its decision, a reporter asked senior White House officials how they would entice States to participate. According to Kaiser Health News, the White House officials responded with laughter. Apparently it seemed almost inconceivable to these White House officials that States would want to opt out of the Medicaid expansion. In fact, Washington Democrats have argued that it is a good deal for States since the Federal Government is paying for the entire expansion through 2017, and then it will cover 90 percent of the cost of the States. But, again, that is not of all of the people on Medicaid, that is only of these newly eligible individuals. Never mind that the Congressional Budget Office predicted that the Medicaid expansion would cost the Federal Government over $900 billion between 2014 and 2022. Apparently Washington Democrats, who have not passed a budget—Members of this Senate—in over 3 years, believe the Federal Government has extra money to spend. It is completely irresponsible.

While this might be a laughing matter for the White House, people who work in State governments take this issue much more seriously. The concerns of Governors of both parties was recently highlighted in a Washington Post article. Not only are Republican Governors concerned about the expansion, but at least seven Democratic

Governors have been noncommittal about expanding the program in their own States as well. Governors are concerned because they know Medicaid has been the fastest growing part of the State budget for over the past decade. In fact, Medicaid spending has expanded twice as fast as spending on education, and this is according to the bipartisan National Governors Association.

In addition, State leaders worry that the Federal Government will not keep the promises Washington has made to the States regarding Medicaid's payment rates.

The Wall Street Journal referred to the matching rate this way:

> This 100 percent matching rate is like a subprime loan with a teaser rate and a balloon payment.

When asked to comment about the Medicaid expansion, Jay Nixon, the Governor of Missouri, who is a Democrat, said:

> This deals with hundreds of thousands of Missourians, it deals with their health care . . .

He went on to say:

> . . . it deals with billions of dollars, and we will be involved in the process that defines the best fit for our state and respects the sovereignty of our state and the individuality of our state.

Brian Schweitzer, Democratic Governor of Montana, put it best when he said:

> Unlike the Federal Government, Montana just can't print money. We have a budget surplus and we are going to keep it that way.

Unlike this current administration, Governors of both parties recognize the importance of controlling government spending.

Washington cannot expect States to simply trust that the money will come through in the future. States basically do not trust Washington, and they are right to not trust Washington. States and Governors across the country are much smarter than trusting Washington.

It did not have to be this way. If the White House and Democrats in Congress had actually focused on lowering costs—that was supposed to be the concern of the health care law, lowering the cost of care—if the White House and Democrats in Congress had actually focused on lowering the cost of care, States now would not be facing this bad choice.

We need to repeal this bad health care law. We need to replace it with legislation that will make it easier for States to work with Washington without going bankrupt. We need to move forward. We need to move forward with legislation that will allow Americans to get what they have been looking for, which is the care they need from a doctor they choose at lower costs.

I point out that the Republican Governors Association has a lot of questions about this Medicaid expansion. As a matter of fact, Virginia Governor Bob McDonnell, who is chairman of the Republican Governors Association, sent a letter to the President seeking answers to a number of questions dealing with Medicaid and dealing with the exchanges that are part of this health care law. There are 30 specific questions in the letter Governor McDonnell sent. I suggest that possibly the President has not thought of these issues as they relate to the health care law and does not have answers. But these are answers Governors of both parties continue to seek because they want to know what the impact of this Medicaid expansion is going to be on their own States and their own budgets.

The health care law may not be unconstitutional. It continues to be unworkable, it continues to be unaffordable, and it continues to be unpopular. You say: How unpopular is it? In a poll done just after the Supreme Court ruling, just last week, July 9 to July 12, a Gallup Poll talked to Republicans, they talked to Democrats, but then they focused on the Independents, and what they have shown is, of Independents in this country, how they think this health care law will affect different components of our society. They think it will actually make things worse for doctors, make things worse for people who currently have health insurance, they think it will make things worse for hospitals, they think it will make things worse for businesses, it will make things worse for taxpayers and, most importantly, they believe it will make things worse for them personally.

That is where we are today, which is why we need to repeal and replace this health care law. My advice to Governors around the country would be to wait a minute until after the election to decide what you want to do about Medicaid expansion because we are continuing to work to repeal and replace this broken health care law.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Utah.

(The remarks of Mr. HATCH pertaining to the introduction of S. 3397 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

The PRESIDING OFFICER. The clerk will call the roll of the Senate.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Tennessee.

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

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

Mr. ALEXANDER. Mr. President, would the Chair please let me know when there is a couple of minutes remaining.

The PRESIDING OFFICER. The Chair will so advise.

Mr. ALEXANDER. I thank the Chair.

SENATE RESPONSIBILITY

Mr. President, earlier this year I came to the floor with a group of Republican and Democratic Senators to congratulate the majority leader, Senator REID, and the Republican leader, Senator MCCONNELL, as well as the leaders of the Appropriations Committee, Senator INOUYE and Senator COCHRAN. The reason for the congratulations was this: They said they were going to do their best to bring all of the appropriations bills to the floor and pass them. That may not seem like such a monumental pledge or promise, but it, in fact, is, because only twice since the year 2000 has the Senate gone through the whole process of bringing all 12 appropriations bills to the Senate floor and enacting them in time for the beginning of the fiscal year on October 1.

Why is that so important? Well, we are in the midst of a fiscal crisis. We are borrowing 42 cents out of every dollar we spend. One way to deal with that is through the appropriations process. That is our first constitutional responsibility. Judges judge; we appropriate. That is the first thing we do. We have control of the people's money. The appropriations bills I am talking about, the 12 of them together, constitute a pretty big number. More than a third—38 percent—of all the dollars we spend in the Federal Government go through those 12 bills. It used to be a lot more.

So when the majority leader and the Republican leader said, Yes, we are going to do our best to bring all of those appropriations bills to the floor, I thought the Senate had taken an important step in functioning the way the American people expect the Senate to function. The American people expect us to get about the serious business of this country so that, in the words of the Australian Foreign Minister, Bob Carr, we can show the people we recognize that we are really one budget agreement away from reasserting America's preeminence in the world. We have that within our power.

The economy of the country, the economy of other countries depends, to a great extent, on our ability to govern ourselves properly. So I was very encouraged when the majority leader and the Republican leader said, Yes, we are going to do our best to bring all 12 of those bills to the floor.

I regret to say I am equally disappointed that the majority leader suddenly announced last week he won't bring any appropriations bills to the floor. The reasons he gives are very puzzling to me. First he says, Well, the House is using a different number than the Senate. What is so new about that? That is why we have the House and the Senate. They are one kind of body and

we are another kind. They have their opinion; we have ours. We vote on our opinions. Then we have a procedure called the conference in which we come together and we get a result. We have had so few conferences lately that maybe some people have forgotten we do that, but we have a way to do it.

Then the majority leader said, Well, they in the House violated the Budget Control Act. The Budget Control Act was simply something we agreed on—I voted for it—to try to put some limits on the growth of discretionary spending in the budget. If we stick to that over the next 10 years, the discretionary spending—not the two-thirds of the budget that is entitlement spending but this one-third we are talking about—will only grow at an little bit more than the rate of inflation. If our whole budget grew at that rate, we wouldn't have a fiscal problem.

Those aren't good reasons. We have a way to reconcile our differences. The Budget Control Act is only limits. The Senate actually has exceeded those limits, according to my colleague Senator CORKER, already three times in this year. So there is no excuse whatsoever for not bringing up appropriations bills on the floor of the Senate.

If we think the Solyndra loan was a bad idea, that is the place to take it out. Or, if we want to spend more money for national defense, that is the place to put it in. Or if we think we are wasting money on national parks or too much government land, that is the place to take it out. Are those bills ready to come to the floor? Yes, they are. In the Senate, we have been doing our job in our committees. Let me be exactly right about this, but I believe we have nine of our appropriations bills that are ready to come to the floor, that we are ready to go to work on right now. The House of Representatives has already passed 11 of the 12 appropriations bills through committee and 6 of those have been passed by the House. So this month, we could be debating any of those appropriations bills. We could have amendment after amendment after amendment. We could reduce our spending. We could increase our spending. We could say to the American people: We are doing our job.

That brings me to my second disappointment. I was greatly encouraged this year—and a lot of the credit goes to Senators on the Democratic side as well as some on our side—who are saying, Wait a minute. We are grownups. We recognize we are political accidents. We have been given the great privilege of representing the people of our State and swearing an oath to our Constitution of the United States so we can help lead this country. So we want to go to work. We want to go to work.

What does the Senate do? Well, the Senate brings bills up through committee, it brings bills to the floor, and then, as the late Senator Byrd used to say, almost any amendment comes to the floor and we debate it and we vote on it, and then we either pass the bill or we don't pass the bill. That is what the Senate does.

We on our side have been saying to the majority leader: Mr. Majority Leader, let us offer our amendments. Don't silence the voices of the people in our States that we represent. So he has been allowing that to happen more. Of course, he has the procedural ability to stop that. The Senator from Michigan said: Let's try just having relevant amendments, so we said: OK, let's try that. So we began to make some progress.

There was a dispute over district judges. We resolved that. We have been confirming them. The Postal Service bill, the farm bill, the FDA bill, the highway bill—these are all important pieces of legislation that affect almost every American family, and what did we do? They went through committee; they had the expertise of the members who work on those committees; they came to the floor; we had a lot of amendments, we voted on them, and they were passed by the Senate. In other words, we did what we should do.

I thought we were on a lot better track until the last 2 or 3 weeks. Suddenly, what has happened? Suddenly, all that ends. We revert to political exercises—little bills of no real importance compared to the bills we should be debating. We have a jobs bill, the DISCLOSE Act bill, and the bill we are about to go to that the Senator from Michigan is proposing. The problem with those bills is they have not been through committee. They are not going to pass the House. Everybody knows that. So we are wasting our time at a time when we could be debating all of the appropriations bills of the U.S. Government. At a time when the U.S. Government is borrowing 42 cents out of every dollar we are spending, we are not even going to do our job and consider appropriations bills on the floor and amend them. What will the whole world think? What will our constituents think about our ability to govern ourselves if we can't pass—even consider—an appropriations bill in the U.S. Senate?

On top of that, we haven't had a budget for over 1,000 days. I remember when Condoleezza Rice, the Secretary of State, came back and met with a group of Senators. She came back from Iraq early after their government was formed and she said, They can't even get a budget over there in Iraq. Senators looked around at each other, and here we have been a Republic for a long time and we can't get one, either. So I am very disappointed by the fact that after such a promising surge of activity that was bipartisan and that got results, we have suddenly reverted back to forgetting that we have a way to deal with our differences.

It is not because we don't have anything to do. Where is the cybersecurity bill? Where is the Defense authorization bill? Where are the appropriations bills? They are all ready to be considered, at a time when we are in a fiscal crisis, looking at a fiscal cliff which, if we don't solve, according to the Congressional Budget Office and the Chairman of the Federal Reserve Board yesterday, it will plunge us into a recession in the first 6 months of 2013. Those are the stakes we are playing with.

There is also a third area in which I must express my severe disappointment. We worked hard at the beginning of this Congress to accommodate a number of Senators who felt we needed changes in the rules, and we made some changes. But we preserved the Senate's integrity as a different sort of institution—as a place where the party that has 51 votes doesn't run over anybody else.

Alexis de Tocqueville said the two greatest problems he foresaw with the American democracy—this was back in the 1830s—were, No. 1, Russia; and No. 2, the tyranny of the majority. Well, the Senate, as Senator Byrd used to so eloquently say, is the single most important institution in our country, to protect minority rights and minority points of view. Sometimes we are in the minority on this side, and we will notice there are some fewer desks. Then after an election, maybe more people vote for Democrats and they come in and they pick up the desks and they move them over to that side. Whichever side is in the minority in the Senate still has rights, and those aren't just the rights of the Senators themselves, those are their rights to speak the voices of Tennessee or Maryland or Nevada or New York or Kentucky. It is those voices that need to be heard on the floor of the Senate. And when we can't debate, when we can't offer amendments and we can't vote, those voices are silenced.

So to my great surprise, the majority leader—and as I said, I came to the floor more than once to compliment him for this—said at the beginning of this Congress that he wouldn't seek to change the rules of the Senate except according to the regular order—except according to the rules of the Senate which say we have to have 67 votes. That is what the rules say. We agreed on that. What that meant was we needed a change in behavior, not a change in the rules, to show that the Senate could function.

Last night on television, apparently the majority leader said that in the next Congress—he had changed his mind and that if he is the majority leader, he will seek to change the rules of the Senate by 51 votes. That will destroy the Senate. That will make it no different than the House. I would say to my friends on the other side, if they want to make the Senate like the House where a freight train can run through it with 51 votes, they might not like it so well when the freight train is the tea party express, which it could be. Republicans could be in control of the Senate after this session. Republicans could have a President, and then where would ObamaCare be?

Where will a whole series of things be? There will be a great many Senators on the other side who will say, Wait a minute, let's slow down the train. Let's think about what we are doing. That was the original intention of the Founders of this country. The House is majoritarian and 51 votes control. A freight train can run through it day in and day out. But when it gets to the Senate we stop and think and minority rights are protected. As a result of that, usually that forces us to have a supermajority 60, 65, or 70 votes—in order to do anything big, such as the time when finally the civil rights bill was enacted in the 1960s. Senator Russell, who led the debate against the Civil Rights Act, filibustered it. He was finally defeated. He flew home to Georgia and said, It is now the law of the land; we support it. That is why President Johnson wrote the bill in the office of the Republican leader, even though the President was a Democrat. He wanted bipartisan support.

President Johnson knew he had the votes in the 1960s to pass the Civil Rights Act without Republican support, but he had the bill written in the office of Senator Everett Dirksen, the Republican leader. I remember I was a young aide at that time. The Senators were in there and the aides were in there. Pretty soon everyone was invested in it. When it passed, as I said, Senator Russell went home to Georgia and said, it is the law of the land. We have to support it.

Now we are coming up on what the Chairman of the Federal Reserve Board has called the fiscal cliff. This is a convergence of big issues ranging from the debt ceiling to how we pay doctors to the spiraling, out-of-control entitlements we have, to the need for a simplified Tax Code, to the need for lower rates. We have been working on this in various ways across party lines for several months.

There is a growing consensus that the time to act is after the election. It will require Presidential leadership, whether it is newly inaugurated President Obama or a new President Romney, and our job will be to see that the newly inaugurated President succeeds, whether he is a Republican President or a Democratic President, because if he does, then our country succeeds.

What are the stakes? The Foreign Minister of Australia, Bob Carr, put it very well when he said in a speech here—and he is a great friend of the United States and I have known him for 25 years—he said: The United States is one budget agreement away from reasserting its global preeminence—one budget deal away from reasserting our global preeminence.

But if we cannot even bring up an appropriations bill to debate it, to amend it, to vote on it, and to pass it, if we suddenly are dealing with bills that have not gone to committee that are nothing more than a political exercise, if we are sitting around in the Senate with nothing to do of significance—and there is only one person who can bring up issues here; that is, the majority leader—how is that going to convey to the American people we are capable of governing ourselves? I think it sends a clear message that we are failing to do that.

So having expressed my disappointment, I wish to express my respect for the majority leader and to say again how much I appreciated the efforts he made at the beginning of the Congress to say we would not change the rules of this institution, except according to the rules, and the effort he said he would make at the beginning of this year to bring up the appropriations bills and the efforts he has made to allow more amendments on a whole series of bills this year and say: Can we not go back to that, even though this is a Presidential election year?

The stakes are too high. As far as voting on amendments, that is why we are here. Why would you join the Grand Ole Opry if you do not want to sing? That is why we are here. We are here to express the views of ourselves and the people we represent to make sure their voice is heard, and then we are here to get results.

I hope my record is a pretty good record of working to get results. I sometimes say to my friends—they will say: You are being bipartisan. I am not interested in being bipartisan. I am interested in results. I learned in the public schools of Maryville, TN, how to count, and I know it takes 60 votes to get results. So anything important we do is going to require Democrats and Republicans. We are going to need a coalition of Democrats and Republicans, not 51 or 53 or 54, no matter who is in charge next year. We are going to need a coalition of 60 or 65 or 70 who will come around some of the most difficult issues we have had to face in terms of tax reform, in terms of deficit reduction, in terms of reining in entitlements—a whole series of issues. We are going to have to remember our pledge to the Constitution that we take at the beginning of each 6-year term, and we are going to have to honor that pledge.

That is the Senate I hope to see. That is the Senate I am working to create. I wish to create an environment in which the Democratic leader and the Republican leader can succeed on big issues in helping us put together results on the serious problems. I wish to make the Australian Foreign Minister—a great friend of the United States—I wish to show him we can answer his question and that we realize, just like he does, that we are one budget agreement away from reasserting America's global preeminence and that we in the Senate are perfectly capable of doing it.

By not bringing up appropriations bills, by reverting to political exercises, by leaving off the table many amendments that need debate, and by even suggesting we would change the nature of the Senate so a freight train could run through it with 51 votes, none of that encourages confidence in the ability of the United States to govern that I think exists.

I know my colleagues pretty well. I work hard with people on both sides. I respect them all and their opinions and I do not question their motives. It is my personal judgment that 80, 85 percent of us on both sides of the aisle want a result on the big fiscal issues and on every other big issue that comes here, and I would like to do my best to create an environment in which that could happen.

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I am here to speak in favor of the Bring Jobs Home Act. I wish to thank my colleague Senator STABENOW of Michigan, who understands this issue because in her State of Michigan they almost lost the auto industry. They almost lost the auto industry. There were those who said: Let them go bankrupt. We know who those people are.

We supported our President. We had a majority who did so. We had tough votes, and we said: We are not going to be the only industrialized country in the world to not have an auto industry. We looked at it as not only a jobs issue—clearly, it is a jobs issue—but we looked at it as a national security issue as well.

What this bill is about, the Bring Jobs Home Act, is making sure we see the words ''Made in America'' again—we see the words ''Made in America''—so it is not a surprise when we see those words, but we say: That is right. It is made in America because we have the best workforce, the best entrepreneurs in the world, and we need the jobs here.

What has happened over the years is that shipping jobs overseas became a trend and a lot of important voices were heard saying: That is just the way it is. It is not just the way it is. If we have policies in place that incentivize manufacturing and production here, we are not going to lose those jobs. But what happened during these years is that companies got a tax deduction for moving jobs overseas. Imagine that. We American taxpayers were subsidizing companies, giving them tax breaks for moving jobs overseas.

The Bring Jobs Home Act ends those tax breaks for companies that ship jobs overseas. What we do instead is say: We will give a 20-percent tax credit to companies that move their jobs back from overseas. So they get a 20-percent tax credit for their moving expenses. So we stop giving tax incentives to companies that move jobs overseas, and we instead give tax incentives to those who bring them back.

Let me tell you the good news. The good news is that there are some companies that are coming back home. I wish to highlight a couple companies in California.

Simple Wave, a company that makes snack bowls from recycled materials,

relocated its production to Union City, CA, from China. Simple Wave chose to complete its manufacturing in America because they said it saves time and allows for greater quality control and flexibility.

A cofounder of Simple Wave, Rich Stump, said:

Our business is growing very quickly and by having the ability to react quickly and provide just-in-time manufacturing will provide the fuel to our growth. Knowing that we are contributing to the US economy re-shoring effort is a great feeling—

Listen to that. This is a businessman who says: ''Knowing that we are contributing to the US economy re-shoring effort is a great feeling''—

and we are confident that this will in turn provide a better quality product to our customers.

I say to my Republican colleagues—I do not know how they are going to vote, but they have not been very supportive of this bill—if a businessman feels great because he is bringing jobs home to the United States, why don't you feel great and do your part and take away tax breaks for companies that ship jobs overseas and give them to companies that bring jobs home?

Here is another one.

LightSaver Technologies, in Carlsbad, CA, makes emergency lighting for homes. They also moved their manufacturing back from China. They found that making adjustments to the manufacturing process is easier when the plant is only 30 miles away, as opposed to 12 time zones away.

Jerry Anderson, one of the company's founders, said:

If we have an issue in manufacturing, in America we can walk down to the plant floor. We can't do that in China.

He says manufacturing in the U.S. is 2 to 5 percent cheaper once he takes into account the time and trouble of outsourcing jobs overseas.

Again, I say to my friends, if entrepreneurs such as these feel good about bringing jobs home, why are you continuing to support subsidies to companies that move jobs overseas?

We are coming out of a very tough recession—a very tough recession—and we know we need to create jobs here at home. I truly wish to say to the people who may be watching this debate—if there are a few; I think there might be just a few—we have control over this. We know if we give incentives to companies to ship jobs overseas, their bottom line is going to be changed by that. But if we give incentives to companies to bring jobs back, their bottom line will look much better.

So we have the opportunity with this important bill to move forward and turn things around. Do not believe when people say: Oh, it is just the way it is. We are just outsourcing. That is the global marketplace. That is it.

If we take that attitude, the future is going to be pretty bleak. Because we do have the greatest workers in the world. They have the best productivity of any workers—the best. So why would we say: It is just the way it is. We need to fight for those jobs. We need to fight. We have to stand up to the people who say: It is just the way it is. It is just the way business is.

When somebody tells us that kind of a simple statement, we should question it. It is the way it is for many reasons. One of them is, we are giving incentives right now to companies to ship jobs overseas.

A Wall Street Journal survey found that some of our largest corporations cut 2.9 million U.S. jobs over the last decade from America, while hiring 2.4 million people overseas. So they cut jobs here, and they created jobs there.

So when a politician says to you: I am for job creation, ask him, where. We want it here. We do not want it in other countries at the expense of American workers. We wish all countries well, but we have to take care of America.

People talked about the uniforms at the Olympics, and some said: Oh, I am not going to get into that. That is not such a big deal.

It is important. It is important we make a conscious effort for our athletes that they do have a ''Made in America'' label.

Many of us have had the experience of using, as a fundraising tool, the sale of T-shirts or purses or shopping bags or hats. Yes, it takes an effort to find the right place to go, but those can be made in America. I say it takes a little effort for a good result. As Senator REID said, we have people in the textile industry crying for work. So do not just brush it off as a nonissue. It is an important issue.

In California, more than 3,400 jobs were lost to outsourcing this year alone—3,400.

From 2000 to 2010, the United States lost 5.7 million manufacturing jobs.

But it is not just manufacturing. Science and high-tech jobs, legal and financial services, business operations are being moved overseas as well. We all know we make those calls trying to find out something, whether it is an airline schedule or information on a product, and you get the sense the person is not talking to you from an American city. Why on Earth would we give incentives to have those jobs created elsewhere?

That is what this bill is all about. With 12.7 million unemployed people and only 3.6 million jobs that we have open nationwide, we have to find ways to reverse this trend.

I think Senator STABENOW has hit on a very good way to start with the bringing American jobs home act. It is so easy. We want to say to companies: We are for your bringing jobs back, to the extent that we will give you an actual tax credit for doing that. It is very key.

So I hope we can come together across the lines that divide us, these artificial lines, and work together. We have done it on a few occasions. We did it on the highway bill. I am so pleased we were able to do it then. The Presiding Officer was very involved in that. It was not easy. This one is easy. The highway bill had 30 different programs in it. We are talking about a very simple premise: Right now we give tax breaks to companies who shift jobs overseas, and we want to end it. Enough. It is not complicated; it is easy.

Why my Republican friends cannot join hands with us on this one I do not understand. But I have to say, we can do this for the American worker, whether they are from California or Ohio or Texas or Arizona or Maryland or Kentucky—wherever they may be. This is one we can do for the working people and the entrepreneurs of our Nation.

So I congratulate Senator STABENOW. I look forward to voting in favor of the Bring Jobs Home Act.

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

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

The legislative clerk proceeded to call the roll.

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

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

DEFENSE SEQUESTER

Mr. MCCONNELL. Mr. President, we know with some certainty that on January 20, 2013, regardless of who the President is, he will swear, to the best of his ability, to protect and defend the Constitution of the United States; that more than 60,000 soldiers, sailors, airmen, and marines will remain deployed in Afghanistan, and that our All-Volunteer Force will stand ready to defend American interests in the Strait of Hormuz, in the Republic of Korea, as well as defend our allies across the globe.

Our forces will remain committed on that day to denying the Taliban a return to Afghanistan, to denying al-Qaida a safe haven, to training the Afghan national security forces, and to fulfilling the operational plans of our regional commanders. As important: the troops in the training pipeline and the schoolhouse, the F–35s in production, and the basic research and development programs in progress will provide the capabilities to meet future threats.

What is not certain is whether the President who is sworn in on that day will have to attempt to manage the damage done on January 2, 2013, by across-the-board cuts to the Defense Department of roughly $50 billion. But he will if the President and the Democrats in Congress fail to act on the cuts to defense that the President has insisted on, but which his own Secretary of Defense has said would be ''devastating.''

Let me say that again. These are cuts the President is insisting on, but his own Secretary of Defense says would be ''devastating.''

That is why I and my Republican colleagues call on the President to make his plans for these cuts clear right now. The President owes it to our forces around the world and to their families to put a plan on the table for all to see now rather than waiting until after the November elections pass. To keep these details secret and to leave the defense sequester in place as written would be irresponsible regardless of the outcome of the Presidential election.

Think about it. If Governor Romney is elected, he will be responsible for managing $50 billion of programmatic cuts before he or a new Secretary of Defense has even had a chance to conduct a review of the Defense Department's plans, programs, and strategy. And if President Obama is reelected, the arbitrary spending cuts directed by the Budget Control Act of 2011 that he insisted on would eviscerate the President's own defense strategic guidance issued earlier this year.

No wonder Secretary Panetta has said these cuts would be like ''shooting ourselves in the head.'' The weapons systems and capabilities required to provide a dominant presence in the Asia-Pacific Theater, attack submarines, amphibious ships, marines afloat and ashore, the next generation bomber, completing acquisition of the F–35, and the Ford class aircraft carriers will be required to deter and defeat aggression and to project power.

Investments in these capabilities must be made while we continue to combat and pursue al-Qaida, deploy and equip special operations forces, and, of course, seek to deter Iran. That is why the President should prepare for the possibility of a possible transition in power now and should do so with the same foresight and concern for our operations that previous administrations have demonstrated.

The last two transfers of political power, that from President Clinton to President Bush, and that from President Bush to President Obama, are instructive in how past administrations have managed the transition of the Defense Department's leadership both in peace and in war.

Early in 2001, before the Senate majority changed control from that of Republicans to Democrats, before the attacks of September 11, and before an envelope containing anthrax was sent to the Hart Building, Secretary Rumsfeld assumed his duties as the Secretary of Defense. He informed the Congress that he would conduct a strategic review of the Department's plan and programs and submit an amended budget later in the year.

That document was ultimately provided to the Congress in June 2001. Secretary Rumsfeld had months—literally months—to develop an initial plan. And this, by the way, was prior to the war on terror, or as we thought it then, during peacetime.

At the end of the second term of President Bush, Secretary Gates found himself responsible for the first Presidential transition during wartime in 40 years. Secretary Gates established a transition staff and a briefing process to ensure all incoming Obama administration officials were well prepared during a time of war. He encouraged political appointees to remain in office and to help with the new administration. Ultimately, he ended up staying on as Secretary.

Just consider the plight of what a President-elect may face in January 2013. Iran has shown no willingness to end its uranium enrichment effort. A young, inexperienced, untested leader is in charge of North Korea. The Taliban patiently waits for the United States and NATO to withdraw from Afghanistan. And al-Qaida's senior leadership, though weakened, and al-Qaida and an affiliate remain determined to strike the homeland. Egypt and Libya struggle with forming new governments. The revolt in Syria threatens regional stability, and al-Qaida affiliates stay active in Mali, North Africa, and Yemen.

As the next President attempts to have his Cabinet Secretaries confirmed, he will be dealing with managing a disruption in procurement contracts and deliveries, actions that are likely to elevate the cost of weapons systems and lead to layoffs in our industrial base. Troops preparing for deployment will see training curtailed. Permanent change-of-station orders will likely be delayed. Training and maintenance readiness levels will decline. All of this will occur while a new administration is reviewing war plans in Afghanistan.

Think of what this would say to a President-elect: As you are developing your new national security strategy, attempting to seat your Cabinet, and assessing the war in Afghanistan, the sequester will slash every program under review. Welcome aboard, sir. You have your hands full.

More important is what this will say to every soldier and marine still fighting in Regional Command East: Despite the outcome of the election, you may still be fighting the Taliban, attempting to train and mentor an Afghan soldier, conducting a drawdown of forces, and handing off operational responsibilities at the same time the funding of your operational training, weapons maintenance, and operations of your base childcare center are being slashed. If you are wounded, the funding for the defense health program and the care you receive will also be cut. That is why allowing the sequester to go into effect as currently written and as demanded, demanded by the President, would break faith with the forces we have sent abroad.

To confront a new President with this level of disruption as he transitions to wartime command would be deeply irresponsible. We must deal with defense sequestration prior to the election. The sequester should be equally concerning to President Obama.

In January of this year, the Department of Defense released strategic guidance that entails a rebalancing of our forces with an emphasis on a growing presence in the Asia-Pacific Theater. The wars in Iraq and Afghanistan and the counterinsurgency strategy used in both campaigns required an expansion of our Marine Corps and Army ground forces. President Obama has announced plans to reduce the Army by 72,000 soldiers between 2012 and 2017 and the Marine Corps by 20,000 between 2012 and 2017. Yet the force structure required to conduct counterinsurgency in Iraq and Afghanistan is far different from that required to convince friend and foe alike that our presence in Asia is significant and sustainable.

We must invest in a new generation of warfighting capability. The President's budget insufficiently funds this new strategy, and that is actually before sequestration. This year's budget request delayed construction of a large-deck amphibious ship, a new Virginia-class submarine, and announced the early retirement of other ships. These reductions are envisioned without those related to sequestration. Naval, air and forced-entry capabilities to combat anti-access weapons are the capabilities required under the new strategy, and they are underfunded in the President's budget. This comes at a time when military expenditures in Asia are outpacing those in Europe.

Let me be clear. The failure of the administration to match the President's budget request to his new strategy is not an argument for growing the defense top line, it is emblematic of the difficulty our regional commanders will have in fulfilling current operational plans before you even get to the sequester.

Although the administration has emphasized that the rebalancing of our forces in Asia is not a strategy to confront the growth of China's military, if we fail to match our commitment to Asia with the requisite force structure, China's influence, military posture, and sphere of influence will actually expand. As the Pentagon's own Annual Report to Congress makes clear, China is committed to annual military spending increases of roughly 12 percent, and it has undertaken a broad-based effort to expand the capabilities of the People's Liberation Army.

Both Secretary Panetta and General Dempsey have made it clear that the ability of our Armed Forces to execute the new strategy under sequestration would be at risk. As General Dempsey, the Chairman of the Joint Chiefs, has stated, under sequestration, ''it's coming out of three places: equipment and modernization—that's one. It's coming out of maintenance, and it's coming out of training. And then we've hollowed out the force.''

In his new strategic guidance, President Obama articulated a commitment to our enduring national security interests; the security of our Nation, allies, and partners; the prosperity that

flows from an open and free international system; and a sustainable international order. Needless to say, those interests will be extremely difficult to maintain with a hollow force.

Just as the next President will take the oath on Inauguration Day, we too take an oath as Senators. We have a responsibility to raise and support armies and provide and maintain a navy. If we let sequestration as currently written go forward and do not act, we will have failed. That is why I am so disappointed with the President's failure of leadership on this issue and that of Senate Democrats as well.

Both House and Senate Republicans have offered proposals to replace the savings from sequestration with more thoughtful and targeted spending cuts. Both of those proposals also either eliminated or reduced the sequester on nondefense programs as well.

Last week, Speaker BOEHNER, Majority Leader CANTOR, Senator KYL, and I sent a letter to the President asking him to work with us to find a bipartisan solution before the end of the fiscal year. With a $3.6 trillion annual budget, clearly there is a smarter, more thoughtful way to achieve at least $110 billion in savings.

It is simply outrageous that this President and Senate Democrats are missing in action on this issue. We are committed to finding a solution on this before we recess for the election. Are they? Or are they committed to jeopardizing our national security? When will they sit down and work with us to find a solution?

The House overwhelmingly passed the Sequestration Transparency Act today by a vote of 414 to 2. This bill is modeled after a Thune-Sessions bill. It asks the President's Office of Management and Budget to submit a report to Congress on the impact of sequestration on both defense and nondefense programs. Every single Democrat in the House Budget Committee supported it—every one. Will that bill die in the Senate because Democrats not only do not want to address sequestration, they want to hide the ball on the impact of sequestration until after the November elections? If they resist this effort to get more information on sequestration out in the open, it is clear that they wish Congress to be both blind and mute when it comes to our national defense and the fate of those who volunteer to defend it.

We need President Obama to tell this Congress his plan for avoiding the sequester, for preventing the gutting of his strategy, for responsibly transitioning to a new Commander in Chief, and for keeping faith with the warriors we have sent into combat. In all of this, our overriding objective—in fact, our duty—should be to work with the President to achieve the level of savings called for in the Budget Control Act without doing harm to our national security or to our military.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I yield to the majority whip for a unanimous consent request.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I have a unanimous consent request that when the colloquy is finished with the five Republican Senators on the floor, I be recognized.

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

The Senator from Texas.

Mr. CORNYN. Mr. President, listening to the distinguished Republican leader, I am reminded of that quotation from former Secretary of Defense Robert Gates, who said that our records of predicting when we will use military force since Vietnam is perfect—we have never been right once.

We live in a dangerous and unpredictable world. We also know the global economy is in dire straits, in some places worse than others. In Europe, relevant to the national security question, we can no longer necessarily depend on our NATO allies to step up and do what they have done heretofore because they have their own economic and budgetary problems. Talking to some of our counterparts in the United Kingdom, the British Army is being cut by 20 percent because of austerity measures. So at a time when the world continues to be a very dangerous place—and Secretary Gates said we cannot know where the next threat to America or our allies will come from—we are finding the capability to address that threat reduced because of the budgetary cuts and thus increasing the risk to not only the United States but to our allies as well.

I wish to make just one point clear. National security is not just one thing on a laundry list of the things the Federal Government can or should do, it is No. 1. It is the ultimate justification for the Federal Government to provide for the safety and security of the American people. When the Federal Government treats national security just like any other expense on the government ledger, I think it denigrates the priority it should be.

When I heard the Senator from Washington the other day speaking at the Brookings Institute, she made an amazing speech in which—I am summarizing—she suggested that she and her colleagues will be prepared to trigger a recession unless this side would agree to raise taxes. It is not just the expiring tax provisions on December 31, which would be the single largest tax increase in American history, it is this $1.2 trillion sequester that cuts not only into the muscle but into the bone of our Defense Department and our ability to provide for our national security needs. It also has collateral impact on private sector jobs across the country. By one estimate, it is 90,000 jobs in my State alone. So why we would see our colleagues and the Commander in Chief himself wanting to play a game of chicken with our national security and our economy is beyond me.

Mr. MCCONNELL. Will the Senator yield for a question?

Mr. CORNYN. Yes, I will.

Mr. MCCONNELL. With regard to the impact on the economy, I wonder how many Boeing employees, for example, there may be in the State of Washington. Does the Senator have a number on that?

Mr. CORNYN. Responding to the question, I don't have an exact number, but I do know that by one estimate as many as 1 million private sector jobs would be affected if this sequester goes into effect as currently written.

We made it clear under the leadership of Senator MCCAIN, ranking member of the Armed Services Committee, that we are willing to work with our colleagues to try to change the structure of this sequester. We all believe Federal spending needs to be cut. But this is something that would, as the Republican leader said and Secretary Panetta admitted, would hollow out our national security and would be disastrous. Why the President won't listen to his own Secretary of Defense is beyond me.

Mr. MCCONNELL. So I say to the Senator from Texas, it is not just the impact on the military, which is devastating enough, but on our economy as well, correct?

Mr. CORNYN. That is exactly right. The consensus appears to be—I remember that Alice Rivlin, a former budget director under President Clinton, said that if the sequester goes into effect as currently written and this tax increase occurs at the same time, we will be in a recession.

This is the part I really don't understand. I think we all have been around politics enough to know that people act in their own self-interest, but how in the world could this be in the President's or his party's self-interest—it is certainly not in the national interest—to see the economy bouncing along from the bottom, with slow growth and the threat of a recession going into a national election? That makes no sense to me whatsoever.

I know we have other colleagues from the Armed Services Committee here who have something to say about this. I will reiterate something the Republican leader said. We stand ready to deal with this issue now—sooner rather than later. To ignore this until after the election, creating not only more uncertainty but the inability of our Department of Defense and our military to provide for the protection and the security of the American people, is completely irresponsible.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, may I say to my colleague that I thank him for his important words, and I thank the Republican leader for his commitment. I also point out that the Senator from Alabama, the ranking member on the Budget Committee, has some very

interesting statistics that I hope in the course of our colloquy he will talk about—how America's spending on defense has decreased over the years and how Draconian the effects on national defense will be in the case of the implementation of the sequester on our defense spending and the security of our Nation.

We need to discuss this issue in the context of what the Secretary of Defense said. He said that if this sequestration is implemented, it will place our national security in jeopardy. It will be, in his words, devastating. So I believe it is important for the American people and our colleagues to understand that the Secretary of Defense—not JOHN MCCAIN, Senator SESSIONS, or any of my Republican colleagues, but the Secretary of Defense—said it will be devastating.

We live in a dangerous world—a very dangerous world. If we cut defense the way this sequestration is headed, then there is no doubt we will have the smallest Navy and Air Force in history, with fewer ships than we have had since before World War II, and it will be a hollow force.

I would like to make one other comment as my friends join me. What is our country's greatest obligation? What is our No. 1 obligation, both the administration and Congress? It is to ensure the security of our Nation. That takes priority over every other item on our agenda. So when we start talking about sequestration, that is important in its effect, but I also think it is entirely proper—in fact, it should be our priority to talk about sequestration's effect on our defense.

I will point out that all of my colleagues here know we are facing reductions in defense. We already had $87 billion implemented by Secretary Gates, and another $400 billion has already been implemented. If we implement this sequestration, it will be over $1 trillion in a very short period of time.

We need to sit down and work together, Republicans, Democrats, and the President—who so far has been completely MIA—and work this out so that we can avoid what can be Draconian cuts and jeopardize our national defense, not to mention, as I am sure my colleague from Alabama will point out, the effect on our economy—the effect on our economy of over 1 million jobs lost and a reduction in our GDP.

So this is an important discussion. This is a very important debate. And if someone disagrees with our assessment and that of the Secretary of Defense, then I will be glad to listen to their arguments. But until then, I will take the word of the Secretary of Defense that this implementation of Defense sequestration will put our Nation in jeopardy.

Mr. SESSIONS. Would the Senator yield for a question?

From the Senator's perspective—as the Senator has been on this committee a long time, he has served in the military, and he is the ranking Republican on the committee—in the Senator's judgment, based on the obligations we have—and I know the Senator has openly and aggressively condemned waste and abuse in the Defense Department—but does the Senator think the Defense Department can maintain its responsibilities with this cut?

Mr. MCCAIN. I would respond to my friend, through the Chair, that I don't think in the dangerous world in which we live that we can afford to have the smallest Air Force in history, the smallest Navy since before World War II, and the smallest Army since before World War II. Most importantly, we have to continue to modernize and we have to continue to invest, as my friend from Alabama knows.

The fact is we have a crisis with Iran, we have a rising challenge with increasing activities of China, we have an unsettled North Africa, we have an Arab spring going on all over the Middle East, and all of these present a compelling argument for us to be prepared to meet contingencies.

If we were having this debate a year and a half ago, Ben Ali is in power in Tunisia, Qadhafi is in power in Libya, Mubarak is in power in Egypt, and there would not be a bloody civil war taking place in Syria. So where will we be, I ask my friend from Alabama, a year and a half from now? I don't know. But it seems to me we cannot afford to be cutting defense in this fashion.

Mr. SESSIONS. Mr. President, I value Senator MCCAIN's judgment because he has been engaged in these debates for many years.

Mr. President, I want to yield to Senator INHOFE because I know he wants to share his thoughts at this time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I thank the Senator from Alabama. A lot has been said, and those of us who serve on the Armed Services Committee have been watching what is going on with a lot of distress. I think it is important for us to understand how we got into this mess to start with. By his own budget, we have a President who has given us over $1 trillion in deficit each year for 4 years, totaling $5.3 trillion. So that is the mess we are in that we are trying to get out of. But in all that time, the one that has not been properly funded has been the military. The first budget he had he cut out the F–22, the C–17, and the future combat system—all these systems that were so important—and it has gone downhill since then.

As you project the President's budget out, as has been said, we are talking about reducing about $½ trillion. Now comes sequestration. That is over and above. A lot of people don't realize it. They think we are talking just about the $½ trillion that will be cut over a period of time. I will use one of the charts that was actually put together by the Senator from Alabama that shows where this stuff is coming from. Everything seems to be exempt except the military. Food stamps, exempt 100 percent of it; Medicaid, 37 percent; and only 10 percent of the DOD base budget. So why is it we find ourselves in a situation where that is the problem?

The only thing other thing I want to mention is this. I have every reason to believe, because I have heard from people in industry, the President of the United States is trying to get them to avoid sending out pink slips until after the November 7 election. I would remind him that we have something called the Workers Adjustment Retraining and Notification Act—WARN Act—and that requires any of these companies, prior to sequestration on January 2, within 60 days, which would be November 2, to notify people of their pink slips.

But this is what I wish to remind people. They do not have to wait. If they want to do it today, they can do it. I think it is imperative the people—the workers who will be laid off work as a result of Obama's sequestration—know in advance of the November election, and we are going to do everything we can to make sure that happens.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, Senator INHOFE referred to this chart and I have now had it brought over at his request. This is something we prepared, and it dispels the myth that the reason this government is running such huge deficits is surges in military spending. That is an inaccurate event.

The base defense budget from 2008, 2009, 2010, and 2011 increased about 10 percent. Medicaid, during the same time, increased 37 percent; and food stamps, during this same 4-year period, doubled—a 100-percent increase. Under the sequester, food stamps get not a dime of cuts; Medicaid gets not a dime worth of cuts. These cuts are disproportionately targeted at the Defense Department.

The Defense Department, as the Senator says, has already taken a $487 billion reduction under the BCA, and due to sequestration it would be another $492 billion. That is why, I believe, it has gone from belt tightening, waste reducing, and efficiency to producing the damage to the Defense Department.

Mr. MCCAIN. Would the Senator show this other chart?

Mr. SESSIONS. Yes. Senator MCCAIN asks we look at this chart. This again shows what would happen under the sequester. Our budget staff has worked hard to correctly do these numbers. Under the sequester, the additional $492 billion in cuts, adjusted for inflation, the defense budget over 10 years would be reduced by a real 11 percent. That is, one-sixth of the Federal Government's spending is defense. The remaining five-sixths of the Federal Government would increase 35 percent under the sequestration and current

BCA policies. So again, I think that is clear proof the Defense Department is disproportionately being asked to reduce.

Senator MCCAIN suggests another chart. He likes my charts.

How about the 50-year switch? It is so dramatic. And the American people have to know this. I wish it were not so. I wish I could be more optimistic about our financial future and the ease with which we can get ourselves on the right track, but it is not going to be easy, and this chart indicates that.

In 1963, defense made up 48 percent of the outlays of the United States—48 percent in 1963. This was not at the height of Vietnam or the Korean war or anything. The entitlements of America amounted to 26 percent of the budget. What has happened in the past 50 years? Entitlements have now reached 60 percent of the budget and the Defense Department is 19 percent of the budget.

This is a dramatic alteration of where we are. Some of this is normal and natural. But I think what Senator MCCAIN is saying is that defending America is a core function of government and we need to be sure this alteration does not put us in the position where America is not properly defended.

I thank the Senator from Arizona.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. THUNE. Mr. President, I would say to my colleagues who are here on the floor that this is a defining moment for our country. The most basic responsibility and the most important priority we have as Americans is to defend the country. If we don't get national security right, the rest is conversation. We can talk about all these other things in the budget—we can talk about all the other priorities the country has, all of which are important—but if we fail to defend the United States of America, we have failed the citizens of this country. It is the No. 1 priority we have. It is the most important responsibility and obligation we have as public servants here in the Senate—to make sure we are taking the steps necessary to keep this country strong and secure from threats both here at home and abroad.

What happened—and how we got to where we are today—goes back to the fact that we haven't passed a budget for 3 years in the Senate. I need to remind my colleagues why we are where we are today. The reason we are here is because for 3 consecutive years now the Democratic majority in the Senate has not done the most fundamental responsibility we have, which is to pass a budget that addresses our national security interests. What did we end up with? We ended up last summer with the Budget Control Act—something cobbled together at the eleventh hour to avoid a deadline on raising the debt limit—and we put in place a process where a supercommittee would look at ways to define long-term savings so we could avoid the sequester. But the sequester was put in place as a result of the Budget Control Act, which was put in place because the Senate hasn't passed a budget now for 3 straight years. That is why we are where we are.

Having said that, we need to fix the problem. And the problem is we have defense cuts that are going to cut very deeply into our national security interests, and we even have the Secretary of Defense coming out and saying these cuts would be devastating. The President's own Secretary of Defense has made a statement to that effect. With sequestration, we would have the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest tactical Air Force literally in the history of the Air Force. That is the dimension of the problem we are talking about, as has been described by the experts who are supposed to know these things. As I said, the President's own Defense Secretary has made these sorts of statements.

One of the problems we have, of course, is we don't even know what the full impact of the sequester will be because the administration hasn't put a plan forward. So we are awaiting that plan. Today the House of Representatives voted 414 to 2 to require the administration to at least submit to Congress and to the American people how they intend to implement sequestration so we can at least have a better idea about what these impacts will be, where are they going to make the cuts, by account, so we can examine that and come up with a plan, hopefully, to replace those deep unbalanced cuts in the defense budget with reductions elsewhere in the budget. But we don't know that because we can't get the administration to put forward the plan we need to move forward with our proposals here in order to do away with what we think will be a very dangerous cut to America's national security.

I hope the Senate will do something to address that. We can start by taking up the bill passed in the House, pass it here in the Senate, and require the administration to put forward a plan about how they are going to implement the sequester.

As has already been pointed out by the Senator from Alabama and others, we are talking about basically a 50-percent cut in the defense budget—or 50 percent of the cuts coming out of the defense budget on top of $487 billion in cuts that were already approved last year. So we are talking about another huge amount of reduction, up to about another $½ trillion on top of what already is $½ trillion in cuts that came last year.

Remember, the defense budget, as has been pointed out, only represents 20 percent of all Federal spending, so we are going to take half the cuts out of 20 percent of the budget. Where is the proportionality in that? And as the Senator from Alabama has highlighted, what we have done essentially is we have shielded many areas of the budget. So a lot of the things some of our colleagues on the other side of the aisle don't want to see cut are protected from this. Yet we are going to make huge, steep, Draconian, and dangerous cuts in America's national military and national security budget.

I would hope we can at least act on what the House of Representatives did earlier today by a 414-to-2 vote, pick up that legislation, and require the administration to tell us how they are going to implement these reductions. Then let's go to work on a bipartisan basis and try to come up with a plan whereby we can avoid what will be a disaster, as has been described by every national security expert out there, for our national security interests.

We live in a dangerous world. We can't avoid that. The United States of America is looked to for leadership around the world. We have to continue to ensure we can protect this country and America's interests around the world. In order to do that, we have to make sure our military is resourced in a way that enables them to protect our interests. We cannot continue to go forward with this sequester, which would dramatically and in a very dangerous way harm those national security interests.

Mr. SESSIONS. Mr. President, I ask unanimous consent that we be allowed to proceed as in a colloquy so we can address one another directly.

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

Mr. SESSIONS. Senator THUNE is in the leadership on the Republican side and he is in the Budget Committee and the Defense Committee and is aware of how this all happened. So we are at a point where it appears to me the Defense Department is being asked to take unacceptable, disproportionate reductions in spending that go so far as to create damage rather than improving its efficiency.

Isn't it true the Secretary of Defense and all the top officials under the Secretary of Defense are appointed by the President and serve at his pleasure?

Mr. THUNE. That is correct.

Mr. SESSIONS. The Secretary of Defense now has said this would be a disaster to the Defense Department for these cuts to take effect. Isn't it true that the President is the Commander in Chief of all our military forces?

Mr. THUNE. That is correct.

Mr. SESSIONS. Isn't it true that we are at a situation at this point in history where we are heading toward a sequester, and the Commander in Chief is utterly silent on how to fix the problem?

Mr. THUNE. The Senator from Alabama is correct. That is one of the remarkable things about this. The Commander in Chief, of course, is tasked with the responsibility of being just that, the Commander in Chief. Yet when it comes to the national security interests that we have and to at least spelling out how he would implement

what we believe are going to be some disastrous cuts to the defense budget, he is not even informing us about what his ideas are with respect to that so we can react to that. More importantly, he doesn't seem to be the least bit interested in addressing this.

There is a huge silence coming out of the White House—the Senator from Alabama is absolutely correct—and it has to change if we are going to be able to fix this. It starts by at least him presenting a plan, and the Senator from Alabama and I have introduced legislation in the Senate that would require that, much like what passed in the House today, and that is where it all starts.

Mr. SESSIONS. I thank the Senator from South Dakota for his leadership, and I was proud to join with him on similar legislation to that in the House. But isn't it true that we agreed last August with the Budget Control Act to reduce spending over 10 years by $2.1 trillion; that is, reduce $47 trillion to $45 trillion, and there are no tax increases involved in that? Now we are discovering that late-minute deal has disproportionately impacted the Defense Department, as the President's own Secretary of Defense acknowledged.

Should we not be able to expect that the President would enter into discussions about how to deal with this? Does it not seem to the Senator, as an experienced part of the leadership in this Senate, that the President is saying: You Republicans care about the Defense Department. You Republicans care about preserving America. But I am not going to do it unless you agree to my tax increases. I am not going to do, as Commander in Chief, what I ought to be doing and providing the leadership on this because I am going to use this as leverage against you guys to force you to agree to a tax increase; is that the bottom line? I hate to be so frank about it, but that is the way I feel it is sort of developing; am I wrong about that?

Mr. THUNE. I don't think the Senator from Alabama is wrong at all. In fact, that is what much of the news stories that have been printed in the last few days and reporting on the subject have said. Some of our colleagues on the other side have essentially concluded this is leverage—leverage for them to get higher taxes.

It strikes me, at least, that there is a tremendous risk associated with allowing the country to go over a fiscal cliff—which includes not only these Draconian cuts to the defense budget but also tax increases that would occur on January 1, to go over the fiscal cliff, risk plunging the country into a recession, raise the unemployment rate which is already at historically high levels, all to prove a point about raising taxes. But that appears to be—at least by the reporting. There was a story in the Washington Post over the weekend that said: Democrats threaten going over the fiscal cliff basically to get higher taxes out of Republicans.

That, to me, seems like a terrible trade to make, to risk the country going into a recession, to risk these tremendous cuts in our national security priorities, just simply so they can get higher taxes.

Mr. SESSIONS. I think so. I would just say this—and I am so glad our colleague Senator AYOTTE is here.

One thing more I would say about it is the agreement last August was to raise the debt ceiling $2.1 trillion and to reduce spending over 10 years $2.1 trillion. It did not include a tax increase.

What we are saying is we need to simply reorganize how all those cuts fell so they are more realistic and the government is not so damaged, and we don't need to have agency after agency totally exempt from any cuts.

We are glad to have Senator AYOTTE here. She is a new member of the Armed Services Committee and the Budget Committee. She is a fabulous new addition to the Senate. Her husband is a military officer. She has contributed greatly to our discussion.

The PRESIDING OFFICER. The Senator from New Hampshire.

Ms. AYOTTE. Mr. President, I wish to thank Senator SESSIONS. I appreciate his leadership as the ranking member on the Budget Committee and also as a senior member of the Armed Services Committee.

This is so troubling, where we are right now with respect to our Department of Defense, our military—the most important constitutional function we have as a government to make sure the American people are safe.

Essentially, where we are is the Budget Control Act, as described, initially has cut $487 billion from our military over the next 10 years. But on top of that, there are across-the-board cuts coming in January. I think the No. 1 lesson we learned from the Budget Control Act is when we kick the can down the road and we don't make the decisions right away or when we delegate it to some other committee to make the decisions, when we don't do a budget in 3 years, here is where we are. So we owe it to the American people to make the decisions that need to be made now.

It is irresponsible to put our Department of Defense and our military—our men and women who have fought so bravely for this country—at risk because somehow there are Members who think it is important to play roulette and to play chicken with our national security.

This isn't just from the Senator from New Hampshire. Just listen to our own Secretary of Defense. He describes what is coming with these across-the-board cuts in January as:

> Devastating. Catastrophic. Would lead to a hollow force incapable of sustaining the missions of the Department of Defense.

He has compared sequestration or these across-the-board cuts to ''shooting ourselves in the head, inflicting severe damage to our national security.''

To the point the Senator from Alabama made as well as the Senator from South Dakota, which is the President who is the Commander in Chief of this country, I would call upon him: Mr. President, lead an effort to resolve this. We can come up with alternative spending reductions. Yes, we need to cut spending, and I will be the first to stand in line to say we need to make sure we make those spending cuts. But let's not do it at the sake of our military.

If the Presiding Officer doesn't want to listen to me, the Senator from New Hampshire, please listen to your own Secretary of Defense and make sure we do not undermine our national security.

I serve as the ranking Republican on the Readiness Subcommittee. I asked the Assistant Commandant of the Marine Corps: What is the impact on the Marine Corps from these across-the-board meat axe cuts that are coming in January to our military?

Already the Marine Corps, under the initial reductions, is going to be reduced 20,000. If this goes forward, this irresponsible way of treating our military and our Department of Defense, the Marine Corps will take another 18,000 reduction. The Assistant Commandant of the Marine Corps said: The most shocking thing to me is actually something that keeps me up at night; that is, he said, the Marine Corps will be incapable of responding to one single major contingency.

Think about it. Think about it in terms of protecting our country. That is why it is so important that we resolve this now. It is my hope Members from the other side of the aisle will come to the table now.

To put it in perspective, we could resolve and find spending reductions to deal with not only the defense but the nondefense part of these across-the-board cuts by living within our means for 1 month within this government. It is $109 billion. We need to do this for the American people.

Our men and women in our forces of every branch of this service are so astounding in their courage. Just one example. There was a sergeant in the Marine Corps who lost his leg in Afghanistan and he took 1 year to recover. With a prosthetic leg, he reenlisted. He actually redeployed in the Marine Corps. Those are the types of men and women to whom we owe that they don't just get pink slips because we aren't showing the courage that needs to be shown right here in the Senate to come up with the spending reductions that don't put our country at risk.

Our Commander in Chief should be leading that effort. Unfortunately, all we have seen so far from the President is punting this issue. I would call upon him and Members of both sides of the aisle to come together to resolve this.

We should resolve this before the election. If we wait until after the election, then our Department of Defense

is going to be under this cloud of uncertainty. Our men and women in uniform need to know we will not break faith with them, that we will stand with them, that we are not going to use them as a political football for other issues because, on a bipartisan basis, we should stand with them, with our national security.

In addition, one of the reasons we should resolve this before the elections is it is not just about the safety of our country, which should come first and foremost, but we are also talking about nearly 1 million jobs in the private sector in our defense industrial base, based on a report from AIA and George Mason University—just looking at defense, 1 million jobs.

Those jobs are the manufacturers, both large and small, that build the equipment, the protection, the weapons systems our men and women in uniform need to fight the wars we ask them to do to keep them safe and protected. If we lose that capacity, not only do we lose the jobs that are good jobs in this country, but we also lose capacity, which is very much a part of the defense of this Nation. Under Federal law, these companies will be required to issue, under the Warren Act, notices of layoff, potential layoff 60 days before it happens, which brings us to November.

That is why we need to address this issue before the election as well. We should not put all those Americans who work for those companies and those companies at risk.

Yesterday, AIA also issued a report looking at the nondefense implications of sequestration. If we put it all together, it is over 2 million jobs in this country that are at issue.

We should get to the table right now, resolve this, cut the spending in a responsible way that doesn't add a national security crisis to our fiscal crisis. We can do it, but we aren't going to do it if we continue to put off the difficult decisions, if we kick this can down the road again, if we use this as roulette or chicken or in some other debate in December.

This needs to be resolved right now for our men and women in uniform who have shown the courage, the tenacity, and the love of country. They have done so much for us and they deserve better from us than to use them as a political football in some other debate.

I urge my colleagues from both sides of the aisle to come to the table now. I urge the President to come and lead this effort so we can resolve this issue on behalf of the American people.

I yield my time to the Senator from Alabama.

Mr. SESSIONS. I thank the Senator from New Hampshire. She made a great series of points. One of the most dramatic, is that we should not be waiting.

This is going to cost the Defense Department tremendous amounts of money. Private contractors may well assess against the Department of Defense costs for confusion and delays.

I just want to wrap up with these three charts.

One of the myths is the reason the United States is running the largest deficit in its history is the wars, the Afghan and Iraqi wars. We ran the numbers on that. The war outlays represent only 4 percent of defense spending. That is a lot, but it is only 4 percent. It is not the biggest part of it. In 2001–2011 it totaled $1.1 trillion during that time; 2001 through 2011 we spent $1.1 trillion on both wars in Iraq and Afghanistan.

During that same time—this represents the rest. The red represents the remaining expenditures of the U.S. Government, 96 percent. It is not so that defense and the war have caused the deficit we are in. Indeed, last year our deficit was about $1.3 trillion. The entire 10 years of the war effort amount to less than 1 year's deficit last year. In fact, we have averaged over $1.2 trillion for the last 4 years in deficits. For one year, you could eliminate the entire Defense Department, all $540 billion of it, and you would not cut the deficit in half. You can add the war costs to it, which is a little over $100 billion, and it is still less than half. It is not so that the reason this country is in financial trouble is that defense and the war have caused the deficit.

There are other factors going on. From 2008 through 2010, this shows the growth in spending as a percentage of those budgets. Defense spending, through those 3 years, increased 11 percent. The non-defense discretionary spending increased 24 percent. That is a rate of more than twice as fast. So it is not surging defense spending that is driving up the cost of government as much as the increase in the non-defense spending.

One more chart that should make us all nervous. This is a Congressional Budget Office estimate of interest costs on the debt we are now accumulating. We are now at $16 trillion in debt. Every penny of that is borrowed money. We have to pay interest on that $16 trillion. We are adding $1 trillion a year to it. We have added $1.2-plus trillion for each year for the last 4 years. According to the CBO, in 2019, just 7 years from now, interest will exceed the Defense expenditures. The amount of money we spend servicing the debt that we have run up will exceed the Defense Department and surge past it.

If we have a situation that could happen as is now happening in Europe, and the interest rates surge faster, that number could be a devastating number to the economy. It is a matter of great concern to us.

That is why we have to contain spending. The Defense Department has to reduce spending. We support the $487 billion in cuts they are working on today, but the additional $492 billion is so large that it does damage to the Defense Department and actually will cost us money by making rapid reductions in spending in such a way that cannot be accommodated in any rational way.

I believe if we work together, get this thing on the right path, be honest with ourselves about how much we can reduce the defense budget without hurting our security, I believe we can work out something before the end of the year. But I tell you, the President is going to have to get engaged. He cannot just sit back and think he is going to use this for leverage to raise taxes as it appears to me he is doing. I know others want to speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, for the last hour my friends on the Republican side of the aisle have had the floor, and they have presented their point of view. I would like to—and I am joined by the Senator from Vermont—I would like to spend a few moments, if I can, reflecting on what they said and perhaps making some observations that disagree with some of their conclusions.

There are some points on which we agree. The deficit is a serious national problem. Right now we are borrowing 40 cents for every dollar we spend. Whether we are spending that dollar on education, student loans, food stamps, missiles, or the paychecks for our soldiers, we borrow 40 cents for every dollar we spend. No company, no family could survive borrowing 40 percent of everything they spend. That is a fact. So we need to be serious about reducing this deficit.

We are confronted, however, with a reality in terms of our economy. Since 2008 we have had a weak economy. We have had a recession that has killed off a lot of jobs. We are coming back but slowly. If we are not careful in the way we reduce the deficit, we can make it worse. I think everybody agrees with that premise on both sides of the aisle.

So we have a massive deficit, and we have a weak economy. We have to be careful how we reduce spending and raise revenue in a way that doesn't kill off the recovery. Ultimately, we cannot have a strong American economy unless we start putting people back to work in larger numbers. I think both sides will agree on that.

Here is an area where we start to disagree. How do we achieve this? Several years ago the majority leader, Senator REID, asked me to serve on the Simpson-Bowles Commission. I sat for over a year listening to testimony about ways to reduce the deficit. At the end of the day I came to a conclusion that turned out to be bipartisan, and 11 out of 18 of the members of the Commission voted for it—Democrats, Republicans, public members.

It basically said this: Any honest approach to reducing our deficit puts everything on the table—everything. It puts spending cuts on the table for sure, but it also puts on the table revenue. And entitlements.

I can tell you, there is a great deal of pain in addressing some of these issues.

On the Republican side of the aisle when you say the word ''revenue''—I wouldn't dare use the word ''taxes''—but when you say the word ''revenue'' they race for the door.

On our side of the aisle, when you mention the entitlements—my colleague from Vermont and I and many others share a real concern about the future of programs such as Social Security, Medicare, and Medicaid, the basic insurance policy for senior citizens of America and the safety net for the poor and disabled. So you can understand this becomes extremely difficult in terms of cutting spending, raising revenue, reducing the deficit, and not killing off an economic recovery.

What happened last year? Last year we faced what is called the debt ceiling. The debt ceiling is a vague term that not many people understand. Let me try to put it in simple words, if I can.

The debt ceiling is America's mortgage. America's mortgage is growing in size, unlike many home mortgages which go down. America's mortgage is growing because our national debt is growing. Periodically, we have to borrow more money to cover what we have spent. So Members of the Senate on both sides of the aisle who vote for the spending—whether it is for a war or for education or health care—ultimately know the day will come when we have to borrow more money to cover the 40 percent of what that expenditure is that we are not raising in revenue.

The debt ceiling came up for us to consider last year, and for the first time—the first time—the Republicans in the House and Senate said: Let's default on the national debt.

What would happen if you started missing mortgage payments at home? After a month or two somebody might give you a phone call. Then on the third month you might get a letter from a lawyer. On the fourth month you might be in foreclosure proceedings. In other words, you were not a trustworthy borrower and your credit rating is being destroyed by your failure to pay your bills.

The same thing would happen to America if we did not pass the debt ceiling, if we did not extend our mortgage, if we did not make our timely payments on our debt. But that was what the Republicans threatened. So in order to get through this crisis, the possibility that our entire economy would shut down over this default on our national debt, we came up with a plan. Here is what the plan was.

We would create a bipartisan House and Senate supercommittee. We said to that supercommittee: Come up with $1.5 trillion in deficit reductions over the next 10 years—$1.5 trillion in deficit reduction. We did not say to the committee how to do it, but we told them if they fail to come up with this savings of $1.5 trillion over the next 10 years, there will be automatic spending cuts—automatic spending cuts called sequestration. We said specifically what they would be: $500 billion from defense spending, $500 billion from nondefense spending. That was the alternative. Reach an agreement, cut the deficit, or face this automatic penalty.

What we have heard on the floor of the Senate today are the protests of a half dozen or more Republican Senators to what we are now facing. You see, the supercommittee could not reach an agreement. There was no agreement because basically the Republican side refused to even consider raising revenue—raising taxes on anybody over the next 10 years. So the alternatives were to continue to cut spending and/or cut Medicaid and Medicare.

It broke down. So the automatic spending cuts, sequestration is now looming. January 2 they are looming as a possibility. The protests on the floor today from Republican Senators are over the possibility of a $500 billion cut in defense spending over the next 9 years, $55 billion a year—not an inconsequential cut by any means.

Here is what is interesting. I asked for the transcript from the Republican Senators in describing the defense sequestration cut, and every one of them came to the floor to condemn it. The words they used in describing it are ''predictable,'' ''devastating,'' ''arbitrary,'' ''irresponsible''—one after the other. That is how they described this.

Then I asked my staff to please get me a copy of the rollcall of Senators who voted for this option. Of the Senators—Republican Senators—who spoke on the Senate floor this afternoon protesting the defense sequestration as devastating, irresponsible, and arbitrary, the following Republican Senators voted for it: Senator MCCONNELL of Kentucky, Senator MCCAIN of Arizona, Senator THUNE of South Dakota, and Senator CORNYN of Texas. In fact, the entire Republican leadership team voted for what they are now branding as devastating, arbitrary, and irresponsible. So it is a little hard for me to understand how on this date, August 2, 2011, in the early afternoon, they could vote for this and now come to the floor and condemn it.

Here is the reality. The reality is we need to deal with our deficit in a responsible fashion. We need to keep this economy moving forward. In order to deal with the deficit in a responsible fashion, I still believe the Bowles-Simpson approach is the right approach—put everything on the table and work through it in a responsible way. I thought it was right then; I still believe it is right.

I am troubled, though, by this concept about defense spending. Let me confess my own personal family feelings. An hour ago my nephew Michael Cacace, who is in the 10th Mountain Division out of Fort Totten, NY, came to visit me upstairs. He was a sight for sore eyes. I hadn't seen him in a long time. A little over a year ago he was a doorman letting people into the gallery upstairs, and then he enlisted in the U.S. Army and spent a year in Afghanistan. I thought about him every single day. We sent him care packages and got notes back from him and occasional e-mails, and in he walks to my office today safe and sound. I couldn't have been happier to see him. In just a few weeks he is off to Korea. He has 2 more years in his commitment to the Army.

I thought about him—and think about him and so many others like him—every time the issue of America and the military came up. While Michael and so many others are risking their lives for our country, we can do nothing less than to keep them safe—as Michael was able to do. I am committed to that personally, politically.

To suggest that any of us, in either party, would jeopardize the defense and security of America for political reasons I do not accept. Everyone here is committed to the basic premise of keeping America safe and standing behind our men and women in uniform. I also want to be realistic about the defense budget. It is a big budget.

The last time the Federal budget was in balance was about 10 years ago, and we hit the sweet spot when it came to taxes and revenue on one side and spending on the other. The sweet spot was 19.5 percent of our gross domestic product. That is the sum total and value of all the goods and services produced in America. So we raised 19.5 percent of our gross domestic product on taxes and that is how much we spent. We were in balance 11 years ago.

What has happened since? Senator DAN INOUYE, chairman of the Senate Appropriations Committee, told us. Since the budget was last in balance, domestic discretionary spending for things such as education, health care, correction systems, highways, and all the nondefense items in our budget has not grown at all. It flatlined, zero growth. When it came to the entitlement programs, such as Medicaid, Medicare, veterans programs, and the like, they have gone up about 30 percent in costs since the budget was last in balance.

What about the defense budget? What has happened to the defense budget since we had a balanced budget? It has gone up 73 percent. Zero on domestic discretionary, 30 percent on entitlements, 64 percent on the military side. So what happened in the last 10 years? There were two wars we didn't pay for, a dramatic buildup in the military, and the reality is all of it was added to the debt.

When we had the Simpson-Bowles Commission, we brought in experts from the Department of Defense and asked them a lot of questions about our spending over there. There were some things there that were troubling. The F–35, which is supposed to be the fighter of the future, ends up dramatically overspent. There were cost overruns in every direction. You may have heard a lot about the Solyndra energy project. The cost overrides on the F–35

project are more than 10 times the money we lost on the Solyndra energy project. There has been a dramatic overrun on some of these major weapons systems.

We then asked the Department of Defense: How many contractors do you have working for you, not including civilian employees, in the Department of Defense or uniformed employees? Their answer to us was very candid: We don't know. We really don't. We hire contractors, and they hire people. We have no idea how many people work for us. It could be a million people, it could be 3 million people. It raises a question in my mind: Can we be safe as a country and still save some money at the Department of Defense? I think we can.

What I hear from the Republican side of the aisle is: Keep your hands off the Department of Defense. Well, I don't want to cut them and jeopardize our security or endanger our servicemen, but I do believe money can be saved there. How did we find ourselves in this position where we are even considering these cuts? Because the Republicans have steadfastly refused to consider revenue.

Before you took the chair, Madam President, our colleague and friend Senator MERKLEY of Oregon sent me a note to ask Senator SESSIONS of Alabama a question. I want to read it. He said: Ask Senator SESSIONS the following: What is more important, taking care of our national security or giving bonus tax breaks of over $100,000 a person for the richest 2 percent of Americans? What the President has proposed is that we cut the tax breaks off at $250,000 of income, and it means the top 2 percent of Americans would pay more. They would pay the rate they used to pay under President Clinton, and the Republicans have said: No way. President Obama's tax proposal would save us $800 billion. The Department of Defense cut over 9 years is $500 billion. So the Republicans here, almost to a person, are basically arguing that rather than raise taxes on the richest 2 percent in America at all, we would run the risk of jeopardizing our national security. That is a false choice. We can have a strong national defense and we must, but we can also have a rational approach to reducing our debt.

Our military is the best in the world, the biggest in the world, and larger than most other nations—the next 10 combined—and it is dramatically larger than any potential enemy of the United States. It has kept us safe as a Nation, and we want it to continue to do so. The men and women who serve us in the military are the best, but we can save money in the Department of Defense. We can do it and reduce the deficit.

What we need from the Republican side of the aisle is the willingness we found in the Simpson-Bowles Commission of a few Republicans to step up and say: Yes, we need to put everything on the table. Let's avoid deep cuts either on the domestic side or the defense side. Let's basically come up with an approach that is fair across the board, and we can do it. Let's spare those who are the most vulnerable in America, the homeless and helpless. For goodness sake, we all care for them. We should all care for America's needy. Those programs have to be protected.

When the Senator from Alabama comes to the floor and decries the fact that more people are using food stamps, I say to my friend from Vermont, who has probably seen the same thing I have: Meet these families on food stamps.

Meet them when you go to the soup kitchens and when you go to the food pantries. Many of them are working families. They can't make it on what they are being paid. They are struggling from paycheck to paycheck. At the end of the month, they are looking for something to put on the table. Sadly, families who have an income still qualify for food stamps because their income is too small.

The Senator from Alabama said the food stamp costs have gone up way too high. True, they are high, but they reflect the state of the economy and the troubling challenges that face working families and poor families across America. He also made a point of saying the entitlement payments are going up dramatically. Why? Because today in America 10,000 of our fellow citizens reached the age of 65. Yesterday was the same thing, tomorrow is the same thing, and for the next 18 years it will be the same thing: The boomers have arrived. And when they arrive at age 65, they look around and say: Well, we paid in all of our lives for Social Security and Medicare. Aren't we qualified? Aren't we entitled to our benefits?

Is the Senator from Alabama suggesting we walk away from those commitments? I don't think that is fair. We can make these better programs, we can make them more efficient, but we certainly don't want to give up on our commitment to Medicare, for example, as the PAUL RYAN budget did. I think that is a serious mistake.

To my friends on the Republican side of the aisle, I think the message is clear: You voted for this, so don't keep coming to the Senate floor and criticizing it. They knew what they were voting for. It said if you failed to reach a bipartisan agreement on the supercommittee, this is what we would face.

Secondly, we can solve this problem still. We can avoid sequestration with a bipartisan approach that considers all of the key elements to bring deficit reduction in a sensible and thoughtful way, that doesn't kill our economic recovery.

Third, I will never question any colleague's commitment to the safety and security of this Nation, and I hope our friends on the other side won't either. Everyone is committed to that, and we are committed to our men and women in uniform. Now let's do them proud and make America's economy stronger and make America stronger. Let's invest in what we know will make us a strong Nation. In addition to our military, let's invest in our schools and education, research and innovation, clean energy projects that offer an opportunity for 21st century leadership for America, the infrastructure which serves our country from one side to the other and keeps products moving and keeps America competitive. We can make the investments in these key areas and not jeopardize our national defense. We can do that and reduce the deficit.

I yield to my colleague from Vermont, Senator SANDERS.

The PRESIDING OFFICER (Ms. KLOBUCHAR). The Senator from Vermont.

Mr. SANDERS. I thank the Senator from Illinois.

Mr. SANDERS. Madam President, I appreciate the remarks of the Senator from Illinois, and I wanted to amplify on them a little bit. But before I do, I wanted to mention something we don't talk about enough here on the floor of the Senate.

In New England, and I'm sure in Minnesota, we have a lot of sports fans. When we are interested in baseball, basketball, football, hockey, or whatever, the key question everyone always asks is: Who wins and who loses? Well, I think it is appropriate that in terms of the economy, as it currently stands, we should also ask that simple question: Who is winning and who is losing? Let me discuss that for one moment before I get into deficit reduction.

We don't talk about it almost at all on the floor of the Senate. The media doesn't talk about it terribly much either. But the reality is we have the most unequal distribution of wealth and income of any major country on Earth and more income and wealth inequality in this country than at any time since the late 1920s.

Today the wealthiest 400 people own more wealth than the bottom half of America, which is about 150 million people. We could squeeze 400 people into this room, and if they were the wealthiest people in America, they would own more wealth than the bottom half of America.

A report came across my desk yesterday which I want to share with the American people. This is quite incredible and kind of tells us where we are moving as a Nation, and that is that today the Walton family of Wal-Mart fame—the folks who own Wal-Mart—now owns more wealth than the bottom 40 percent of America. One family owns more wealth than the bottom 40 percent of America.

Today the top 1 percent owns 40 percent of the wealth of the country. I think a lot of people are very surprised by that number. The top 1 percent owns 40 percent of the wealth of America. But what people would be far more shocked at is if we asked them how much the bottom 60 percent of the

American people own. I have done this. In Vermont, I have asked people. They say: 10 percent, 20 percent. The answer is less than 2 percent. The top 1 percent owns 40 percent of the wealth of America. The bottom 60 percent owns less than 2 percent. The bottom 40 percent of America owns three-tenths of 1 percent, less than one family—the Walton family—owns.

Why is that important? It is important because it tells us from both a moral and economic perspective the direction we have to move in terms of deficit reduction. I find it a little bit amusing that some of my Republican friends come to the floor of the Senate and say: We are deficit hawks. We have got to cut, cut, cut. We are worried about our kids, we are worried about our grandchildren, and we are worried about borrowing money from China. They have a whole set of talking points. They are worried about the deficit.

I am worried about the deficit, every American should be worried about the deficit, but I have a question to ask some of my Republican friends who today are great deficit hawks and that is: Where were they a few years ago? I voted against the war in Iraq for a number of reasons, not the least of which is it wasn't paid for. The war in Afghanistan wasn't paid for. I find it kind of interesting that former President Bush, who was a great deficit hawk, and all of my Republican friends who are great deficit hawks went not just to one war, they went into two wars. And you know what. It just slipped their minds. They forgot to pay for it. We all have slips of memory. You go to the grocery store and forget to buy the container of milk your wife wanted you to buy. It just slipped their mind. They were so busy talking about the deficit, they went into two wars that cost trillions of dollars and forgot to pay for them. Today they have noticed and it has come to their attention that there is a deficit.

I voted against the war in Iraq. I am not so sure many of them did.

The second issue. If we go on a shopping spree or a gambling spree or whatever it may be and we spend a lot of money, give away a lot of money, we have less money. Our Republican friends fought for and created huge tax breaks for the wealthiest people in this country. Hundreds and hundreds of billions of tax dollars in tax breaks went to the top 1 percent, went to the top 2 percent. So our deficit hawk friends who come down here every day to tell us how concerned they are went into two wars they forgot to pay for, and, for the first time in American history, they actually gave tax breaks to the very rich while they were at war.

Furthermore, one of the major problems our country is facing now in terms of the deficit, which Senator DURBIN touched on, is that because of the recession, which was caused by the greed and recklessness and illegal behavior of Wall Street—and many of my Republican friends and some Democrats told us awhile back when I was in the House how important it was to deregulate Wall Street, to allow the large commercial banks that have merged with the investor banks to merge with the insurance companies, and just get the government off the backs of these honorable people on Wall Street who are looking out for the American people. It turned out, of course, that they are a bunch of crooks. We deregulated them, and they did what many of us thought they would do: they began exchanging incredibly complicated financial transactions, which took this country to the verge of an international financial collapse. And our friends on Wall Street needed their welfare payment from the middle class of America—$700-and-some billion of welfare payments for Wall Street—to bail them out. The Fed provided $16 trillion in low-interest loans on a revolving loan basis. So in the midst of all of that, what ended up happening is that revenue is now down to 15.8 percent of GDP, which is the lowest amount of revenue per GDP we have seen in a very long time.

So we go into two wars and don't pay for them; we give tax breaks to billionaires; we deregulate Wall Street, which causes a recession; revenue declines as a percentage of GDP; and we have a serious deficit crisis, which is where we are right now. We have a $16 trillion national debt. I think it is a $1.2 trillion-a-year deficit—a serious situation. How do we deal with it? Everybody here recognizes that it is a problem. We don't want the younger generation to have to pick up this national debt. How do we deal with it?

Well, my Republican friends have a great idea. Let's see. We went to two wars and didn't pay for them; tax breaks for the rich; deregulated Wall Street; a recession. Oh, I know how we can deal with the deficit. Let's cut Social Security. That is a good idea. After all, we only have 50-some-odd million people on Social Security. Why don't we come up with a chained CPI? Nobody outside of Capitol Hill knows what a chained CPI is. And to any senior citizen, somebody on Social Security, who is watching this, please don't laugh, but I do want to tell you what a chained CPI is. You will think I am not telling you the truth. Check it out. I am.

There are people here in the Senate and in the House who think your COLAs have been too large; that the formula that determines COLAs—cost-of-living allowance increases for seniors—has been too generous.

Now, the seniors are saying: What is this guy talking about? How can it be too generous when for the last 2 years we didn't get any COLA? At a time when our prescription drug costs are going up and our health care costs are going up, what are they talking about?

Well, you are right, I say to those back home, they are a little bit off their rocker. The idea that they could think that after 2 years of zero COLAs, those are too large, and that we have to create a new formula to reduce COLAs—that is what people—certainly Republicans and some Democrats—are talking about right now.

So what about Social Security? How much of the deficit did Social Security cause so that my Republican friends—all of them—want to cut it and some Democrats may want to cut it? Well, the answer is zero, and everybody in America back home understands it, because Social Security is funded by the FICA tax, by the payroll tax. Social Security does not get general fund money, it comes independently. Social Security, according to the Social Security Administration, has a $2.7 trillion surplus—let me say it again: surplus—to pay every benefit for the next 22 years. Why do they want to cut Social Security? Go ask them. I don't know. It certainly doesn't make any sense to me. It should not be part of any deficit reduction effort. But it is not just Social Security that is under attack. They want to go after Medicare. They want to go after Medicaid. They want to go after nutrition programs for elderly people and for children. They want to go after Pell grants. You name the program that benefits working-class and middle-class families, and they want to go after it.

What about asking the wealthiest people to pay a nickel more in taxes? Oh, we can't do that, just can't do that—moral objection to having billionaires, who are doing phenomenally well and who are now paying the lowest effective tax rate they have paid in a very long time—we cannot allow them to pay a nickel more in taxes. It is far more important to cut Social Security, Medicare, Medicaid, and education.

Well, I think that set of priorities is dead wrong, and I think the American people think those priorities are dead wrong. We have to work together to make sure that doesn't happen in some kind of grand plan or whatever it is. Yes, we can deal with the deficit. We should deal with the deficit but not on the backs of the elderly.

Millions of senior citizens of this country are living on $12,000, $13,000, $14,000 in Social Security—it is either all or most of their income—and people here are talking about cutting Social Security? We have 50 million people who have no health insurance. We have 45,000 people who died this year because they didn't get to a doctor on time, and people say: Let's take our kids off Medicaid. Let's take lower income people off Medicaid. What happens? Let's do away, says the Ryan budget, the Republican budget, with Medicare as we know it. Let's give people an $8,000 check instead of Medicare. Well, a person has cancer or heart disease, and we have an $8,000 check for them to go out and get private insurance. How many days do my colleagues think they are going to stay in a hospital with cancer on $8,000? Not a whole long time, but that is what their plan is.

So we are now in the midst of a great philosophical and economic debate. The rich are getting richer, and our Republican friends want to give them more tax breaks. The middle class is collapsing. Our Republican friends want to cut Social Security, Medicare, and Medicaid.

In terms of defense spending, I would just say this: Everybody here agrees we want and need a strong defense. Do we really have to spend more on defense in the United States of America than the rest of the world combined? We spend more on defense than the rest of the world combined. Do we really have to do that? We spend 4.8 percent of our GDP on defense.

Our European allies, by the way, provide health care to all of their people as a right. Our European allies provide, in many instances, college education free to their young people—not $40,000 or $50,000 a year. Our European allies—and I say this in all due respect to them; I respect that, and it is what we should be doing—provide excellent quality childcare to their working families. Our European allies spend 2 percent of their GDP on defense.

We spend 4.8 percent.

So we are in the midst of an interesting moment. I hope the American people become engaged in this debate because I think, by and large, the position the Republican Party is taking—tax breaks for billionaires, cuts in Social Security, Medicare, and Medicaid—is way out of touch with where the American people are today.

I hope we have a serious debate on these issues. I hope the American people join us, and I hope the road we go down in terms of deficit reduction is one that is fair to working families and the middle class, and that means asking the wealthiest people in this country and the largest corporations in this country to start paying their fair share of taxes.

With that, I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

Mr. BROWN of Ohio. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROWN of Ohio. Madam President, I ask unanimous consent to speak for up to 10 minutes as in morning business.

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

RUSSIA PERMANENT NORMAL TRADE RELATIONS

Mr. BROWN of Ohio. Madam President, I rise because the pending proposal to grant permanent normal trade relations with Russia must be done right. It was voted out of the Finance Committee today. There is discussion about further changes in the legislation on the Senate floor when it reaches here.

People in my home State of Ohio know too well that we cannot afford to continue our normal, business-as-usual trade agreements that fail to hold our trading partners responsible.

We know what happened in the early 1990s with the North American Free Trade Agreement. We know what happened in the late 1990s with the permanent normal trade relations with China. Look at the most recent events around the U.S. Olympic Committee and these American athletes, with hundreds and hundreds of them soon to parade down the streets in London, England, wearing clothes made in China. If that does not tell somebody about our trade relations with China.

We need to do it right because we know what happened not too many years ago with the Central American Free Trade Agreement, so-called CAFTA. The American people recognize that.

Too often we have allowed countries to violate their trade commitments with detrimental consequences to our own industries, especially our manufacturing.

Between 2000 and 2010, we lost one-third of our manufacturing jobs in this country. More than 5 million manufacturing jobs disappeared. Madam President, 60,000 plants closed. That is not by accident. That globalization evolved that way. It was because of trade law and tax law in our country that gave incentives in far too many cases for companies to shut down in the United States and move overseas.

We know a number of large American businesses have decided their business plan is to shut down production in Sandusky or Hamilton, OH, and to move production to Shihan or Wuhan, China and sell those products back into the United States of America.

Never, to my knowledge, in world history has a large number of companies in one country put together a business plan such as that: Shut down production in the home country, move it overseas, and sell back those products into the home country. By and large, it has not worked for our country. Part of the result is a diminished middle class with stagnant wages.

That is what we need to make sure we understand as we go, with eyes wide open, into this PNTR with Russia.

Too often we compromise our values in these trade agreements, we compromise our commitment to upholding human rights.

Granting Russia PNTR status without oversight is another such deal in the making. We have a responsibility to American steelmakers and welders, the companies and the workers, the small manufacturers and the employees, the engineers, the laborers, all of them, to get it right this time.

I want more trade, and this is not just about Russia. This is about America's trade policy, America's workers, American job creation. This is about the guy in Zanesville who made big things with his hands for years and now has gone from $17 an hour to $11 an hour—and still has to provide for his family.

It is just this simple: enforcement and accountability must be at the heart of our trade commitments with every single country in the world.

Granting Russia PNTR; that is, granting Russia permanent normal trade relations, is important for U.S. businesses. It could be a major step toward boosting exports of machinery, aerospace products, and other manufactured goods. I get that. I support that. It could be helpful to Ohioans who produce nearly 328 million pounds of chicken. It could be helpful to hog farmers around Johnstown, OH, and pork producers throughout Ohio and throughout the United States.

But we need to ensure our manufacturers, our ranchers, and our producers are not economically hogtied, if you will, by our trading partners. U.S. workers have learned the hard way that promises about strict enforcement simply do not go far enough and are simply too often empty.

A decade of experience with China's failure to abide by its WTO commitments has provided ample evidence that we must strengthen our enforcement regime.

How many Senators who voted for permanent normal trade relations with China, how many Congress men and women who voted for permanent normal trade relations with China have come to the floor and complained about China breaking the rules? They have attacked China because China cheats. They have complained to China on the Senate floor. They have gone to the International Trade Commission saying China is not playing by the rules. Yet they voted for PNTR a dozen years ago.

But put that aside, make up for it by passing a Russian PNTR that has real commitments, has real language, not just for reporting language but for enforcement language.

After 10 years, after hundreds of thousands of American jobs lost, we are seeing the same arguments we saw for PNTR made in support of granting Russia WTO membership.

Our experience with China has shown we must ensure that our trading partners follow through on their commitments. Our workers, our farmers, our ranchers, our producers, our manufacturers should have confidence that if a trade deal is signed, it will actually be enforced.

We cannot afford another one-way trade agreement because one-way trade agreements tend to lead to one-way job movements—companies shutting down here, manufacturing somewhere else, and selling back into the United States.

That is why we must have oversight. We must have mechanisms in place to ensure that Russia adheres to its commitments.

We must learn from the Chinese case.

Our PNTR with China caused huge damage to our country and manufacturing job loss. From the implementation of PNTR—passed in 1999, begun in

2000—accession to the World Trade Organization, around then for China, we saw what happened with job loss.

I mentioned a minute ago, between 2000 and 2010, we lost one-third of our manufacturing jobs in this country, more than 5 million jobs. We lost 60,000 plants in this country—not entirely because of China not playing fair, not entirely because of PNTR, not even entirely because of PNTR with China and the North American Free Trade Agreement.

It is our tax law. It is our trade law. It is our unwillingness or inability to enforce these trade rules. All that has conspired for this job loss.

Since 2010, I might add—because of the auto rescue and some other things—we have gained back one-half million manufacturing jobs. Ten years of manufacturing job loss; since the auto rescue, 500,000 manufacturing job gains.

We have to have monitoring. We have to have appropriate consequences in place when these rules are violated. If we repeat our mistakes of the past—from the lessons we should have learned from China—we will have no one to blame but ourselves.

My bill, the Russian World Trade Organization Commitments Verification Act of 2012, would help ensure Russia abides by the schedules set out in its WTO terms of accession.

Russia said it is going to do A, B, C, D, and E. So did China. The point is, we need not just reporting language about evaluating—did they do A, B, C, D, and E—but we need enforcement mechanisms. So if they do A and they do not do B, then the administration or the House or the Senate or we individually can begin to bring some actions against Russia for not following these rules.

We accomplish this by requiring USTR to report to Congress annually on how Russia is adhering to the commitments it made as part of joining the World Trade Organization.

If Russia fails to comply—and here is what our language does differently from what we have done in the past; learning from what happened with China—if Russia fails to comply, the U.S. Trade Representative will be required—required, not an optional thing because we see how Trade Representatives, particularly during the Bush years, acted on these kinds of problems—the U.S. Trade Representative will be required to explain what the administration is doing about it. If the administration does nothing, my bill clarifies that Congress can request that the administration take action.

It is commonsense accountability. It has been lacking in our trade enforcement.

This is an American issue. We can solve it together. We can solve it bipartisanly. We can solve it because it is an issue in all regions of our country.

President Reagan once said about Russia we must ''trust, but verify.'' He was actually talking about the old days of the Soviet Union. The same applies today—''trust but verify.'' Bring the reporting requirements forward. Bring accountability forward. It will matter for American jobs, for American manufacturers, for a middle-class standard of living for so many in our country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

SEQUESTRATION

Mr. INHOFE. Madam President, earlier today, we had a colloquy on this floor talking about the devastating effects of sequestration, and I think we covered most everything. One of the significant parts of this is how we got here in the first place.

Not many people realize that in our form of government the President of the United States, whether he is a Democrat or a Republican, comes out with a budget each year. Of course, we have not actually passed a budget in the Senate, so that becomes the budget.

In his budget, starting 4 years ago, he has had, each year, in excess of $1 trillion of deficit each year. Add them all up and it is $5.3 trillion of deficit.

I only mention that in conjunction with the concern we have on sequestration. How did we get here in the first place? This is something that is very much of a concern for us because it seems as if, when we look at all the increases, the deficit increases during this administration since 2008, the only area that has not been dealt with fairly, in terms of keeping up with our obligations, is national defense.

I am not too surprised this happened, but it did. In fact, I can remember going over to—let me interrupt myself.

Madam President, it is my understanding I have 30 minutes; is that correct?

The PRESIDING OFFICER. There is no time allocation.

Mr. INHOFE. Oh, fine. I like that better.

After the first budget, I can recall going over to Afghanistan, knowing this President would be disarming America in his first budget. I think he will go down in history as the most antidefense President we have ever had. But I remember going over there. I knew, with the tanks going back and forth in the background, that I would be able to respond and to get some attention of the American people.

Of course, that first budget, I remember it so well. He did away with our only fifth generation fighter, the F–22; did away with our lift capability, the C–17; did away with our Future Combat Systems, which would have been the first ground transition in 60 years. Then what I am going to talk about in another portion of my presentation this afternoon did away with the ground-based interceptor in Poland. Now that was the first budget.

Since that time, it has been deteriorating even more. So our national defense has been doing everything it can to try to stay afloat, try to support our troops who are over in harm's way. It is becoming more and more difficult.

If we project what this President has done and would be doing over the next 10 years, it would be cutting the military by $½ trillion. Now, that is bad enough, but what is worse is what would happen under sequestration.

Under sequestration, the way he has engineered sequestration, the cuts would take place—as was pointed out very effectively by the Senator from Alabama, Mr. SESSIONS—the amount of cuts that would come from sequestration would be coming almost entirely from the military. So not only is he projecting a cut of $½ trillion in our military as it is today, but if Obama's sequestration goes into effect, it is going to be another $½ trillion. So we know what this is going to do to jobs, we know what it is going to do to our ability, we know what it is going to do in terms of putting our troops in harm's way.

So I would only say, in my State of Oklahoma an article came out. It was by Marion Blakley, the president and CEO of the Aerospace Industries Association. She released a report, and it was covered very well by Chris Casteel in the Oklahoman in this morning's paper.

They talked about: Surely, Oklahoma could lose 16,000 jobs. Well, that is bad enough, but the figure actually is much higher than that when we throw in the uniformed presence we have and the jobs we would lose.

In my State of Oklahoma we have five major military installations. We have Tinker Air Force Base, which does a lot of the repairs on the heavy stuff, KC–135s, and so forth. We have Vance that does primary training, an excellent job. We have our depot and the ammunition depot that is in McAlester. We have Altus Air Force Base that trains people in flying the heavy stuff. And we have Fort Sill in Lawton, OK.

I have to say, this is a great compliment to my State of Oklahoma because we have had, since 1987, five BRAC rounds. It is called Base Realignment and Closure Commission rounds. These are rounds where they go through and make evaluation as to which of these military establishments are perhaps not making the contribution to our Nation's defense they should, and then they go through readjustment and realigning, and so forth.

I am proud to say in my State of Oklahoma, the five military establishments I just now mentioned all have benefited from each of the rounds in terms of numbers of missions and numbers of people. I have to say there is a reason for that. It is not political influence, as a lot of people might guess. It is community support.

I have people saying, well, every community, every State has that. No, it is not true. When there is a problem and a need, we pass bond issues such as

the very large bond issue in Oklahoma City to allow us to get the GM plant and, consequently, we have new missions going in. So I am saying that in a complimentary way.

On the other hand, with the sequestration that will be the Obama sequestration that will take place starting on January 2 of this coming year, we would have huge losses in Oklahoma. The estimate is probably closer to 22,000 jobs in the first year that we would be suffering in my State of Oklahoma.

It is bad enough what that will do to the economy in my State of Oklahoma, but what is even worse is what it does to our national defense. We have no way of knowing right now where that money is going to be coming from. I had a conversation—the first one in a long time yesterday—with Dick Cheney. Of course, we all recall not just his Vice-Presidential relationship, but he used to be Secretary of Defense.

He was one of those who was trying to make a lot of the cuts, and he did make a lot of the cuts. But he was talking about, if they do this and have these across-the-board cuts, it would be not just devastating—I mean, we all understand it would be devastating. That word was actually used by Secretary of Defense Panetta, who is under the Obama administration, saying the Obama sequestration would be devastating to our military.

But Dick Cheney was kind of pointing out some of the areas of interest. One of my backgrounds, and I still do it today, I have been a flight instructor for 50 years. I am sensitive to the need we have for pilots and how to train them. If we are to take across-the-board cuts, that would mean our pilots in the Air Force, in the Navy, and the Marines would not be subjected to the training I believe, in my opinion, would keep them as the crack pilots they are today.

The thing they would probably do is say: Well, we have simulators. We have simulators. That does not do it. Everybody knows that does not do it. So the cuts the Obama sequestration would make would be devastating to the whole country, devastating to my State of Oklahoma but more so, it would affect the lives of our troops.

You know, there is this kind of a myth out there, and the American people believe it, that the United States has the best of everything; when we send our kids into battle, that they have the best equipment always. That is not true. There are a lot of areas where we do not have the best. For example, the Non-Line-of-Sight Cannon. There are five countries, including South Africa, that have better equipment than we do.

So as we look down the road and we see these cuts that are taking place, and then come back, as I just did from the Farnborough Airshow, seeing the other countries—France and all the other countries—and their propulsion systems, they are developing vehicles that are actually, in some cases, better than what we are doing over here.

The problem we are having is the deep cuts that have taken place in defense. I would have to say there is one thing that I am concerned about. This is kind of a warning shot for manufacturers, for defense contractors around the country that it is my opinion that the President—and I have heard this from several of the defense contractors, saying the administration is leaning on them not to send pink slips out on firing these people as a result of the Obama sequestration until after the November 7 election.

Well, I think they are overlooking that there is a law that was passed back in 1988 called the WARN law. It was the Worker Adjustment and Retraining Notification law. It says if we go through something like this, we have to send out pink slips—or the contractors have to send out pink slips to those who are going to lose their jobs 60 days prior to the time that is going to take place.

Well, if sequestration takes place on January 2, that would mean November 2, only 5 days before the election. So I just want to make sure everybody knows. The law says they must do it by 60 days. But they can do it tomorrow if they want to. I think the people of this country who are going to lose their jobs due to the Obama sequestration should be entitled to know they are going to get their pink slips before the election so that could certainly affect what they are going to be doing in an election.

MISSILE DEFENSE

That is not what I came down to talk about because we already talked about that before. But I would like to mention something that occurred in the last couple of days that has put us in a more dangerous position, and nobody is talking about it.

Back in December of 2002, President Bush issued a National Security Presidential Directive, Directive No. 23, announcing the plan to begin deploying a set of missile defense capabilities that would include ground-based interceptors, sea-based interceptors—land, sea, and space, kind of a triad system.

This is a system that people did not object to at that time because they remember back when people used to give President Reagan a hard time. When they talk about Star Wars, they talk about there will be a time when people have missiles that can be aimed at the United States, and they said the idea that we could shoot down a missile with a missile or shoot down a bullet with a bullet is inconceivable. They did not believe that would ever happen, but it is happening today and we all know it. We know the missile capability of countries that would like to kill all of us. So it is a very serious threat right now.

By the end of 2008 President Bush had succeeded in fielding a missile defense system capable of defending all 50 States and had security agreements with the Czech Republic and Poland on the construction of a third missile defense site. The radar would be in the Czech Republic.

I can remember talking to one of my favorite people, who was the President of the Czech Republic, Vaclav Klaus, about this subject. This took a lot of courage for President Bush to go in there and say: Look, we have a serious problem.

Let me kind of get into the record—I want to make sure people understand this. We have great ground-based interceptors in Alaska and California. I am confident that any missile coming in from that direction we can kill, we can knock down. The problem is if it came from the other direction, such as Iran, we do not have that capability. Sure, we might get one lucky shot from the west coast, knock it down, something coming into the east coast. With 20 kids and grandkids, that does not give me a lot of comfort.

Instead, in his wisdom and the wisdom of the administration under the Bush administration, we started building a ground-based interceptor in Poland with the radar located in the Czech Republic. Russia did not like that. They do not like the idea that we are defending ourselves in—you have to use your own judgment to decide why they have come to that conclusion. But it took courage for the Poles and the Czechs to come up and build this thing, and they agreed to do it.

I remember talking to Vaclav Klaus when it first started. He said: We want to make sure if we make this commitment and we anger Russia that you are not going to pull the rug out from under us. I gave them the assurance that was not going to happen.

Well, unfortunately that did happen. When President Obama was elected, he first cut the budget for missile defense by $1.4 billion, and he killed the ground-based interceptor in Poland. At that time—this is very significant our intelligence had said Iran will have the capability of sending a nuclear weapon over a delivery system by 2015.

Well, the Obama administration cut that program. They said: No, they are not going to have that capability until 2020. Well, guess what happened. Just 2 or 3 days ago, Secretary Panetta said on ''60 Minutes'' that he believes Iran would be able to procure the nuclear weapon in about a year, and then it will take them another year or two in order to put it on a delivery vehicle. That would be 2015. So now we know we were right way back in the Bush administration. We know the danger that the Obama administration has put us in. I think people are going to have to understand that is true.

For us to use the system that President Obama wants to use, we would have to have capability—it is a system called SM32B. That missile would give us that protection we would have otherwise gotten by the system in Poland and the Czech Republic and would not be developed to be able to use until after 2020.

So this is something that is probably one of the most serious matters we are dealing with right now. I remember very well when President Obama was meeting with Russian President Medvedev on Monday, March 26, of this year, President Obama said—this is when the mic was on and nobody knew that he could be heard. He said:

On all of these issues, but particularly missile defense, this, this can be solved but it's important for him to give me space.

He was talking about Russian incoming President Vladimir Putin. These are his words.

This is my last election. After my election, I have more flexibility.

What does that tell us? It tells us that not only is it bad enough what he has already done in taking out our ability to defend ourselves against an incoming missile from anywhere, specifically from Iran, but it is a crisis that we are dealing with that has got to be dealt with.

LAW OF THE SEA TREATY

I want to mention one last thing because it is new—it is not new; it is something they have been trying to do for a long time. I quite often criticize the United Nations. Many times they do not have our interests at heart. I am very glad we got the 34th signature on a letter we were prepared to send saying: Do not bring the Law of the Sea Treaty for a ratification vote to the Senate because we will vote against it.

Now, 34 Senators signed that letter, which means they cannot do it. They are still having the hearings and all of that because they like to talk about it, I guess. But we are not going to cede our jurisdiction over 70 percent of the Earth's surface to the United Nations, nor are we going to give the United Nations the power, for the first time, to tax the United States of America. That is what we would find in this treaty.

That is when he signed this treaty. I only mention that because these treaties that come along somehow—I don't know what it is, but there is something about the internationalists, and a lot serve in this body. They don't think any idea is a good one unless it comes from the U.N. It makes you wonder where is sovereignty anymore.

Here is another one, the U.N. Arms Trade Treaty, which they are trying to get through. Over the past 15 years, the idea of creating a global arms trade treaty has been debated at the United Nations. During the Bush administration, the United States stood in opposition to such a treaty. Yet it should come as no surprise that soon after entering the White House, President Obama reversed this position and went to work crafting and negotiating a U.N. arms trade treaty.

We all hear about gun control and what we are going to do with your ability to keep and bear arms. We hear about the second amendment to the Constitution, how it means very little to a lot of people.

It should be noted first that the treaty is currently being negotiated, so we cannot speak with certainty about the details. However, in March the president of the conference that is negotiating the treaty released a ''chairman's draft.'' Through the draft, we know that the treaty may seek to establish certain criteria that must be met before the international transfer of conventional weapons—including small arms and light weapons—is allowed to take place.

Here is what we are talking about. I remember that back during the Clinton administration they were saying: We have to do something about restricting arms in the United States. After all, they said, look at all of the things happening with the drug cartels in Mexico and in Central America; they are getting their weapons from the United States. That was the justification for having a gun treaty at that time. This isn't all that bad.

We don't know the details of this yet, but we know the draft treaty may seek to establish certain criteria to be met before we can sell to other countries. We have a lot of friendly countries out there to which we would like to sell.

Although we all agree that a committed effort must be made to prevent terrorists and criminals from acquiring weapons, the treaty could undermine our foreign policy and national security strategy and infringe Americans' second amendment rights. In Oklahoma, maybe people are a little more sensitive to second amendment rights, but I seem to be hearing from them, and they are dead right. The heart of the problem with the treaty is the notion that bad actors will continue to be bad actors. We have seen this time and time again. Law-abiding nations will constrain themselves to the terms of the treaty, and rogue nations and corrupt states will contravene the explicit text of the treaty that only months ago they were negotiating and wholeheartedly endorsing.

I can remember using this argument on gun control in the United States. Gun control assumes that people out there are going to obey the laws. But they are not the problem people; it is the people who are not going to obey the law. Why would they single out a law on gun control that would preclude them from having guns if they are criminals to start with? It doesn't make sense. Internationally, the same thing is taking place.

This treaty is rife with opportunities for such behavior. In fact, the draft requires that provisions ''shall be implemented in a manner that would avoid hampering the right of self defense of any state party.'' One need look no further than the current conflict in Syria to see how ridiculous this requirement is. The arms that Russia is currently supplying to Syria obviously have a dual purpose—for its national defense against a foreign aggressor but also to be used in the oppression of its own people. We know that is happening. Just yesterday we watched this taking place. Russia would, of course, claim they are doing it for their own defense.

How, then, does anyone expect an arms trade treaty which would not have stringent enforcement mechanisms to have any impact whatsoever? The answer is, against bad actors and rogue nations, it will not. But against nations such as the United States, the arms trade treaty may have a considerable impact.

Take, for example, the requirement in the draft that arms should not ''be used in a manner that would seriously undermine peace or security, or provoke, prolong or aggravate internal, regional, subregional or international instability.'' Does anyone deny that each and every time we supply weapons to some of our greatest allies, such as Israel, Taiwan, and South Korea, that we are, in fact, prolonging regional or international stability? The answer is no. But this is instability that is necessary for international order and the prevalence of democracy in regions where it might not otherwise exist. Yet the terms of the draft treaty could be read to prohibit such weapons sales.

We can all agree that it is a great understatement to say that we don't want American gun companies selling weapons internationally when they might be used to commit violations of human rights, but, as everyone knows, we already have laws on the books that prohibit this. The export of firearms is already subject to a very strict and complex regime.

The U.S. international trade in arms regulations—that is why I call this the foot in the door, a first step—which has been promulgated pursuant to the Arms Export Control Act, already strictly limits the transfer or sale of firearms. This regulatory regime has been in place since the 1950s. The United States has been doing this for a very long time. Other nations—our allies primarily—have mirrored our export control regime because it is so comprehensive.

This goes back to my earlier point. The United States has been very responsible in the area of exporting firearms, but other nations will not be, even as signatories to this treaty. It gets back to the nations that are the bad guys—they will not pay attention to the treaty even though they signed it.

The final point is that this treaty, even if negotiations result this month in a finalized version, is just going to collect dust in the Senate. We already have 58 Members of this body who have already signed a letter in opposition, and I feel strongly that this will meet the same fate as the Law of the Sea Treaty and so many other U.N.-sponsored treaties.

So you know the administration is in constant negotiations with international groups, such as the United Nations, and we have to go around and get people, as we did on the Law of the Sea Treaty. We have 35 Senators saying they will vote not to ratify, and that means you are wasting your time. Why are we even talking about it if it can't

be ratified because it takes two-thirds for ratification? The same thing is true here, except we have 58 Members.

Keep in mind that the collectivists who are opposed to the private ownership of firearms, opposed to the second amendment rights, are the ones who are trying to do it internationally.

With that, I yield the floor and suggest the absence of a quorum.

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

The assistant legislative clerk proceeded to call the roll.

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

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

SEQUESTRATION

Mr. WICKER. Mr. President, it has been a tough day, a tough week. We could use a little bipartisanship in this Chamber and in this Congress. I don't understand it. We heard the Democratic leadership of the supercommittee come right out the other day and say that it was preferable to her that the fiscal cliff be encountered and that we actually bring our Nation over the fiscal cliff rather than working together in a bipartisan way to avoid it before the end of the year.

Then I was mystified today to learn that the majority leader of this great body proposes next year, if his party remains in power, to forever change the nature of the Senate in terms of being a great deliberative body and to go to the majority-rule 51-vote process that they have in the House. It worked OK in the House, but we have never done that in the Senate.

I am concerned with some of the things I have been hearing, and, frankly, I hope we can come back from the precipice of some of these disturbing proposals I have heard. One way to do that would be to address, in a bipartisan way, this issue of sequestration. So I rise this afternoon to point out to my colleagues that we are now less than 6 months away from seeing sequestration go into effect. This is a grim reality that was never supposed to happen. It is a reality that doesn't have to happen. But it will happen unless we act and unless the President signs legislation. Budget sequestration means defense and nondefense spending will be cut automatically and across the board, without regard to the priorities or the importance of programs. We need to avoid this.

How did we get here? Almost a year ago, Congress voted for the Budget Control Act as a first step toward seriously addressing the national debt. We authorized, in good faith, a supercommittee to produce a blueprint that would reduce the national deficit by $1.5 trillion or more. Our hope and our expectation was that both political parties would come to a reasoned, long-term solution to America's debt crisis. Of course, that hope faded quickly with the announcement of an impasse by the supercommittee.

With a national debt approaching an unprecedented $16 trillion, reining in Federal spending is imperative to our national and economic security. ADM Mike Mullen, former Chairman of the Joint Chiefs of Staff, put it simply: ''Our debt is our number one national security threat.'' Severe, across-the-board cuts to the Department of Defense are not the way to address this security threat, and they are not the way to achieve long-term fiscal responsibility. Federal debt is a national security threat, to be sure, but so is unilaterally cutting key funding to America's men and women in uniform.

Realistically confronting the debt problem means addressing soaring entitlement costs, which are growing at three times the rate of inflation, three times the rate of our economic growth. We can't sustain that. But realistically confronting the debt does not mean gambling with the resources our military needs to protect this Nation and the skilled jobs necessary to supply today's advanced force.

Unless we act, and act soon, $492 billion will be cut from defense spending beginning January 3, 2013.

According to Defense Secretary Leon Panetta, the effect would be ''devastating''—a ''meat axe.'' Our Secretary of Defense, a member of the Obama administration, said it would ''hollow out the force.'' Unfortunately, Secretary Panetta and the White House, so far, have failed to identify the specific impact of these cuts. Clarity is needed as to how these automatic cuts would limit our capabilities. As of this moment, sequestration is the law of the land unless Congress passes—and the President signs—a bill to stop it. The administration needs to get specific about the results of this ''meat axe.''

Our military faces a diverse set of challenges and emerging threats—a nuclear North Korea, a volatile Iran that wants to be nuclear, our commitment to a Democratic Taiwan, and the competition for mineral resources in the South China Sea. All of these and more require the ability to project American power abroad.

This year we celebrate the bicentennial of the War of 1812, and the lessons of that conflict should be remembered. During that war, it was our Navy that reaffirmed America's sovereignty. The United States saw that even the border of an expansive ocean would not fully protect our Nation. The influence of sea power on national security and commerce was clear then and it remains clear today.

As ranking member of the Armed Services Subcommittee on Seapower, I can attest that the Navy Department is the Armed Forces' most capital-intensive branch, and the Navy will be particularly hit hard by indiscriminate sequestration cuts. According to civilian and uniformed Navy leaders, our capacity to deter threats, defend our priorities, and project sea power could be gravely compromised. Sequestration would hurt readiness, fleet size, strategic investment, and the strength of America's workforce.

The projected numbers are striking. The Marine Corps would endure an additional 10-percent cut in troop strength, leaving our marines without sufficient manpower to meet even one major contingency operation. The Navy fleet would drop to 230 ships, well below the Navy's 313-ship requirement. It would drop to 230 from 313, hindering the ability of our combatant commanders to execute their missions abroad. Even now, the Navy can satisfy only half of combatant commander requests for naval support.

Sequestration could affect the quality of future investments and the long-term vitality of America's shipbuilding workforce. Experience has shown that stable shipbuilding rates have a direct impact on the acquisition and operational cost of amphibious ships, aircraft carriers, and submarines. Cuts would prevent the Navy from ensuring new ships are delivered on time and on budget.

The average age of today's shipyard worker is 45, and only 24 percent of our naval shipbuilding workforce is under 35 years of age. Sequestration would drive a generation of skilled shipbuilders from the workforce and would have a prolonged negative impact on American high-tech manufacturing.

I am proud to be from a State with a highly skilled manufacturing base. Mississippi workers produce ships, aircraft, and equipment that our troops depend upon throughout the world. Sharp cuts to defense will have a direct and detrimental impact on Mississippi's families and communities.

The stakes are high for the military and America's economy. These looming cuts are real, they are drastic, and they are just around the corner. Sequestration is real and not a hypothetical threat. It is the law unless we change it. Our national security is on the line, and it is in our interest either to prevent sequestration or prepare for it. Indeed, some defense manufacturers have already begun the process of issuing legally required layoff warning notices to shareholders and employees.

According to multiple forecasts, up to 1 million American jobs are at risk. The current unemployment rate already stands at 8.2 percent, and Federal Reserve Chairman Ben Bernanke projected unemployment rates will remain high, as he testified before the Congress yesterday and today.

There are some faint and hopeful signs this catastrophe can be avoided. Indeed, in the Congress, there has always been bipartisan cooperation to ensure our military remains the best trained, the best equipped, and most professional fighting force in the world. We argue about a lot of things, but bipartisanship has prevailed when it comes to the defense budget. The fiscal year 2013 Defense authorization bill is a hopeful example.

The bill recently passed by the Armed Services Committee, of which I

am a member, contains many provisions reflecting Congress's support of the Defense Department's top strategic priorities. It also reflects the challenges we may encounter while outlining ways to reduce spending, and we must reduce military spending, no question about it. But sequestration is not the way.

Also, with regard to the Defense authorization bill, I should mention this is the 51st consecutive year that Congress has passed such a bill. Again, that is testimony to bipartisanship with regard to DOD reauthorization. That is the good news. The bad news is the failure to address our past spending has compounded the situation we now face. Further delays only make the problem worse.

We know tough decisions will have to be made to fix our country's debt problem. All Federal agencies, including DOD, will have to do more with less in today's era of fiscal austerity. But the bottom line is this: We have an overriding constitutional obligation to provide for the common defense, to ensure our country is safe, and that our men and women in uniform are well equipped to face the challenges of the 21st century. I urge my colleagues to work together in a bipartisan fashion toward a solution that achieves the fiscal discipline we need without compromising the ability of our military to protect and defend America.

Addressing sequestration should be our No. 1 priority—this week. We should act before the August break. After Labor Day, after the political conventions, when campaigns are in full swing and we have only 2 months to go before these devastating cuts go into effect, do we truly believe the atmosphere will be conducive to solving sequestration? I don't think so. Is it truly in our Nation's best national security interest to address this during a lameduck session? I don't think so. We should not leave town for an August break if we have not answered this sequestration issue. The hour is upon us.

I yield the floor.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Colorado is recognized.

Mr. BENNET. I thank the Chair.

(The remarks of Mr. BENNET pertaining to the introduction of S. 3400 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BENNET. I yield the floor.

Ms. MIKULSKI. Mr. President, I rise in support of the Bring Jobs Home Act.

Growing up in a blue-collar neighborhood in Baltimore during World War II, my father had a small neighborhood grocery store.

We were the neighborhood of mom-and-pop businesses and factories. We made liberty ships. We put out turbo steel to make the tanks. Glenn L. Martin made the seaplanes that helped win the battle of the Pacific. We were in the manufacturing business. But the blue-collar Baltimore of World War II, Korea, and Vietnam just isn't what it used to be.

The jobs are leaving now. Our shipyard jobs have left. Our steel mills have shrunk to miniscule levels. We don't make ships. And we don't make clothing.

Where did those jobs go?

Those jobs are on a slow boat to China. They are on a fast track to Mexico and other jobs are in dial 1–800 anywhere.

And why did they go?

In some cases, they went because of tax breaks that rewarded corporations for moving manufacturing overseas.

It is wrong to give companies incentives to send millions of jobs to other countries, especially when millions of Americans are looking for work. It is wrong to put companies that stay in America at a competitive disadvantage.

It is time we look at our Tax Code and call for a patriotic tax code.

We walk around the floor of the Senate. We go to rallies. We love to be in parades. We wear our flags because we want to stand up for our troops, and we should stand up for our troops. But we also have to stand up for America.

The current Tax Code is putting companies that stay in America at a disadvantage because they keep their business here, hire their workers at home, pay their share of taxes, and provide health care to their employees. We should be rewarding these companies with ''good guy'' tax breaks for hiring and building their businesses right here in the United States.

I have been on a jobs tour of Maryland. I visited bakeries, microbreweries, and factories of small machine tool companies. I visited Main Street, small streets, and rural communities.

I talked with business owners and their employees. These are ''good guy'' businesses. They work hard and play by the rules. They have jobs right here in the United States. They want to expand. They want to hire. They need a government on their side and at their side. They are harmed by thoughtless government tax incentives that reward competitors who move overseas.

That is why I am a proud cosponsor of the Bring Jobs Home Act. This bill ends the loophole that gives companies a tax break for sending jobs overseas.

There is a loophole in the Federal Tax Code that lets businesses deduct the ''business expense'' for costs of moving the company or its workers right out of the country.

This legislation tells these companies. If you want to export jobs out of America, you can't file a deduction for doing it. And it ensures the Tax Code can't be used to boost corporate rewards at the expense of American workers.

This bill is about helping those ''good guy'' businesses who are creating jobs here. It says: If you bring jobs back to the United States, you can get a tax break for 20 percent of the cost of bringing the jobs home.

That is why I am proud to stand with my colleague from Michigan to call on us to think about economic patriotism, a tax code that rewards American companies that bring jobs back home, and a tax code that ends despicable tax breaks and subsidies to companies that move jobs overseas.

I call upon my colleagues to think about where America is going in the 21st century. Where are we going to be? Are we going to create more opportunity? Are we going to create more jobs that pay good wages with good benefits or are we going to resemble the economy of a third-world country?

I really want to have a tax code that brings our jobs back home, brings our money back home, and stands up for America. So let's pass the Bring Jobs Home Act and take an important step toward economic patriotism.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators allowed to speak therein for up to 10 minutes each.

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

HIGH GAS PRICES

Mr. LEAHY. Mr. President, I remain concerned about the high price of gasoline that continues to disproportionately hurt working class families, especially those in rural States like Vermont. In Vermont, the average price of gasoline remains above the national average. Despite significant efforts to improve public transportation in the State, many Vermonters must still rely on their cars as the primary mode of transportation. More can and must be done to help families who are struggling to find jobs and put food on the table.

Crude oil accounts for the largest share of the price of gasoline. I am concerned that excessive speculation in the oil market has contributed to a significant rise in the price of gasoline. Congress included important protections to address excessive speculation

in the Dodd-Frank Wall Street Reform and Consumer Protection Act. As a conferee and strong advocate for that law, I have pushed the U.S. Commodity Futures Trading Commission to quickly implement the protections and rules to help curb these abuses.

At the same time, we must ensure that local and regional markets remain competitive and that oil companies do not engage in anticompetitive practices. While prices have eased somewhat nationally this summer, there have been concerns raised about price disparities in the cost of gasoline in Vermont. Vermont prices remain higher than the national average and residents of northern Vermont are paying even more than their neighbors just one or two towns to the south. I support the efforts by the State of Vermont, Senator SANDERS and Federal regulators to look into whether these differences can be explained by market conditions, and to take action if they cannot. Such serious allegations should be properly investigated by the Oil and Gas Price Fraud Working Group at the U.S. Department of Justice and the Federal Trade Commission.

The largest oil companies raked in $137 billion in profits last year alone, while also taking in billions in taxpayer subsidies. Repeated efforts to repeal these ridiculous subsidies by myself and a majority of the Senate have been filibustered by friends of the big oil industry. It is these large oil companies and those working at the wholesale level that are reaping tremendous profits, while many of our independent and locally owned stations are struggling to make ends meet. Regrettably, many of these same local stations are forced to shutter their doors when the large oil chains undercut their business.

The real cost of high gas prices is more than just the bill at the pump. These prices force families to choose between filling their gas tanks and putting food on the table. And they mean rising food prices due to increased shipping costs. These are costs that working families, particularly in these difficult economic times, often cannot absorb. I will continue to push for creative, long-term solutions to relieve the pain at the pump.

CONGRATULATING MASSACHUSETTS GENERAL HOSPITAL

Mr. BROWN of Massachusetts. Mr. President, I rise today to recognize Massachusetts General Hospital, located in my home State of Massachusetts. Mass General has recently been named the number one hospital in America by U.S. News & World Report for their dedication and excellence in providing care to thousands of patients every year. I also want to acknowledge Brigham and Women's Hospital for being named among the top hospitals in the country.

Mass General cares for more than 47,000 inpatients each year, and serves as the largest teaching hospital of Harvard Medical School. It is also the oldest and largest hospital in New England. Located right in Boston, Mass General's 907 bed facility has a tradition of excellence. They also have four additional health centers in Charlestown, Chelsea, Revere and the North End. Together, these locations handle over one million outpatient visits, as well as over 80,000 emergency visits, each year. It is no surprise that Mass General is the top hospital in the Nation, with its impressive research program, innovative primary care, and distinguished staff.

Massachusetts is home to a number of remarkable research programs, many of which are housed within Mass General's network, which is the largest hospital-based research program in the United States. This network includes over 20 clinical departments and centers, investing $550 million per year to work towards discoveries that transform treatments and patient care.

For example, the Global Network for Women's and Children's Health Research at Massachusetts General Hospital for Children is one of only 7 locations in the country funded by the NIH to study the rates of morbidity and mortality in women and children in developing countries. These discoveries have not only led to better treatments for children, but have also led to policy changes at the World Health Organization—WHO—to better address international health for women and children.

Mass General has also made important strides in primary care, especially for our State's seniors. The Mass General Geriatric Medicine Unit is rated one of the top departments in the nation for geriatric care, due to their diverse staff of specialists, including those in geriatric medicine, geriatric psychiatry, rehabilitation medicine, geriatric nursing, and social work, who focus on both the patient's physical and mental wellbeing.

Mass General is changing the way that we look at patient primary care. You may be familiar with Patient Centered Medical Homes, which focus on patient care and health in a very personalized and coordinated way. Mass General Senior Health is a recognized Level 3 Patient Centered Medical Home, which is setting the standard for the industry. I recently visited Mass General, and I am continually impressed by their coordination to bring together multiple doctors and services to ensure the highest quality of care for Massachusetts residents.

I would also like to recognize the Mass General nursing staff, as the hospital is a designated Magnet hospital. This is the highest honor in nursing excellence that is awarded by the American Nurses Credentialing Center, and recognizes Mass General's excellence and innovations in their nursing practice.

Finally, Mass General's Home Base Program has partnered with the Boston Red Sox Foundation to raise awareness about post-traumatic stress and traumatic brain injuries among our returning veterans. I am encouraged by their work to develop new treatments for these injuries, as well as their efforts to educate our community. Roughly 50,000 veterans returning from Iraq or Afghanistan are affected by these injuries, and the Home Base Program is making great strides in supporting these wounded warriors.

In closing, I congratulate Mass General Hospital for achieving the number one hospital ranking in the country. I know that the people of Massachusetts are extremely proud of this accomplishment.

TRIBUTE TO COMMANDER WILLIAM MOELLER

Mr. BLUMENTHAL. Mr. President, today I wish to honor the tremendous lifetime of service by one of our Nation's most courageous heroes, CDR William Moeller. Commander Moeller has served for 22 years in the Coast Guard in four location assignments, dedicating his time, energy, and even risking his life for his fellow servicemen and women, the U.S. Coast Guard, and his country. On September 1, 2012, he will retire from the U.S. Coast Guard Reserve.

Upon graduation from the United States Coast Guard Academy in 1990 with a B.S. in government, Commander Moeller began his career and his sea tour as a deck watch officer aboard the USCGC *Tamaroa*. He soon rose to first lieutenant and in this capacity led the rescue of four members of the Air National Guard in October 1991. This rescue among monstrous waves, churned by the worst storm off the Eastern seaboard in 100 years, captured the Nation's imagination in the book and later the film adaptation of ''The Perfect Storm.''

Following his commission as group captain, he transferred to reserve status at the Port Long Island Sound in New Haven. Promoted to lieutenant commander in the Marine Safety Office located in Portland, ME, he served in the Coast Guard Reserve until recalled to active duty during 9/11. Returning to reserve status and to the Sector Long Island Sound, he was promoted to commander in 2006. After a few years at Activities New York, he returned to New Haven in 2010 for the last time as reserve logistics section chief. Commander Moeller's dedicated protection of the Nation, most of which took place at the Long Island Sound—waters significant to Connecticut and the Eastern seaboard—is appreciated by millions.

In addition to receiving extensive military recognition—including the Coast Guard Medal for Extraordinary Heroism, the Coast Guard Commendation Medal, and the Air Force Commendation Medal—Commander Moeller has been awarded the Coast Guard Medal by President George W. Bush. In

April 2012, he was inducted as a member of the Coast Guard Academy's Wall of Gallantry.

Commander Moeller has further contributed to our Nation's safety and security as a business executive with Pratt & Whitney. In this capacity, he has furthered the development of the aerospace industry, committed to our national defense by both air and sea.

I invite my Senate colleagues to join me in congratulating Commander Moeller on his retirement and remarkable allegiance to the Coast Guard and his country. We wish him great success and thank him for his tremendous service.

ADDITIONAL STATEMENTS

REMEMBERING RICHARD EARDLEY

• Mr. CRAPO. Mr. President, today I wish to honor the life of Dick Eardley, who will be remembered as a man who cared deeply about his loved ones and community and worked hard to make a difference on their behalf.

As mayor for more than a decade, he was the longest serving mayor of Boise and was successful in enriching the city. During his time as mayor, he focused on revitalizing the city and worked extensively with business and community leaders to draw more commerce into downtown Boise. Those efforts led later to both a vibrant downtown core and to the development of the Boise Towne Square Mall, preservation of Boise's historic North End, creation of the Boise Arts Commission and bringing the World Center for Birds of Prey to Boise. He was also involved in many other local advancements, including the Greenbelt, the Senior Citizens Center, the parks, and Warm Springs Golf Course.

In addition to his public service, Dick had a career as a newsman. In his hometown of Baker City, OR, Dick worked in radio before moving to Idaho, where he went to work as a reporter covering sports and news for the Idaho Statesman. He then went on to work for KBOI-Channel 2 and KBOI–670. He announced high school sports and worked as a sportscaster and news executive. His reporting and work as city councilman and mayor earned many honors and recognitions.

Dick was an extraordinary individual who moved forward from a modest, Depression-era beginning in pursuit of his dreams. He had an exceptional way of connecting with people, which is likely why he had so many friends and acquaintances who admired and respected him. He had a deep love and devotion for his wife, Pat, of 57 years, who passed away 5 years ago, and he was a caring, giving and supportive father. Dick was also a natural athlete, who played semi-pro baseball and was known for his fondness and knack for golf.

I extend my condolences to Dick's loved ones, including his three sons, Randy, Rick and Ron; six grandchildren, and two great-grandchildren. Dick's example of respectful sincere, humble, benevolent service and hard work will endure.•

GARDEN CITY, SOUTH DAKOTA

• Mr. THUNE. Mr. President, today I wish to recognize Garden City, SD. The town of Garden City will commemorate the 125th anniversary of its founding this year.

Located in Clark County, Garden City was first settled in 1882. However, it was not until 1887 that the Chicago, Milwaukee & St. Paul Railroad line was built and sparked the official establishment of the town. By the end of 1887, Garden City had a post office, a railroad depot, and a grocery and hardware business. In the years that followed, Garden City became an agricultural center for the area, especially for potatoes. The first potato crop in the Garden City area was planted in the early 1900s. By the 1940s, half a million bushels of potatoes were being harvested from the area each year.

South Dakotans living in the Garden City area have a proud tradition of hard work and remain committed to their strong heritage and traditions. Though many things have changed in the last 125 years, the quality of character of Garden City residents has remained something of which the town should be very proud.

Garden City has been a tight-knit community for the past 125 years, and I am confident that it will continue to serve as an example of South Dakota values and hospitality. I would like to offer my congratulations to the citizens of Garden City on this landmark occasion and wish them prosperity in the years to come.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Pate, 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 which were referred to the Committee on Foreign Relations.

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

REPORT RELATIVE TO THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO SIGNIFICANT TRANSNATIONAL CRIMINAL ORGANIZATIONS THAT WAS ESTABLISHED IN EXECUTIVE ORDER 13581 ON JULY 24, 2011—PM 57

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 Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, within the 90-day period prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent to the *Federal Register* for publication the enclosed notice stating that the national emergency declared in Executive Order 13581 of July 24, 2011, is to continue in effect beyond July 24, 2012.

The activities of significant transnational criminal organizations have reached such scope and gravity that they threaten the stability of international political and economic systems. Such organizations are becoming increasingly sophisticated and dangerous to the United States; they are increasingly entrenched in the operations of foreign governments and the international financial system, thereby weakening democratic institutions, degrading the rule of law, and undermining economic markets. These organizations facilitate and aggravate violent civil conflicts and increasingly facilitate the activities of other dangerous persons.

The activities of significant transnational criminal organizations continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. Therefore, I have determined that it is necessary to continue the national emergency declared in Executive Order 13581 with respect to significant transnational criminal organizations.

BARACK OBAMA.

THE WHITE HOUSE, *July 18, 2012*.

MESSAGE FROM THE HOUSE

At 11:56 a.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6018. An act to authorize appropriations for the Department of State for fiscal year 2013, and for other purposes.

The message also announced that the House has passed the following bills, without amendment:

S. 2009. An act to improve the administration of programs in the insular areas, and for other purposes.

S. 2165. An act to enhance strategic cooperation between the United States and Israel, and for other purposes.

The message further announced that the House has passed the following bill, with amendment, in which it requests the concurrence of the Senate:

S. 1959. An act to require a report on the designation of the Haqqani Network as a foreign terrorist organization and for other purposes.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 6018. An act to authorize appropriations for the Department of State for fiscal year 2013, and for other purposes; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 3393. A bill to amend the Internal Revenue Code of 1986 to provide tax relief to middle-class families.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 3401. A bill to amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform.

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–6866. A communication from the Administrator of the Fruit and Vegetable Programs, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Tart Cherries Grown in the States of Michigan, et al.; Increasing the Primary Reserve Capacity and Revising Exemption Requirements'' (Docket No. AMS–FV–11–0092; FV12–930–1 FR) received in the Office of the President of the Senate on July 11, 2012; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6867. A communication from the Administrator of the Fruit and Vegetable Programs, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Avocados Grown in South Florida; Decreased Assessment Rate'' (Docket No. AMS–FV–11–0094; FV12–915–1 IR) received in the Office of the President of the Senate on July 11, 2012; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6868. A communication from the Management Analyst, Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Special Areas; Roadless Area Conservation; Applicability to the National Forests in Colorado'' (RIN0596–AC74) received in the Office of the President of the Senate on July 11, 2012; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6869. A communication from the Principal Under Secretary of Defense (Personnel and Readiness), transmitting the report of an officer authorized to wear the insignia of the grade of rear admiral in accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

EC–6870. A communication from the Surgeon General and Commanding General, U.S. Army Medical Command, Department of the Army, transmitting, pursuant to law, a report relative to incentives for recruitment and retention of Army healthcare professionals; to the Committee on Armed Services.

EC–6871. A communication from the Under Secretary of Defense (Acquisition, Technology, and Logistics), transmitting, pursuant to law, a report relative to the Evolved Expendable Launch Vehicle (EELV) program; to the Committee on Armed Services.

EC–6872. A communication from the Secretary, Division of Trading and Markets, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Brokers or Dealers Engaged in a Retail Forex Business'' (RIN3235–AL19) received in the Office of the President of the Senate on July 12, 2012; to the Committee on Banking, Housing, and Urban Affairs.

EC–6873. A communication from the Acting Secretary of Commerce, transmitting, pursuant to law, a report relative to the export to the People's Republic of China of an item not detrimental to the U.S. space launch industry; to the Committee on Foreign Relations.

EC–6874. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–088); to the Committee on Foreign Relations.

EC–6875. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–074); to the Committee on Foreign Relations.

EC–6876. A communication from the Chief Human Capital Officer, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relative to a vacancy in the position of Member, Equal Employment Opportunity Commission; to the Committee on Health, Education, Labor, and Pensions.

EC–6877. A communication from the Director, Office of the Whistleblower Protection Program, Occupational Safety and Health Administration, transmitting, pursuant to law, the report of a rule entitled ''Procedures for the Handling of Retaliation Complaints Under Section 219 of the Consumer Product Safety Improvement Act of 2008'' (RIN1218–AC47) received in the Office of the President of the Senate on July 12, 2012; to the Committee on Health, Education, Labor, and Pensions.

EC–6878. A communication from the Director, Directorate of Standards and Guidance, Occupational Safety and Health Administration, transmitting, pursuant to law, the report of a rule entitled ''Updating OSHA Standards Based on National Consensus Standards; Head Protection'' (RIN1218–AC65) received in the Office of the President of the Senate on July 11, 2012; to the Committee on Health, Education, Labor, and Pensions.

EC–6879. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled, ''District of Columbia Agencies' Compliance with Small Business Enterprise Expenditure Goals through the 2nd Quarter of Fiscal Year 2012''; to the Committee on Homeland Security and Governmental Affairs.

EC–6880. A communication from the Acting Assistant Secretary, Indian Affairs, Department of the Interior, transmitting, pursuant to law, a report entitled ''Report to the Congress on Shortfall for Contract Support Costs of Self-Determination Contracts Fiscal Year 2011''; to the Committee on Indian Affairs.

EC–6881. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–075, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERRY, from the Committee on Foreign Relations, without amendment:

H.R. 4240. A bill to reauthorize the North Korean Human Rights Act of 2004, and for other purposes.

By Mr. BAUCUS, from the Committee on Finance, without amendment:

S. 3326. A bill to amend the African Growth and Opportunity Act to extend the third-country fabric program and to add South Sudan to the list of countries eligible for designation under that Act, to make technical corrections to the Harmonized Tariff Schedule of the United States relating to the textile and apparel rules of origin for the Dominican Republic-Central America-United States Free Trade Agreement, to approve the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes.

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. SESSIONS (for himself and Mr. CARDIN):

S. 3396. A bill to amend the Public Health Service Act to provide for a national campaign to increase public awareness and knowledge of Congenital Diaphragmatic Hernia, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HATCH (for himself, Mr. ROBERTS, Mr. CORNYN, Mr. GRASSLEY, Mr. ENZI, Mr. COBURN, Mr. CRAPO, Mr. THUNE, Mr. BURR, Mr. KYL, and Mr. MCCONNELL):

S. 3397. A bill to prohibit waivers relating to compliance with the work requirements for the program of block grants to States for temporary assistance for needy families, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN (by request):

S. 3398. A bill to provide for several critical National Park Service authorities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BINGAMAN (by request):

S. 3399. A bill to authorize studies of certain areas for possible inclusion in the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENNET (for himself and Mr. UDALL of Colorado):

S. 3400. A bill to designate certain Federal land in the San Juan National Forest in the State of Colorado as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself and Mr. MCCONNELL):

S. 3401. A bill to amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform; read the first time.

By Mr. CASEY (for himself and Mr. BROWN of Ohio):

S. 3402. A bill to require the Secretary of Labor to maintain a publicly available list of all employers that relocate a call center overseas, to make such companies ineligible for Federal grants or guaranteed loans, and to require disclosure of the physical location of business agents engaging in customer service communications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ADDITIONAL COSPONSORS

S. 672

At the request of Mr. ROCKEFELLER, the names of the Senator from Nebraska (Mr. NELSON) and the Senator from Nevada (Mr. HELLER) were added as cosponsors of S. 672, a bill to amend the Internal Revenue Code of 1986 to extend and modify the railroad track maintenance credit.

S. 722

At the request of Mr. WYDEN, the name of the Senator from Arkansas (Mr. BOOZMAN) was added as a cosponsor of S. 722, a bill to strengthen and protect Medicare hospice programs.

S. 1039

At the request of Mr. CARDIN, the names of the Senator from Maine (Ms. SNOWE) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 1039, a bill to impose sanctions on persons responsible for the detention, abuse, or death of Sergei Magnitsky, for the conspiracy to defraud the Russian Federation of taxes on corporate profits through fraudulent transactions and lawsuits against Hermitage, and for other gross violations of human rights in the Russian Federation, and for other purposes.

S. 1299

At the request of Mr. MORAN, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from West Virginia (Mr. MANCHIN) were added as cosponsors of S. 1299, a bill to require the Secretary of the Treasury to mint coins in commemoration of the centennial of the establishment of Lions Clubs International.

S. 1673

At the request of Mr. AKAKA, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 1673, a bill to establish the Office of Agriculture Inspection within the Department of Homeland Security, which shall be headed by the Assistant Commissioner for Agriculture Inspection, and for other purposes.

S. 1728

At the request of Mr. BROWN of Massachusetts, the names of the Senator from South Carolina (Mr. GRAHAM) and the Senator from Louisiana (Mr. VITTER) were added as cosponsors of S. 1728, a bill to amend title 18, United States Code, to establish a criminal offense relating to fraudulent claims about military service.

S. 1935

At the request of Mrs. HAGAN, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of S. 1935, a bill to require the Secretary of the Treasury to mint coins in recognition and celebration of the 75th anniversary of the establishment of the March of Dimes Foundation.

S. 1947

At the request of Mr. BLUMENTHAL, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 1947, a bill to prohibit attendance of an animal fighting venture, and for other purposes.

S. 2074

At the request of Mr. CARDIN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 2074, a bill to amend the Internal Revenue Code of 1986 to expand the rehabilitation credit, and for other purposes.

S. 2264

At the request of Mr. HOEVEN, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 2264, a bill to provide liability protection for claims based on the design, manufacture, sale, offer for sale, introduction into commerce, or use of certain fuels and fuel additives, and for other purposes.

S. 2325

At the request of Mr. NELSON of Florida, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 2325, a bill to authorize further assistance to Israel for the Iron Dome anti-missile defense system.

S. 2374

At the request of Mr. BINGAMAN, the name of the Senator from Vermont (Mr. SANDERS) was added as a cosponsor of S. 2374, a bill to amend the Helium Act to ensure the expedient and responsible draw-down of the Federal Helium Reserve in a manner that protects the interests of private industry, the scientific, medical, and industrial communities, commercial users, and Federal agencies, and for other purposes.

S. 2620

At the request of Mr. SCHUMER, the name of the Senator from New Mexico (Mr. UDALL) was added as a cosponsor of S. 2620, a bill to amend title XVIII of the Social Security Act to provide for an extension of the Medicare-dependent hospital (MDH) program and the increased payments under the Medicare low-volume hospital program.

S. 3204

At the request of Mr. JOHANNS, the names of the Senator from Idaho (Mr. RISCH), the Senator from West Virginia (Mr. MANCHIN) and the Senator from Wyoming (Mr. BARRASSO) were added as cosponsors of S. 3204, a bill to address fee disclosure requirements under the Electronic Fund Transfer Act, and for other purposes.

S. 3252

At the request of Mr. PORTMAN, the names of the Senator from North Carolina (Mr. BURR), the Senator from Oklahoma (Mr. INHOFE), the Senator from Texas (Mrs. HUTCHISON), the Senator from Alabama (Mr. SESSIONS), the Senator from Tennessee (Mr. CORKER), the Senator from Tennessee (Mr. ALEXANDER), the Senator from Georgia (Mr. ISAKSON) and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 3252, a bill to provide for the award of a gold medal on behalf of Congress to Jack Nicklaus, in recognition of his service to the Nation in promoting excellence, good sportsmanship, and philanthropy.

S. 3340

At the request of Mrs. MURRAY, the names of the Senator from Vermont (Mr. SANDERS) and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of S. 3340, a bill to improve and enhance the programs and activities of the Department of Defense and the Department of Veterans Affairs regarding suicide prevention and resilience and behavioral health disorders for members of the Armed Forces and veterans, and for other purposes.

S. 3364

At the request of Ms. STABENOW, the names of the Senator from Minnesota (Ms. KLOBUCHAR) and the Senator from Missouri (Mrs. MCCASKILL) were added as cosponsors of S. 3364, a bill to provide an incentive for businesses to bring jobs back to America.

S. 3394

At the request of Mr. JOHNSON of South Dakota, the names of the Senator from Oregon (Mr. MERKLEY), the Senator from Tennessee (Mr. CORKER) and the Senator from West Virginia (Mr. MANCHIN) were added as cosponsors of S. 3394, a bill to address fee disclosure requirements under the Electronic Fund Transfer Act, to amend the Federal Deposit Insurance Act with respect to information provided to the Bureau of Consumer Financial Protection, and for other purposes.

S. 3395

At the request of Mr. MERKLEY, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 3395, a bill to amend the Federal Crop Insurance Act to extend certain supplemental agricultural disaster assistance programs.

S.J. RES. 41

At the request of Mr. GRAHAM, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S.J. Res. 41, a joint resolution expressing the sense of Congress regarding the nuclear program of the Government of the Islamic Republic of Iran.

S. CON. RES. 46

At the request of Mr. WEBB, the names of the Senator from Utah (Mr. LEE) and the Senator from Connecticut

(Mr. LIEBERMAN) were added as cosponsors of S. Con. Res. 46, a concurrent resolution expressing the sense of Congress that an appropriate site at the former Navy Dive School at the Washington Navy Yard should be provided for the Man in the Sea Memorial Monument to honor the members of the Armed Forces who have served as divers and whose service in defense of the United States has been carried out beneath the waters of the world.

S. RES. 428

At the request of Mr. BLUMENTHAL, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. Res. 428, a resolution condemning the Government of Syria for crimes against humanity, and for other purposes.

S. RES. 490

At the request of Mrs. BOXER, the name of the Senator from Virginia (Mr. WEBB) was added as a cosponsor of S. Res. 490, a resolution designating the week of September 16, 2012, as ''Mitochondrial Disease Awareness Week'', reaffirming the importance of an enhanced and coordinated research effort on mitochondrial diseases, and commending the National Institutes of Health for its efforts to improve the understanding of mitochondrial diseases.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SESSIONS (for himself and Mr. CARDIN):

S. 3396. A bill to amend the Public Health Service Act to provide for a national campaign to increase public awareness and knowledge of Congenital Diaphragmatic Hernia, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. SESSIONS. Mr. President, I rise today to introduce legislation, along with my friend and able colleague, Senator BEN CARDIN of Maryland, that would create a national campaign at the Department of Health and Human Services to bring attention to congenital diaphragmatic hernia.

What is CDH? It is a birth defect that occurs when the fetal diaphragm fails to fully develop, allowing abdominal organs to migrate up into the chest.

This invasion of organs—including the bowel, stomach, spleen, and liver—may severely limit the growth of a baby's lungs.

Regrettably, some have recommended terminating the pregnancy when a woman learns that her unborn child has CDH.

This is an important issue, and makes promoting awareness of this birth defect and the positive outcomes of good treatment especially important.

CDH will normally be diagnosed by prenatal ultrasound as early as the 16th week of pregnancy. That is important. If undiagnosed before birth, the baby may be born in a facility that is not equipped to treat its compromised respiratory system because many CDH babies need to be placed on a heart-lung bypass machine, which is not available in many hospitals.

The lungs of a baby with CDH are often too small, biochemically immature, structurally immature, and the flow in the blood vessels may be constricted, resulting in pulmonary hypertension.

As a result, the babies are intubated as soon as they are born, and parents are often unable to hold their babies for weeks or even months at a time.

Most babies are repaired with surgery 1 to 5 days after birth, usually with a GORE-TEX patch. The abdominal organs that have migrated into the chest are put back where they are supposed to be and the hole in the diaphragm is closed, hopefully allowing the affected lungs to expand. However, hospitalization often ranges from 3 to 10 weeks, depending on the severity of the condition.

Survivors often have difficulty feeding, some require a second surgery to control reflux, others require a feeding tube, and a few will reherniate and require additional repair.

Congenital diaphragmatic hernia is a birth defect that occurs in 1 out of every 2,500 babies. Every 10 minutes a baby is born with CDH, adding up to more than 600,000 babies with CDH since just 2000. CDH is a severe, sometimes fatal defect that occurs as often as cystic fibrosis and spina bifida. Yet most people have never heard of CDH.

In my opinion, awareness and early diagnosis and skilled treatment are the keys to a greater survival rate in these babies. Fifty percent of the babies born with CDH do not to survive.

In 2009, my grandson, Jim Beau, now 2½ years old, was diagnosed with CDH during my daughter Mary Abigail's 34th week of pregnancy. Although she had both a 20-week and a 30-week ultrasound, the nurses and doctors did not catch the disease on the baby's heartbeat monitor. Thankfully, when Mary Abigail and her Navy officer husband Paul and daughter Jane Ritchie moved to southeast Georgia, the baby's irregular heartbeat was heard at her first appointment with her new OB.

She was sent to Jacksonville, FL, for a fetal echo. The technician there told her she wasn't going to do the echo because there was something else wrong with the baby. She asked my daughter if she had ever heard of congenital diaphragmatic hernia. Of course, Mary Abigail had not, and at that time our family did not know of this problem or the extent of our grandson's birth defect.

The Navy temporarily allowed my daughter and her family to move to Gainesville, FL on November 16, and Jim Beau was born 2 weeks later on November 30. They heard their son cry out twice after he was born, right before they intubated him, but they were not allowed to hold him.

The doctors let his little lungs get strong before they did the surgery to correct the hernia, when he was 4 days old. As it turned out, the hole in his diaphragm was large, and his intestines, spleen, and one kidney had moved up into his chest cavity. Thankfully, Jim Beau did not have to go on a heart-lung bypass machine, but he was on a ventilator for 12 days and on oxygen for 36. In total, he was in the NICU—the neonatal intensive care unit—for 43 days before he was able to go home, all under the constant watch of his angel mother. I could not have been prouder of her. She and Paul were wonderful during this time.

This country has superb health care—the world's best. Without even our knowledge, this young Navy family had their unborn child diagnosed and sent to a university hospital three hours away the University of Florida's Shands Hospital.

Fortunately for my family, and for thousands of other similar families across the United States, there are a number of physicians doing incredible work to combat CDH. By chance, the University of Florida's Shands Children's Hospital is surely one of the world's best—maybe the best. The CDH survival rate at Shands in Gainesville is unprecedented. The survival rate of CDH babies born at Shands is being reported at 80 to 90 percent, while the nationwide average is 50 percent.

Dr. David Kays, who directs the CDH program and who was the physician for my grandson's surgery, is a magnificent surgeon and physician. He uses gentle ventilation therapy as opposed to hyperventilation. Gentle ventilation therapy, he has discovered over the years, is less aggressive and therefore protects the underdeveloped lungs. Jim Beau, I have to say, is a wonderful little boy, full of energy and enthusiasm. He is active and happy—one of the most happy young children I have ever seen—and so quick to smile.

This weekend, he attended his big sister Jane Ritchie's 5 year birthday party and he was totally happy and running around, climbing over all the playground equipment, with the older children just as though he was one of them. He thought he was in high cotton to be playing with these big boys and girls.

While the challenges are many, so are the successes with this condition. Every year more is learned and there are more successes. My family has been very lucky that Jim Beau's defect was caught before he was born and that he was able to go to the right place—a first-rate place—to seek excellent care for his CDH.

The bill Senator CARDIN and I are introducing today is important because a national campaign for CDH will help bring awareness to this birth defect and save lives, I am convinced of it. Although hundreds of thousands of babies have been diagnosed with this defect, the causes are unknown and more research is needed. The thousands of happy, growing children who have overcome this condition validates what

has been accomplished to date and encourages us to do even more.

I hope my colleagues will join me and my friend and colleague Senator CARDIN in supporting this bill to bring awareness of CDH to the world. I think it will create many more happy and healthy young people in the years to come.

By Mr. HATCH (for himself, Mr. ROBERTS, Mr. CORNYN, Mr. GRASSLEY, Mr. ENZI, Mr. COBURN, Mr. CRAPO, Mr. THUNE, Mr. BURR, Mr. KYL, and Mr. MCCONNELL):

S. 3397. A bill to prohibit waivers relating to compliance with the work requirements for the program of block grants to States for temporary assistance for needy families, and for other purposes; to the Committee on Finance.

Mr. HATCH. Mr. President, today I introduce the Preserving Work Requirements Act of 2012. Chairman CAMP of the House Committee on Ways and Means will introduce a companion measure in the House. This bill halts last week's unprecedented power grab from the Obama administration, whereby unelected bureaucrats unilaterally granted themselves the authority to waive Federal welfare work requirements.

To put this another way, unelected bureaucrats ignored the law passed by Congress, the elected representatives of the American people. They ignored the work requirements intended by Congress and by the Presidents of both parties who signed welfare reform and its subsequent reauthorizations.

Ultimately, they decided they knew better than the American people. The American people, through their representatives, enacted work requirements in welfare reform. These unelected administrators decided they did not like these work requirements, so with the stroke of a pen, they have attempted to eliminate them. Not to put too fine a point on it, but this action is fundamentally illegitimate in a Democratic Republic and is just the latest example of President Obama's administration acting without legal warrant when the law stands in their way.

The Camp-Hatch bill, introduced today, is cosponsored in the Senate by my friends and colleagues, Leader MCCONNELL and Senators GRASSLEY, KYL, CRAPO, ROBERTS, ENZI, CORNYN, COBURN, THUNE, and BURR—valuable and distinguished members of the Senate Finance Committee.

This bill includes dispositive findings clearly demonstrating that the Obama administration acted outside the scope of the law and the clear intent of Congress. I would like to stress the fact that I am introducing this legislation because I believe the Obama administration grossly undermined the constitutional authority of the legislative branch to effect changes and settle the law.

It does not mean I believe the 1996 law is perfect in every way and cannot be improved upon. That could not be further from the truth. A case could be made that due to prolonged inaction the TANF Programs, the Temporary Assistance for Needy Families Programs, have withered on the vine, and now many States see TANF as a funding stream rather than a welfare program.

An exception to this is my State of Utah. Utah runs a gold standard welfare program which focuses, like a laser, on work. By work, I mean real work, as in a paying job; work as most Americans define work, not work as defined in the ''Alice in Wonderland'' world of TANF, where running errands, smoking cessation, and bed rest count as work. Utah would like some relief—I think a lot of other States, in addition to Utah, would like some relief—from a number of administrative procedures in order to focus even more vigorously to moving welfare clients to jobs. This is a very reasonable proposition, especially if combined with a robust evaluation of the success of moving clients into work.

I do not want the introduction of this legislation to prevent the Obama administration from bypassing Congress to imply that when Congress does take up the reauthorization of the TANF Programs, that I will not be open to giving States flexibility in exchange for results. The fact remains that this administration and the Democratically controlled Senate could have made welfare reform a priority for several years. They did not. For the administration to be arguing now that they need to give States flexibility under TANF rules is so urgent the need to bypass Congress right this very minute does not pass the laugh test.

I am going to do everything I can to stop the administration from going forward with its waiver scheme. Then we should roll up our sleeves and take a good, honest look at how welfare reform has been working for the past 16 years.

Domestic social policy is rarely permanently settled. Things change; people change. A law that is more than halfway through its second decade can most assuredly be updated and improved. That is why we have reauthorizations. I do not view the Preserving Work Requirements for Welfare Programs Act of 2012 as the end of the debate on how best to get families out of poverty. In fact, I see it as the beginning of what I hope will be a thoughtful and deliberative discussion of these critical issues.

Finally, some in the press have attempted to characterize this debate, which at its heart is one of Executive overreach as a standoff between me and my own home State of Utah. As they say in the country, that dog just won't hunt. I have consistently supported State flexibility in exchange for measurable outcomes. One of the few pieces of domestic social policy legislation that has actually been enacted during this session of Congress, Public Law 112–34, was authored by Chairman BAUCUS and me to provide States with waivers to improve outcomes in their child welfare systems. Utah has applied for one of these child welfare waivers. As Casey Stengel said: You can look it up.

I worked very hard back in the middle 1990s to get welfare reform passed. We required a work part of that. We said: We are going to help you folks. We are going to subsidize you, we are going to give you help financially, but at the end of a certain period of time, you better have a job. The work clauses of that bill have helped millions of people to get jobs and get the self-esteem that comes from working and supporting themselves. To have this administration unilaterally, and without any congressional authorization, modify that work requirement is just plain wrong.

Frankly, I will be for flexibility in the work requirement, but I don't consider bed rest work. We can list 10 or 15 other things that the administration has been talking about that don't qualify for work either.

This is an important issue. I hope the Congress will stand up for itself and let this administration know there is a limit to what we are going tolerate from an Executive order standpoint.

By Mr. BINGAMAN (by request):

S. 3398. A bill to provide for several critical National Park Service authorities, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, last month the Department of the Interior transmitted two draft legislative proposals relating to the National Park Service. Both executive communications were referred to the Committee on Energy and Natural Resources.

The first legislative proposal, the National Park Service Critical Authorities Act of 2012, would address three National Park Service management concerns. The second proposal, the National Park Service Study Act of 2012, would authorize the Park Service to undertake or update fifteen special resource studies to determine the appropriateness of adding the study areas to the National Park System.

I am pleased to introduce these bills, S. 3398 and S. 3399, by request as a courtesy to the Administration. Mr. President, I ask unanimous consent that the transmittal letters from the Secretary of the Interior, including a section-by-section analysis of each bill, be printed in the RECORD.

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

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, June 5, 2012.

Hon. JOSEPH R. BIDEN, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft of a bill entitled, ''National Park System Critical Authorities Act of 2012.'' Also enclosed is a section-by-section analysis of the bill.

We recommend that the bill be introduced, referred to the appropriate committee for consideration, and enacted.

This proposal is needed to resolve three specific National Park Service issues that are of critical concern. Enactment of this legislation would promote more effective and efficient government operations. None of the three measures would result in costs to the federal government, other than very nominal costs.

These new authorities address:

District of Columbia Snow Removal: The proposal amends a 1922 law by requiring federal agencies in the District to be responsible for the removal of snow and ice in the public areas associated with their buildings. Although federal agencies have assumed responsibility for snow removal at their respective sites, the language in the 1922 law specifies that the National Park Service is responsible. Enactment of this provision would eliminate a longstanding legal liability burden for the National Park Service.

George Washington Memorial Parkway: The proposal authorizes the Federal Highway Administration (FHA) and the National Park Service to exchange lands along the George Washington Memorial Parkway. Currently, the Service has a written agreement with the FHA permitting public access to the Claude Moore Historical Farm. Land exchange authority would allow for a permanent guarantee of visitor access to the site as well as the ability to increase security at the FHA's Turner-Fairbank Highway Research Center and the Central Intelligence Agency complex adjacent to the farm.

Uniform Penalties for Violations on Park Service Lands: The inclusion of a number of military and historic sites into the National Park System during the 1930's created inconsistencies in the penalties used for violations at various parks. This disparity in penalties undermines fair and effective law enforcement and criminal prosecution. This proposal would eliminate these inconsistencies in federal penalties for crimes committed in certain park units.

The Statutory Pay-As-You-Go Act of 2010 provides that revenue and direct spending legislation cannot, in the aggregate, increase the on-budget deficit. If such legislation increases the on-budget deficit and that increase is not offset by the end of the Congressional session, a sequestration must be ordered. This proposal would affect revenues, but the effects of this proposal would net to zero; therefore, it is in compliance with the Statutory PAYGO Act.

The Office of Management and Budget has advised that there is no objection to the enactment of the attached draft legislation from the standpoint of the Administration's program.

Sincerely,

KEN SALAZAR.

Enclosures.

NATIONAL PARK SYSTEM CRITICAL AUTHORITIES ACT OF 2012 SECTION-BY-SECTION ANALYSIS

Section 1: Provides a short title, ''National Park System Critical Authorities Act of 2012''.

Section 2: Amends ''An Act providing for the removal of snow and ice from the paved sidewalks of the District of Columbia'' by directing federal agencies in the District to be responsible for snow and ice removal in public areas in front of or adjacent to their managed properties.

Section 3: Authorizes an exchange of land between the National Park Service and the Federal Highway Administration. The exchange would allow for permanent access to the Claude Moore Colonial Farm, part of the George Washington Memorial Parkway, and for improved security at the Turner-Fairbank Highway Research Center and the Central Intelligence Agency's Langley Headquarters.

Section 4: Amends the Act of March 2, 1933, to make violations occurring in various park sites consistent with the penalties set out in 16 U.S.C. 3 and 18 U.S.C. 3571.

Section 5: Authorizes appropriations to carry out this Act.

THE SECRETARY OF THE INTERIOR,
Washington, DC, June 22, 2012.

Hon. JOSEPH R. BIDEN, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is a draft of a bill entitled. the ''National Park Service Study Act of 2012.'' Also enclosed is a section-by-section analysis of the bill.

We recommend that the bill be introduced, referred to the appropriate committee for consideration, and enacted.

This proposed legislation would authorize the National Park Service to conduct several studies of areas and themes that merit consideration. The studies would include:

Kau Coast—Adjacent to Hawaii Volcanoes National Park, the area includes more than 20,000 acres along 27 miles of the spectacular Kau Coast on the south side of the island of Hawaii. A reconnaissance survey completed in 2006 found the area contains significant natural, geological, and archeological features including both black and green sand beaches as well as a significant number of endangered and threatened species, most notably the endangered hawksbill turtle. It also exhibits some of the best remaining examples of native coastal vegetation in Hawaii.

Rota, Commonwealth of the Northern Mariana Islands—Rota was the only major island in the Mariana Archipelago to be spared the destruction and large-scale land use changes brought about by World War II and its aftermath. The best remaining examples of this island chain's native limestone forest are found on Rota. Rota is also regarded as the cultural home of the indigenous Chamorro people and contains the most striking and well-preserved examples of their three thousand-year old culture.

Aleut Relocation and Confinement—Nine sites in the State of Alaska are associated with the forced relocation of the Aleut people by the United States during World War II. Unlike the internment of Japanese-Americans during the war, the forced evacuation and confinement of Alaska natives is little known but equally poignant and historically significant. Four Unangan villages were left behind in the evacuations and never permanently resettled. Residents of the villages of Biorka, Kashega, and Makushin, all in the Unalaska Island area, were removed and taken to southeast Alaska. Residents of Attu were taken by Japanese soldiers to an internment camp on Hokkaido, Japan for the duration of the war.

Japanese American Relocation Camps—Japanese Americans were forced into 10 internment and relocation camps in the contiguous United States by the U.S. Government during World War II. The special resource study proposed by this legislation would look at seven camps where the extant resources remain without National Park Service protection: Heart Mountain Relocation Center in Wyoming; Gila River and Poston in Arizona; Grenada in Colorado; Jerome and Rohwer in Arkansas; and Topaz in Utah.

American Latino Heritage in the San Luis Valley and Central Sangre de Cristo Mountains—The San Luis Valley represents the northernmost expansion of the Spanish Colonial and Mexican frontiers into North America. Here at the edge of the southern Rocky Mountains, the legacy of this Latino settlement is still clearly evident. A reconnaissance survey conducted in 2011 identified a distinctive and exceptional concentration of historic resources associated with Latino settlement, including Colorado's oldest documented town, only communal pasture, first water right, and oldest church, and called for further study.

Goldfield—Goldfield is a historic mining community in southwestern Nevada. A reconnaissance survey completed in 2009 found the site contained nationally significant resources, and recommended that a special resource study be completed. The study would include extensive public involvement with local landowners, government agencies, area businesses and non-profit organizations. It would examine a wide range of public and private options for the future protection and interpretation of the Goldfield site in relation to the mining history of the United States and the State of Nevada.

Hudson River Valley—The Hudson River Valley in New York is known for its unique natural resources, its archeological remains documenting 6,000 years of human occupation, and its history as the river that revolutionized a new method of waterborne transportation—the steamboat. It also provides recreational opportunities to millions of residents. The area may provide an opportunity to explore a new prototype of landscape scale protection in an urban, suburban and rural setting through the combination of potential unit designation and a Federal, state and local cooperative effort to protect non-federally owned natural and historic resources.

Norman Studios—Norman Studios was a silent movie production house in Jacksonville, Florida during the 1920s specializing in what were then known as ''race films.'' These films used African American writers and actors to create entertainment for an African American audience, portraying African Americans in realistic terms rather than the caricatures and stereotypes commonly found in Hollywood films of that era. On the basis of a reconnaissance survey completed in 2010, the National Park Service concluded that a special resource study of the Norman Studios site is warranted.

Mobile-Tensaw River Delta—This delta, in southern Alabama, is the second largest delta in the United States, after the Mississippi River Delta, and is considered the best remaining delta ecosystem of its kind in the country. At 40 miles long and 6 to 16 miles wide, it contains 300 square miles of flood plains, cypress-gum swamps, tidal marshes, and bottomland forests. The Delta is ecologically rich, supporting 126 species of fish, 46 species of mammals, 99 species of reptiles and amphibians, and over 300 species of birds. It was designated as a national natural landmark in 1974 and has more than 100,000 contiguous acres of Federal and state property.

Galveston Bay—Galveston Bay is the largest, most biologically productive estuary along the Texas Gulf coast. The shallow bay's 600 square miles (384,000 acres) of open water, freshwater and tidal marshes, seagrass meadows, and oyster reefs are surrounded by bottomland forest and prairie wetland and are home to over 1,800 pairs of

endangered brown pelicans. The bay produces more oysters than any other body of water in the United States, and yields about one third of Texas' commercial fishing harvest. Dredged shipping channels cross the bay to the busy port of Houston. The east and west lobes of the bay adjoin the Anahuac and Brazaria National Wildlife Refuges, which together protect over 77,000 acres of habitat.

Peleliu—A special resource study of the World War II Peleliu battlefield was completed in 2003. The study found that the Peleliu battlefield met significance and suitability criteria but the village clans who claim ownership of the lands would consider setting aside only a small portion as a battlefield site. The area was considerably smaller than that identified by the NPS as the minimum area for which a determination of feasibility could be made. There has been a substantial shift in support by the local people for the site becoming a unit of the National Park System and an updated study would allow a reexamination of the feasibility issue.

Vermejo Park Ranch—A special resource study of the Vermejo Park Ranch in New Mexico and Colorado was completed in 1979, and concluded that the ranch possessed nationally significant cultural and natural resources that merited inclusion in the National Park System. Thirty-two years have elapsed since the special resource study and several significant changes to the ranch have occurred during the interim. A recent reconnaissance survey recommended an update of the 1979 study to determine whether this area still meets the criteria for addition to the National Park System.

Buffalo Soldiers in the National Parks—In the early years of the National Parks, the Buffalo Soldiers were the forerunners of today's park rangers, patrolling the backcountry, building trails, and stopping poaching. The study would evaluate the suitability and feasibility of establishing a national historic trail commemorating the route traveled by the Buffalo Soldiers from their post in the Presidio of San Francisco to Sequoia and Yosemite National Parks. It would also identify sites that could be further evaluated for listing on the National Register of Historic Places and for designation as National Historic Landmarks.

Reconstruction Era in the South—A National Historic Landmark theme study would identify sites that are significant to the Reconstruction era in the south. It was a controversial and difficult period in American history characterized by the adoption of new constitutional amendments and laws, the establishment of new institutions, and the occurrence of significant political events all surrounding the efforts to reincorporate the South into the Union and to provide newly freed slaves with political rights and opportunities to improve their lives. The theme study would include recommendations for the nomination of any new National Historic Landmarks, and sites which merit further study for potential inclusion in the National Park System.

Chattahoochee River National Recreation Area—A study of a boundary expansion for the Chattahoochee River National Recreation Area is proposed for an area extending approximately 45 miles from the southern boundary of the existing National Recreation Area south to the junction of Coweta, Heard, and Carroll Counties. These areas along the Chattahoochee River corridor include several state and county parks.

The Office of Management and Budget has advised that there is no objection to the enactment of the attached draft legislation from the standpoint of the Administration's program.

Sincerely,

KEN SALAZAR.

By Mr. BENNET (for himself and Mr. UDALL of Colorado):

S. 3400. A bill to designate certain Federal land in the San Juan National Forest in the State of Colorado as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BENNET. Mr. President, I have come to the floor to talk about Colorado. This summer, most people have been thinking about the wildfires we have had up there. These fires were widespread throughout the State, and it is still just the beginning of fire season. We have already seen a lot of damage, including the destruction of hundreds of homes, and, most sadly, the loss of life.

I wish to say in this Chamber, to all my colleagues, how much I appreciate their kindness. The knowledge that all of you have been thinking about people at home has been very comforting to the people I represent. Thanks to the heroic work of the firefighters, and with a lot of help also from Mother Nature, the fires are under control. So I wish to remind people, as I have been doing now for months, that Colorado is the best place to visit during the summer. It is the best place to bring your family.

In fact, last week—or during the recess—Susan and I loaded up the minivan and drove across the State with our kids. It takes all the fun out of playing the license plate game when you are driving in Colorado because in about 2 hours the kids saw half the license plates representing half the States in the United States—just 2 hours from Denver, CO. So I would say, as I have said time and time again, over the coming months, if you have plans to come to our State, please do.

Today, I wish to focus on one area that illustrates how special our State of Colorado is.

The Hermosa Creek watershed is a beautiful parcel of land just up the road from Durango in the southwest corner of our State.

Over 4 years ago, an incredibly diverse group of local citizens, mountain bikers, fishermen, outfitters, local elected officials, and others got together to talk about the future of this striking land. Everybody involved likes to visit the area for recreation or to do business there. Their discussion was about how to put together a plan from the local level up to manage the area so everyone could enjoy it and benefit, and so that we could protect it for the next generations of Coloradans and the next generations of Americans.

A little over a year ago, the group invited my family and me to take a hike through the watershed and join the discussion. During a tour over the last Memorial Day weekend, we unloaded at the Hermosa Creek trailhead, we tied up our boots, and my youngest daughter Anne made a hiking stick out of a nearby fallen branch. We started up the trail with 40 or so others from the local community.

As we climbed higher and higher, we were all overcome by the beauty. People stopped talking. I stopped talking largely because I was out of breath. But the people I was with were as awestruck as I was by the beauty of this place. It was a particularly settling walk after being cooped up with my children.

There are forested valleys, crystal-clear streams, and unspoiled views. After about an hour, the group pulled off the Forest Service trail into a meadow. And as Anne, Helena, and Caroline Bennet made themselves and their father and mother dandelion necklaces, we started a discussion about what this area means to the people who live there and the people who visit. The sportsmen come to fish for native Colorado cutthroat trout and for back-country elk hunting. The mountain bikers come to enjoy single-track riding on trails known throughout the United States of America, and actually in other countries as well. The local water districts love Hermosa because it provides drinking water for the great city of Durango. Workers in the timber and mining industries stress that some of the watershed could contribute to extractive development in the future. Some might not know that mining has long been an economic driver in that region of our State.

This is a photograph of the group that hiked that day. The upshot of the discussion we had in that meadow was an agreement to work together on a bill, a balanced bill that managed the watershed so it would contribute to the local economy long into the future. After nearly 14 months of discussions and negotiations since that hike, I introduced that bill earlier today.

The Hermosa Creek Watershed Protection Act governs the entire 108,000-acre watershed. It includes provisions to allow for multiple uses, such as timber harvesting for forest health; access and trails for off-road vehicle enthusiasts, and for mountain bikers.

It keeps getting better. The bill also adds nearly 40,000 acres to the National Wilderness Preservation System, lands that provide unique and important opportunities for solitude and reflection, lands that will remain undeveloped forever, so they will always have clear streams of fish and lush forests for a local outfitter to take clients into the wilderness on horseback.

I am proud to report the bill has the unanimous bipartisan backing of the two county commissions involved, the San Juan County Commission and the La Plata County Commission. I ask unanimous consent to have printed in the RECORD a copy of letters of support from both counties.

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

SAN JUAN COUNTY,
Silverton, CO, June 27, 2012.

Sen. MICHAEL F. BENNET,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR BENNET: San Juan County is supportive of the collaborative community process conducted by the Hermosa Creek Workgroup. This was an open, inclusive process that has brought together local citizens and organizations that are concerned with protecting the special values of the Hermosa Creek Watershed in San Juan and La Plata Counties in southwest Colorado.

For more than two years the Hermosa Creek Workgroup worked within the framework developed by the River Protection Workgroup whose goal is ''Involving the public in protecting the natural values of selected streams while allowing water development to continue.''

As a result of this process, the Hermosa Creek Workgroup determined that ''The Hermosa Creek Area is exceptional because it is a large intact (unfragmented) natural watershed containing diverse ecosystems, including fish, plants and wildlife, over a road elevation range, and supports a variety of multiple uses, including recreation and grazing, in the vicinity of a large town.''

San Juan County supports the proposed Federal Legislation for the Hermosa Creek Watershed Protection Act of 2012 and respectfully requests that your office initiate a legislative process to achieve the goals set forth by the Hermosa Work Group.

Sincerely,

ERNEST F. KUHLMAN,
Chairman,
San Juan County Commissioners.

LA PLATA COUNTY,
Durango, CO, November 3, 2011.

Hon. MICHAEL BENNET,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR BENNET: You recently released draft legislation to protect the Hermosa Creek area just north of Durango, and we wish to express our strong support for that component of the legislation. We have previously supported the work and recommendations of the Hermosa Creek Workgroup, and believe that this draft accurately reflects those recommendations.

The Board of Commissioners has followed the public process conducted by the Hermosa Creek Workgroup since its beginning over two years ago, and we believe that the process has been open, transparent, and effective. Virtually every group with an interest in the Hermosa watershed participated in the discussions, which were constructive and well-facilitated.

The Hermosa Creek watershed is an invaluable resource for La Plata County for a number of reasons. The recreational opportunities the area offers, from hunting and fishing to hiking, mountain biking, and skiing, are world class, and contribute significantly to the County's recreation and tourism economic base. Local outfitting businesses, hotels, restaurants, gas stations, and gear shops all benefit from a protected Hermosa Creek region.

With its Outstanding Waters designation by the State of Colorado, Hermosa Creek provides a major clean water contribution to the Animas River, which is the water source for many of La Plata County's residents. As a source of clean air and spectacular scenery, Hermosa Creek also plays a key role in maintaining the natural amenities that make La Plata County attractive to new residents and businesses.

The proposal to protect the Hermosa Creek watershed through a special management designation, containing wilderness and unroaded designations for portions of the area, is truly a community-based approach to local land management. We commend you for respecting the hard work of the Hermosa Creek Workgroup by including the group's recommendations in your draft legislation. We support the legislation, and stand ready to help in whatever way to see it enacted into law.

Sincerely,

KELLIE C. HOTTER,
Chair.
ROBERT A. LIEB, JR.,
Vice-Chair.
WALLACE ''WALLY'' WHITE,
Commissioner.

Mr. BENNET. It has the support of the Hermosa Creek Workgroup, ranging from hard-rock miners to wilderness advocates. I am pleased to carry this bill on behalf of the people of Colorado. I am especially proud because this was a community-driven process at its very finest, through and through, from beginning to end. Colorado wrote this bill. This bill wasn't written in Washington, DC. The bill has grown from the grassroots up, Republicans, Democrats, and Independents working together to cement a long-term plan for the community's future.

I also want to thank my senior Senator, Senator UDALL of Colorado, for joining me as a cosponsor of the bill, and to thank Senators BINGAMAN and MURKOWSKI for their past help moving Colorado land bills through their committee. I am confident that as we work on this bill together we will find similar consensus.

To bring this back to the beginning, I don't have to convince most people that Colorado is a special place. Many have visited our State over their lifetimes to ski our mountains, run our rivers, or climb a ''14er.'' The Hermosa Creek watershed represents some of the best Colorado has to offer. It deserves to be protected for our outdoor recreation economy, and for future generations.

I want to thank all of the people who have spent countless hours working together to make sure they could overcome their differences and reach a consensus on this bill. As I have told all of them, it makes my work so much easier when people work in such a constructive way together, and for that, they have my deep appreciation.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2554. Mr. BROWN of Ohio (for himself, Mr. HARKIN, Mr. SANDERS, Mr. WHITEHOUSE, Mr. BLUMENTHAL, Mr. ROCKEFELLER, and Mrs. MCCASKILL) submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table.

SA 2555. Mrs. MCCASKILL (for herself and Mr. PORTMAN) submitted an amendment intended to be proposed by her to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2556. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2557. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2558. Mrs. HUTCHISON (for herself and Mr. COBURN) submitted an amendment intended to be proposed by her to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2559. Mr. REID (for Mrs. MURRAY) proposed an amendment to the bill H.R. 1627, to amend title 38, United States Code, to furnish hospital care and medical services to veterans who were stationed at Camp Lejeune, North Carolina, while the water was contaminated at Camp Lejeune, to improve the provision of housing assistance to veterans and their families, and for other purposes.

SA 2560. Mr. REID (for Mrs. MURRAY) proposed an amendment to the bill H.R. 1627, supra.

TEXT OF AMENDMENTS

SA 2554. Mr. BROWN of Ohio (for himself, Mr. HARKIN, Mr. SANDERS, Mr. WHITEHOUSE, Mr. BLUMENTHAL, Mr. ROCKEFELLER, and Mrs. MCCASKILL) submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. ___. REQUIRED DISCLOSURE OF NUMBER OF DOMESTIC AND FOREIGN EMPLOYEES.

Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

''(r) DISCLOSURE OF NUMBER OF DOMESTIC AND FOREIGN EMPLOYEES.—

''(1) IN GENERAL.—Beginning with the first full fiscal year that begins after the date of enactment of this subsection, each issuer required to file reports with the Commission pursuant to subsection (a) shall disclose annually to the Commission and to shareholders—

''(A) the total number of employees, as defined in subsection (d) of section 3121 of title 26 United States Code, or any regulations interpreting such subsection, who are domiciled in the United States and employed by the issuer or any consolidated subsidiary of the issuer;

''(B) the total number of employees, as defined in subsection (d) of section 3121 of title 26 United States Code, or any regulations interpreting such subsection, who are domiciled in any country other than the United States and employed by the issuer or any consolidated subsidiary of the issuer, listed by number in each country; and

''(C) the percentage increase or decrease in the numbers required to be disclosed under subparagraphs (A) and (B) from the previous reporting year.

''(2) EXEMPTIONS.—An issuer shall not be subject to the requirements of paragraph (1) if the issuer is an emerging growth company, as defined in section 3(a).

''(3) REGULATIONS.—The Commission may promulgate such regulations as it considers necessary to implement the requirement under paragraph (1).''.

SA 2555. Mrs. MCCASKILL (for herself and Mr. PORTMAN) submitted an amendment intended to be proposed by her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE II—TEMPORARY DUTY SUSPENSION PROCESS ACT

SEC. 201. SHORT TITLE.

This title may be cited as the ''Temporary Duty Suspension Process Act of 2012''.

SEC. 202. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(2) COMMISSION.—The term ''Commission'' means the United States International Trade Commission.

(3) DUTY SUSPENSION OR REDUCTION.—The term ''duty suspension or reduction'' means an amendment to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States—

(A) extending an existing temporary suspension or reduction of duty on an article under that subchapter; or

(B) providing for a new temporary suspension or reduction of duty on an article under that subchapter.

SEC. 203. RECOMMENDATIONS BY UNITED STATES INTERNATIONAL TRADE COMMISSION FOR DUTY SUSPENSIONS AND REDUCTIONS.

(a) ESTABLISHMENT OF REVIEW PROCESS.—Not later than 30 days after the date of the enactment of this Act, the Commission shall complete all actions necessary to establish a process pursuant to which the Commission will—

(1) review each article with respect to which a duty suspension or reduction may be made—

(A) at the initiative of the Commission; or

(B) pursuant to a petition submitted or referred to the Commission under subsection (b); and

(2) submit a draft bill to the appropriate congressional committees under subsection (d).

(b) PETITIONS.—

(1) IN GENERAL.—As part of the process established under subsection (a), the Commission shall establish procedures under which a petition requesting the Commission to review a duty suspension or reduction pursuant to that process may be—

(A) submitted to the Commission by a member of the public; or

(B) referred to the Commission by a Member of Congress.

(2) REQUIREMENTS.—A petition submitted or referred to the Commission under paragraph (1) shall be submitted or referred at such time and in such manner and shall include such information as the Commission may require.

(3) NO PREFERENTIAL TREATMENT FOR MEMBERS OF CONGRESS.—A petition referred to the Commission by a Member of Congress under subparagraph (B) of paragraph (1) shall receive treatment no more favorable than the treatment received by a petition submitted to the Commission by a member of the public under subparagraph (A) of that paragraph.

(c) PUBLIC COMMENTS.—As part of the process established under subsection (a), the Commission shall establish procedures for—

(1) notifying the public when the Commission initiates the process of reviewing articles with respect to which duty suspensions or reductions may be made and distributing information about the process, including by—

(A) posting information about the process on the website of the Commission; and

(B) providing that information to trade associations and other appropriate organizations;

(2) not later than 45 days before submitting a draft bill to the appropriate congressional committees under subsection (d), notifying the public of the duty suspensions and reductions the Commission is considering including in the draft bill; and

(3) providing the public with an opportunity to submit comments with respect to any of those duty suspensions or reductions.

(d) SUBMISSION OF DRAFT BILL.—

(1) IN GENERAL.—The Commission shall submit to the appropriate congressional committees a draft bill that contains each duty suspension or reduction that the Commission determines, pursuant to the process established under subsection (a) and after conducting the consultations required by subsection (e), meets the requirements described in subsection (f), not later than—

(A) the date that is 120 days after the date of the enactment of this Act;

(B) January 1, 2015; and

(C) January 1, 2018.

(2) EFFECTIVE PERIOD OF DUTY SUSPENSIONS AND REDUCTIONS.—Duty suspensions and reductions included in a draft bill submitted under paragraph (1) shall be effective for a period of not less than 3 years.

(3) SPECIAL RULE FOR FIRST SUBMISSION.—In the draft bill required to be submitted under paragraph (1) not later than the date that is 120 days after the date of the enactment of this Act, the Commission shall be required to include only duty suspensions and reductions with respect to which the Commission has sufficient time to make a determination under that paragraph before the draft bill is required to be submitted.

(e) CONSULTATIONS.—In determining whether a duty suspension or reduction meets the requirements described in subsection (f), the Commission shall, not later than 30 days before submitting a draft bill to the appropriate congressional committees under subsection (d), conduct consultations with the Commissioner responsible for U.S. Customs and Border Protection, the Secretary of Commerce, the United States Trade Representative, and the heads of other relevant Federal agencies.

(f) REQUIREMENTS FOR DUTY SUSPENSIONS AND REDUCTIONS.—

(1) IN GENERAL.—A duty suspension or reduction meets the requirements described in this subsection if—

(A) the duty suspension or reduction can be administered by U.S. Customs and Border Protection;

(B) the estimated loss in revenue to the United States from the duty suspension or reduction does not exceed the dollar amount specified in paragraph (2) in a calendar year during which the duty suspension or reduction would be in effect; and

(C) on the date on which the Commission submits a draft bill to the appropriate congressional committees under subsection (d) that includes the duty suspension or reduction, the article to which the duty suspension or reduction would apply is not produced in the United States and is not expected to be produced in the United States during the subsequent 12-month period.

(2) DOLLAR AMOUNT SPECIFIED.—

(A) IN GENERAL.—The dollar amount specified in this paragraph is—

(i) for calendar year 2013, $500,000; and

(ii) for any calendar year after calendar year 2013, an amount equal to $500,000 increased or decreased by an amount equal to—

(I) $500,000, multiplied by

(II) the percentage (if any) of the increase or decrease (as the case may be) in the Consumer Price Index for the preceding calendar year compared to the Consumer Price Index for calendar year 2012.

(B) ROUNDING.—Any increase or decrease under subparagraph (A) of the dollar amount specified in this paragraph shall be rounded to the nearest dollar.

(C) CONSUMER PRICE INDEX FOR ANY CALENDAR YEAR.—For purposes of this paragraph, the Consumer Price Index for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of that calendar year.

(D) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term ''Consumer Price Index'' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(3) CONSIDERATION OF RELEVANT INFORMATION.—In determining whether a duty suspension or reduction meets the requirements described in paragraph (1), the Commission may consider any information the Commission considers relevant to the determination.

(4) JUDICIAL REVIEW PRECLUDED.—A determination of the Commission with respect to whether or not a duty suspension or reduction meets the requirements described in paragraph (1) shall not be subject to judicial review.

(g) REPORTS REQUIRED.—

(1) IN GENERAL.—Each time the Commission submits a draft bill under subsection (d), the Commission shall submit to the appropriate congressional committees a report on the duty suspensions and reductions contained in the draft bill that includes—

(A) the views of the head of each agency consulted under subsection (e); and

(B) any objections received by the Commission during consultations conducted under subsection (e) or through public comments submitted under subsection (c), including—

(i) objections with respect to duty suspensions or reductions the Commission included in the draft bill; and

(ii) objections that led to the Commission to determine not to include a duty suspension or reduction in the draft bill.

(2) INITIAL REPORT ON PROCESS.—Not later than 300 days after the date of the enactment of this Act, the Commission shall submit to the appropriate congressional committees a report that includes—

(A) an assessment of the effectiveness of the process established under subsection (a) and the requirements of this section;

(B) to the extent practicable, a description of the effects of duty suspensions and reductions recommended pursuant to that process on the United States economy that includes—

(i) a broad assessment of the economic effects of such duty suspensions and reductions on producers, purchasers, and consumers in the United States; and

(ii) case studies describing such effects by industry or by type of articles, as available data permits;

(C) a comparison of the actual loss in revenue to the United States resulting from duty suspensions and reductions recommended pursuant to that process to the loss in such revenue estimated during that process;

(D) to the extent practicable, information on how broadly or narrowly duty suspensions and reductions recommended pursuant to that process were used by importers; and

(E) any recommendations of the Commission for improving that process and the requirements of this section.

(h) FORM OF DRAFT BILL AND REPORTS.—Each draft bill submitted under subsection (d) and each report required by subsection (g) shall be—

(1) submitted to the appropriate congressional committees in electronic form; and

(2) made available to the public on the website of the Commission.

SEC. 204. REPORTS ON BENEFITS OF DUTY SUSPENSIONS OR REDUCTIONS TO SECTORS OF THE UNITED STATES ECONOMY.

Not later than January 1, 2014, and annually thereafter, the Commission shall submit to the appropriate congressional committees a report that—

(1) makes recommendations with respect to sectors of the United States economy that could benefit from duty suspensions or reductions without causing harm to other domestic interests; and

(2) assesses the feasibility and advisability of suspending or reducing duties on a sectoral basis rather than on individual articles.

SA 2556. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. ___. PERMANENT EXTENSION OF DEDUCTION FOR STATE AND LOCAL GENERAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) of the Internal Revenue Code of 1986 is amended by striking '', and before January 1, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

SA 2557. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. _. REPEAL OF SUNSET ON MARRIAGE PENALTY RELIEF.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 301, 302, and 303(a) of such Act (relating to marriage penalty relief).

SA 2558. Mrs. HUTCHISON (for herself and Mr. COBURN) submitted an amendment intended to be proposed by her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. ___. REPEAL OF CERTAIN LIMITATIONS ON HEALTH CARE BENEFITS.

(a) REPEAL OF DISTRIBUTIONS FOR MEDICINE QUALIFIED ONLY IF FOR PRESCRIBED DRUG OR INSULIN.—

(1) HSAS.—Section 223(d)(2)(A) of the Internal Revenue Code of 1986 is amended by striking the last sentence thereof.

(2) ARCHER MSAS.—Section 220(d)(2)(A) of such Code is amended by striking the last sentence thereof.

(3) HEALTH FLEXIBLE SPENDING ARRANGEMENTS AND HEALTH REIMBURSEMENT ARRANGEMENTS.—Section 106 of such Code is amended by striking subsection (f).

(4) EFFECTIVE DATE.—

(A) DISTRIBUTIONS FROM SAVINGS ACCOUNTS.—The amendments made by paragraphs (1) and (2) shall apply to amounts paid with respect to taxable years beginning after December 31, 2011.

(B) REIMBURSEMENTS.—The amendment made by paragraph (3) shall apply to expenses incurred with respect to taxable years beginning after December 31, 2011.

(b) REPEAL OF LIMITATION ON HEALTH FLEXIBLE SPENDING ARRANGEMENTS UNDER CAFETERIA PLANS.—

(1) IN GENERAL.—Section 125 of the Internal Revenue Code of 1986 is amended by striking subsection (i) and by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2012.

SA 2559. Mr. REID (for Mrs. MURRAY) proposed an amendment to the bill H.R. 1627, to amend title 38, United States Code, to furnish hospital care and medical services to veterans who were stationed at Camp Lejeune, North Carolina, while the water was contaminated at Camp Lejeune, to improve the provision of housing assistance to veterans and their families, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES 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 title 38, United States Code.

SEC. 3. SCORING OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

TITLE I—HEALTH CARE MATTERS

SEC. 101. SHORT TITLE.

This title may be cited as the ''Janey Ensminger Act''.

SEC. 102. HOSPITAL CARE AND MEDICAL SERVICES FOR VETERANS STATIONED AT CAMP LEJEUNE, NORTH CAROLINA.

(a) HOSPITAL CARE AND MEDICAL SERVICES FOR VETERANS.—

(1) IN GENERAL.—Paragraph (1) of section 1710(e) is amended by adding at the end the following new subparagraph:

''(F) Subject to paragraph (2), a veteran who served on active duty in the Armed Forces at Camp Lejeune, North Carolina, for not fewer than 30 days during the period beginning on January 1, 1957, and ending on December 31, 1987, is eligible for hospital care and medical services under subsection (a)(2)(F) for any of the following illnesses or conditions, notwithstanding that there is insufficient medical evidence to conclude that such illnesses or conditions are attributable to such service:

''(i) Esophageal cancer.
''(ii) Lung cancer.
''(iii) Breast cancer.
''(iv) Bladder cancer.
''(v) Kidney cancer.
''(vi) Leukemia.
''(vii) Multiple myeloma.
''(viii) Myleodysplasic syndromes.
''(ix) Renal toxicity.
''(x) Hepatic steatosis.
''(xi) Female infertility.
''(xii) Miscarriage.
''(xiii) Scleroderma.
''(xiv) Neurobehavioral effects.
''(xv) Non-Hodgkin's lymphoma.''.

(2) LIMITATION.—Paragraph (2)(B) of such section is amended by striking ''or (E)'' and inserting ''(E), or (F)''.

(b) FAMILY MEMBERS.—

(1) IN GENERAL.—Subchapter VIII of chapter 17 is amended by adding at the end the following new section:

''§ 1787. Health care of family members of veterans stationed at Camp Lejeune, North Carolina

''(a) IN GENERAL.—Subject to subsection (b), a family member of a veteran described in subparagraph (F) of section 1710(e)(1) of this title who resided at Camp Lejeune, North Carolina, for not fewer than 30 days during the period described in such subparagraph or who was in utero during such period while the mother of such family member resided at such location shall be eligible for hospital care and medical services furnished by the Secretary for any of the illnesses or conditions described in such subparagraph, notwithstanding that there is insufficient medical evidence to conclude that such illnesses or conditions are attributable to such residence.

''(b) LIMITATIONS.—(1) The Secretary may only furnish hospital care and medical services under subsection (a) to the extent and in the amount provided in advance in appropriations Acts for such purpose.

''(2) Hospital care and medical services may not be furnished under subsection (a) for an illness or condition of a family member that is found, in accordance with guidelines issued by the Under Secretary for Health, to have resulted from a cause other than the residence of the family member described in that subsection.

''(3) The Secretary may provide reimbursement for hospital care or medical services provided to a family member under this section only after the family member or the provider of such care or services has exhausted without success all claims and remedies reasonably available to the family member or provider against a third party (as defined in section 1725(f) of this title) for payment of such care or services, including with respect to health-plan contracts (as defined in such section).''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1786 the following new item:

''1787. Health care of family members of veterans stationed at Camp Lejeune, North Carolina.''.

(c) ANNUAL REPORTS.—

(1) IN GENERAL.—Not later than December 31 of each of 2013, 2014, and 2015, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the care and services provided under sections 1710(e)(1)(F) and 1787 of title 38, United States Code (as added by subsections (a) and (b)(1), respectively).

(2) ELEMENTS.—Each report under paragraph (1) shall set forth the following:

(A) The number of veterans and family members provided hospital care and medical services under the provisions of law specified in paragraph (1) during the period beginning on October 1, 2012, and ending on the date of such report.

(B) The illnesses, conditions, and disabilities for which care and services have been provided such veterans and family members under such provisions of law during that period.

(C) The number of veterans and family members who applied for care and services under such provisions of law during that period but were denied, including information on the reasons for such denials.

(D) The number of veterans and family members who applied for care and services under such provisions of law and are awaiting a decision from the Secretary on eligibility for such care and services as of the date of such report.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The provisions of this section and the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) APPLICABILITY.—Subparagraph (F) of section 1710(e)(1) of such title, as added by subsection (a), and section 1787 of title 38, United States Code, as added by subsection (b)(1), shall apply with respect to hospital care and medical services provided on or after the date of the enactment of this Act.

SEC. 103. AUTHORITY TO WAIVE COLLECTION OF COPAYMENTS FOR TELEHEALTH AND TELEMEDICINE VISITS OF VETERANS.

(a) IN GENERAL.—Subchapter III of chapter 17 is amended by inserting after section 1722A the following new section:

''§ 1722B. Copayments: waiver of collection of copayments for telehealth and telemedicine visits of veterans

''The Secretary may waive the imposition or collection of copayments for telehealth and telemedicine visits of veterans under the laws administered by the Secretary.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1722A the following new item:

''1722B. Copayments: waiver of collection of copayments for telehealth and telemedicine visits of veterans.''.

SEC. 104. TEMPORARY EXPANSION OF PAYMENTS AND ALLOWANCES FOR BENEFICIARY TRAVEL IN CONNECTION WITH VETERANS RECEIVING CARE FROM VET CENTERS.

(a) IN GENERAL.—Beginning one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall commence a three-year initiative to assess the feasibility and advisability of paying under section 111(a) of title 38, United States Code, the actual necessary expenses of travel or allowances for travel from a residence located

in an area that is designated by the Secretary as highly rural to the nearest Vet Center and from such Vet Center to such residence.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the completion of the initiative, the Secretary shall submit to Congress a report on the findings of the Secretary with respect to the initiative required by subsection (a).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of the individuals who benefitted from payment under the initiative.

(B) A description of any impediments to the Secretary in paying expenses or allowances under the initiative.

(C) A description of any impediments encountered by individuals in receiving such payments.

(D) An assessment of the feasibility and advisability of paying such expenses or allowances.

(E) An assessment of any fraudulent receipt of payment under the initiative and the recommendations of the Secretary for legislative or administrative action to reduce such fraud.

(F) Such recommendations for legislative or administrative action as the Secretary considers appropriate with respect to the payment of expenses or allowances as described in subsection (a).

(c) VET CENTER DEFINED.—In this section, the term ''Vet Center'' means a center for readjustment counseling and related mental health services for veterans under section 1712A of title 38, United States Code.

SEC. 105. CONTRACTS AND AGREEMENTS FOR NURSING HOME CARE.

(a) CONTRACTS.—Section 1745(a) is amended—

(1) in paragraph (1), by striking ''The Secretary shall pay each State home for nursing home care at the rate determined under paragraph (2)'' and inserting ''The Secretary shall enter into a contract (or agreement under section 1720(c)(1) of this title) with each State home for payment by the Secretary for nursing home care provided in the home''; and

(2) by striking paragraph (2) and inserting the following new paragraph (2):

''(2) Payment under each contract (or agreement) between the Secretary and a State home under paragraph (1) shall be based on a methodology, developed by the Secretary in consultation with the State home, to adequately reimburse the State home for the care provided by the State home under the contract (or agreement).''.

(b) AGREEMENTS.—Section 1720(c)(1)(A) is amended—

(1) in clause (i), by striking ''; and'' and inserting a semicolon;

(2) in clause (ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new clause:

''(iii) a provider of services eligible to enter into a contract pursuant to section 1745(a) of this title that is not otherwise described in clause (i) or (ii).''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to care provided on or after the date that is 180 days after the date of the enactment of this Act.

(2) MAINTENANCE OF PRIOR METHODOLOGY OF REIMBURSEMENT FOR CERTAIN STATE HOMES.—In the case of a State home that provided nursing home care on the day before the date of the enactment of this Act for which the State home was eligible for pay under section 1745(a)(1) of title 38, United States Code, at the request of any State home, the Secretary shall offer to enter into a contract (or agreement described in such section) with such State home under such section, as amended by subsection (a), for payment for nursing home care provided by such State home under such section that reflects the overall methodology of reimbursement for such care that was in effect for such State home on the day before the date of the enactment of this Act.

SEC. 106. COMPREHENSIVE POLICY ON REPORTING AND TRACKING SEXUAL ASSAULT INCIDENTS AND OTHER SAFETY INCIDENTS.

(a) POLICY.—Subchapter I of chapter 17 is amended by adding at the end the following:

''§ 1709. Comprehensive policy on reporting and tracking sexual assault incidents and other safety incidents

''(a) POLICY REQUIRED.—(1) Not later than September 30, 2012, the Secretary shall develop and implement a centralized and comprehensive policy on the reporting and tracking of sexual assault incidents and other safety incidents that occur at each medical facility of the Department, including—

''(A) suspected, alleged, attempted, or confirmed cases of sexual assault, regardless of whether such assaults lead to prosecution or conviction;

''(B) criminal and purposefully unsafe acts;

''(C) alcohol or substance abuse related acts (including by employees of the Department); and

''(D) any kind of event involving alleged or suspected abuse of a patient.

''(2) In developing and implementing a policy under paragraph (1), the Secretary shall consider the effects of such policy on—

''(A) the use by veterans of mental health care and substance abuse treatments; and

''(B) the ability of the Department to refer veterans to such care or treatment.

''(b) SCOPE.—The policy required by subsection (a) shall cover each of the following:

''(1) For purposes of reporting and tracking sexual assault incidents and other safety incidents, definitions of the terms—

''(A) 'safety incident';

''(B) 'sexual assault'; and

''(C) 'sexual assault incident'.

''(2)(A) The development and use of specific risk-assessment tools to examine any risks related to sexual assault that a veteran may pose while being treated at a medical facility of the Department, including clear and consistent guidance on the collection of information related to—

''(i) the legal history of the veteran; and

''(ii) the medical record of the veteran.

''(B) In developing and using tools under subparagraph (A), the Secretary shall consider the effects of using such tools on the use by veterans of health care furnished by the Department.

''(3) The mandatory training of employees of the Department on security issues, including awareness, preparedness, precautions, and police assistance.

''(4) The mandatory implementation, use, and regular testing of appropriate physical security precautions and equipment, including surveillance camera systems, computer-based panic alarm systems, stationary panic alarms, and electronic portable personal panic alarms.

''(5) Clear, consistent, and comprehensive criteria and guidance with respect to an employee of the Department communicating and reporting sexual assault incidents and other safety incidents to—

''(A) supervisory personnel of the employee at—

''(i) a medical facility of the Department;

''(ii) an office of a Veterans Integrated Service Network; and

''(iii) the central office of the Veterans Health Administration; and

''(B) a law enforcement official of the Department.

''(6) Clear and consistent criteria and guidelines with respect to an employee of the Department referring and reporting to the Office of Inspector General of the Department sexual assault incidents and other safety incidents that meet the regulatory criminal threshold prescribed under sections 901 and 902 of this title.

''(7) An accountable oversight system within the Veterans Health Administration that includes—

''(A) systematic information sharing of reported sexual assault incidents and other safety incidents among officials of the Administration who have programmatic responsibility; and

''(B) a centralized reporting, tracking, and monitoring system for such incidents.

''(8) Consistent procedures and systems for law enforcement officials of the Department with respect to investigating, tracking, and closing reported sexual assault incidents and other safety incidents.

''(9) Clear and consistent guidance for the clinical management of the treatment of sexual assaults that are reported more than 72 hours after the assault.

''(c) UPDATES TO POLICY.—The Secretary shall review and revise the policy required by subsection (a) on a periodic basis as the Secretary considers appropriate and in accordance with best practices.

''(d) ANNUAL REPORT.—(1) Not later than 60 days after the date on which the Secretary develops the policy required by subsection (a) and not later than October 1 of each year thereafter, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the implementation of the policy.

''(2) The report required by paragraph (1) shall include—

''(A) the number and type of sexual assault incidents and other safety incidents reported by each medical facility of the Department;

''(B) a detailed description of the implementation of the policy required by subsection (a), including any revisions made to such policy from the previous year; and

''(C) the effectiveness of such policy on improving the safety and security of the medical facilities of the Department, including the performance measures used to evaluate such effectiveness.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1708 the following new item:

''1709. Comprehensive policy on reporting and tracking sexual assault incidents and other safety incidents.''.

(c) INTERIM REPORT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on the development of the policy required by section 1709 of title 38, United States Code, as added by subsection (a).

SEC. 107. REHABILITATIVE SERVICES FOR VETERANS WITH TRAUMATIC BRAIN INJURY.

(a) REHABILITATION PLANS AND SERVICES.—Section 1710C is amended—

(1) in subsection (a)(1), by inserting before the semicolon the following: ''with the goal of maximizing the individual's independence'';

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by inserting ''(and sustaining improvement in)'' after ''improving'';

(ii) by inserting ''behavioral,'' after ''cognitive,'';

(B) in paragraph (2), by inserting ''rehabilitative services and'' before ''rehabilitative components''; and

(C) in paragraph (3)—

(i) by striking ''treatments'' the first place it appears and inserting ''services''; and

(ii) by striking ''treatments and'' the second place it appears; and

(3) by adding at the end the following new subsection:

''(h) REHABILITATIVE SERVICES DEFINED.—For purposes of this section, and sections 1710D and 1710E of this title, the term 'rehabilitative services' includes—

''(1) rehabilitative services, as defined in section 1701 of this title;

''(2) treatment and services (which may be of ongoing duration) to sustain, and prevent loss of, functional gains that have been achieved; and

''(3) any other rehabilitative services or supports that may contribute to maximizing an individual's independence.''.

(b) REHABILITATION SERVICES IN COMPREHENSIVE PROGRAM FOR LONG-TERM REHABILITATION.—Section 1710D(a) is amended—

(1) by inserting ''and rehabilitative services (as defined in section 1710C of this title)'' after ''long-term care''; and

(2) by striking ''treatment''.

(c) REHABILITATION SERVICES IN AUTHORITY FOR COOPERATIVE AGREEMENTS FOR USE OF NON-DEPARTMENT FACILITIES FOR REHABILITATION.—Section 1710E(a) is amended by inserting '', including rehabilitative services (as defined in section 1710C of this title),'' after ''medical services''.

(d) TECHNICAL AMENDMENT.—Section 1710C(c)(2)(S) of title 38, United States Code, is amended by striking ''opthamologist'' and inserting ''ophthalmologist''.

SEC. 108. TELECONSULTATION AND TELEMEDICINE.

(a) TELECONSULTATION.—

(1) IN GENERAL.—Subchapter I of chapter 17, as amended by section 106(a), is further amended by adding at the end the following new section:

''§ 1709A. Teleconsultation

''(a) TELECONSULTATION.—(1) The Secretary shall carry out an initiative of teleconsultation for the provision of remote mental health and traumatic brain injury assessments in facilities of the Department that are not otherwise able to provide such assessments without contracting with third-party providers or reimbursing providers through a fee basis system.

''(2) The Secretary shall, in consultation with appropriate professional societies, promulgate technical and clinical care standards for the use of teleconsultation services within facilities of the Department.

''(3) In carrying out an initiative under paragraph (1), the Secretary shall ensure that facilities of the Department are able to provide a mental health or traumatic brain injury assessment to a veteran through contracting with a third-party provider or reimbursing a provider through a fee basis system when—

''(A) such facilities are not able to provide such assessment to the veteran without—

''(i) such contracting or reimbursement; or

''(ii) teleconsultation; and

''(B) providing such assessment with such contracting or reimbursement is more clinically appropriate for the veteran than providing such assessment with teleconsultation.

''(b) TELECONSULTATION DEFINED.—In this section, the term 'teleconsultation' means the use by a health care specialist of telecommunications to assist another health care provider in rendering a diagnosis or treatment.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1709, as added by section 106(b), the following new item:

''1709A. Teleconsultation.''.

(b) TRAINING IN TELEMEDICINE.—

(1) IN GENERAL.—The Secretary of Veterans Affairs shall, to the extent feasible, offer medical residents opportunities in training in telemedicine for medical residency programs. The Secretary shall consult with the Accreditation Council for Graduate Medical Education and with universities with which facilities of the Department have a major affiliation to determine the feasibility and advisability of making telehealth a mandatory component of medical residency programs.

(2) TELEMEDICINE DEFINED.—In this subsection, the term ''telemedicine'' means the use by a health care provider of telecommunications to assist in the diagnosis or treatment of a patient's medical condition.

SEC. 109. USE OF SERVICE DOGS ON PROPERTY OF THE DEPARTMENT OF VETERANS AFFAIRS.

Section 901 is amended by adding at the end the following new subsection:

''(f)(1) The Secretary may not prohibit the use of a covered service dog in any facility or on any property of the Department or in any facility or on any property that receives funding from the Secretary.

''(2) For purposes of this subsection, a covered service dog is a service dog that has been trained by an entity that is accredited by an appropriate accrediting body that evaluates and accredits organizations which train guide or service dogs.''.

SEC. 110. RECOGNITION OF RURAL HEALTH RESOURCE CENTERS IN OFFICE OF RURAL HEALTH.

Section 7308 is amended by adding at the end the following new subsection:

''(d) RURAL HEALTH RESOURCE CENTERS.—(1) There are, in the Office, veterans rural health resource centers that serve as satellite offices for the Office.

''(2) The veterans rural health resource centers have purposes as follows:

''(A) To improve the understanding of the Office of the challenges faced by veterans living in rural areas.

''(B) To identify disparities in the availability of health care to veterans living in rural areas.

''(C) To formulate practices or programs to enhance the delivery of health care to veterans living in rural areas.

''(D) To develop special practices and products for the benefit of veterans living in rural areas and for implementation of such practices and products in the Department systemwide.''.

SEC. 111. IMPROVEMENTS FOR RECOVERY AND COLLECTION OF AMOUNTS FOR DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE COLLECTIONS FUND.

(a) DEVELOPMENT AND IMPLEMENTATION OF PLAN FOR RECOVERY AND COLLECTION.—

(1) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall develop and implement a plan to ensure the recovery and collection of amounts under the provisions of law described in section 1729A(b) of title 38, United States Code, for deposit in the Department of Veterans Affairs Medical Care Collections Fund.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An effective process to identify billable fee claims.

(B) Effective and practicable policies and procedures that ensure recovery and collection of amounts described in section 1729A(b) of such title.

(C) The training of employees of the Department, on or before September 30, 2013, who are responsible for the recovery or collection of such amounts to enable such employees to comply with the process required by subparagraph (A) and the policies and procedures required by subparagraph (B).

(D) Fee revenue goals for the Department.

(E) An effective monitoring system to ensure achievement of goals described in subparagraph (D) and compliance with the policies and procedures described in subparagraph (B).

(b) MONITORING OF THIRD-PARTY COLLECTIONS.—The Secretary shall monitor the recovery and collection of amounts from third parties (as defined in section 1729(i) of such title) for deposit in such fund.

SEC. 112. EXTENSION OF AUTHORITY FOR COPAYMENTS.

Section 1710(f)(2)(B) is amended by striking ''September 30, 2012'' and inserting ''September 30, 2013''.

SEC. 113. EXTENSION OF AUTHORITY FOR RECOVERY OF COST OF CERTAIN CARE AND SERVICES.

Section 1729(a)(2)(E) is amended by striking ''October 1, 2012'' and inserting ''October 1, 2013''.

TITLE II—HOUSING MATTERS

SEC. 201. SHORT TITLE.

This title may be cited as the ''Andrew Connelly Veterans Housing Act''.

SEC. 202. TEMPORARY EXPANSION OF ELIGIBILITY FOR SPECIALLY ADAPTED HOUSING ASSISTANCE FOR CERTAIN VETERANS WITH DISABILITIES CAUSING DIFFICULTY WITH AMBULATING.

(a) IN GENERAL.—Paragraph (2) of section 2101(a) is amended to read as follows:

''(2)(A) A veteran is described in this paragraph if the veteran—

''(i) is entitled to compensation under chapter 11 of this title for a permanent and total service-connected disability that meets any of the criteria described in subparagraph (B); or

''(ii) served in the Armed Forces on or after September 11, 2001, and is entitled to compensation under chapter 11 of this title for a permanent service-connected disability that meets the criterion described in subparagraph (C).

''(B) The criteria described in this subparagraph are as follows:

''(i) The disability is due to the loss, or loss of use, of both lower extremities such as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.

''(ii) The disability is due to—

''(I) blindness in both eyes, having only light perception, plus (ii) loss or loss of use of one lower extremity.

''(iii) The disability is due to the loss or loss of use of one lower extremity together with—

''(I) residuals of organic disease or injury; or

''(II) the loss or loss of use of one upper extremity,

which so affect the functions of balance or propulsion as to preclude locomotion without the aid of braces, crutches, canes, or a wheelchair.

''(iv) The disability is due to the loss, or loss of use, of both upper extremities such as to preclude use of the arms at or above the elbows.

''(v) The disability is due to a severe burn injury (as determined pursuant to regulations prescribed by the Secretary).

''(C) The criterion described in this subparagraph is that the disability—

''(i) was incurred on or after September 11, 2001; and

''(ii) is due to the loss or loss of use of one or more lower extremities which so affects the functions of balance or propulsion as to preclude ambulating without the aid of braces, crutches, canes, or a wheelchair.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2012.

(c) SUNSET.—Subsection (a) of section 2101 is amended—

(1) in paragraph (1), by striking ''to paragraph (3)'' and inserting ''to paragraphs (3) and (4)''; and

(2) by adding at the end the following new paragraph:

''(4) The Secretary's authority to furnish assistance under paragraph (1) to a disabled veteran described in paragraph (2)(A)(ii) shall apply only with respect to applications for such assistance approved by the Secretary on or before September 30, 2013.''.

SEC. 203. EXPANSION OF ELIGIBILITY FOR SPECIALLY ADAPTED HOUSING ASSISTANCE FOR VETERANS WITH VISION IMPAIRMENT.

(a) IN GENERAL.—Paragraph (2) of section 2101(b) is amended to read as follows:

''(2) A veteran is described in this paragraph if the veteran is entitled to compensation under chapter 11 of this title for a service-connected disability that meets any of the following criteria:

''(A) The disability is due to blindness in both eyes, having central visual acuity of 20/200 or less in the better eye with the use of a standard correcting lens. For the purposes of this subparagraph, an eye with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

''(B) A permanent and total disability that includes the anatomical loss or loss of use of both hands.

''(C) A permanent and total disability that is due to a severe burn injury (as so determined).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2012.

SEC. 204. REVISED LIMITATIONS ON ASSISTANCE FURNISHED FOR ACQUISITION AND ADAPTATION OF HOUSING FOR DISABLED VETERANS.

(a) IN GENERAL.—Subsection (d) of section 2102 is amended to read as follows:

''(d)(1) The aggregate amount of assistance available to an individual under section 2101(a) of this title shall be limited to $63,780.

''(2) The aggregate amount of assistance available to an individual under section 2101(b) of this title shall be limited to $12,756.

''(3) No veteran may receive more than three grants of assistance under this chapter.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is one year after the date of the enactment of this Act and shall apply with respect to assistance provided under sections 2101(a), 2101(b), and 2102A of title 38, United States Code, after such date.

(c) MAINTENANCE OF HIGHER RATES.—The amendment made by subsection (a) shall not be construed to decrease the aggregate amount of assistance available to an individual under the sections described in subsection (b), as most recently increased by the Secretary pursuant to section 2102(e) of such title.

SEC. 205. IMPROVEMENTS TO ASSISTANCE FOR DISABLED VETERANS RESIDING IN HOUSING OWNED BY A FAMILY MEMBER.

(a) INCREASED ASSISTANCE.—Subsection (b) of section 2102A is amended—

(1) in paragraph (1), by striking ''$14,000'' and inserting ''$28,000''; and

(2) in paragraph (2), by striking ''$2,000'' and inserting ''$5,000''.

(b) INDEXING OF LEVELS OF ASSISTANCE.—Such subsection is further amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) in the matter before subparagraph (A), as redesignated by paragraph (1), by inserting ''(1)'' before ''The''; and

(3) by adding at the end the following new paragraph (2):

''(2) Effective on October 1 of each year (beginning in 2012), the Secretary shall use the same percentage calculated pursuant to section 2102(e) of this title to increase the amounts described in paragraph (1) of this subsection.''.

(c) EXTENSION OF AUTHORITY FOR ASSISTANCE.—Subsection (e) of such section is amended by striking ''December 31, 2012'' and inserting ''December 31, 2022''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to assistance furnished in accordance with section 2102A of title 38, United States Code, on or after that date.

SEC. 206. DEPARTMENT OF VETERANS AFFAIRS HOUSING LOAN GUARANTEES FOR SURVIVING SPOUSES OF CERTAIN TOTALLY DISABLED VETERANS.

(a) IN GENERAL.—Section 3701(b) is amended by adding at the end the following new paragraph:

''(6) The term 'veteran' also includes, for purposes of home loans, the surviving spouse of a veteran who died and who was in receipt of or entitled to receive (or but for the receipt of retired or retirement pay was entitled to receive) compensation at the time of death for a service-connected disability rated totally disabling if—

''(A) the disability was continuously rated totally disabling for a period of 10 or more years immediately preceding death;

''(B) the disability was continuously rated totally disabling for a period of not less than five years from the date of such veteran's discharge or other release from active duty; or

''(C) the veteran was a former prisoner of war who died after September 30, 1999, and the disability was continuously rated totally disabling for a period of not less than one year immediately preceding death.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to a loan guaranteed after the date of the enactment of this Act.

(c) CLARIFICATION WITH RESPECT TO CERTAIN FEES.—Fees shall be collected under section 3729 of title 38, United States Code, from a person described in paragraph (6) of section 3701(b) of such title, as added by subsection (a) of this section, in the same manner as such fees are collected from a person described in paragraph (2) of section 3701(b) of such title.

SEC. 207. OCCUPANCY OF PROPERTY BY DEPENDENT CHILD OF VETERAN FOR PURPOSES OF MEETING OCCUPANCY REQUIREMENT FOR DEPARTMENT OF VETERANS AFFAIRS HOUSING LOANS.

Paragraph (2) of section 3704(c) is amended to read as follows:

''(2) In any case in which a veteran is in active-duty status as a member of the Armed Forces and is unable to occupy a property because of such status, the occupancy requirements of this chapter shall be considered to be satisfied if—

''(A) the spouse of the veteran occupies or intends to occupy the property as a home and the spouse makes the certification required by paragraph (1) of this subsection; or

''(B) a dependent child of the veteran occupies or will occupy the property as a home and the veteran's attorney-in-fact or legal guardian of the dependent child makes the certification required by paragraph (1) of this subsection.''.

SEC. 208. MAKING PERMANENT PROJECT FOR GUARANTEEING OF ADJUSTABLE RATE MORTGAGES.

Section 3707(a) is amended by striking ''demonstration project under this section during fiscal years 1993 through 2012'' and inserting ''project under this section''.

SEC. 209. MAKING PERMANENT PROJECT FOR INSURING HYBRID ADJUSTABLE RATE MORTGAGES.

Section 3707A(a) is amended by striking ''demonstration project under this section during fiscal years 2004 through 2012'' and inserting ''project under this section''.

SEC. 210. WAIVER OF LOAN FEE FOR INDIVIDUALS WITH DISABILITY RATINGS ISSUED DURING PRE-DISCHARGE PROGRAMS.

Paragraph (2) of section 3729(c) is amended to read as follows:

''(2)(A) A veteran described in subparagraph (B) shall be treated as receiving compensation for purposes of this subsection as of the date of the rating described in such subparagraph without regard to whether an effective date of the award of compensation is established as of that date.

''(B) A veteran described in this subparagraph is a veteran who is rated eligible to receive compensation—

''(i) as the result of a pre-discharge disability examination and rating; or

''(ii) based on a pre-discharge review of existing medical evidence (including service medical and treatment records) that results in the issuance of a memorandum rating.''.

SEC. 211. MODIFICATION OF AUTHORITIES FOR ENHANCED-USE LEASES OF REAL PROPERTY.

(a) SUPPORTIVE HOUSING DEFINED.—Section 8161 is amended by adding at the end the following new paragraph:

''(3) The term 'supportive housing' means housing that engages tenants in on-site and community-based support services for veterans or their families that are at risk of homelessness or are homeless. Such term may include the following:

''(A) Transitional housing.

''(B) Single-room occupancy.

''(C) Permanent housing.

''(D) Congregate living housing.

''(E) Independent living housing.

''(F) Assisted living housing.

''(G) Other modalities of housing.''.

(b) MODIFICATION OF LIMITATIONS ON ENHANCED USE LEASES.—

(1) IN GENERAL.—Paragraph (2) of section 8162(a) is amended to read as follows:

''(2) The Secretary may enter into an enhanced-use lease only for the provision of supportive housing and the lease is not inconsistent with and will not adversely affect the mission of the Department.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Paragraph (2) of section 8162(a) of title 38, United States Code, as amended by paragraph (1), shall take effect on January 1, 2012, and shall apply with respect to enhanced-use leases entered into on or after such date.

(B) PREVIOUS LEASES.—Any enhanced-use lease that the Secretary has entered into prior to the date described in subparagraph (A) shall be subject to the provisions of subchapter V of chapter 81 of such title, as in effect on the day before the date of the enactment of this Act.

(c) CONSIDERATION FOR AND TERMS OF ENHANCED-USE LEASES.—

(1) IN GENERAL.—Section 8162(b) is amended—

(A) in paragraph (1), by striking ''(A) If the Secretary'' and all that follows through

''under subparagraph (A).'' and inserting the following: ''If the Secretary has determined that a property should be leased to another party through an enhanced-use lease, the Secretary shall, at the Secretary's discretion, select the party with whom the lease will be entered into using such selection procedures as the Secretary considers appropriate.'';

(B) by amending paragraph (3) to read as follows:

''(3)(A) For any enhanced-use lease entered into by the Secretary, the lease consideration provided to the Secretary shall consist solely of cash at fair value as determined by the Secretary.

''(B) The Secretary shall receive no other type of consideration for an enhanced-use lease besides cash.

''(C) The Secretary may enter into an enhanced-use lease without receiving consideration.'';

(C) in paragraph (4), by striking ''Secretary to'' and all that follows through ''use minor'' and inserting ''Secretary to use minor''; and

(D) by adding at the end the following new paragraphs:

''(5) The terms of an enhanced-use lease may not provide for any acquisition, contract, demonstration, exchange, grant, incentive, procurement, sale, other transaction authority, service agreement, use agreement, lease, or lease-back by the Secretary or Federal Government.

''(6) The Secretary may not enter into an enhanced-use lease without certification in advance in writing by the Director of the Office of Management and Budget that such lease complies with the requirements of this subchapter.''.

(2) EFFECTIVE DATE.—Paragraph (3) of section 8162(b), as amended by paragraph (1)(B) of this subsection, shall take effect on January 1, 2012, and shall apply with respect to enhanced-use leases entered into on or after such date.

(d) PROHIBITED ENHANCED-USE LEASES.—Section 8162(c) is amended—

(1) by striking paragraph (2); and

(2) in paragraph (1), by striking ''(1) Subject to paragraph (2), the'' and inserting ''The''.

(e) DISPOSITION OF LEASED PROPERTY.—Subsection (b) of section 8164 is amended to read as follows:

''(b) A disposition under this section may be made in return for cash at fair value as the Secretary determines is in the best interest of the United States and upon such other terms and conditions as the Secretary considers appropriate.''.

(f) USE OF AMOUNTS RECEIVED FOR DISPOSITION OF LEASED PROPERTY.—Section 8165(a)(2) is amended by striking ''in the Department of Veterans Affairs Capital Asset Fund established under section 8118 of this title'' and inserting ''into the Department of Veterans Affairs Construction, Major Projects account or Construction, Minor Projects account, as the Secretary considers appropriate''.

(g) CONSTRUCTION STANDARDS.—Section 8166 is amended to read as follows:

''§ 8166. Construction standards

''The construction, alteration, repair, remodeling, or improvement of a property that is the subject of an enhanced-use lease shall be carried out so as to comply with all applicable provisions of Federal, State, and local law relating to land use, building standards, permits, and inspections.''.

(h) EXEMPTION FROM STATE AND LOCAL TAXES.—Section 8167 is amended to read as follows:

''§ 8167. Exemption from State and local taxes

''(a) IMPROVEMENTS AND OPERATIONS NOT EXEMPTED.—The improvements and operations on land leased by a person with an enhanced-use lease from the Secretary shall be subject to all applicable provisions of Federal, State, or local law relating to taxation, fees, and assessments.

''(b) UNDERLYING FEE TITLE INTEREST EXEMPTED.—The underlying fee title interest of the United States in any land subject to an enhanced-use lease shall not be subject, directly or indirectly, to any provision of State or local law relating to taxation, fees, or assessments.''.

(i) ANNUAL REPORTS.—

(1) IN GENERAL.—Subchapter V of chapter 81 is amended by inserting after section 8167 the following new section:

''§ 8168. Annual reports

''(a) REPORT ON ADMINISTRATION OF LEASES.—Not later than 120 days after the date of the enactment of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 and not less frequently than once each year thereafter, the Secretary shall submit to Congress a report identifying the actions taken by the Secretary to implement and administer enhanced-use leases.

''(b) REPORT ON LEASE CONSIDERATION.—Each year, as part of the annual budget submission of the President to Congress under section 1105(a) of title 31, the Secretary shall submit to Congress a detailed report of the consideration received by the Secretary for each enhanced-use lease under this subchapter, along with an overview of how the Secretary is utilizing such consideration to support veterans.''.

(2) ELEMENTS OF INITIAL REPORT.—The first report submitted by the Secretary under section 8168(a) of title 38, United States Code, as added by paragraph (1), shall include a summary of those measures the Secretary is taking to address the following recommendations from the February 9, 2012, audit report of the Department of Veterans Affairs Office of Inspector General on enhanced-use leases under subchapter V of chapter 81 of title 38, United States Code:

(A) Improve standards to ensure complete lease agreements are negotiated in line with strategic goals of the Department of Veterans Affairs.

(B) Institute improved policies and procedures to govern activities such as monitoring enhanced-use lease projects and calculating, classifying, and reporting on enhanced-use lease benefits and expenses.

(C) Recalculate and update enhanced-use lease expenses and benefits reported in the most recent Enhanced-Use Lease Consideration Report of the Department.

(D) Establish improved oversight mechanisms to ensure major enhanced-use lease project decisions are documented and maintained in accordance with policy.

(E) Establish improved criteria to measure timeliness and performance in enhanced-use lease project development and execution.

(F) Establish improved criteria and guidelines for assessing projects to determine whether they are or remain viable candidates for enhanced-use leases.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 is amended by inserting after the item relating to section 8167 the following new item:

''8168. Annual reports.''.

(j) EXPIRATION OF AUTHORITY.—Section 8169 is amended by striking ''December 31, 2011'' and inserting ''December 31, 2023''.

(k) EFFECTIVE DATE.—Except as otherwise provided in this section, the amendments made by this section shall take effect on the date of the enactment of this Act.

TITLE III—HOMELESS MATTERS

SEC. 301. ENHANCEMENT OF COMPREHENSIVE SERVICE PROGRAMS.

(a) ENHANCEMENT OF GRANTS.—Section 2011 is amended—

(1) in subsection (b)(1)(A), by striking ''expansion, remodeling, or alteration of existing buildings, or acquisition of facilities,'' and inserting ''new construction of facilities, expansion, remodeling, or alteration of existing facilities, or acquisition of facilities,''; and

(2) in subsection (c)—

(A) in the first sentence, by striking ''A grant'' and inserting ''(1) A grant'';

(B) in the second sentence of paragraph (1), as designated by subparagraph (A), by striking ''The amount'' and inserting the following:

''(2) The amount''; and

(C) by adding at the end the following new paragraph:

''(3)(A) The Secretary may not deny an application from an entity that seeks a grant under this section to carry out a project described in subsection (b)(1)(A) solely on the basis that the entity proposes to use funding from other private or public sources, if the entity demonstrates that a private nonprofit organization will provide oversight and site control for the project.

''(B) In this paragraph, the term 'private nonprofit organization' means the following:

''(i) An incorporated private institution, organization, or foundation—

''(I) that has received, or has temporary clearance to receive, tax-exempt status under paragraph (2), (3), or (19) of section 501(c) of the Internal Revenue Code of 1986;

''(II) for which no part of the net earnings of the institution, organization, or foundation inures to the benefit of any member, founder, or contributor of the institution, organization, or foundation; and

''(III) that the Secretary determines is financially responsible.

''(ii) A for-profit limited partnership or limited liability company, the sole general partner or manager of which is an organization that is described by subclauses (I) through (III) of clause (i).

''(iii) A corporation wholly owned and controlled by an organization that is described by subclauses (I) through (III) of clause (i).''.

(b) GRANT AND PER DIEM PAYMENTS.—

(1) STUDY AND DEVELOPMENT OF FISCAL CONTROLS AND PAYMENT METHOD.—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall—

(A) complete a study of all matters relating to the method used by the Secretary to make per diem payments under section 2012(a) of title 38, United States Code, including changes anticipated by the Secretary in the cost of furnishing services to homeless veterans and accounting for costs of providing such services in various geographic areas;

(B) develop more effective and efficient procedures for fiscal control and fund accounting by recipients of grants under sections 2011, 2012, and 2061 of such title; and

(C) develop a more effective and efficient method for adequately reimbursing recipients of grants under section 2011 of such title for services furnished to homeless veterans.

(2) CONSIDERATION.—In developing the method required by paragraph (1)(C), the Secretary may consider payments and grants received by recipients of grants described in such paragraph from other departments and agencies of Federal and local governments and from private entities.

(3) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on—

(A) the findings of the Secretary with respect to the study required by subparagraph (A) of paragraph (1);

(B) the methods developed under subparagraphs (B) and (C) of such paragraph; and

(C) any recommendations of the Secretary for revising the method described in subparagraph (A) of such paragraph and any legislative action the Secretary considers necessary to implement such method.

SEC. 302. MODIFICATION OF AUTHORITY FOR PROVISION OF TREATMENT AND REHABILITATION TO CERTAIN VETERANS TO INCLUDE PROVISION OF TREATMENT AND REHABILITATION TO HOMELESS VETERANS WHO ARE NOT SERIOUSLY MENTALLY ILL.

Section 2031(a) is amended in the matter before paragraph (1) by striking ''including'' and inserting ''and to''.

SEC. 303. MODIFICATION OF GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

(a) INCLUSION OF ENTITIES ELIGIBLE FOR COMPREHENSIVE SERVICE PROGRAM GRANTS AND PER DIEM PAYMENTS FOR SERVICES TO HOMELESS VETERANS.—Subsection (a) of section 2061 is amended—

(1) by striking ''to grant and per diem providers'' and inserting ''to entities eligible for grants and per diem payments under sections 2011 and 2012 of this title''; and

(2) by striking ''by those facilities and providers'' and inserting ''by those facilities and entities''.

(b) INCLUSION OF MALE HOMELESS VETERANS WITH MINOR DEPENDENTS.—Subsection (b) of such section is amended—

(1) in paragraph (1), by striking '', including women who have care of minor dependents'';

(2) in paragraph (3), by striking ''or'';

(3) in paragraph (4), by striking the period at the end and inserting ''; or''; and

(4) by adding at the end the following new paragraph:

''(5) individuals who have care of minor dependents.''.

(c) AUTHORIZATION OF PROVISION OF SERVICES TO DEPENDENTS.—Such section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

''(c) PROVISION OF SERVICES TO DEPENDENTS.—A recipient of a grant under subsection (a) may use amounts under the grant to provide services directly to a dependent of a homeless veteran with special needs who is under the care of such homeless veteran while such homeless veteran receives services from the grant recipient under this section.''.

SEC. 304. COLLABORATION IN PROVISION OF CASE MANAGEMENT SERVICES TO HOMELESS VETERANS IN SUPPORTED HOUSING PROGRAM.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall consider entering into contracts or agreements, under sections 513 and 8153 of title 38, United States Code, with eligible entities to collaborate with the Secretary in the provision of case management services to covered veterans as part of the supported housing program carried out under section 8(o)(19) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)) to ensure that the homeless veterans facing the most significant difficulties in obtaining suitable housing receive the assistance they require to obtain such housing.

(b) COVERED VETERANS.—For purposes of this section, a covered veteran is any veteran who, at the time of receipt of a housing voucher under such section 8(o)(19)—

(1) requires the assistance of a case manager in obtaining suitable housing with such voucher; and

(2) is having difficulty obtaining the amount of such assistance the veteran requires, including because—

(A) the veteran resides in an area that has a shortage of low-income housing and because of such shortage the veteran requires more assistance from a case manager than the Secretary otherwise provides;

(B) the location in which the veteran resides is located at such distance from facilities of the Department of Veterans Affairs as makes the provision of case management services by the Secretary to such veteran impractical; or

(C) the veteran resides in an area where veterans who receive case management services from the Secretary under such section have a significantly lower average rate of successfully obtaining suitable housing than the average rate of successfully obtaining suitable housing for all veterans receiving such services.

(c) ELIGIBLE ENTITIES.—For purposes of this section, an eligible entity is any State or local government agency, tribal organization (as such term is defined in section 4 of the Indian Self Determination and Education Assistance Act (25 U.S.C. 450b)), or nonprofit organization that—

(1) under a contract or agreement described in subsection (a), agrees—

(A) to ensure access to case management services by covered veterans on an as-needed basis;

(B) to maintain referral networks for covered veterans for purposes of assisting covered veterans in demonstrating eligibility for assistance and additional services under entitlement and assistance programs available for covered veterans, and to otherwise aid covered veterans in obtaining such assistance and services;

(C) to ensure the confidentiality of records maintained by the entity on covered veterans receiving services through the supported housing program described in subsection (a);

(D) to establish such procedures for fiscal control and fund accounting as the Secretary of Veterans Affairs considers appropriate to ensure proper disbursement and accounting of funds under a contract or agreement entered into by the entity as described in subsection (a);

(E) to submit to the Secretary each year, in such form and such manner as the Secretary may require, a report on the collaboration undertaken by the entity under a contract or agreement described in such subsection during the most recent fiscal year, including a description of, for the year covered by the report—

(i) the services and assistance provided to covered veterans as part of such collaboration;

(ii) the process by which covered veterans were referred to the entity for such services and assistance;

(iii) the specific goals jointly set by the entity and the Secretary for the provision of such services and assistance and whether the entity achieved such goals; and

(iv) the average length of time taken by a covered veteran who received such services and assistance to successfully obtain suitable housing and the average retention rate of such a veteran in such housing; and

(F) to meet such other requirements as the Secretary considers appropriate for purposes of providing assistance to covered veterans in obtaining suitable housing; and

(2) has demonstrated experience in—

(A) identifying and serving homeless veterans, especially those who have the greatest difficulty obtaining suitable housing;

(B) working collaboratively with the Department of Veterans Affairs or the Department of Housing and Urban Development;

(C) conducting outreach to, and maintaining relationships with, landlords to encourage and facilitate participation by landlords in supported housing programs similar to the supported housing program described in subsection (a);

(D) mediating disputes between landlords and veterans receiving assistance under such supported housing program; and

(E) carrying out such other activities as the Secretary of Veterans Affairs considers appropriate.

(d) CONSULTATION.—In considering entering into contracts or agreements as described in subsection (a), the Secretary of Veterans Affairs shall consult with—

(1) the Secretary of Housing and Urban Development; and

(2) third parties that provide services as part of the Department of Housing and Urban Development continuum of care.

(e) TECHNICAL ASSISTANCE FOR COLLABORATING ENTITIES.—

(1) IN GENERAL.—The Secretary may provide training and technical assistance to entities with whom the Secretary collaborates in the provision of case management services to veterans as part of the supported housing program described in subsection (a).

(2) GRANTS.—The Secretary may provide training and technical assistance under paragraph (1) through the award of grants or contracts to appropriate public and nonprofit private entities.

(3) FUNDING.—From amounts appropriated or otherwise made available to the Secretary in the Medical Services account in a year, $500,000 shall be available to the Secretary in that year to carry out this subsection.

(f) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than 545 days after the date of the enactment of this Act and not less frequently than once each year thereafter, the Secretary of Veterans Affairs shall submit to Congress a report on the collaboration between the Secretary and eligible entities in the provision of case management services as described in subsection (a) during the most recently completed fiscal year.

(2) ELEMENTS.—Each report required by paragraph (1) shall include, for the period covered by the report, the following:

(A) A discussion of each case in which a contract or agreement described in subsection (a) was considered by the Secretary, including a description of whether or not and why the Secretary chose or did not choose to enter into such contract or agreement.

(B) The number and types of eligible entities with whom the Secretary has entered into a contract or agreement as described in subsection (a).

(C) A description of the geographic regions in which such entities provide case management services as described in such subsection.

(D) A description of the number and types of covered veterans who received case management services from such entities under such contracts or agreements.

(E) An assessment of the performance of each eligible entity with whom the Secretary entered into a contract or agreement as described in subsection (a).

(F) An assessment of the benefits to covered veterans of such contracts and agreements.

(G) A discussion of the benefits of increasing the ratio of case managers to recipients of vouchers under the supported housing program described in such subsection to veterans who reside in rural areas.

(H) Such recommendations for legislative or administrative action as the Secretary considers appropriate for the improvement of collaboration in the provision of case

management services under such supported housing program.

SEC. 305. EXTENSIONS OF PREVIOUSLY FULLY FUNDED AUTHORITIES AFFECTING HOMELESS VETERANS.

(a) COMPREHENSIVE SERVICE PROGRAMS.—Section 2013 is amended by striking paragraph (5) and inserting the following new paragraphs:

''(5) $250,000,000 for fiscal year 2013.

''(6) $150,000,000 for fiscal year 2014 and each subsequent fiscal year.''.

(b) HOMELESS VETERANS REINTEGRATION PROGRAMS.—Section 2021(e)(1)(F) is amended by striking ''2012'' and inserting ''2013''.

(c) FINANCIAL ASSISTANCE FOR SUPPORTIVE SERVICES FOR VERY LOW-INCOME VETERAN FAMILIES IN PERMANENT HOUSING.—Section 2044(e)(1) is amended by adding at the end the following new subparagraph:

''(E) $300,000,000 for fiscal year 2013.''.

(d) GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.—Section 2061(c)(1) is amended by striking ''through 2012'' and inserting ''through 2013''.

TITLE IV—EDUCATION MATTERS

SEC. 401. AGGREGATE AMOUNT OF EDUCATIONAL ASSISTANCE AVAILABLE TO INDIVIDUALS WHO RECEIVE BOTH SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE AND OTHER VETERANS AND RELATED EDUCATIONAL ASSISTANCE.

(a) AGGREGATE AMOUNT AVAILABLE.—Section 3695 is amended—

(1) in subsection (a)(4), by striking ''35,''; and

(2) by adding at the end the following new subsection:

''(c) The aggregate period for which any person may receive assistance under chapter 35 of this title, on the one hand, and any of the provisions of law referred to in subsection (a), on the other hand, may not exceed 81 months (or the part-time equivalent thereof).''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2013, and shall not operate to revive any entitlement to assistance under chapter 35 of title 38, United States Code, or the provisions of law referred to in section 3695(a) of such title, as in effect on the day before such date, that was terminated by reason of the operation of section 3695(a) of such title, as so in effect, before such date.

(c) REVIVAL OF ENTITLEMENT REDUCED BY PRIOR UTILIZATION OF CHAPTER 35 ASSISTANCE.—

(1) IN GENERAL.—Subject to paragraph (2), in the case of an individual whose period of entitlement to assistance under a provision of law referred to in section 3695(a) of title 38, United States Code (other than chapter 35 of such title), as in effect on September 30, 2013, was reduced under such section 3695(a), as so in effect, by reason of the utilization of entitlement to assistance under chapter 35 of such title before October 1, 2013, the period of entitlement to assistance of such individual under such provision shall be determined without regard to any entitlement so utilized by the individual under chapter 35 of such title.

(2) LIMITATION.—The maximum period of entitlement to assistance of an individual under paragraph (1) may not exceed 81 months.

SEC. 402. ANNUAL REPORTS ON POST-9/11 EDUCATIONAL ASSISTANCE PROGRAM AND SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM.

(a) REPORTS REQUIRED.—

(1) IN GENERAL.—Subchapter III of chapter 33 is amended by adding at the end the following new section:

''§ 3325. Reporting requirement

''(a) IN GENERAL.—For each academic year—

''(1) the Secretary of Defense shall submit to Congress a report on the operation of the program provided for in this chapter; and

''(2) the Secretary shall submit to Congress a report on the operation of the program provided for in this chapter and the program provided for under chapter 35 of this title.

''(b) CONTENTS OF SECRETARY OF DEFENSE REPORTS.—The Secretary of Defense shall include in each report submitted under this section—

''(1) information—

''(A) indicating the extent to which the benefit levels provided under this chapter are adequate to achieve the purposes of inducing individuals to enter and remain in the Armed Forces and of providing an adequate level of financial assistance to help meet the cost of pursuing a program of education;

''(B) indicating whether it is necessary for the purposes of maintaining adequate levels of well-qualified active-duty personnel in the Armed Forces to continue to offer the opportunity for educational assistance under this chapter to individuals who have not yet entered active-duty service; and

''(C) describing the efforts under section 3323(b) of this title to inform members of the Armed Forces of the active duty service requirements for entitlement to educational assistance under this chapter and the results from such efforts; and

''(2) such recommendations for administrative and legislative changes regarding the provision of educational assistance to members of the Armed Forces and veterans, and their dependents, as the Secretary of Defense considers appropriate.

''(c) CONTENTS OF SECRETARY OF VETERANS AFFAIRS REPORTS.—The Secretary shall include in each report submitted under this section—

''(1) information concerning the level of utilization of educational assistance and of expenditures under this chapter and under chapter 35 of this title;

''(2) appropriate student outcome measures, such as the number of credit hours, certificates, degrees, and other qualifications earned by beneficiaries under this chapter and chapter 35 of this title during the academic year covered by the report; and

''(3) such recommendations for administrative and legislative changes regarding the provision of educational assistance to members of the Armed Forces and veterans, and their dependents, as the Secretary considers appropriate.

''(d) TERMINATION.—No report shall be required under this section after January 1, 2021.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3324 the following new item:

''3325. Reporting requirement.''.

(3) DEADLINE FOR SUBMITTAL OF FIRST REPORT.—The first reports required under section 3325 of title 38, United States Code, as added by paragraph (1), shall be submitted by not later than November 1, 2013.

(b) REPEAL OF REPORT ON ALL VOLUNTEER-FORCE EDUCATIONAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Chapter 30 is amended by striking section 3036.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by striking the item relating to section 3036.

TITLE V—BENEFITS MATTERS

SEC. 501. AUTOMATIC WAIVER OF AGENCY OF ORIGINAL JURISDICTION REVIEW OF NEW EVIDENCE.

(a) IN GENERAL.—Section 7105 is amended by adding at the end the following new subsection:

''(e)(1) If, either at the time or after the agency of original jurisdiction receives a substantive appeal, the claimant or the claimant's representative, if any, submits evidence to either the agency of original jurisdiction or the Board of Veterans' Appeals for consideration in connection with the issue or issues with which disagreement has been expressed, such evidence shall be subject to initial review by the Board unless the claimant or the claimant's representative, as the case may be, requests in writing that the agency of original jurisdiction initially review such evidence.

''(2) A request for review of evidence under paragraph (1) shall accompany the submittal of the evidence.''.

(b) EFFECTIVE DATE.—Subsection (e) of such section, as added by subsection (a), shall take effect on the date that is 180 days after the date of the enactment of this Act, and shall apply with respect to claims for which a substantive appeal is filed on or after the date that is 180 days after the date of the enactment of this Act.

SEC. 502. AUTHORITY FOR CERTAIN PERSONS TO SIGN CLAIMS FILED WITH SECRETARY OF VETERANS AFFAIRS ON BEHALF OF CLAIMANTS.

(a) IN GENERAL.—Section 5101 is amended—

(1) in subsection (a)—

(A) by striking ''A specific'' and inserting ''(1) A specific''; and

(B) by adding at the end the following new paragraph:

''(2) If an individual has not attained the age of 18 years, is mentally incompetent, or is physically unable to sign a form, a form filed under paragraph (1) for the individual may be signed by a court-appointed representative, a person who is responsible for the care of the individual, including a spouse or other relative, or an attorney in fact or agent authorized to act on behalf of the individual under a durable power of attorney. If the individual is in the care of an institution, the manager or principal officer of the institution may sign the form.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting '', signs a form on behalf of an individual to apply for,'' after ''who applies for'';

(ii) by inserting '', or TIN in the case that the person is not an individual,'' after ''of such person''; and

(iii) by striking ''dependent'' and inserting ''claimant, dependent,''; and

(B) in paragraph (2), by inserting ''or TIN'' after ''social security number'' each place it appears; and

(3) by adding at the end the following new subsection:

''(d) In this section:

''(1) The term 'mentally incompetent' with respect to an individual means that the individual lacks the mental capacity—

''(A) to provide substantially accurate information needed to complete a form; or

''(B) to certify that the statements made on a form are true and complete.

''(2) The term 'TIN' has the meaning given the term in section 7701(a)(41) of the Internal Revenue Code of 1986.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to claims filed on or after the date of the enactment of this Act.

SEC. 503. IMPROVEMENT OF PROCESS FOR FILING JOINTLY FOR SOCIAL SECURITY AND DEPENDENCY AND INDEMNITY COMPENSATION.

Section 5105 is amended—

(1) in subsection (a)—

(A) by striking ''shall'' the first place it appears and inserting ''may''; and

(B) by striking ''Each such form'' and inserting ''Such forms''; and

(2) in subsection (b), by striking ''on such a form'' and inserting ''on any document indicating an intent to apply for survivor benefits''.

SEC. 504. AUTHORIZATION OF USE OF ELECTRONIC COMMUNICATION TO PROVIDE NOTICE TO CLAIMANTS FOR BENEFITS UNDER LAWS ADMINISTERED BY THE SECRETARY OF VETERANS AFFAIRS.

(a) IN GENERAL.—Section 5103 is amended—

(1) in subsection (a)(1)—

(A) by striking ''Upon receipt of a complete or substantially complete application, the'' and inserting ''The'';

(B) by striking ''notify'' and inserting ''provide to''; and

(C) by inserting ''by the most effective means available, including electronic communication or notification in writing, notice'' before ''of any information''; and

(2) in subsection (b), by adding at the end the following new paragraphs:

''(4) Nothing in this section shall require the Secretary to provide notice for a subsequent claim that is filed while a previous claim is pending if the notice previously provided for such pending claim—

''(A) provides sufficient notice of the information and evidence necessary to substantiate such subsequent claim; and

''(B) was sent within one year of the date on which the subsequent claim was filed.

''(5)(A) This section shall not apply to any claim or issue where the Secretary may award the maximum benefit in accordance with this title based on the evidence of record.

''(B) For purposes of this paragraph, the term 'maximum benefit' means the highest evaluation assignable in accordance with the evidence of record, as long as such evidence is adequate for rating purposes and sufficient to grant the earliest possible effective date in accordance with section 5110 of this title.''.

(b) CONSTRUCTION.—Nothing in the amendments made by subsection (a) shall be construed as eliminating any requirement with respect to the contents of a notice under section 5103 of title 38, United States Code, that is required under regulations prescribed pursuant to subsection (a)(2) of such section as of the date of the enactment of this Act.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date that is 180 days after the date of the enactment of this Act and shall apply with respect to notification obligations of the Secretary of Veterans Affairs on or after such date.

(2) CONSTRUCTION REGARDING APPLICABILITY.—Nothing in this section or the amendments made by this section shall be construed to require the Secretary to carry out notification procedures in accordance with requirements of section 5103 of title 38, United States Code, as in effect on the day before the effective date established in paragraph (1) on or after such effective date.

SEC. 505. DUTY TO ASSIST CLAIMANTS IN OBTAINING PRIVATE RECORDS.

(a) IN GENERAL.—Subsection (b) of section 5103A is amended to read as follows:

''(b) ASSISTANCE IN OBTAINING PRIVATE RECORDS.—(1) As part of the assistance provided under subsection (a), the Secretary shall make reasonable efforts to obtain relevant private records that the claimant adequately identifies to the Secretary.

''(2)(A) Whenever the Secretary, after making such reasonable efforts, is unable to obtain all of the relevant records sought, the Secretary shall notify the claimant that the Secretary is unable to obtain records with respect to the claim. Such a notification shall—

''(i) identify the records the Secretary is unable to obtain;

''(ii) briefly explain the efforts that the Secretary made to obtain such records; and

''(iii) explain that the Secretary will decide the claim based on the evidence of record but that this section does not prohibit the submission of records at a later date if such submission is otherwise allowed.

''(B) The Secretary shall make not less than two requests to a custodian of a private record in order for an effort to obtain relevant private records to be treated as reasonable under this section, unless it is made evident by the first request that a second request would be futile in obtaining such records.

''(3)(A) This section shall not apply if the evidence of record allows for the Secretary to award the maximum benefit in accordance with this title based on the evidence of record.

''(B) For purposes of this paragraph, the term 'maximum benefit' means the highest evaluation assignable in accordance with the evidence of record, as long as such evidence is adequate for rating purposes and sufficient to grant the earliest possible effective date in accordance with section 5110 of this title.

''(4) Under regulations prescribed by the Secretary, the Secretary—

''(A) shall encourage claimants to submit relevant private medical records of the claimant to the Secretary if such submission does not burden the claimant; and

''(B) in obtaining relevant private records under paragraph (1), may require the claimant to authorize the Secretary to obtain such records if such authorization is required to comply with Federal, State, or local law.''.

(b) PUBLIC RECORDS.—Subsection (c) of such section is amended to read as follows:

''(c) OBTAINING RECORDS FOR COMPENSATION CLAIMS.—(1) In the case of a claim for disability compensation, the assistance provided by the Secretary under this section shall include obtaining the following records if relevant to the claim:

''(A) The claimant's service medical records and, if the claimant has furnished the Secretary information sufficient to locate such records, other relevant records pertaining to the claimant's active military, naval, or air service that are held or maintained by a governmental entity.

''(B) Records of relevant medical treatment or examination of the claimant at Department health-care facilities or at the expense of the Department, if the claimant furnishes information sufficient to locate those records.

''(C) Any other relevant records held by any Federal department or agency that the claimant adequately identifies and authorizes the Secretary to obtain.

''(2) Whenever the Secretary attempts to obtain records from a Federal department or agency under this subsection, the efforts to obtain those records shall continue until the records are obtained unless it is reasonably certain that such records do not exist or that further efforts to obtain those records would be futile.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall take effect on the date that is 180 days after the date of the enactment of this Act and shall apply with respect to assistance obligations of the Secretary of Veterans Affairs on or after such date.

(2) CONSTRUCTION.—Nothing in this section or the amendments made by this section shall be construed to require the Secretary to carry out assistance in accordance with requirements of section 5103A of title 38, United States Code, as in effect on the day before the effective date established in paragraph (1) on or after such effective date.

SEC. 506. AUTHORITY FOR RETROACTIVE EFFECTIVE DATE FOR AWARDS OF DISABILITY COMPENSATION IN CONNECTION WITH APPLICATIONS THAT ARE FULLY-DEVELOPED AT SUBMITTAL.

Section 5110(b) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2)(A) The effective date of an award of disability compensation to a veteran who submits an application therefor that sets forth an original claim that is fully-developed (as determined by the Secretary) as of the date of submittal shall be fixed in accordance with the facts found, but shall not be earlier than the date that is one year before the date of receipt of the application.

''(B) For purposes of this paragraph, an original claim is an initial claim filed by a veteran for disability compensation.

''(C) This paragraph shall take effect on the date that is one year after the date of the enactment of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 and shall not apply with respect to claims filed after the date that is three years after the date of the enactment of such Act.''.

SEC. 507. MODIFICATION OF MONTH OF DEATH BENEFIT FOR SURVIVING SPOUSES OF VETERANS WHO DIE WHILE ENTITLED TO COMPENSATION OR PENSION.

(a) SURVIVING SPOUSE BENEFIT FOR MONTH OF VETERAN'S DEATH.—Subsections (a) and (b) of section 5310 are amended to read as follows:

''(a) IN GENERAL.—(1) A surviving spouse of a veteran is entitled to a benefit for the month of the veteran's death if—

''(A) at the time of the veteran's death, the veteran was receiving compensation or pension under chapter 11 or 15 of this title; or

''(B) the veteran is determined for purposes of section 5121 or 5121A of this title as having been entitled to receive compensation or pension under chapter 11 or 15 of this title for the month of the veteran's death.

''(2) The amount of the benefit under paragraph (1) is the amount that the veteran would have received under chapter 11 or 15 of this title, as the case may be, for the month of the veteran's death had the veteran not died.

''(b) CLAIMS PENDING ADJUDICATION.—If a claim for entitlement to compensation or additional compensation under chapter 11 of this title or pension or additional pension under chapter 15 of this title is pending at the time of a veteran's death and the check or other payment issued to the veteran's surviving spouse under subsection (a) is less than the amount of the benefit the veteran would have been entitled to for the month of death pursuant to the adjudication of the pending claim, an amount equal to the difference between the amount to which the veteran would have been entitled to receive under chapter 11 or 15 of this title for the month of the veteran's death had the veteran not died and the amount of the check or other payment issued to the surviving spouse shall be treated in the same manner as an accrued benefit under section 5121 of this title.''.

(b) MONTH OF DEATH BENEFIT EXEMPT FROM DELAYED COMMENCEMENT OF PAYMENT.—Section 5111(c)(1) is amended by striking ''apply to'' and all that follows through ''death occurred'' and inserting the following: ''not

apply to payments made pursuant to section 5310 of this title''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to deaths that occur on or after that date.

SEC. 508. INCREASE IN RATE OF PENSION FOR DISABLED VETERANS MARRIED TO ONE ANOTHER AND BOTH OF WHOM REQUIRE REGULAR AID AND ATTENDANCE.

(a) IN GENERAL.—Section 1521(f)(2) is amended by striking ''$30,480'' and inserting ''$32,433''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 509. EXCLUSION OF CERTAIN REIMBURSEMENTS OF EXPENSES FROM DETERMINATION OF ANNUAL INCOME WITH RESPECT TO PENSIONS FOR VETERANS AND SURVIVING SPOUSES AND CHILDREN OF VETERANS.

(a) IN GENERAL.—Paragraph (5) of section 1503(a) of title 38, United States Code, is amended to read as follows:

''(5) payments regarding reimbursements of any kind (including insurance settlement payments) for expenses related to the repayment, replacement, or repair of equipment, vehicles, items, money, or property resulting from—

''(A) any accident (as defined by the Secretary), but the amount excluded under this subclause shall not exceed the greater of the fair market value or reasonable replacement value of the equipment or vehicle involved at the time immediately preceding the accident;

''(B) any theft or loss (as defined by the Secretary), but the amount excluded under this subclause shall not exceed the greater of the fair market value or reasonable replacement value of the item or the amount of the money (including legal tender of the United States or of a foreign country) involved at the time immediately preceding the theft or loss; or

''(C) any casualty loss (as defined by the Secretary), but the amount excluded under this subclause shall not exceed the greater of the fair market value or reasonable replacement value of the property involved at the time immediately preceding the casualty loss;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date that is 180 days after the date of the enactment of this Act.

TITLE VI—MEMORIAL, BURIAL, AND CEMETERY MATTERS

SEC. 601. PROHIBITION ON DISRUPTIONS OF FUNERALS OF MEMBERS OR FORMER MEMBERS OF THE ARMED FORCES.

(a) PURPOSE AND AUTHORITY.—

(1) PURPOSE.—The purpose of this section is to provide necessary and proper support for the recruitment and retention of the Armed Forces and militia employed in the service of the United States by protecting the dignity of the service of the members of such Forces and militia, and by protecting the privacy of their immediate family members and other attendees during funeral services for such members.

(2) CONSTITUTIONAL AUTHORITY.—Congress finds that this section is a necessary and proper exercise of its powers under the Constitution, article I, section 8, paragraphs 1, 12, 13, 14, 16, and 18, to provide for the common defense, raise and support armies, provide and maintain a navy, make rules for the government and regulation of the land and naval forces, and provide for organizing and governing such part of the militia as may be employed in the service of the United States.

(b) AMENDMENT TO TITLE 18.—Section 1388 of title 18, United States Code, is amended to read as follows:

''§ 1388. Prohibition on disruptions of funerals of members or former members of the Armed Forces

''(a) PROHIBITION.—For any funeral of a member or former member of the Armed Forces that is not located at a cemetery under the control of the National Cemetery Administration or part of Arlington National Cemetery, it shall be unlawful for any person to engage in an activity during the period beginning 120 minutes before and ending 120 minutes after such funeral, any part of which activity—

''(1)(A) takes place within the boundaries of the location of such funeral or takes place within 300 feet of the point of the intersection between—

''(i) the boundary of the location of such funeral; and

''(ii) a road, pathway, or other route of ingress to or egress from the location of such funeral; and

''(B) includes any individual willfully making or assisting in the making of any noise or diversion—

''(i) that is not part of such funeral and that disturbs or tends to disturb the peace or good order of such funeral; and

''(ii) with the intent of disturbing the peace or good order of such funeral;

''(2)(A) is within 500 feet of the boundary of the location of such funeral; and

''(B) includes any individual—

''(i) willfully and without proper authorization impeding or tending to impede the access to or egress from such location; and

''(ii) with the intent to impede the access to or egress from such location; or

''(3) is on or near the boundary of the residence, home, or domicile of any surviving member of the deceased person's immediate family and includes any individual willfully making or assisting in the making of any noise or diversion—

''(A) that disturbs or tends to disturb the peace of the persons located at such location; and

''(B) with the intent of disturbing such peace.

''(b) PENALTY.—Any person who violates subsection (a) shall be fined under this title or imprisoned for not more than 1 year, or both.

''(c) CIVIL REMEDIES.—

''(1) DISTRICT COURTS.—The district courts of the United States shall have jurisdiction—

''(A) to prevent and restrain violations of this section; and

''(B) for the adjudication of any claims for relief under this section.

''(2) ATTORNEY GENERAL.—The Attorney General may institute proceedings under this section.

''(3) CLAIMS.—Any person, including a surviving member of the deceased person's immediate family, who suffers injury as a result of conduct that violates this section may—

''(A) sue therefor in any appropriate United States district court or in any court of competent jurisdiction; and

''(B) recover damages as provided in subsection (d) and the cost of the suit, including reasonable attorneys' fees.

''(4) ESTOPPEL.—A final judgment or decree rendered in favor of the United States in any criminal proceeding brought by the United States under this section shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding brought by a person or by the United States.

''(d) ACTUAL AND STATUTORY DAMAGES.—

''(1) IN GENERAL.—In addition to any penalty imposed under subsection (b), a violator of this section is liable in an action under subsection (c) for actual or statutory damages as provided in this subsection.

''(2) ACTIONS BY PRIVATE PERSONS.—A person bringing an action under subsection (c)(3) may elect, at any time before final judgment is rendered, to recover the actual damages suffered by him or her as a result of the violation or, instead of actual damages, an award of statutory damages for each violation involved in the action.

''(3) ACTIONS BY ATTORNEY GENERAL.—In any action under subsection (c)(2), the Attorney General is entitled to recover an award of statutory damages for each violation involved in the action notwithstanding any recovery under subsection (c)(3).

''(4) STATUTORY DAMAGES.—A court may award, as the court considers just, statutory damages in a sum of not less than $25,000 or more than $50,000 per violation.

''(e) REBUTTABLE PRESUMPTION.—It shall be a rebuttable presumption that the violation was committed willfully for purposes of determining relief under this section if the violator, or a person acting in concert with the violator, did not have reasonable grounds to believe, either from the attention or publicity sought by the violator or other circumstance, that the conduct of such violator or person would not disturb or tend to disturb the peace or good order of such funeral, impede or tend to impede the access to or egress from such funeral, or disturb or tend to disturb the peace of any surviving member of the deceased person's immediate family who may be found on or near the residence, home, or domicile of the deceased person's immediate family on the date of the service or ceremony.

''(f) DEFINITIONS.—In this section—

''(1) the term 'Armed Forces' has the meaning given the term in section 101 of title 10 and includes members and former members of the National Guard who were employed in the service of the United States; and

''(2) the term 'immediate family' means, with respect to a person, the immediate family members of such person, as such term is defined in section 115 of this title.''.

(c) AMENDMENT TO TITLE 38.—

(1) IN GENERAL.—Section 2413 is amended to read as follows:

''§ 2413. Prohibition on certain demonstrations and disruptions at cemeteries under control of the National Cemetery Administration and at Arlington National Cemetery

''(a) PROHIBITION.—It shall be unlawful for any person—

''(1) to carry out a demonstration on the property of a cemetery under the control of the National Cemetery Administration or on the property of Arlington National Cemetery unless the demonstration has been approved by the cemetery superintendent or the director of the property on which the cemetery is located; or

''(2) with respect to such a cemetery, to engage in a demonstration during the period beginning 120 minutes before and ending 120 minutes after a funeral, memorial service, or ceremony is held, any part of which demonstration—

''(A)(i) takes place within the boundaries of such cemetery or takes place within 300 feet of the point of the intersection between—

''(I) the boundary of such cemetery; and

''(II) a road, pathway, or other route of ingress to or egress from such cemetery; and

''(ii) includes any individual willfully making or assisting in the making of any noise or diversion—

''(I) that is not part of such funeral, memorial service, or ceremony and that disturbs or tends to disturb the peace or good order of

such funeral, memorial service, or ceremony; and

''(II) with the intent of disturbing the peace or good order of such funeral, memorial service, or ceremony; or

''(B)(i) is within 500 feet of the boundary of such cemetery; and

''(ii) includes any individual—

''(I) willfully and without proper authorization impeding or tending to impede the access to or egress from such cemetery; and

''(II) with the intent to impede the access to or egress from such cemetery.

''(b) PENALTY.—Any person who violates subsection (a) shall be fined under title 18 or imprisoned for not more than one year, or both.

''(c) CIVIL REMEDIES.—(1) The district courts of the United States shall have jurisdiction—

''(A) to prevent and restrain violations of this section; and

''(B) for the adjudication of any claims for relief under this section.

''(2) The Attorney General of the United States may institute proceedings under this section.

''(3) Any person, including a surviving member of the deceased person's immediate family, who suffers injury as a result of conduct that violates this section may—

''(A) sue therefor in any appropriate United States district court or in any court of competent jurisdiction; and

''(B) recover damages as provided in subsection (d) and the cost of the suit, including reasonable attorneys' fees.

''(4) A final judgment or decree rendered in favor of the United States in any criminal proceeding brought by the United States under this section shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding brought by a person or by the United States.

''(d) ACTUAL AND STATUTORY DAMAGES.—(1) In addition to any penalty imposed under subsection (b), a violator of this section is liable in an action under subsection (c) for actual or statutory damages as provided in this subsection.

''(2) A person bringing an action under subsection (c)(3) may elect, at any time before final judgment is rendered, to recover the actual damages suffered by him or her as a result of the violation or, instead of actual damages, an award of statutory damages for each violation involved in the action.

''(3) In any action brought under subsection (c)(2), the Attorney General is entitled to recover an award of statutory damages for each violation involved in the action notwithstanding any recovery under subsection (c)(3).

''(4) A court may award, as the court considers just, statutory damages in a sum of not less than $25,000 or more than $50,000 per violation.

''(e) REBUTTABLE PRESUMPTION.—It shall be a rebuttable presumption that the violation of subsection (a) was committed willfully for purposes of determining relief under this section if the violator, or a person acting in concert with the violator, did not have reasonable grounds to believe, either from the attention or publicity sought by the violator or other circumstance, that the conduct of such violator or person would not—

''(1) disturb or tend to disturb the peace or good order of such funeral, memorial service, or ceremony; or

''(2) impede or tend to impede the access to or egress from such funeral, memorial service, or ceremony.

''(f) DEFINITIONS.—In this section—

''(1) the term 'demonstration' includes—

''(A) any picketing or similar conduct;

''(B) any oration, speech, use of sound amplification equipment or device, or similar conduct that is not part of a funeral, memorial service, or ceremony;

''(C) the display of any placard, banner, flag, or similar device, unless such a display is part of a funeral, memorial service, or ceremony; and

''(D) the distribution of any handbill, pamphlet, leaflet, or other written or printed matter other than a program distributed as part of a funeral, memorial service, or ceremony; and

''(2) the term 'immediate family' means, with respect to a person, the immediate family members of such person, as such term is defined in section 115 of title 18.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 24 is amended by striking the item relating to section 2413 and inserting the following new item:

''2413. Prohibition on certain demonstrations and disruptions at cemeteries under control of the National Cemetery Administration and at Arlington National Cemetery.''.

SEC. 602. CODIFICATION OF PROHIBITION AGAINST RESERVATION OF GRAVESITES AT ARLINGTON NATIONAL CEMETERY.

(a) IN GENERAL.—Chapter 24 is amended by inserting after section 2410 the following new section:

''§ 2410A. Arlington National Cemetery: other administrative matters

''(a) ONE GRAVESITE.—(1) Not more than one gravesite may be provided at Arlington National Cemetery to a veteran or member of the Armed Forces who is eligible for interment or inurnment at such cemetery.

''(2) The Secretary of the Army may waive the prohibition in paragraph (1) as the Secretary of the Army considers appropriate.

''(b) PROHIBITION AGAINST RESERVATION OF GRAVESITES.—(1) A gravesite at Arlington National Cemetery may not be reserved for an individual before the death of such individual.

''(2)(A) The President may waive the prohibition in paragraph (1) as the President considers appropriate.

''(B) Upon waiving the prohibition in paragraph (1), the President shall submit notice of such waiver to—

''(i) the Committee on Veterans' Affairs and the Committee on Armed Services of the Senate; and

''(ii) the Committee on Veterans' Affairs and the Committee on Armed Services of the House of Representatives.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2410 the following new item:

''2410A. Arlington National Cemetery: other administrative matters.''.

(c) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), section 2410A of title 38, United States Code, as added by subsection (a), shall apply with respect to all interments at Arlington National Cemetery after the date of the enactment of this Act.

(2) EXCEPTION.—Subsection (b) of such section, as so added, shall not apply with respect to the interment of an individual for whom a request for a reserved gravesite was approved by the Secretary of the Army before January 1, 1962.

(d) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report on reservations made for interment at Arlington National Cemetery.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The number of requests for reservation of a gravesite at Arlington National Cemetery that were submitted to the Secretary of the Army before January 1, 1962.

(B) The number of gravesites at such cemetery that, on the day before the date of the enactment of this Act, were reserved in response to such requests.

(C) The number of such gravesites that, on the day before the date of the enactment of this Act, were unoccupied.

(D) A list of all reservations for gravesites at such cemetery that were extended by individuals responsible for management of such cemetery in response to requests for such reservations made on or after January 1, 1962.

(E) A description of the measures that the Secretary is taking to improve the accountability and transparency of the management of gravesite reservations at Arlington National Cemetery.

(F) Such recommendations as the Secretary may have for legislative action as the Secretary considers necessary to improve such accountability and transparency.

SEC. 603. EXPANSION OF ELIGIBILITY FOR PRESIDENTIAL MEMORIAL CERTIFICATES TO PERSONS WHO DIED IN THE ACTIVE MILITARY, NAVAL, OR AIR SERVICE.

Section 112(a) is amended—

(1) by inserting ''and persons who died in the active military, naval, or air service,'' after ''under honorable conditions,''; and

(2) by striking ''veteran's'' and inserting ''deceased individual's''.

SEC. 604. REQUIREMENTS FOR THE PLACEMENT OF MONUMENTS IN ARLINGTON NATIONAL CEMETERY.

Section 2409(b) is amended—

(1) by striking ''Under'' and inserting ''(1) Under'';

(2) by inserting after ''Secretary of the Army'' the following: ''and subject to paragraph (2)''; and

(3) by adding at the end the following new paragraphs:

''(2)(A) Except for a monument containing or marking interred remains, no monument (or similar structure, as determined by the Secretary of the Army in regulations) may be placed in Arlington National Cemetery except pursuant to the provisions of this subsection.

''(B) A monument may be placed in Arlington National Cemetery if the monument commemorates—

''(i) the service in the Armed Forces of the individual, or group of individuals, whose memory is to be honored by the monument; or

''(ii) a particular military event.

''(C) No monument may be placed in Arlington National Cemetery until the end of the 25-year period beginning—

''(i) in the case of the commemoration of service under subparagraph (B)(i), on the last day of the period of service so commemorated; and

''(ii) in the case of the commemoration of a particular military event under subparagraph (B)(ii), on the last day of the period of the event.

''(D) A monument may be placed only in those sections of Arlington National Cemetery designated by the Secretary of the Army for such placement and only on land the Secretary determines is not suitable for burial.

''(E) A monument may only be placed in Arlington National Cemetery if an appropriate nongovernmental entity has agreed to act as a sponsoring organization to coordinate the placement of the monument and—

''(i) the construction and placement of the monument are paid for only using funds from private sources;

''(ii) the Secretary of the Army consults with the Commission of Fine Arts and the Advisory Committee on Arlington National Cemetery before approving the design of the monument; and

''(iii) the sponsoring organization provides for an independent study on the availability and suitability of alternative locations for the proposed monument outside of Arlington National Cemetery.

''(3)(A) The Secretary of the Army may waive the requirement under paragraph (2)(C) in a case in which the monument would commemorate a group of individuals who the Secretary determines—

''(i) has made valuable contributions to the Armed Forces that have been ongoing and perpetual for longer than 25 years and are expected to continue on indefinitely; and

''(ii) has provided service that is of such a character that the failure to place a monument to the group in Arlington National Cemetery would present a manifest injustice.

''(B) If the Secretary waives such requirement under subparagraph (A), the Secretary shall—

''(i) make available on an Internet website notification of the waiver and the rationale for the waiver; and

''(ii) submit to the Committee on Veterans' Affairs and the Committee on Armed Services of the Senate and the Committee on Veterans' Affairs and the Committee on Armed Services of the House of Representatives written notice of the waiver and the rationale for the waiver.

''(4) The Secretary of the Army shall provide notice to the Committee on Veterans' Affairs and the Committee on Armed Services of the Senate and the Committee on Veterans' Affairs and the Committee on Armed Services of the House of Representatives of any monument proposed to be placed in Arlington National Cemetery. During the 60-day period beginning on the date on which such notice is received, Congress may pass a joint resolution of disapproval of the placement of the monument. The proposed monument may not be placed in Arlington National Cemetery until the later of—

''(A) if Congress does not pass a joint resolution of disapproval of the placement of the monument, the date that is 60 days after the date on which notice is received under this paragraph; or

''(B) if Congress passes a joint resolution of disapproval of the placement of the monument, and the President signs a veto of such resolution, the earlier of—

''(i) the date on which either House of Congress votes and fails to override the veto of the President; or

''(ii) the date that is 30 session days after the date on which Congress received the veto and objections of the President.''.

TITLE VII—OTHER MATTERS

SEC. 701. ASSISTANCE TO VETERANS AFFECTED BY NATURAL DISASTERS.

(a) ADDITIONAL GRANTS FOR DISABLED VETERANS FOR SPECIALLY ADAPTED HOUSING.—

(1) IN GENERAL.—Chapter 21 is amended by adding at the end the following new section:

''§ 2109. Specially adapted housing destroyed or damaged by natural disasters

''(a) IN GENERAL.—Notwithstanding the provisions of section 2102 and 2102A of this title, the Secretary may provide assistance to a veteran whose home was previously adapted with assistance of a grant under this chapter in the event the adapted home which was being used and occupied by the veteran was destroyed or substantially damaged in a natural or other disaster, as determined by the Secretary.

''(b) USE OF FUNDS.—Subject to subsection (c), assistance provided under subsection (a) shall—

''(1) be available to acquire a suitable housing unit with special fixtures or moveable facilities made necessary by the veteran's disability, and necessary land therefor;

''(2) be available to a veteran to the same extent as if the veteran had not previously received assistance under this chapter; and

''(3) not be deducted from the maximum uses or from the maximum amount of assistance available under this chapter.

''(c) LIMITATIONS.—The amount of the assistance provided under subsection (a) may not exceed the lesser of—

''(1) the reasonable cost, as determined by the Secretary, of repairing or replacing the damaged or destroyed home in excess of the available insurance coverage on such home; or

''(2) the maximum amount of assistance to which the veteran would have been entitled under sections 2101(a), 2101(b), and 2102A of this title had the veteran not obtained previous assistance under this chapter.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2108 the following new item:

''2109. Specially adapted housing destroyed or damaged by natural disasters.''.

(b) EXTENSION OF SUBSISTENCE ALLOWANCE FOR VETERANS COMPLETING VOCATIONAL REHABILITATION PROGRAM.—Section 3108(a)(2) is amended—

(1) by inserting ''(A)'' before ''In''; and

(2) by adding at the end the following new subparagraph:

''(B) In any case in which the Secretary determines that a veteran described in subparagraph (A) has been displaced as the result of a natural or other disaster while being paid a subsistence allowance under that subparagraph, as determined by the Secretary, the Secretary may extend the payment of a subsistence allowance under such subparagraph for up to an additional two months while the veteran is satisfactorily following a program of employment services described in such subparagraph.''.

(c) WAIVER OF LIMITATION ON PROGRAM OF INDEPENDENT LIVING SERVICES AND ASSISTANCE.—Section 3120(e) is amended—

(1) by inserting ''(1)'' before ''Programs''; and

(2) by adding at the end the following new paragraph:

''(2) The limitation in paragraph (1) shall not apply in any case in which the Secretary determines that a veteran described in subsection (b) has been displaced as the result of, or has otherwise been adversely affected in the areas covered by, a natural or other disaster, as determined by the Secretary.''.

(d) COVENANTS AND LIENS CREATED BY PUBLIC ENTITIES IN RESPONSE TO DISASTER-RELIEF ASSISTANCE.—Paragraph (3) of section 3703(d) is amended to read as follows:

''(3)(A) Any real estate housing loan (other than for repairs, alterations, or improvements) shall be secured by a first lien on the realty. In determining whether a loan is so secured, the Secretary may either disregard or allow for subordination to a superior lien created by a duly recorded covenant running with the realty in favor of either of the following:

''(i) A public entity that has provided or will provide assistance in response to a major disaster as determined by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(ii) A private entity to secure an obligation to such entity for the homeowner's share of the costs of the management, operation, or maintenance of property, services, or programs within and for the benefit of the development or community in which the veteran's realty is located, if the Secretary determines that the interests of the veteran borrower and of the Government will not be prejudiced by the operation of such covenant.

''(B) With respect to any superior lien described in subparagraph (A) created after June 6, 1969, the Secretary's determination under clause (ii) of such subparagraph shall have been made prior to the recordation of the covenant.''.

(e) AUTOMOBILES AND OTHER CONVEYANCES FOR CERTAIN DISABLED VETERANS AND MEMBERS OF THE ARMED FORCES.—Section 3903(a) is amended—

(1) by striking ''No'' and inserting ''(1) Except as provided in paragraph (2), no''; and

(2) by adding at the end the following new paragraph:

''(2) The Secretary may provide or assist in providing an eligible person with a second automobile or other conveyance under this chapter if—

''(A) the Secretary receives satisfactory evidence that the automobile or other conveyance previously purchased with assistance under this chapter was destroyed—

''(i) as a result of a natural or other disaster, as determined by the Secretary; and

''(ii) through no fault of the eligible person; and

''(B) the eligible person does not otherwise receive from a property insurer compensation for the loss.''.

(f) ANNUAL REPORT.—

(1) IN GENERAL.—Each year, the Secretary of Veterans Affairs shall submit to Congress a report on the assistance provided or action taken by the Secretary in the last fiscal year pursuant to the authorities added by the amendments made by this section.

(2) ELEMENTS.—Each report submitted under paragraph (1) shall include the following for the fiscal year covered by the report:

(A) A description of each natural disaster for which assistance was provided or action was taken as described in paragraph (1).

(B) The number of cases or individuals, as the case may be, in which or to whom the Secretary provided assistance or took action as described in paragraph (1).

(C) For each such case or individual, a description of the type or amount of assistance or action taken, as the case may be.

(g) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is one year after the date of the enactment of this Act.

SEC. 702. EXTENSION OF CERTAIN EXPIRING PROVISIONS OF LAW.

(a) POOL OF MORTGAGE LOANS.—Section 3720(h)(2) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2016''.

(b) LOAN FEES.—Section 3729(b)(2) is amended—

(1) in subparagraph (A)—

(A) in clause (iii), by striking ''October 1, 2016'' and inserting ''October 1, 2017''; and

(B) in clause (iv), by striking ''October 1, 2016'' and inserting ''October 1, 2017'';

(2) in subparagraph (B)—

(A) in clause (i), by striking ''October 1, 2016'' and inserting ''October 1, 2017''; and

(B) in clause (ii), by striking ''October 1, 2016'' and inserting ''October 1, 2017'';

(3) in subparagraph (C)—

(A) in clause (i), by striking ''October 1, 2016'' and inserting ''October 1, 2017''; and

(B) in clause (ii), by striking ''October 1, 2016'' and inserting ''October 1, 2017''; and

(4) in subparagraph (D)—

(A) in clause (i), by striking ''October 1, 2016'' and inserting ''October 1, 2017''; and

(B) in clause (ii), by striking ''October 1, 2016'' and inserting ''October 1, 2017''.

(c) TEMPORARY ADJUSTMENT OF MAXIMUM HOME LOAN GUARANTY AMOUNT.—Section 501

of the Veterans' Benefits Improvement Act of 2008 (Public Law 110–389; 122 Stat. 4175; 38 U.S.C. 3703 note) is amended by striking ''December 31, 2011'' and inserting ''December 31, 2014''.

SEC. 703. REQUIREMENT FOR PLAN FOR REGULAR ASSESSMENT OF EMPLOYEES OF VETERANS BENEFITS ADMINISTRATION WHO HANDLE PROCESSING OF CLAIMS FOR COMPENSATION AND PENSION.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a plan that describes how the Secretary will—

(1) regularly assess the skills and competencies of appropriate employees and managers of the Veterans Benefits Administration who are responsible for processing claims for compensation and pension benefits administered by the Secretary;

(2) provide training to those employees whose skills and competencies are assessed as unsatisfactory by the regular assessment described in paragraph (1), to remediate deficiencies in such skills and competencies;

(3) reassess the skills and competencies of employees who receive training as described in paragraph (2); and

(4) take appropriate personnel action if, following training and reassessment as described in paragraphs (2) and (3), respectively, skills and competencies remain unsatisfactory.

SEC. 704. MODIFICATION OF PROVISION RELATING TO REIMBURSEMENT RATE FOR AMBULANCE SERVICES.

Section 111(b)(3)(C) is amended by striking ''under subparagraph (B)'' and inserting ''to or from a Department facility''.

SEC. 705. CHANGE IN COLLECTION AND VERIFICATION OF VETERAN INCOME.

Section 1722(f)(1) is amended by striking ''the previous year'' and inserting ''the most recent year for which information is available''.

SEC. 706. DEPARTMENT OF VETERANS AFFAIRS ENFORCEMENT PENALTIES FOR MISREPRESENTATION OF A BUSINESS CONCERN AS A SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY VETERANS OR AS A SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.

Subsection (g) of section 8127 is amended—

(1) by striking ''Any business'' and inserting ''(1) Any business'';

(2) in paragraph (1), as so designated—

(A) by inserting ''willfully and intentionally'' before ''misrepresented''; and

(B) by striking ''a reasonable period of time, as determined by the Secretary'' and inserting ''a period of not less than five years''; and

(3) by adding at the end the following new paragraphs:

''(2) In the case of a debarment under paragraph (1), the Secretary shall commence debarment action against the business concern by not later than 30 days after determining that the concern willfully and intentionally misrepresented the status of the concern as described in paragraph (1) and shall complete debarment actions against such concern by not later than 90 days after such determination.

''(3) The debarment of a business concern under paragraph (1) includes the debarment of all principals in the business concern for a period of not less than five years.''.

SEC. 707. QUARTERLY REPORTS TO CONGRESS ON CONFERENCES SPONSORED BY THE DEPARTMENT.

(a) IN GENERAL.—Subchapter I of chapter 5 is amended by adding at the end the following new section:

''§ 517. Quarterly reports to Congress on conferences sponsored by the Department

''(a) QUARTERLY REPORTS REQUIRED.—Not later than 30 days after the end of each fiscal quarter, the Secretary shall submit to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives a report on covered conferences.

''(b) MATTERS INCLUDED.—Each report under subsection (a) shall include the following:

''(1) An accounting of the final costs to the Department of each covered conference occurring during the fiscal quarter preceding the date on which the report is submitted, including the costs related to—

''(A) transportation and parking;

''(B) per diem payments;

''(C) lodging;

''(D) rental of halls, auditoriums, or other spaces;

''(E) rental of equipment;

''(F) refreshments;

''(G) entertainment;

''(H) contractors; and

''(I) brochures or other printed media.

''(2) The total estimated costs to the Department for covered conferences occurring during the fiscal quarter in which the report is submitted.

''(c) COVERED CONFERENCE DEFINED.—In this section, the term 'covered conference' means a conference, meeting, or other similar forum that is sponsored or co-sponsored by the Department and is—

''(1) attended by 50 or more individuals, including one or more employees of the Department; or

''(2) estimated to cost the Department at least $20,000.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 516 the following:

''517. Quarterly reports to Congress on conferences sponsored by the Department.''.

(c) EFFECTIVE DATE.—Section 517 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2012, and shall apply with respect to the first quarter of fiscal year 2013 and each quarter thereafter.

SEC. 708. PUBLICATION OF DATA ON EMPLOYMENT OF CERTAIN VETERANS BY FEDERAL CONTRACTORS.

Section 4212(d) is amended by adding at the end the following new paragraph:

''(3) The Secretary of Labor shall establish and maintain an Internet website on which the Secretary of Labor shall publicly disclose the information reported to the Secretary of Labor by contractors under paragraph (1).''.

SEC. 709. VETSTAR AWARD PROGRAM.

(a) IN GENERAL.—Section 532 is amended—

(1) by striking ''The Secretary may'' and inserting '' (a) ADVERTISING IN NATIONAL MEDIA.—The Secretary may''; and

(2) by adding at the end the following new subsection:

''(b) VETSTAR AWARD PROGRAM.—(1) The Secretary shall establish an award program, to be known as the 'VetStar Award Program', to recognize annually businesses for their contributions to veterans' employment.

''(2) The Secretary shall establish a process for the administration of the award program, including criteria for—

''(A) categories and sectors of businesses eligible for recognition each year; and

''(B) objective measures to be used in selecting businesses to receive the award.''.

(b) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading of such section is amended by adding at the end the following: ''**; VetStar Award Program**''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 5 is amended by striking the item relating to section 532 and inserting the following new item:

''532. Authority to advertise in national media; VetStar Award Program.''.

SEC. 710. EXTENDED PERIOD OF PROTECTIONS FOR MEMBERS OF UNIFORMED SERVICES RELATING TO MORTGAGES, MORTGAGE FORECLOSURE, AND EVICTION.

(a) STAY OF PROCEEDINGS AND PERIOD OF ADJUSTMENT OF OBLIGATIONS RELATING TO REAL OR PERSONAL PROPERTY.—Section 303(b) of the Servicemembers Civil Relief Act (50 U.S.C. App. 533(b)) is amended by striking ''within 9 months'' and inserting ''within one year''.

(b) PERIOD OF RELIEF FROM SALE, FORECLOSURE, OR SEIZURE.—Section 303(c) of such Act (50 U.S.C. App. 533(c)) is amended by striking ''within 9 months'' and inserting ''within one year''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date that is 180 days after the date of the enactment of this Act.

(d) EXTENSION OF SUNSET.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall expire on December 31, 2014.

(2) CONFORMING AMENDMENT.—Subsection (c) of section 2203 of the Housing and Economic Recovery Act of 2008 (Public Law 110–289; 50 U.S.C. App. 533 note) is amended to read as follows:

''(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.''.

(3) REVIVAL.—Effective January 1, 2015, the provisions of subsections (b) and (c) of section 303 of the Servicemembers Civil Relief Act (50 U.S.C. App. 533), as in effect on July 29, 2008, are hereby revived.

(e) REPORT.—

(1) IN GENERAL.—Not later than 540 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the protections provided under section 303 of such Act (50 U.S.C. App 533) during the five-year period ending on the date of the enactment of this Act.

(2) ELEMENTS.—The report required by paragraph (1) shall include, for the period described in such paragraph, the following:

(A) An assessment of the effects of such section on the long-term financial well-being of servicemembers and their families.

(B) The number of servicemembers who faced foreclosure during a 90-day period, 270-day period, or 365-day period beginning on the date on which the servicemembers completed a period of military service.

(C) The number of servicemembers who applied for a stay or adjustment under subsection (b) of such section.

(D) A description and assessment of the effect of applying for a stay or adjustment under such subsection on the financial well-being of the servicemembers who applied for such a stay or adjustment.

(E) An assessment of the Secretary of Defense's partnerships with public and private sector entities and recommendations on how the Secretary should modify such partnerships to improve financial education and counseling for servicemembers in order to assist them in achieving long-term financial stability.

(3) PERIOD OF MILITARY SERVICE AND SERVICEMEMBER DEFINED.—In this subsection, the terms ''period of military service'' and ''servicemember'' have the meanings given such terms in section 101 of such Act (50 U.S.C. App. 511).

SA 2560 Mr. REID (for Mrs. MURRAY) proposed an amendment to the bill H.R. 1627, to amend title 38, United states Code, to furnish hospital care and medical services to veterans who were stationed at Camp Lejeune, North Carolina, while the water was contaminated at Camp Lejeune, to improve the provision of housing assistance to veterans and their families, and for other purposes; as follows:

Amend the title so as to read: ''A bill to amend title 38, United States Code, to furnish hospital care and medical services to veterans who were stationed at Camp Lejeune, North Carolina, while the water was contaminated at Camp Lejeune, to improve the provision of housing assistance to veterans and their families, an for other purposes.''.

NOTICE OF HEARING

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. HARKIN. Mr. President, I wish to announce that the Committee on Health, Education, Labor, and Pensions will meet in open session on Thursday, July 19, 2012, at 10 a.m. in room 430 of the Dirksen Senate Office Building to conduct a hearing entitled ''Making College Affordability a Priority: Promising Practices and Strategies.''

For further information regarding this meeting, please contact Spiros Protopsaltis of the committee staff on (202) 224–5501.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on July 18, 2012, at 9:30 a.m., in room 215 of the Dirksen Senate Office Building.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on July 18, 2012 at 2:30 p.m.

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

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet during the session of the Senate on July 18, 2012, at 9:30 a.m. to conduct a hearing entitled ''Show Me the Money: Improving the Transparency of Federal Spending.''

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

COMMITTEE ON THE JUDICIARY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate, on July 18, 2012, at 10 a.m., in room SD–226 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Improving Forensic Science in the Criminal Justice System.''

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session on July 18, 2012. The Committee will meet in room 418 of the Senate Russell Office Building, beginning at 10 a.m.

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

SPECIAL COMMITTEE ON AGING

Mr. DURBIN. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet during the session of the Senate on July 18, 2012, at 2 p.m., in room 216 of the Hart Senate Office Building to conduct a hearing entitled ''Examining Medicare and Medicaid Coordination for Dual-Eligibles.''

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

SUBCOMMITTEE ON AVIATION OPERATIONS, SAFETY, AND SECURITY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Subcommittee on Aviation Operations, Safety, and Security of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on July 18, 2012, at 3 p.m. in room 253 of the Russell Senate Office Building.

The Committee will hold a hearing entitled, ''The Global Competitiveness of the U.S. Aviation Industry: Addressing Competition Issues to Main U.S. Leadership in the Aerospace Market.''

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

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, FEDERAL SERVICES, AND INTERNATIONAL SECURITY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security be authorized to meet during the session of the Senate on July 18, 2012, at 2:30 p.m. to conduct a hearing entitled, ''Census: Planning Ahead for 2020.''

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

SUBCOMMITTEE ON PRIVACY, TECHNOLOGY, AND THE LAW

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary, Subcommittee on Privacy, Technology, and the Law, be authorized to meet during the session of the Senate, on July 18, 2012, at 2:30 p.m., in room SD–226 of the Dirksen Senate Office Building, to conduct a hearing entitled ''What Facial Recognition Technology Means for Privacy and Civil Liberties.''

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

PRIVILEGES OF THE FLOOR

Mr. WICKER. Mr. President, I ask unanimous consent that LCDR Brian Amador, a Navy fellow in my Senate office, be granted floor privileges for the remainder of the time.

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

Mr. DURBIN. Mr. President, I ask unanimous consent that the following staff of the Finance Committee be allowed on the Senate floor for the remainder of the 112th Congress: Avital Barnea, Amanda Bartmann, Harun Dogo, Farrah Freis, Neil Pinney, and Christopher Tausanovitch.

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

Mr. SESSIONS. Mr. President, I ask unanimous consent that my Defense fellow, CDR Jeff Bennett, be granted the privilege of the floor for debate on sequestration and consideration of the Defense authorization bill and the Defense appropriations bill.

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

Mr. SANDERS. Mr. President, before I begin, on behalf of Senator MERKLEY, I ask unanimous consent that privileges of the floor be granted to the following member of my staff for the balance of the day, Maya Arrieta Walden.

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

HONORING AMERICA'S VETERANS AND CARING FOR CAMP LEJEUNE FAMILIES ACT OF 2012

Mr. REID. Mr. President, I ask unanimous consent that the Veterans Affairs Committee be discharged from further consideration of H.R. 1627.

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

The clerk will report the bill by title.

The assistant bill clerk read as follows:

A bill (H.R. 1627) to amend title 38, United States Code, to provide for certain requirements for the placement of monuments in Arlington National Cemetery, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mrs. MURRAY. Mr. President, as chairman of the Committee on Veterans' Affairs, I am pleased to speak in support of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012.

I thank my colleagues from the Veterans' Committee for their continuous support of our Nation's veterans—especially my ranking member Senator

BURR of North Carolina, for his steadfast advocacy of the government's responsibility to provide health care for the veterans and family members stationed at Camp Lejeune.

In addition, I thank Representatives JEFF MILLER and BOB FILNER, the chairman and ranking Member of the House Committee on Veterans' Affairs, for their hard work in developing this bipartisan, bicameral, and fully paid-for legislation.

With the passage of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012, military families affected by contaminated water at Camp Lejeune, NC, would have the health care they need.

These families have waited for decades to get the assistance they need, and they should not be forced to wait any longer.

The legislation would also allow the VA to continue a number of programs that are so critical to helping veterans who have no place to call home.

Currently, the VA can only provide emergency shelter to veterans who are diagnosed with a serious mental illness. But we all know not all homeless veterans are mentally ill. Yet the VA is currently prevented from offering these critical services to all our veterans.

The Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012 would also make much needed improvements to the VA's housing programs by expanding the eligibility for the VA's specially adapted housing assistance grants.

These are some of the most disabled veterans in our Nation, and they deserve to be able to move about in their homes freely and safely.

This bill will also help more veterans use telehealth and telemedicine and allow veterans to receive travel assistance for visits to our vet centers. These provisions will especially help our veterans in rural and highly rural areas to access care from the VA.

It will also improve the way the VA reimburses State veterans homes for the care of elderly, seriously disabled veterans.

I know every Member of the Senate has at least one State veterans home in their State. Without this change, some of these homes may have to lay off staffers or be unable to accept more veterans, so it is a very important provision of the bill.

This legislation will also require important policy changes to protect veterans from sexual assault and other threats in the VA's inpatient mental health units and homeless programs.

Finally, we all know veterans continue to find themselves waiting entirely too long for a decision on their claims. This legislation will address the claims backlog by providing the VA with the ability to process appeals much more quickly and by supporting the VA's transformation to a paperless system. It will also make other needed improvements to the claims system, such as ensuring surviving spouses receive proper and timely benefit payments.

Above all, this bill fulfill's the responsibility this Nation has to provide care and service to our veterans and their families. In the case of those families who spent time at Camp Lejeune, this bill gives sick veterans and their families the benefit of the doubt their illness or condition was caused by the water at Camp Lejeune so they can finally get the health care they need.

This is something Congress has done before. When an illness or condition comes about after a veteran's service and any relationship between the veteran's current illness and their service is not readily apparent, the burden of proving the illness is a result of one's service can be insurmountable. In such circumstances, we have presumed a veteran's exposure caused their current condition and got them the help they needed. We have lived up to the responsibility we owed them, which is in the core of this bill.

Many veterans and their families are waiting for the passage of this bill. Our House colleagues are ready and willing to move this forward quickly as well. We did have one concern from the Senator from South Carolina, Mr. DEMINT. We had a very productive conversation, and we now have that language resolved and have had a gentleman's agreement to move the bill forward today.

I wish to thank the Senator from South Carolina for his work and effort to get this bill passed. I know our veterans and families across the Nation are waiting.

I thank all our colleagues who have worked so hard on this very critical piece of legislation.

I ask unanimous consent to have printed in the RECORD the Joint Explanatory Statement in relation to this bill.

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

JOINT EXPLANATORY STATEMENT FOR CERTAIN PROVISIONS CONTAINED IN THE AMENDMENT TO H.R. 1627, AS AMENDED

The Amendment to H.R. 1627, as passed by the House on May 23, 2011, reflects a Compromise Agreement reached by the House and Senate Committees on Veterans' Affairs (hereinafter, ''the Committees'') on provisions within the following bills reported during the 112th Congress: H.R. 1627; S. 277; S. 914; S. 951; H.R. 802; H.R. 1484; H.R. 2074; H.R. 2302; H.R. 2349; H.R. 2433; H.R. 4299; and several free-standing provisions.

S. 277, as amended, was reported favorably out of the Senate Committee on August 1, 2011; S. 914, as amended, was reported favorably out of the Senate Committee on October 11, 2011; and S. 951, as amended, was reported favorably out of the Senate Committee on July 18, 2011 (hereinafter, ''Senate Bills''). H.R. 802, as amended, passed the House on June 1, 2011; H.R. 1484, as amended, passed the House on May 31, 2011; H.R. 2074, as amended, passed the House on October 11, 2011; H.R. 2302, as amended, passed the House on October 11, 2011; H.R. 2349, as amended, passed the House on October 11, 2011; and H.R. 2433, as amended, passed the House on October 12, 2011 (hereinafter, ''House Bills'').

The Committees have prepared the following explanation of certain provisions contained in the amendment to H.R. 1627, as amended, to reflect a Compromise Agreement between the Committees. Differences between the provisions contained in the Compromise Agreement and the related provisions of the House Bills and the Senate Bills are noted in this document, except for clerical corrections, conforming changes made necessary by the Compromise Agreement, and minor drafting, technical, and clarifying changes.

TITLE I—HEALTH CARE MATTERS

HOSPITAL CARE AND MEDICAL SERVICES FOR VETERANS STATIONED AT CAMP LEJEUNE, NORTH CAROLINA

Current Law

In a few specific instances, Congress has acted to provide benefits and health care to veterans who may have been exposed to environmental hazards during their military service. On a few occasions, Congress has extended health care and benefits to the children of servicemembers and veterans based on a concern that they were born more susceptible to certain diseases or conditions because of a parent's exposure to an in-service environmental hazard.

Senate Bill

S. 277, as amended, would provide health care benefits through the Department of Veterans Affairs (hereinafter, ''VA'' or ''the Department''), starting in fiscal year (hereinafter, ''FY'') 2013, to certain veterans for any illness that is attributable to the contaminated drinking water on Camp Lejeune. The bill would provide health care benefits to spouses and dependents of veterans for conditions associated with exposure to the contaminated drinking water on Camp Lejeune. The bill would also direct the Secretary of the Department of Defense (hereinafter, ''DOD'') to transfer funds to VA to cover the costs of the health care provided to these veterans and their families. In order to pay for the increase in funding for providing health care to veterans and their families, the bill would decrease DOD spending by consolidating its commissaries and exchanges.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 102 of the Compromise Agreement would provide health care benefits through VA to certain veterans and family members who lived aboard Camp Lejeune during the period the drinking water was contaminated and have certain illnesses or conditions. VA would reimburse family members for health care services provided under this section as a final payer to other third party health care plans. Similar to the treatment, under current law, of other exposures, such as Agent Orange and toxins from the Gulf War, the Compromise Agreement includes language that health care may not be provided to veterans or family members if that illness or condition is found by VA to have resulted from a reason other than residence of the family aboard Camp Lejeune. The Compromise Agreement directs VA to report annually on the number of veterans and family members who were provided hospital care and medical services under the Compromise Agreement; the illnesses, conditions, and disabilities for which care and services were provided under the Compromise Agreement; the number of veterans and family members who applied for care and services under the Compromise Agreement but were subsequently denied (including information on the

reasons for denial); and the number of veterans and family members who applied for care and services and are awaiting a decision from VA.

The Committees understand that it may take VA some time to implement this section; however, the Committees anticipate the process should be executed as expeditiously as possible to enable eligible veterans and their family members to receive needed care and medical services.

AUTHORITY TO WAIVE COLLECTION OF COPAYMENTS FOR TELEHEALTH AND TELEMEDICINE VISITS OF VETERANS

Current Law

Pursuant to section 1710(g) of title 38, United States Code (hereinafter, ''U.S.C.''), VA is required to collect copayments from veterans, who are not otherwise exempted from such copayments under section 1710(a) of title 38, U.S.C., for medical services provided by VA.

Senate Bill

Section 101 of S. 914, as reported, would amend subchapter III of chapter 17 of title 38, U.S.C., by adding a new section 1722B. The new section would authorize VA to waive collections of copayments from veterans for the utilization of telehealth or telemedicine.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 103 of the Compromise Agreement reflects the Senate Bill. The Committees expect that, despite the loss of copayments, the resulting reduction in hospitalizations and in the length of stay per hospitalization will allow VA to deliver health care to veterans in a substantially more efficient and cost-effective manner. In addition to this cost avoidance, veterans' quality of life should increase through more effective management of chronic medical conditions and reduced time spent in medical facilities.

TEMPORARY EXPANSION OF PAYMENTS AND ALLOWANCES FOR BENEFICIARY TRAVEL IN CONNECTION WITH VETERANS RECEIVING CARE FROM VET CENTERS

Current Law

Section 111 of title 38, U.S.C., authorizes VA to reimburse beneficiaries for travel to VA facilities in connection with care, subject to certain restrictions, at a rate of 41.5 cents per mile.

Senate Bill

Section 103 of S. 914, as reported, would clarify that VA is authorized to pay travel benefits to veterans receiving care at Vet Centers pursuant to existing authority under section 111(a) of title 38, U.S.C. It would also require VA to submit a report to Congress, no later than one year after the enactment of the Senate Bill, on the feasibility and advisability of paying travel benefits to veterans receiving care at Vet Centers. Finally, this section of the Senate Bill would authorize such sums as may be necessary be appropriated for the Department to pay such expenses and allowances for the one-year period following the enactment of the Senate Bill.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 104 of the Compromise Agreement reflects the Senate Bill with a modification to limit the authority to a temporary three-year expansion, and a modification that would limit eligibility for reimbursement under the temporary expansion to only veterans who live in highly rural areas. The Committees note that Vet Centers offer valuable services to veterans but those services are inaccessible to some veterans living in highly rural areas. For instance, an eligible individual living in Glasgow, Montana has to travel five hours each way to receive care at the nearest Vet Center, which is located in Billings, Montana. Another example is an eligible individual living in Liberal, Kansas has to travel four hours each way to receive care at the nearest Vet Center, which is located in Wichita, Kansas.

CONTRACTS AND AGREEMENTS FOR NURSING HOME CARE

Current Law

Section 1745(a)(1) of title 38, U.S.C., requires VA to pay the cost of nursing home care in a State home to veterans in need of such care due to a service-connected disability or with a service-connected disability rated at 70 percent or greater. Section 1745(a)(2) establishes such cost as the lesser of either a prevailing rate determined by VA or the actual cost of care in a State home. Section 1745(a)(3) establishes that such payment shall constitute payment in full.

Senate Bill

Section 109 of S. 914, as reported, would require VA to enter into contracts or agreements with State homes, based on a methodology developed in consultation with State homes, to pay for nursing home care provided to certain veterans with service-connected disabilities, and would apply to care provided on or after January 1, 2012.

House Bill

Section 3 of H.R. 2074, as amended, contains a similar provision.

Compromise Agreement

Section 105 of the Compromise Agreement generally reflects this provision except the Compromise Agreement adjusts the effective date from January 1, 2012, to the date 180 days after the date of enactment. The Compromise Agreement also includes a provision that would require VA, at the request of a State home, to offer to enter into a contract or agreement that replicates the reimbursement methodology that was in effect on the day before enactment.

The Committees note that State homes are significantly under compensated by the current reimbursement framework. VA has been aware of and actively assisting with the development of these provisions. The Committees expect VA to make the negotiation and execution of these contracts a top priority—and further expect that no State home will be without a contract on the date that this provision goes into effect. This includes the immediate development of the contract language required under subsection (c)(2) of this section of the Compromise Agreement.

The Committees further expect that VA and the State homes will negotiate equitably and agree upon several elements of all contracts or agreements under this section. First, that reimbursement will be not only adequate but will also reflect the reasonable cost of care provided. Second, that the services for which VA will make reimbursement will be mutually acceptable. Finally, that the contracts will provide appropriately for updating, revising, or renegotiating the contracts as payment rates or other circumstances change.

COMPREHENSIVE POLICY ON REPORTING AND TRACKING SEXUAL ASSAULT INCIDENTS AND OTHER SAFETY INCIDENTS

Current Law

There is no similar provision in current law.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

Section 2 of H.R. 2074, as amended, would amend chapter 17 of title 38, U.S.C., to require VA to develop, by March 1, 2012, a comprehensive policy on sexual assault and other safety incidents to include the: (1) development of clear and comprehensive criteria with respect to the reporting of sexual assault incidents and other safety incidents for both clinical personnel and law enforcement personnel; (2) establishment of an accountable oversight system within VA to report and track sexual assault incidents for all alleged or suspected forms of abuse and unsafe acts; (3) systematic information sharing of reported sexual assault incidents, and a centralized reporting, tracking, and monitoring system to ensure each case is fully investigated and victims receive appropriate treatment; (4) use of specific ''risk assessment tools'' to examine any danger related to sexual assault that a veteran may pose while being treated, including clear guidance on the collection of information relating to the legal history of the veteran; (5) mandatory training of employees on safety awareness and security; and (6) establishment of physical security precautions including appropriate surveillance and panic alarm systems that are operable and regularly tested. This section of the House Bill would also require VA to report to the Committees on the development of the policy not later than 30 days after enactment, and to report on the implementation of such policy not later than 60 days after it is put in place and not later than October 1 of each subsequent year.

Compromise Agreement

Section 106 of the Compromise Agreement generally reflects the House Bill but it modifies the date the comprehensive policy is required to be in place from March 1, 2012, to September 30, 2012. The Compromise Agreement also requires VA, in developing the comprehensive policy and risk assessment tools, to consider the effects on veterans' use of mental health and substance abuse treatments, and the ability of VA to refer veterans to such services.

REHABILITATIVE SERVICES FOR VETERANS WITH TRAUMATIC BRAIN INJURY

Current Law

Sections 1710C and 1710D of title 38, U.S.C., direct VA to provide comprehensive care in accordance with individualized rehabilitation plans to veterans with traumatic brain injury (hereinafter, ''TBI''). Although these sections of law do not provide a definition of the word ''rehabilitation,'' the phrase ''rehabilitative services'' is defined in section 1701(8) of title 38, U.S.C., for VA health-care purposes as professional, counseling, and guidance services and treatment programs that are necessary to restore, to the maximum extent possible, the physical, mental, and psychological functioning of an ill or disabled person.

Senate Bill

Section 105 of S. 914, as reported, would amend section 1710C of title 38, U.S.C., to include (1) the goal of maximizing the individual's independence, and (2) improving such veteran's behavioral functioning. Section 105 would also require the inclusion of rehabilitative services in (1) a VA comprehensive program of long-term care for veterans with TBI, and (2) cooperative agreements for the use of non-VA facilities for veterans' rehabilitation from TBI within a program of individualized rehabilitation and reintegration plans for veterans with TBI.

House Bill

Section 4 of H.R. 2074, as amended, contains a similar provision.

Compromise Agreement

Section 107 of the Compromise Agreement contains this provision.

TELECONSULTATION AND TELEMEDICINE

Current Law

There is no similar provision in current law.

Senate Bill

Section 102(a) of S. 914, as reported, would amend subchapter I of chapter 17 of title 38, U.S.C., by adding a new section 1709, which would require VA to create a system for consultation and assessment of mental health, TBI, and other conditions through teleconsultation when a VA medical facility is unable to do so independently.

Section 102(b) of the Senate Bill would require VA to offer opportunities for training in telemedicine to medical residents in facilities that have and utilize telemedicine, consistent with medical residency program standards established by the Accreditation Council for Graduate Medical Education.

Section 102(c) of the Senate Bill would require VA to modify the Veterans Equitable Resource Allocation (hereinafter, ''VERA'') system to include teleconsultation, teleretinal imaging, telemedicine, and telehealth coordination services. VA would also be required to assess, within one year of modifying the VERA system, the effect on the utilization of telehealth technologies and determine whether additional incentives are necessary to promote their utilization. VA would also be required to include telemedicine visits when calculating facility workload.

House Bill

The House Bills contain no comparable provision.

Compromise Agreement

Section 108 of the Compromise Agreement reflects subsections (a) and (b) of the Senate Bill with a modification to specify that the implementation of the teleconsultation program does not preclude the referral of veterans to third-party providers under VA's existing fee-basis or contracting authority.

USE OF SERVICE DOGS ON PROPERTY OF THE DEPARTMENT OF VETERANS AFFAIRS

Current Law

Section 901 of title 38 authorizes VA to prescribe rules to govern conduct on Department property, which is defined as land and buildings under the Department's jurisdiction and not under the control of the Administrator of General Services. Section 1714(c) of title 38, U.S.C., authorizes VA to provide service dogs to veterans who, in order of precedence, are hearing impaired, have spinal cord injuries, or are mentally ill.

Senate Bill

Section 104 of S. 914, as reported, would amend section 1714 of title 38, U.S.C., by adding a new subsection (e), which would require VA to admit full access to all service animals accompanying individuals at every VA facility according to the same regulations that govern the admission of the public to such facilities. The provision would apply not only to service dogs as provided for in section 1714(c) of title 38, U.S.C., but would also include trained service animals that accompany individuals with disabilities not specified by that subsection. Further, VA would be authorized to prohibit service animals from roaming or running free and to require the animals to wear harnesses or leashes and be under the control of an individual at all times while at a Department owned or funded facility.

House Bill

Section 5 of H.R. 2074, as amended, would amend section 901 of title 38, U.S.C., by adding a new subsection (f), which would prohibit VA from refusing to allow the use of service dogs in any facility or on any property owned or funded by the Department.

Compromise Agreement

Section 109 of the Compromise Agreement reflects the House Bill with a modification to specify that the provision applies only to service dogs that have been trained by entities that have been accredited for such work by an appropriate accrediting entity.

RECOGNITION OF RURAL HEALTH RESOURCE CENTERS IN OFFICE OF RURAL HEALTH

Current Law

Section 7308 of title 38, U.S.C., establishes the Office of Rural Health within the Office of the Under Secretary for Health and sets the functions of such Office as: conducting, coordinating, promoting, and disseminating research into issues affecting rural veterans; working with all Department personnel and offices to develop, refine, and promulgate policies, best practices, lessons learned, and successful programs to improve care and services for rural veterans; designating a rural health coordinator within each Veterans Integrated Service Network; and performing other duties as appropriate.

Senate Bill

Section 106(a) of S. 914, as reported, would create a new section 7330B in title 38, U.S.C., which would require VA, acting through the Director of the Office of Rural Health, to establish and operate centers of excellence for rural health research, education, and clinical activities.

Those centers would be required to perform one or more of the following functions: collaborate with the Veterans Health Administration's Office of Research and Development on rural health research; develop specific models for the Department to furnish care to rural veterans; develop innovative clinical activities and systems of care for rural veterans; and provide education and training on rural health issues for health care professionals.

Section 106(b) of the Senate Bill would further amend title 38, U.S.C., by adding a new subsection (d) to section 7308, which would codify the existence and describe the purposes of rural health resource centers. Rural health resource centers would be required to work to improve the Office of Rural Health's understanding of challenges faced by rural veterans, identify disparities in the availability of health care to rural veterans, create programs to enhance the delivery of health care to rural veterans, and develop best practices and products for VA to use in providing services to rural veterans.

Finally, section 106(c) of the Senate Bill would designate the VA Medical Center (hereinafter, ''VAMC'') in Fargo, North Dakota, as a center of excellence for rural health research, education, and clinical activities.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 110 of the Compromise Agreement reflects section 106(b) of the Senate Bill.

IMPROVEMENTS FOR RECOVERY AND COLLECTION OF AMOUNTS FOR DEPARTMENT OF VETERANS AFFAIRS MEDICAL CARE COLLECTIONS FUND

Current Law

Section 1729A of title 38, U.S.C., creates within the Treasury the VA Medical Care Collections Fund (hereinafter, ''MCCF'') in which amounts recovered or collected under several VA collections authorities are to be deposited.

Senate Bill

Section 111 of S. 914, as reported, would require VA to develop and implement, within 180 days of enactment of the Senate Bill, a plan to ensure accurate and full collections by the VA health care system, pursuant to existing authorities for billing and collections. The amounts collected would be required to be deposited in the MCCF. This provision would further require the following elements to be included in the plan: an effective process to identify billable fee claims, effective and practicable policies and procedures to ensure billing and collection using current authorities, training of employees responsible for billing or collection of funds to enable them to comply with the provisions of this section, fee revenue goals for the Department, and an effective monitoring system to ensure the Department meets fee revenue goals and complies with such policies and procedures.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 111 of the Compromise Agreement reflects the Senate Bill.

EXTENSION OF AUTHORITY FOR COPAYMENTS

Current Law

In relevant part, section 1710(f)(2) of title 38, U.S.C., states that a veteran who is furnished hospital care or nursing home care under this section and who is required to agree to pay a designated amount to the United States in order to be furnished such care, shall be liable to the United States for an amount equal to the lesser of the cost of furnishing such care, the amount determined under paragraph (3) of the section, or $10 for every day the veteran receives hospital care and $5 for every day the veteran receives nursing home care, before September 30, 2012.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

The Compromise Agreement amends section 1710(f)(2)(B) of title 38, U.S.C., by extending the date of liability from before September 30, 2012, to before September 30, 2013.

EXTENSION OF AUTHORITY FOR RECOVERY OF COST OF CERTAIN CARE AND SERVICES

Current Law

In relevant part, section 1729(a)(2)(E) of title 38, U.S.C., provides that, in any case in which a veteran is furnished care or services under chapter 17 of such title for a non-service-connected disability, the United States has the right to recover or collect reasonable charges for such care or services (as determined by VA) from a third party to the extent that the veteran (or the provider of the care or services) would be eligible to receive payment for such care or services furnished before October 1, 2012, from such third party if the care or services had not been furnished by a department or agency of the United States.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 113 of the Compromise Agreement amends section 1729(a)(2)(E) of title 38, U.S.C., by extending the date of liability from before October 1, 2012, to before October 1, 2013.

TITLE II—HOUSING MATTERS

TEMPORARY EXPANSION OF ELIGIBILITY FOR SPECIALLY ADAPTED HOUSING ASSISTANCE FOR CERTAIN VETERANS WITH DISABILITIES CAUSING DIFFICULTY WITH AMBULATING

Current Law

Section 2101(a) of title 38, U.S.C., provides VA with the authority to assist disabled veterans in acquiring suitable housing with special fixtures or movable facilities made necessary by the veteran's disability.

Under section 2101(a)(2), a permanently and totally disabled veteran who has A) loss, or loss of use, of both lower extremities to the degree that locomotion without the aid of braces, crutches, canes or a wheelchair is precluded; or B) a disability due to blindness in both eyes, having light perception plus the loss, or loss of use, of one lower extremity; or C) a disability due to loss, or loss of use, of one lower extremity with residuals of organic disease or the loss, or loss of use, of one upper extremity that affects balance or propulsion to preclude locomotion without the aid of braces, crutches, canes or a wheelchair; or D) a disability due to the loss, or loss of use, of both upper extremities such as to preclude use of the arms at or above the elbows; or E) a disability due to a severe burn injury, is entitled to grant assistance for housing adaptations.

Senate Bill

The Senate Bills contain no comparable provision.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 201 of the Compromise Agreement would temporarily add certain severe injuries and dismemberment disabilities that affect ambulation to the eligibility criteria for the specially adapted housing program under section 2101(a) of title 38, U.S.C., for those veterans 1) who served on or after September 11, 2001, and 2) became permanently disabled on or after that same date. This expansion of authority would expire on September 30, 2013, and require that VA receive grant applications prior to that date in order to receive consideration.

Because of advances in medical technology, many individuals are surviving traumatic events which past generations of military personnel were not able to survive. However, as a result of these traumatic events, these individuals are left with specific types of physical losses and injuries which often affect their ability to ambulate without assistance. For example, some individuals are returning from the current conflicts with varying degrees of impairment that impact mobility due to the loss or loss of use of one limb, such as a single above the knee amputation.

The Committee intends that this provision assist those individuals with balance problems resulting from traumatic injuries that affect their ability to ambulate. The Committees believe that there are numerous home adaptations available which would maximize physical abilities and enhance the quality of life for individuals with these types of injuries. While these individuals would clearly benefit from home adaptations, VA cannot assist these individuals with home modifications because of existing statutory limitations. Changes to these provisions are necessary in order for VA to be responsive to the growing numbers of these different types of injuries.

Some of these adaptations include: adding a new bathroom or adapting existing bathroom fixtures with features such as grab bars, bath transfer benches, or high-rise toilets; providing non-slip flooring for balance-related issues; and installing special kitchen and laundry appliances (with locations and controls in optimal reach zone) to address safety issues.

EXPANSION OF ELIGIBILITY FOR SPECIALLY ADAPTED HOUSING ASSISTANCE FOR VETERANS WITH VISION IMPAIRMENT

Current Law

Under current law, section 2101(b) of title 38, U.S.C., a veteran with a permanent and total service-connected disability due to blindness in both eyes has to have visual acuity of 5/200 or less in order to qualify for certain adaptive housing assistance grants.

According to the National Eye Institute, visual acuity is defined as the eye's ability to distinguish object details and shape with good contrast, using the smallest identifiable object that can be seen at a specified distance. It is measured by use of an eye chart and recorded as test distance/target size. Visual acuity of 5/200 means that an individual must be 5 feet away from an eye chart to see a letter that an individual with normal vision could see from 200 feet.

While VA had used the 5/200 or less standard of visual acuity for blindness over the last several decades, a consensus definition of what constitutes ''legal blindness'' has emerged.

This consensus definition is the statutory definition used for the Social Security disability insurance program and the Supplemental Security Income program and is less stringent than VA's standard, encompassing individuals with lesser degrees of vision impairment. The American Medical Association has espoused this definition since 1934 and defines blindness as a ''central visual acuity of 20/200 or less in the better eye with corrective glasses, or central visual acuity of more than 20/200 if there is a visual field defect in which the peripheral field is contracted to such an extent that the widest diameter of the visual field subtends an angular distance no greater than 20 degrees in the better eye.''

Recognizing this consensus definition, Public Law (hereinafter, ''P.L.'') 110–157, the Dr. James Allen Veteran Vision Equity Act of 2007, amended the criteria for receiving special monthly compensation to allow veterans who are very severely disabled as the result of blindness, and other severe disabilities, to be eligible to receive a higher rate of disability compensation if their visual acuity in both eyes is 20/200 or less.

Senate Bill

Section 306 of S. 914, as reported, would amend section 2101(b) of title 38, U.S.C., by requiring central visual acuity of 20/200 or less in the better eye with the use of a standard correcting lens. It also provides that an eye with a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered as having a central visual acuity of 20/200 or less.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 202 of the Compromise Agreement reflects the Senate Bill.

REVISED LIMITATIONS ON ASSISTANCE FURNISHED FOR ACQUISITION AND ADAPTATION OF HOUSING FOR DISABLED VETERANS

Current Law

Since 1948, VA has provided adaptive housing assistance grants to eligible individuals who have certain service-connected disabilities to construct an adapted home or modify an existing home to accommodate their disabilities. Today, VA provides adaptive housing assistance primarily through two programs—Specially Adapted Housing (hereinafter, ''SAH'') and Special Home Adaptation (hereinafter, ''SHA''). Both programs are codified under chapter 21 of title 38, U.S.C.

The SAH grant program provides financial assistance to veterans and servicemembers who are entitled to compensation for permanent and total service-connected disability due to the loss or loss of use of multiple limbs, blindness and limb loss, or a severe burn injury. Eligible individuals may receive up to three SAH grants totaling no more than 50 percent of the cost of a specially adapted house, up to the aggregate maximum amount for FY 2011 of $63,780. This amount is adjusted annually based on a cost-of-construction index. Grants may be used to construct a house or remodel an existing house, or they may be applied against the unpaid principal mortgage balance of a specially adapted house. The SHA grant program, which is similar to SAH but is for individuals with other disabilities, may be used for slightly different purposes and cannot exceed $12,756 during FY 2011. This amount is also adjusted annually based on a cost-of-construction index.

P.L. 109–233, the Veterans' Housing Opportunity and Benefits Improvement Act of 2006, authorized VA to expand its previously existing adaptive housing assistance grants to include eligible individuals temporarily living in a home owned by a family member. The Temporary Residence Adaptation (hereinafter, ''TRA'') benefit, codified at section 2102A of title 38, U.S.C., allows veterans to apply for a grant to adapt the home of a family member with whom they are temporarily residing. The benefit was extended to active duty servicemembers with the passage of P.L. 110–289, the Housing and Economic Recovery Act of 2008. The TRA grant program enables veterans and servicemembers eligible under the SAH and SHA programs to use up to $14,000 and $2,000, respectively, to modify a family member's home.

Under current law, section 2102(d) of title 38, U.S.C., each TRA grant counts as one of the three grants allowed under either SAH or SHA. TRA grants also count toward the maximum allowable FY 2011 amount of $63,780 under SAH and $12,756 under SHA.

The Government Accountability Office's (hereinafter, ''GAO'') congressionally mandated reports on the TRA grant program noted the limited participation in the TRA program. GAO found that one of the reasons for the low usage was that veterans often choose to wait to take advantage of benefits to adapt their own home because the TRA grant amount counts against the overall amount available to an individual under the SAH or SHA grant programs. One potential solution GAO identified would be no longer counting TRA grants against the maximum funds available under SAH and SHA.

Senate Bill

Section 307 of S. 914, as reported, would amend section 2102(d) of title 38 to exclude the TRA grant from the aggregate limitations on assistance furnished to an eligible veteran or servicemember pursuant to section 2102 of title 38, U.S.C. TRA grants would no longer be counted against the maximum funds available under SAH and SHA grants.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 203 of the Compromise Agreement reflects the Senate Bill. The Committees believe this change would increase participation in the TRA grant program.

IMPROVEMENTS TO ASSISTANCE FOR DISABLED VETERANS RESIDING IN HOUSING OWNED BY A FAMILY MEMBER

Current Law

P.L. 109–233, the Veterans' Housing Opportunity and Benefits Improvement Act of 2006, authorized VA to expand its previously existing adaptive housing assistance grants, known as TRA grants, to include eligible individuals temporarily living in a home owned by a family member. The benefit was extended to active duty servicemembers with the passage of P.L. 110–289, the Housing and Economic Recovery Act of 2008.

Under current law, section 2102A of title 38, U.S.C., the TRA grant program allows veterans and servicemembers eligible under the SAH and SHA programs to use up to $14,000 and $2,000, respectively, to modify a family member's home. The TRA grant program is scheduled to expire on December 31, 2012.

Section 101 of P.L. 109–233 also required the GAO to submit a report to Congress on VA's implementation of the TRA grant program. The interim report, ''Veterans Affairs: Implementation of Temporary Residence Adaptation Grants'' (GAO–09–637R), and the final report, ''Opportunities Exist to Improve Potential Recipients' Awareness of the Temporary Residence Adaptation Grant'' (GAO–10–786) (hereinafter, ''GAO Reports''), both noted limited participation in the TRA program. The interim report examined a number of reasons for the low usage, and noted that veterans often choose to wait to take advantage of benefits to adapt their own home because the TRA grant counts against the overall amount available to an individual under the SAH or SHA grant program. One of the potential solutions GAO identified was to increase the maximum benefit available under SAH and SHA.

Senate Bill

Section 305 of S. 914, as reported, would amend section 2102A of title 38, U.S.C., by increasing the amount of assistance available for individuals with permanent and total service-connected disabilities that meet the criteria of section 2101(a)(2) of title 38, U.S.C., from $14,000 to $28,000. It would increase the amount of assistance available for individuals with permanent and total service-connected disabilities that meet the criteria of section 2101(b)(2) of title 38, U.S.C., from $2,000 to $5,000.

It would add a new paragraph to section 2102A that would provide for automatic annual adjustments to the maximum grant amounts, based on a cost-of-construction index already in effect for other SAH and SHA grants authorized under chapter 21 of title 38, U.S.C. Finally, the Senate bill would amend section 2102A of title 38, U.S.C., by extending VA's authority to provide assistance under the TRA grant program until December 31, 2021.

House Bill

Section 2 of H.R. 4299 would amend section 2102A of title 38, U.S.C., by striking ''December 31, 2012'' and inserting ''December 31, 2014.''

Compromise Agreement

Section 204 of the Compromise Agreement generally follows the Senate Bill except the authority to provide TRA grants is extended to 2022.

DEPARTMENT OF VETERANS AFFAIRS HOUSING LOAN GUARANTEES FOR SURVIVING SPOUSES OF CERTAIN TOTALLY DISABLED VETERANS

Current Law

VA currently provides that surviving spouses of veterans whose deaths were not service-connected, but who had service-connected disabilities that were permanent and total for at least 10 years immediately preceding their deaths, are eligible to receive a monthly dependency and indemnity compensation (hereinafter, ''DIC'') payment from VA. However, surviving spouses of such veterans are not eligible for the VA home loan guaranty benefit administered by VA.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

Section 502 of H.R. 2433, as amended, would amend section 3701(b) of title 38, U.S.C., to extend eligibility for the VA Home Loan guaranty benefit to surviving spouses of veterans whose deaths were not service-connected, but who had service-connected disabilities that were permanent and total for at least 10 years immediately preceding their deaths.

Compromise Agreement

Section 205 of the Compromise Agreement reflects the House Bill.

OCCUPANCY OF PROPERTY BY DEPENDENT CHILD OF VETERAN FOR PURPOSES OF MEETING OCCUPANCY REQUIREMENT FOR DEPARTMENT OF VETERANS AFFAIRS HOUSING LOANS

Current Law

Current law, section 3704(c)(2) of title 38, U.S.C., states that, ''[i]n any case in which a veteran is in active-duty status as a member of the Armed Forces and is unable to occupy a property because of such status, the occupancy requirements [for purposes of obtaining a VA-backed home loan] shall be considered to be satisfied if the spouse of the veteran occupies the property . . . and the spouse makes the certification required by paragraph (1) of this subsection.'' Under current law, a single veteran with a dependent child is disqualified from obtaining a VA-backed home loan if he or she is on active-duty status, because he or she does not have a spouse to satisfy occupancy requirements.

Senate Bill

Section 303 of S. 914, as reported, would add to section 3704(c)(2) a provision allowing a veteran's dependent child who occupies, or will occupy, the property as a home to satisfy the occupancy requirements. To qualify them for a VA-backed home loan, the veteran's attorney-in-fact or a legal guardian of the veteran's dependent child must make the certification required by section 3704(c)(1) of title 38.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 206 of the Compromise Agreement reflects the Senate Bill. The Committees believe this provision would allow single-parent veterans performing active-duty service to obtain a VA-guaranteed home loan in situations where a veteran's dependent child will be occupying the home with an approved guardian. The Committees also intend that this provision apply to situations where veterans, married to each other, are both deployed.

MAKING PERMANENT PROJECT FOR GUARANTEEING OF ADJUSTABLE RATE MORTGAGES

Current law

Section 3707(a) of title 38, U.S.C., authorizes the guaranty of adjustable rate mortgages for veterans. The authority for VA to guaranty such mortgages is set to expire at the end of FY 2012.

House Bill

Section 501 of H.R. 2433, as amended, would amend section 3707(a) to reauthorize the adjustable rate mortgages until the end of FY 2014.

Senate Bill

The Senate Bills contain no similar provision.

Compromise Agreement

Section 207 of the Compromise Agreement would make this authority permanent.

MAKING PERMANENT PROJECT FOR INSURING HYBRID ADJUSTABLE RATE MORTGAGES

Current law

Section 3707A(a) of title 38, U.S.C., authorizes the guaranty of hybrid adjustable rate mortgages for veterans. The authority for VA to guaranty such mortgages is set to expire at the end of FY 2012.

House Bill

Section 501 of H.R. 2433, as amended, would amend section 3707A(a) to reauthorize hybrid adjustable rate mortgages until the end of FY 2014.

Senate Bill

The Senate Bills contain no similar provision.

Compromise Agreement

Section 208 of the Compromise Agreement would make this authority permanent.

WAIVER OF LOAN FEE FOR INDIVIDUALS WITH DISABILITY RATINGS ISSUED DURING PRE-DISCHARGE PROGRAMS

Current Law

Under current law, section 3729(c) of title 38, U.S.C., a housing loan fee may not be collected if a veteran is rated eligible to receive compensation as a result of a pre-discharge VA disability examination and rating. The time period between pre-discharge ratings and release from active-duty service can be quite long. During that time, many disabled servicemembers utilize their VA home loan benefit. Under current law, servicemembers who are rated eligible to receive compensation solely as the result of a pre-discharge review of existing medical evidence and not as the result of a VA examination are required to pay the housing loan fees until they have been discharged or released from active duty.

Senate Bill

Section 304 of S. 914, as reported, would amend section 3729(c) of title 38, U.S.C., by adding a provision that waives the collection of housing loan fees from a servicemember rated eligible to receive compensation based on a pre-discharge review of existing medical evidence that results in the issuance of a memorandum rating.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 209 of the Compromise Agreement reflects the Senate Bill. The Committees believe this provision would ensure that all servicemembers eligible to receive compensation as the result of a pre-discharge program are eligible for the housing loan fee waiver, regardless of whether the eligibility was the result of an examination or a review of existing evidence.

MODIFICATION OF AUTHORITIES FOR ENHANCED-USE LEASES OF REAL PROPERTY

Current Law

Subchapter V of chapter 81 of title 38, U.S.C., provides VA with authority to enter into enhanced-use leases (hereinafter, ''EULs''). EULs allow VA to lease underutilized real property to third-parties, so long as it will be used for a purpose that complements the mission of VA. VA was permitted to accept monetary or in-kind consideration for EULs and to spend any money collected on medical care via the MCCF. This authority expired on December 31, 2011.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 210 of the Compromise Agreement would reauthorize VA's EUL authority until December 31, 2023. The Compromise Agreement also would make several changes to VA's authority, including permitting EULs only for the purpose of creating programs to assist veterans who are homeless or at risk of homelessness, requiring VA to receive approval for future EULs from the Office of Management and Budget, prohibiting VA from receiving any type of in-kind consideration for leased property, and forbidding federal entities from leasing property from a lessee when that property is already subject to an EUL.

The Compromise Agreement also would require a report to Congress 120 days after enactment and annually thereafter, and include the key changes made to the administration of the program to address deficiencies identified by VA's Office of Inspector General in a February 29, 2012, report titled ''Audit of the Enhanced-Use Lease Program.'' The Committees note, with significant concern, the findings of the Office of Inspector General and expect VA to ensure substantial improvements are made to the management of the EUL program.

TITLE III—HOMELESS MATTERS

ENHANCEMENT OF COMPREHENSIVE SERVICE PROGRAMS

Current Law

Section 2011 of title 38, U.S.C., sets forth the authority, criteria, and requirements for VA's grant program. The law requires VA to establish criteria and requirements for grants awarded under this section. Eligible entities for these grants are restricted to public or nonprofit private entities with the capacity to administer these grants effectively who demonstrate that adequate financial support will be available to carry out the project for which the grant is sought consistent with the plans, specifications, and schedule submitted by the applicant. An eligible entity must also agree to meet, as well as have the capacity to meet, the applicable criteria and requirements established by VA. Subsection (b) specifies the kinds of projects for which the grants are available, including the expansion, remodeling, and alteration of existing buildings. Subsection (c) of this section stipulates that funds may not be used to support operation costs and may not exceed 65 percent of the estimated cost of the project concerned. In addition, the grants may not be used to support operational costs and the amount of the grant may not exceed 65 percent of the estimated cost of the project concerned.

Section 2012 of title 38, U.S.C., sets forth the authority for VA's per diem program. The law requires VA to provide to recipients of grants under section 2011 of title 38, U.S.C., per diem payments for services furnished to any homeless veteran whom VA has referred to the grant recipient or authorized the provision of services. The per diem rate is defined as the estimated daily cost of care, not in excess of the per diem rate for VA's State Home Per Diem Program.

Senate Bill

Section 201 of S. 914, as reported, would authorize grant funds to be used for new construction and stipulates that the Department cannot deny a grant on the basis that the entity proposes to use funding from other public or private sources, including entities that are Low-Income Housing Tax Credit recipients controlled by eligible nonprofits. This provision also would require VA, a year after enactment, to complete a study on grant and per diem payment methods within the comprehensive service grant and per diem programs, and issue a report to Congress on the findings therein.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 301 of the Compromise Agreement reflects the Senate Bill.

MODIFICATION OF AUTHORITY FOR PROVISION OF TREATMENT AND REHABILITATION TO CERTAIN VETERANS TO INCLUDE PROVISION OF TREATMENT AND REHABILITATION TO HOMELESS VETERANS WHO ARE NOT SERIOUSLY MENTALLY ILL

Current Law

Section 2031 of title 38, U.S.C., authorizes VA to provide outreach services, care, treatment, rehabilitative services, and certain therapeutic transitional housing assistance to veterans suffering from serious mental illness, including such veterans who are also homeless.

Senate Bill

Section 203 of S. 914, as reported, would modify the authority for the provision of treatment, rehabilitation, and other services to certain veterans to include the provision of such services to homeless veterans who are not seriously mentally ill.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 302 of the Compromise Agreement reflects the Senate Bill.

MODIFICATION OF GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS

Current Law

Section 2061 of title 38, U.S.C., authorizes VA to operate a grant program for homeless veterans with special needs. Section 2061(b) defines homeless veterans with special needs as: 1) women, including women who have care of minor dependents; 2) frail elderly; 3) terminally ill; or 4) chronically mentally ill.

Senate Bill

Section 202 of S. 914, as reported, would include male homeless veterans with minor dependents as an additional population with special needs for the purpose of receiving per diem payments to provide services. It would also authorize recipients of special needs grants to provide services directly to a dependent of a homeless veteran with special needs who is under the care of such veteran while receiving services from the grant recipient. Section 202 also authorizes the provision of grants to entities that are eligible for, but not currently in receipt of, funding under VA's Comprehensive Service Programs.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 303 of the Compromise Agreement reflects the Senate Bill.

COLLABORATON IN PROVISION OF CASE MANAGEMENT SERVICES TO HOMELESS VETERANS IN SUPPORTED HOUSING PROGRAM

Current Law

The Housing and Urban Development-Veterans Affairs Supportive Housing Program (hereinafter, ''HUD–VASH'') is a cooperative partnership between HUD and VA that provides long-term case management, supportive services, and permanent housing support for eligible homeless veterans. Section 2003(b) of title 38, U.S.C., requires VA to ensure that there are adequate case managers available for veterans who receive section 8 vouchers under the HUD–VASH program.

Senate Bill

Section 209 of S. 914, as reported, would require VA to consider entering into contracts or agreements with State or local governments, tribal organizations, or nonprofit organizations to collaborate in the provision of case management services to veterans in the supported housing program.

Section 209 of S. 914, as reported, also would require a report to Congress 545 days after enactment and not less frequently than once each year thereafter. This report would include, but would not be limited to, a description of any consideration to contract for case management; a description of the entities with whom VA entered into contracts; a description of the veterans served via contract; an assessment of contract performance; and recommendations for legislative or administrative action for the improvement of collaboration in the provision of case management services under the HUD–VASH program.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 304 of the Compromise Agreement generally reflects the Senate Bill with the addition of technical changes in subsection (b) that ensure veterans who meet eligibility criteria when entering the program and who are receiving case management from a contract provider can continue to receive case management from that same entity after they are placed into housing.

EXTENSIONS OF PREVIOUSLY FULLY-FUNDED AUTHORITIES AFFECTING HOMELESS VETERANS

Current Law

Under section 2013 of title 38, U.S.C., funds are authorized to be appropriated for comprehensive service programs for homeless veterans. $250 million is authorized to be appropriated for the program in FY 2012, but only $150 million is authorized to be appropriated for FY 2013.

Under section 2021 of title 38, U.S.C., $50 million is authorized to be appropriated for the Homeless Veterans Reintegration Program (hereinafter, ''HVRP'') for FY 2012. There are no funds authorized to be appropriated for this program in FY 2013.

Under section 2044 of title 38, U.S.C., $100 million is authorized to be appropriated in FY 2012 for financial assistance for supportive services for very low-income veteran families in permanent housing. There are no funds authorized to be appropriated for this program in FY 2013.

Under section 2061 of title 38, U.S.C., $5 million is authorized to be appropriated annually for the grant program for homeless veterans with special needs between FY 2007 and FY 2012. There are no funds authorized to be appropriated for this program in FY 2013.

Senate Bill

Section 201 of S. 914, as reported, would increase the authorization of appropriations to $250 million for the comprehensive service programs for homeless veterans in FY 2012.

Section 206 of S. 914, as reported, would extend through FY 2012 the existing $50 million authorization of appropriations for HVRP.

Section 207 of S. 914, as reported, would authorize the appropriation of $100 million for financial assistance for supportive services for very low-income veteran families in permanent housing in FY 2012.

Section 208 of S. 914, as reported, would authorize the appropriation of $5 million for

the grant program for homeless veterans with special needs in FY 2012.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 305 of the Compromise Agreement would increase the authorization of appropriations to $250 million for comprehensive service programs for homeless veterans in FY 2013 and $150 million for every fiscal year after and including FY 2014.

Section 305 of the Compromise Agreement would extend through FY 2013 the existing $50 million authorization of appropriations for HVRP.

Section 305 of the Compromise Agreement would authorize the appropriation of $300 million for financial assistance for supportive services for very low-income veteran families in permanent housing in FY 2013.

Section 305 of the Compromise Agreement would authorize the appropriation of $5 million for the grant program for homeless veterans with special needs in FY 2013.

TITLE IV—EDUCATION MATTERS

AGGREGATE AMOUNT OF EDUCATIONAL ASSISTANCE AVAILABLE TO INDIVIDUALS WHO RECEIVE BOTH SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE AND OTHER VETERANS AND RELATED EDUCATIONAL ASSISTANCE

Current Law

Under chapter 35 of title 38, U.S.C., certain survivors and dependents of individuals who die or are disabled while on active duty are eligible for educational assistance benefits. Section 3511(a)(1) provides that each eligible person is entitled to the equivalent of 45 months of full-time benefits.

P.L. 110–252, the Post–9/11 Veterans Educational Assistance Act of 2008, codified at chapter 33 of title 38, established a new program of educational assistance for individuals who served on active duty after September 11, 2001. This Act established a program of educational assistance in which individuals may earn up to a maximum of 36 months of full-time benefits.

Further, under section 3695 of title 38, U.S.C., an individual who is eligible for assistance under two or more specific educational programs may not receive in excess of the equivalent of 48 months of full-time benefits. This means that an eligible survivor or dependent who is entitled to receive education benefits under the chapter 35 program, who uses all 45 months of those benefits to obtain a college education, and who subsequently decides to enter the military, would only be able to earn the equivalent of three months of benefits under P.L. 110–252.

Senate Bill

Section 702 of S. 914, as reported, would amend section 3695 of title 38, U.S.C., to provide that an individual entitled to benefits under chapter 35 will not be subject to the 48–month limitation. However, the maximum aggregate period of benefits an individual may receive under chapter 35 and certain other educational assistance programs listed at section 3695 of title 38, U.S.C., would be capped at 81 months.

Section 702 would also revive a period of entitlement to education benefits in situations where such benefits were reduced by the 48–month limitation. The maximum period of assistance for individuals with revived benefits would also be capped at 81 months.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 401 of the Compromise Agreement reflects the Senate Bill.

ANNUAL REPORTS ON POST–9/11 EDUCATIONAL ASSISTANCE PROGRAM AND SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM

Current Law

Under section 3036 of title 38, U.S.C., DOD and VA, both bi-annually report to Congress on the effectiveness of the Montgomery GI Bill (hereinafter, ''MGIB'') Program in meeting the statutory objectives of the program.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

Section 504 of H.R. 2433, as amended, would require DOD and VA to annually submit to Congress reports on the effectiveness of the Post–9/11 GI Bill. The section would require DOD's report to measure what effect the level of GI Bill benefits has on DOD's ability to recruit and maintain qualified active-duty personnel. This section would also require VA to report on the level of utilization of benefits under all education programs administered by VA, the number of credit hours, certificates, degrees, and other qualifications earned by students under the GI Bill, and VA's recommendations on ways to improve the benefit for servicemembers, veterans, and their dependents. This section also repeals section 3036 of title 38, U.S.C., which requires the current biennially report on the MGIB program.

Compromise Agreement

Section 402 of the Compromise Agreement generally reflects the House Bill with some minor modifications. With the advent of the Post–9/11 GI Bill, and the resulting reduction in the participation in the MGIB, the Committees believe it is time to refocus this report on the Post–9/11 GI Bill.

The Compromise Agreement provides VA increased flexibility in determining what additional type of data on student outcomes can be included in the report and specifies that the first reports are due by November 1, 2013.

The Committees believe that, with the significant investment, estimated to be as much as $60 to $80 billion over the first 10 years, Congress needs to be able to determine whether provisions of the Post–9/11 GI Bill are meeting their intended outcomes.

TITLE V—BENEFITS MATTERS

AUTOMATIC WAIVER OF AGENCY OF ORIGINAL JURISDICTION REVIEW OF NEW EVIDENCE

Current Law

Current law precludes the Board of Veterans' Appeals (hereinafter, ''Board'') initial consideration of evidence submitted in connection with a claim, unless the claimant waives the right to initial consideration by the Agency of Original Jurisdiction (hereinafter, ''AOJ''). Evidence first must be considered by the AOJ in order to preserve a claimant's statutory right under section 7104 of title 38, U.S.C., to one review on appeal.

Senate Bill

Section 404 of S. 914, as reported, would amend section 7105 of title 38, U.S.C., by creating a new subsection, (e), to incorporate an automatic waiver of the right to initial consideration of certain evidence by the AOJ. The evidence subject to the waiver is evidence in connection with the issue or issues with which disagreement has been expressed, and which is submitted by the claimant, or his or her representative, to the AOJ or the Board concurrently with or after the filing of a substantive appeal. Such evidence would be subject to initial consideration by the Board, unless the appellant or his or her representative requests, in writing, that the AOJ initially consider the evidence. The request would be required to be submitted with the evidence. These changes would take effect 180 days after enactment and apply with respect to claims for which a substantive appeal is filed on or after that date.

House Bill

Section 2 of H.R. 1484 would direct the Board to consider evidence submitted by a claimant after a substantive appeal has been filed unless the claimant elects to have the evidence considered first by the AOJ.

Compromise Agreement

Section 501 of the Compromise Agreement reflects the language of the Senate Bill.

AUTHORITY FOR CERTAIN PERSONS TO SIGN CLAIMS FILED WITH SECRETARY OF VETERANS AFFAIRS ON BEHALF OF CLAIMANTS

Current Law

Under current law, section 5101 of title 38, U.S.C., VA lacks specific authority to authorize a court-appointed representative or caregiver to sign an application form allowing the adjudication of the claim to proceed.

Senate Bill

Section 704 of S. 914, as reported, would authorize certain individuals to sign claims filed with VA on behalf of claimants who are under age 18, are mentally incompetent, or are physically unable to sign a form.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 502 of the Compromise Agreement generally follows the Senate Bill but with the addition of a new section, 502(a)(2)(A)(iii), in order to clarify that if a person signs a form on behalf of a claimant, the claimant's social security number must be submitted in addition to the social security number or tax identification number of the individual signing the form on behalf of the claimant.

IMPROVEMENT OF PROCESS FOR FILING JOINTLY FOR SOCIAL SECURITY AND DEPENDENCY AND INDEMNITY COMPENSATION

Current Law

Under current law, section 5105 of title 38, U.S.C., VA and the Social Security Administration (hereinafter, ''SSA'') are required to develop and use joint applications for survivors who apply for both dependency and indemnity compensation DIC and Social Security survivor benefits. Section 5105 further provides that, if such a joint application form is filed with either VA or SSA, it will be deemed an application for both DIC and Social Security benefits.

Senate Bill

Section 705 of S. 914, as reported, would amend section 5105 of title 38, U.S.C., to permit—but not require—the development of a joint form for SSA and VA survivor benefits. This provision also would amend section 5105 so that any form indicating an intent to apply for survivor benefits would be deemed an application for both DIC and Social Security benefits. This is intended to codify VA's practice under which any indication of intent to apply for Social Security survivor benefits also is treated as an application for VA DIC benefits.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 503 of the Compromise Agreement reflects the Senate Bill.

AUTHORIZATION OF USE OF ELECTRONIC COMMUNICATION TO PROVIDE NOTICE TO CLAIMANTS FOR BENEFITS UNDER LAWS ADMINISTERED BY THE SECRETARY OF VETERANS AFFAIRS

Current Law

Section 5103 of title 38, U.S.C., requires VA to issue a notice to claimants of further evidence needed to substantiate a claim, referred to as a VCAA notice because of its requirement under the Veterans Claims Assistance Act of 2000. Section 5103 further requires VA to issue a separate written notice to claimants upon receipt of any subsequent claim, regardless of whether the information contained is different from any prior notices issued. The VCAA notice also outlines VA's duty to assist the claimant in obtaining evidence, including what steps VA will take, and explains the role the claimant can play to ensure all relevant evidence is submitted for consideration. The VCAA notice explains how a disability rating and effective date will be determined, and each VCAA notice contains a VCAA Notice Response Form, which identifies the date of claim and provides a brief explanation regarding the submission of any additional information or evidence.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

Section 4 of H.R. 2349, as amended, would remove the requirement that the VCAA notice be sent only after receipt of a claim, thereby allowing VA to put notice on claims application forms as is currently done with the Department's 526–EZ form for Fully Developed Claims (hereinafter, ''FDCs''). VA must ensure that veterans are adequately informed about their right to submit an informal claim for the purpose of establishing an earlier effective date in rewriting new application forms. Such information is currently included on the 526–EZ form for those filing under the FDC program, and it should similarly be included for those submitting standard non-FDC forms to ensure that veterans do not lose any benefit.

Section 4 of H.R. 2349, as amended, authorizes VA to use the most effective means available for communication, including electronic or written communication, and removes the requirement that VA send a notice for a subsequent claim if the issue is already covered under a previous claim and notice. However, under this section, VA must still send a notice if over one year has passed since any notice was last sent to the claimant. According to VA, the subsequent reduction in claims processing times by this section can range from 30 to 40 days, which provides a positive step toward reducing the claims backlog.

The requirement that VA issue a separate written VCAA notice upon receipt of any subsequent claim presents two issues that contribute to the claims backlog. The first is that, in many cases, VA is forced to take a redundant step of producing the exact same notice it has already provided to the veteran, which increases the processing time without affecting the outcome of the claim. The second issue is that the notices provided by VA must be in writing and mailed through the postal system. Because it is not authorized to do so, VA cannot utilize the speed and efficiency provided by electronic mail, even if that were the claimant's preferred method of communication regarding the claim. This restriction of VA's means of communication prevents it from utilizing a widely-used and accepted form of efficient and timely correspondence. Section 4 of H.R. 2349, as amended, directly addresses those inefficiencies.

Section 4 of H.R. 2349, as amended, also authorizes VA to waive the requirements for issuing a VCAA notice when ''the Secretary may award the maximum benefit in accordance with this title based on the evidence of record.'' This provision will eliminate delays that occur when a VCAA notice would be sent in connection with claims for which VA will award a benefit, and when such notice has little likelihood of leading to a higher level of benefit. This section contains no requirement limiting correspondence to electronic mail.

Compromise Agreement

Section 504 of the Compromise Agreement generally follows the House's position with a minor change in the language of paragraph (5)(B) of H.R. 2349. The House-passed language in paragraph (5)(B) reads ''For purposes of this paragraph, the term 'maximum benefit' means the highest evaluation assignable in accordance with the evidence of record, as long as such evaluation is supported by such evidence of record at the time the decision is rendered.'' Per the Compromise Agreement, this language is changed to ''For purposes of this paragraph, the term 'maximum benefit' means the highest evaluation assignable in accordance with the evidence of record, as long as such evidence is adequate for rating purposes and sufficient to grant the earliest possible effective date in accordance with section 5110 of this title.'' This revised definition of ''maximum benefit'' clarifies that VA must have evidence that is sufficient to meet all aspects of the rating schedule for each condition.

DUTY TO ASSIST CLAIMANTS IN OBTAINING PRIVATE RECORDS

Current Law

Section 5103A of title 38, U.S.C., outlines VA's duty to assist claimants in obtaining evidence needed to substantiate a claim. Under current law, VA must make ''reasonable efforts'' to obtain private medical records on behalf of a claimant who adequately identifies and authorizes VA to obtain them. What constitutes a ''reasonable effort'' by VA to obtain private medical records on behalf of a claimant is undefined.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

Section 5 of H.R. 2349, as amended, authorizes VA to waive its duty to assist requirement when ''the Secretary may award the maximum benefit in accordance with this title based on the evidence of record.'' The effect of this provision would prevent both the claimant and VA from having to collect further evidence that would have no impact on the claim. Under the revised definition of ''maximum'' benefit, it is clear that before VA can make such an award, it must have evidence that is sufficient to meet all aspects of the rating schedule for each condition.

Section 5 of H.R. 2349, as amended, also adds a provision to encourage claimants to take a proactive role in the claims process. By encouraging ''claimants to submit relevant private medical records of the claimant to the Secretary if such submission does not burden the claimant,'' the collection of evidence necessary to render a decision can be greatly facilitated.

Section 5 of H.R. 2349, as amended, is intended to reduce the number of situations wherein VA spends unnecessary time and resources to pursue private medical records that may already have been submitted in the claimant's file, may not exist, may not be obtainable, are not relevant to the claim, or even if obtained, are highly unlikely to change the rating that would otherwise be assigned based on the evidence of record. VA would continue to have an obligation to obtain or assist veterans in obtaining relevant medical records, both public and private; however, this provision clarifies that the purpose of the duty to assist should be limited to situations where it will actually assist veterans in substantiating their claims. In addition, a claimant's knowledge of where certain medical records may be located is invaluable to claim development. In many cases a claimant can identify, obtain, and submit that evidence more quickly than if the Department received a claim and subsequently had to locate and request those same records.

Compromise Agreement

Section 505 of the Compromise Agreement generally follows the House's position with a minor change in the language of paragraph (2)(B) of H.R. 2349. The House-passed language in paragraph (2)(B) reads ''For purposes of this paragraph, the term 'maximum benefit' means the highest evaluation assignable in accordance with the evidence of record, as long as such evaluation is supported by such evidence of record at the time the decision is rendered.'' Per the Compromise Agreement, this language is changed to ''For purposes of this paragraph, the term 'maximum benefit' means the highest evaluation assignable in accordance with the evidence of record, as long as such evidence is adequate for rating purposes and sufficient to grant the earliest possible effective date in accordance with section 5110 of this title.'' This revised definition of ''maximum benefit'' clarifies that VA must have evidence that is sufficient to meet all aspects of the rating schedule for each condition.

AUTHORITY FOR RETROACTIVE EFFECTIVE DATE FOR AWARDS OF DISABILITY COMPENSATION IN CONNECTION WITH APPLICATIONS THAT ARE FULLY-DEVELOPED AT SUBMITTAL

Current Law

Under section 221 of Public Law 110–389, the Veterans' Benefits Improvement Act of 2008, VA was required to conduct a pilot project to test ''the feasibility and advisability of providing expeditious treatment of fully developed compensation or pension claims.'' After carrying out that pilot at 10 VA regional offices, VA expanded the FDC process to all VA regional offices. Under section 5110(a) of title 38, U.S.C., the effective date of an award of disability compensation generally is the date on which VA received the application for those benefits. Although there are exceptions to that general rule, none of the exceptions would allow a retroactive effective date for veterans who file FDCs.

Senate Bill

Section 402 of S. 914, as reported, would amend section 5110 of title 38, U.S.C., to provide that the effective date of an award of disability compensation to a veteran who submitted an FDC would be based on the facts found, but would not be earlier than 1 year before the date on which VA received the veteran's application. That change would take effect on the date of enactment and would not be applied to claims filed after September 30, 2012.

House Bill

The House Bills contain no comparable provision.

Compromise Agreement

Section 506 of the Compromise Agreement generally follows the Senate bill. However, a retroactive effective date will only be available for original claims that are fully-developed upon submittal. The changes will be effective 1 year after the date of enactment, and the changes will not apply with respect

to claims filed after the date that is three years after the date of enactment.

MODIFICATION OF MONTH OF DEATH BENEFIT FOR SURVIVING SPOUSES OF VETERANS WHO DIE WHILE ENTITLED TO COMPENSATION OR PENSION

Current Law

Under current law, veterans' benefits for a specific month are paid in the month following the month to which they are attributable. No benefits are owed to a veteran for the month in which a veteran dies. However, if the veteran had a surviving spouse, the month of death provision in current law, section 5310 of title 38, U.S.C., provides that the amount of benefits that the veteran would have received had the veteran not died, is payable to the surviving spouse.

Section 5310 also provides that, if the benefit payable to a surviving spouse as death compensation, DIC, or death pension is less than the amount that the veteran would have received for that month but for the veteran's death, the greater benefit would be paid for the month of death.

Senate Bill

Section 403 of S. 914, as reported, would amend current law in order to clarify that a surviving spouse of a veteran who is receiving compensation or pension from VA, is due the amount of benefits the veteran would have received for the entire month of the veteran's death, regardless of whether the surviving spouse is otherwise entitled to survivor benefits. Also, if at the time of death, the veteran had a claim pending for compensation or pension that was subsequently granted, the surviving spouse would be eligible for any benefits or additional benefits due as accrued benefits for the month of death.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 507 of the Compromise Agreement reflects the Senate Bill.

INCREASE IN RATE OF PENSION FOR DISABLED VETERANS MARRIED TO ONE ANOTHER AND BOTH OF WHOM REQUIRE REGULAR AID AND ATTENDANCE

Current Law

Veterans of a period of war who meet income, net worth, and other eligibility criteria are eligible to receive a pension based upon need. The pension amount is based upon the number of veteran dependents. Additional benefits are paid if the veteran has a disability which results in housebound status or a need for aid and attendance. In general, when a veteran is married to another veteran, the pension benefits paid are the same as for a veteran who is married to a non-veteran. However, in cases where one or both members of a veteran couple is housebound and/or in need of aid and attendance, the additional amounts paid are computed separately for each veteran and then added to the basic grant.

In 1998, section 8206 of P.L. 105–178, the Transportation Equity Act for the 21st Century, increased the benefit for a veteran who requires aid and attendance by $600 per year. Because of the way the bill was drafted, the benefit was increased for only one of the veterans in the rare case that a veteran is married to a veteran and both require aid and attendance. The legislative history does not indicate any intent to treat these spouses differently. Therefore, under current law, a veteran who is married to a veteran where both veterans qualify for aid and attendance benefits, the benefit amount for one of the spouses is lower than for the other spouse.

Senate Bill

Section 401 of S. 914, as reported, would increase the benefit paid to married couples where both members of the couple are veterans and both qualify for aid and attendance, so that each member of the married couple receives the full aid and attendance amount.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 508 of the Compromise Agreement generally follows the Senate Bill, but with a slight increase in the amount of the benefit paid to married couples where both members of the couple are veterans, and both qualify for aid and attendance. This increased amount of $32,433 reflects the current rate needed to equalize the benefit provided to each veteran spouse as a result of the 2012 cost-of-living adjustment applied to the previous shortfall remedy of $825. This increase was necessary to ensure that the Compromise Agreement adequately reflected the amount necessary to correct the benefit level for each spouse to the amount intended by P.L. 105–178.

EXCLUSION OF CERTAIN REIMBURSEMENTS OF EXPENSES FROM DETERMINATION OF ANNUAL INCOME WITH RESPECT TO PENSIONS FOR VETERANS AND SURVIVING SPOUSES AND CHILDREN OF VETERANS

Current Law

Veterans of a period of war who meet income, net worth, and other eligibility criteria are eligible to receive a pension based upon need. Under current law, section 1503 of title 38, U.S.C., reimbursements for any kind of casualty loss are exempt from income determinations for purposes of determining pension eligibility.

Senate Bill

The Senate Bill contains no similar provision.

House Bill

Section 3 of H.R. 2349, as amended, would prevent the offset of pension benefits for veterans, surviving spouses, and children of veterans due to the receipt of payments by insurance, court award, settlement or other means to reimburse expenses incurred after an accident, theft, ordinary loss or casualty loss. Section 3 would also exempt pain and suffering income from pension calculations, but only amounts determined by VA on a case-by-case basis. The House Bill would also extend the authority of VA to verify income information with the Internal Revenue Service (hereinafter, ''IRS'') to November 18, 2013.

Compromise Agreement

Section 509 of the Compromise Agreement generally follows the House Bill except it does not exclude payments for medical expenses resulting from any accident, theft, loss, or casualty loss or payments for pain and suffering related to an accident, theft, loss, or casualty loss. The Committees believe payments received for pain and suffering should not be excluded from countable income because such payments are not a reimbursement for expenses and such an exclusion would be inconsistent with a needs based program.

The Compromise Agreement does not extend the authority of VA to verify income information with the IRS. This authority was extended until September 30, 2016, by P.L. 112–56.

TITLE VI—MEMORIAL, BURIAL & CEMETERY MATTERS

PROHIBITION ON DISRUPTIONS OF FUNERALS OF MEMBERS OR FORMER MEMBERS OF THE ARMED FORCES

Current Law

Section 2413 of title 38, U.S.C., restricts the time, place, and manner of demonstrations at funerals for servicemembers or former servicemembers at National Cemetery Administration (hereinafter, ''NCA'') facilities and Arlington National Cemetery (hereinafter, ''ANC'').

Section 1388 of title 18, U.S.C., restricts the time, place, and manner of demonstrations at funerals for servicemembers or former servicemembers that take place in cemeteries other than NCA facilities or ANC.

Senate Bill

Section 501 of S. 914, as reported, increases the space and time restrictions, and liability for those protesting at funerals of servicemembers and former servicemembers in both section 2413 of title 38 and section 1388 of title 18, U.S.C. For a full explanation of section 501 of S. 914 please see Senate Report 112–088, the Veterans Programs Improvement Act of 2011.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 601 of the Compromise Agreement reflects the Senate Bill.

CODIFICATION OF PROHIBITION AGAINST RESERVATION OF GRAVESITES AT ARLINGTON NATIONAL CEMETERY

Current Law

Army Regulation 290–5, Paragraph 2–5, states that ANC selection of specific gravesites or sections is not authorized. Despite a stated policy against preferential treatment and the reservation of gravesites, the Washington Post reported that in recent years ANC had repeatedly provided preferential treatment to VIPs by setting aside select and prestigious gravesites for their future use. An article dated March 20, 2011, titled ''Arlington Cemetery struggles with old reservations,'' is excerpted in relevant part:

''Although [ANC] stopped formally taking reservations in 1962, the practice of reserving choice grave sites continued, if unofficially, under Raymond J. Costanzo, who was superintendent from 1972 to 1990. [John C. Metzler, Jr.], his successor, who ran the cemetery until he was forced to retire last year, also apparently allowed people to pick areas of the cemetery where they wanted to be buried, Army officials said.

The Army, which investigated the matter two decades ago and is looking into it again, has a list from 1990 with 'senior officials' who have plots that 'were de facto reserved in violation of Army policy,' according to a memo obtained by The Post under the Freedom of Information Act. Some of these officials were driven around the cemetery by Costanzo, who told investigators that he had allowed them to pick their spots.

'I take the position that if there is anything I can do positively for a person, I will try to do that as long as it is not a serious violation of any rule, regulation, or law,' he told investigators at the time.''

Media reports regarding preferential treatment of and reservations for certain people, coupled with a 2010 investigation of ANC by the Army Inspector General, reflect a series of problems with the previous management of ANC. As ANC works to build accountability and transparency in its management and operations, the issue of gravesite reservations remains a paramount concern.

Senate Bill

Section 502 of S. 914, as reported, would codify the Army regulations that ban reserving gravesites and would provide accountability and transparency. The section would amend chapter 24 of title 38, U.S.C., by requiring that not more than one gravesite at ANC be provided to eligible veterans or members of the Armed Forces, unless a waiver is made by the Secretary of the Army as

considered appropriate. This requirement would apply with respect to all interments at ANC after the date of the enactment of this section.

Section 502 would also prohibit the reservation of gravesites at ANC for individuals not yet deceased. This prohibition would not apply with respect to the interment of an individual for whom a request for a reserved gravesite was approved by the Secretary of the Army before January 1, 1962, when ANC formally stopped accepting reservations.

A reporting requirement would also be imposed by the section. Not later than 180 days after the enactment of this section, the Army would be required to submit to Congress a report on reservations made for interment at ANC. The report would describe the number of requests for reservations at ANC that were submitted to the Secretary of the Army before January 1, 1962. The report would also describe the number of gravesites at ANC that, on the day before the date of the enactment of this section, were reserved in response to such requests. The number of such gravesites that, on the day before the enactment of this section, were unoccupied would also be included in the report. Additionally, the report would list all reservations for gravesites at ANC that were extended by individuals responsible for the management of ANC in response to requests for such reservations made on or after January 1, 1962.

House Bill

Section 3 of H.R. 1627 contains a similar provision on burial reservations.

Compromise Agreement

Section 602 of the Compromise Agreement reflects the Senate and House Bills. The Committees believe that the inclusion of this provision is necessary to ensure that qualified servicemembers and veterans are honored at ANC without regard to rank or status. In light of the extraordinary sacrifices made by America's men and women in uniform, it is paramount that their burials at ANC occur with integrity, in a manner befitting such sacrifice, and in accordance with Army policy and regulation.

The Compromise Agreement also permits the President to waive the prohibition on burial reservations at Arlington National Cemetery as the President considers appropriate, and requires the President to notify the Committees and the Senate and House Armed Services Committees of any such waiver decision. The Committees expect that decisions to waive the prohibition will be done only under extraordinary circumstances, i.e., for a Medal of Honor recipient, former President, etc.

EXPANSION OF ELIGIBILITY FOR PRESIDENTIAL MEMORIAL CERTIFICATES TO PERSONS WHO DIED IN THE ACTIVE MILITARY, NAVAL, OR AIR SERVICE

Current Law

Under current law, section 112 of title 38, U.S.C., eligibility for presidential memorial certificates is limited to survivors of veterans who were discharged from service under honorable conditions. For purposes of this section, under the section 101, title 38, U.S.C., definition of ''veteran,'' an individual who died in active service, including an individual killed in action, technically is not a veteran because the individual was not ''discharged or released'' from service. Therefore, under current law, the survivors of such an individual are not eligible for a presidential memorial certificate honoring the memory of the deceased.

Senate Bill

Section 503 of S. 914, as reported, would amend section 112 of title 38 by allowing VA to provide presidential memorial certificates to the next of kin, relatives, or friends of a servicemember who died in active military, naval, or air service.

House Bill

The House Bills contain no similar provision.

Compromise Agreement

Section 603 of the Compromise Agreement reflects the Senate Bill.

REQUIREMENTS FOR THE PLACEMENT OF MONUMENTS IN ARLINGTON NATIONAL CEMETERY

Current Law

Section 2409 of title 38, U.S.C., allows the Secretary of the Army to set aside areas in ANC to honor military personnel and veterans who are missing in action or whose remains were not available for various other reasons. Section (b) provides for the erection of appropriate memorials or markers to honor such individuals.

Senate Bill

The Senate Bills contain no similar provision.

House Bill

Section 2 of H.R. 1627, as amended, would establish clear and objective criteria for the Secretary of the Army in considering and approving monument requests. It would do this by putting in place a requirement that monuments commemorate the military service of an individual, a group of individuals, or a military event that is at least 25 years old. The purpose of the 25–year requirement would be to ensure that a permanent monument truly stands the test of time and is not commemorating events based on the passions of a moment. H.R. 1627, as amended, would also require that monuments be placed in sections of ANC designated by the Secretary of the Army for that explicit purpose and only on land that is not suitable for burial. The bill would further require that monument construction and placement must be funded by a non-governmental entity using funds from private sources. The Secretary of the Army would be required to consult with the U.S. Commission on Fine Arts before approving the monument design, and the sponsoring entity must issue a study on the suitability and availability of other sites (outside of ANC) where the monument could be placed.

Recognizing the need for flexibility in monument determinations, H.R. 1627, as amended, would permit the Secretary of the Army to waive the 25–year rule (noted above) in the event a monument proposes to commemorate a group of individuals who have made valuable contributions to the Armed Forces for longer than 25 years and those contributions continue, and are expected to continue indefinitely, and such groups have provided service of such a character that it would present a manifest injustice if approval of the monument was not permitted.

Finally, H.R. 1627, as amended, would retain ultimate Congressional oversight of monument placement at ANC by requiring the Secretary of the Army to notify Congress of any decision to approve a monument, along with the stated rationale, before a monument may be placed. Congress would have 60 days to review the decision and, if it chooses, pass a disapproval resolution in order to halt the monument from going forward. If Congress takes no action, the monument would be deemed approved after the 60-day period lapses.

H.R. 1627, as amended, therefore, retains elements of the Department of the Army's existing regulatory framework with respect to monument placement at ANC and builds upon that framework by establishing an objective, transparent, rigorous, and flexible criteria for future monument placement.

Compromise Agreement

Section 604 of the Compromise Agreement generally follows the House Bill except that it requires that the Advisory Committee on Arlington National Cemetery also be consulted prior to a monument being placed in the Cemetery.

TITLE VII—OTHER MATTERS

ASSISTANCE TO VETERANS AFFECTED BY NATURAL DISASTERS

Current Law

Laws such as P.L. 93–288, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, provide federal assistance to individuals and families affected by natural disasters. However, current law is not specifically tailored to the needs of veterans, particularly veterans with service-connected disabilities affected by such disasters. This means that under current law, targeted assistance is unavailable to those veterans who are particularly vulnerable and most in need of assistance in the event of a natural disaster.

For example, VA adaptive housing assistance grants are available to eligible individuals who have certain service-connected disabilities, to construct an adapted home or to modify an existing home to accommodate their disabilities. However, limitations such as caps on the total amount of assistance available under SAH or SHA grants, may prevent a veteran from receiving additional assistance from VA to repair an adapted home damaged by a natural disaster.

Similarly, under current law, section 3903 of title 38, U.S.C., a veteran may receive a grant for the purchase of an automobile. If that vehicle has been destroyed by a natural or other disaster, current statutory limitations would prevent VA from providing another grant to repair or replace the damaged vehicle.

Senate Bill

Section 701 of S. 914, as reported, would provide certain types of assistance to eligible veterans affected by a natural or other disaster.

Section 701 of S. 914, as reported, would amend chapter 21 of title 38, U.S.C., by adding a new section which would provide assistance to a veteran whose home is destroyed or substantially damaged in a natural or other disaster, and that was previously adapted with assistance through the SAH or SHA grant program. Such assistance would not be subject to the limitations on assistance under section 2102. However, under this section a grant award would not exceed the lesser of the reasonable cost of repairing or replacing the damaged or destroyed home in excess of the available insurance coverage on such home, or the maximum grant amount to which the veteran would have been entitled under the SAH or SHA grant programs had the veteran not obtained the prior grant.

Section 701 would amend section 3108 of title 38, U.S.C., by authorizing VA to extend the payment of a subsistence allowance to qualifying veterans participating in a rehabilitation program under chapter 31 of title 38. The extension would be authorized if the veteran has been displaced as a result of a natural or other disaster while being paid a subsistence allowance. If such circumstances are met, VA would be permitted to extend the payment of a subsistence allowance for up to an additional two months while the veteran is satisfactorily following a program of employment services.

Section 701 also would amend section 3120 of title 38, U.S.C., by waiving the limitation on the number of veterans eligible to receive programs of independent living services and assistance, in any case in which VA determines that an eligible veteran has been displaced as the result of, or has otherwise been

adversely affected in the areas covered by, a storm or other disaster.

Section 701 would amend section 3703 of title 38, U.S.C., to allow VA to guarantee a loan, regardless of whether such loan is subordinate to a superior lien created by a public entity that has provided, or will provide, assistance in response to a major disaster.

Additionally, section 701 would amend section 3903, of title 38, U.S.C., by authorizing VA to provide, or to assist in providing, an eligible person receiving assistance through the Automobile Assistance Program with a second automobile. This assistance would be permitted only if VA receives satisfactory evidence that the automobile, previously purchased with assistance through this program, was destroyed as a result of a natural or other disaster, the eligible person bore no fault, and the person would not receive compensation for the loss from a property insurer.

Finally, section 701 would require VA to submit an annual report to Congress detailing the assistance provided or action taken by VA during the last fiscal year pursuant to the authority of this section. Required report provisions would include: a description for each natural disaster for which assistance was provided, the number of cases or individuals in which, or to whom, VA provided assistance, and for each such case or individual, a description of the assistance provided.

House Bill

The House Bills contain no similar provisions.

Compromise Agreement

Section 701 of the Compromise Agreement follows the Senate Bill.

EXTENSION OF CERTAIN EXPIRING PROVISIONS OF LAW

Current Law

Under section 3720(h) of title 38, U.S.C., VA has the authority to issue, or approve the issuance of, certificates or other securities evidencing an interest in a pool of mortgage loans VA finances on properties it has acquired and guarantee the timely payment of principal and interest on such certificates or other securities. This authority expired on December 31, 2011.

Section 3729(b)(2) of title 38, U.S.C., sets forth a loan fee table that lists funding fees to be paid by beneficiaries, expressed as a percentage of the loan amount, for different types of loans guaranteed by VA. Funding fee rates have varied over the years, but with one exception, have remained constant since 2004. All funding fee rates are set to be reduced on October 1, 2016.

Finally, P.L. 110–389, the Veterans' Benefits Improvement Act of 2008, authorized VA to temporarily guarantee mortgages with higher loan values in recognition of the high cost of housing in several areas of the country. This authorization expired on December 31, 2011.

Senate Bill

Section 15 of S. 951, as reported, would amend the fee schedule set forth in section 3729(b)(2) of title 38, U.S.C., by extending VA's authority to collect certain fees and by adjusting the amount of the fees. Specifically, the section would amend section 3729(b)(2)(B)(ii) by striking ''January 1, 2004, and before October 1, 2011'' and inserting ''October 1, 2011, and before October 1, 2014,'' and by striking ''3.30'' both places it appears and inserting ''3.00.''

The section also would amend section 3729(b)(2)(B)(i) by striking ''January 1, 2004'' and inserting ''October 1, 2011'' and by striking ''3.00'' both places it appears and inserting ''3.30.'' The section would also strike clause (iii) and re-designate clause (iv) as clause (iii). Clause (iii), as re-designated, would be amended by striking ''October 1, 2013'' and inserting ''October 1, 2014.''

House Bill

Section 501 of H.R. 2433, as amended, would amend section 3720(h)(2) to extend VA's pooling authority for mortgages until December 31, 2016. The section also would amend the fee schedule set forth in section 3729(b)(2) of title 38, U.S.C., by extending VA's authority to collect certain fees and by adjusting the amount of the fees. Specifically, the section would amend section 3729(b)(2)(A)(iii) and 3729(b)(2)(A)(iv) by striking ''November 18, 2011'', and inserting ''October 1, 2017''.

The section also would amend section 3729(b)(2)(B)(i) by striking ''November 18, 2011'' and inserting ''October 1, 2017''. The section also would strike clause (ii) and (iii) and re-designate clause (iv) as clause (ii). The section also would amend section 3729(b)(2)(C)(i) and 3729(b)(2)(C)(ii) by striking ''November 18, 2011'' and inserting ''October 1, 2017''. The section also would amend section 3729(b)(2)(D)(i) and 3729(b)(2)(D)(ii) by striking ''November 18, 2011'' and inserting ''October 1, 2017''.

Finally, this section also would amend section 501 of the Veterans Benefits Improvement Act of 2008 to extend the authority to temporarily guarantee mortgages with higher loan values in certain areas of the country until December 31, 2014.

Compromise Agreement

Section 702 of the Compromise Agreement generally follows the House Bill.

REQUIREMENT FOR PLAN FOR REGULAR ASSESSMENT OF EMPLOYEES OF VETERANS BENEFITS ADMINISTRATION WHO HANDLE PROCESSING OF CLAIMS FOR COMPENSATION AND PENSION

Current Law

Under current law, section 7732A of title 38, U.S.C., VA shall provide for an examination of appropriate employees and managers of the Veterans Benefits Administration (hereinafter, ''VBA'') who are responsible for processing claims for compensation and pension benefits under the laws administered by VA. In developing the required examination, VA must consult with appropriate individuals or entities, including examination development experts, interested stakeholders, and employee representatives; and consider the data gathered and produced under section 7731(c)(3) of title 38, U.S.C., which establishes a quality assurance program within VBA.

Senate Bill

The Senate Bills contain no comparable provision.

House Bill

Section 2 of H.R. 2349, as amended, allows for VA to take a more deliberate approach to the skills assessments required by section 7723A of title 38, U.S.C., by requiring biennial assessments of appropriate employees and managers at five regional offices (hereinafter, ''ROs'') from 2012 through 2016. The assessments would be required of appropriate employees and managers responsible for processing claims for compensation and pension benefits. If employees or managers receive a less-than-satisfactory score on the assessment exam, VA would be required to provide appropriate remediation training so that the assessment exam could be taken again. If, after remediation, an employee or manager again gets a less-than-satisfactory score, VA would then be required to take appropriate personnel action. Section 2 would authorize $5 million over five years to carry out the biennial assessments, the results of which VA would be required to report to Congress.

Compromise Agreement

Section 703 of the Compromise Agreement requires VA to submit a plan to the Committees detailing how VA will regularly asses the skills and competencies of appropriate VBA employees and managers, provide training to remediate deficiencies in skills and competencies, reassess skills and competencies following remediation, and take appropriate personnel action following remediation training and reassessment if skills and competencies remain unsatisfactory.

The Committees believe certification testing could be used to more broadly influence the type of training or remediation necessary at the individual employee level in order to improve the accuracy of claims decisions. This Compromise Agreement reflects the Committees' sensitivities to the concerns expressed by VA regarding the cost and management difficulties associated with annual testing and follow-up remediation of every employee. As a result, it allows VA to provide the Committees with a plan to accomplish the intent of the Committees, which is to use certification testing as a way to influence the type of training and remediation necessary for individual employees, in order to improve the accuracy of claims decisions.

MODIFICATION OF PROVISION RELATING TO REIMBURSEMENT RATE FOR AMBULANCE SERVICES

Current Law

Section 111(b)(3)(A) of title 38, U.S.C., states that VA shall not reimburse for special modes of travel unless such mode was medically required and authorized in advance by VA or was a medical emergency. Subparagraph (B) states that VA may provide payment to the provider of special transportation and subsequently recover the amount from the beneficiary if they are determined to be ineligible. Subparagraph (C) states that for ambulance services the transportation provider may be paid either the actual charge or the amount determined in the Social Security Act fee schedule, whichever is less.

Senate Bill

The Senate Bills contain no comparable provision.

House Bill

The House Bills contain no comparable provision.

Compromise Agreement

Section 704 of the Compromise Agreement amends section 111(b)(3)(c) of title 38, U.S.C., by striking ''under subparagraph (B)'' and inserting ''to or from a Department facility.''

CHANGE IN COLLECTION AND VERIFICATION OF VETERAN INCOME

Current Law

Section 1722 of title 38, U.S.C., defines ''attributable income'' as a veteran's income from the previous year and sets out guidelines for determining such income.

Senate Bill

The Senate Bills contain no comparable provision.

House Bill

The House Bills contain no comparable provision.

Compromise Agreement

Section 705 of the Compromise Agreement amends section 1722(f)(1) of title 38, U.S.C., by striking ''the previous year'' and inserting ''the most recent year for which information is available.''

DEPARTMENT OF VETERANS AFFAIRS ENFORCEMENT PENALTIES FOR MISREPRESENTATION OF A BUSINESS CONCERN AS A SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY VETERANS OR AS A SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS

Current Law

Under 38 U.S.C. 8127(g), the Department is directed to debar for a reasonable period of time any business concern determined by VA to have misrepresented its status as a small business concern owned and controlled by veterans, or as a small business concern owned and controlled by service-disabled veterans.

Senate Bill

Section 703 of S. 914, as reported, would amend section 8127(g) of title 38, U.S.C., by requiring that the Department debar any firm determined by VA to have deliberately misrepresented its status for a period of not less than five years, and that such debarment also would include all principals of the firm for a period of not less than five years. The section also would require the Department to commence any debarment action within 30 days of its determination that the firm misrepresented its status.

House Bill

H.R. 1657 would amend section 8127(g) of title 38, U.S.C., to require that VA debar a company and its principals from contracting with VA for a period of not less than five years, if it is determined that the company has misrepresented its status. H.R. 1657 also requires VA to begin a debarment action by not later than 30 days after determining that the firm misrepresented its status, and to complete the debarment process within 90 days after the finding of misrepresentation.

Compromise Agreement

Section 706 of the Compromise Agreement follows generally both the Senate and House Bills. The Compromise Agreement adopts and clarifies the standard of deliberateness as set forth in section 703 of S. 914, by defining a deliberate misrepresentation as one that is willful and intentional.

QUARTERLY REPORTS TO CONGRESS ON CONFERENCES SPONSORED BY THE DEPARTMENT

Current Law

There is no provision in current law in regards to reporting to Congress on conferences of VA.

Senate Bill

The Senate Bill contains no similar provisions.

House Bill

Section 1 of H.R. 2302, as amended, amends subchapter I of chapter 5 of title 38, U.S.C., to require VA to provide Congress with information regarding the cost of covered conferences.

Subsection (a) would require that VA submit a quarterly report to the Committees detailing the expenses related to conferences hosted or co-hosted by VA. It also requires that VA submit this quarterly report within 30 days of the end of the quarter.

Subsection (b) would require that the reports include actual expenses for conferences occurring during the previous quarter related to: transportation and parking; per diem payments; lodging; rentals of halls, auditoriums, or other spaces; rental of equipment; refreshments; entertainment; contractors; and brochures or printed material. It also requires that the report include an estimate of the expected conference expenses for the next quarter.

Subsection (c) defines covered conferences that will be included in the report as those that are attended by 50 or more individuals, including one or more employees of VA, or have an estimated cost of at least $20,000.

Compromise Agreement

Section 707 of the Compromise Agreement follows the House Bill. With a growing deficit, and scarce discretionary funding resources, the Committees are concerned about the significant growth in costs that are not directly related to the mission of providing services and benefits to veterans. While the Committees are concerned with the significant cost of such conferences, this section would not limit VA's travel budget or eliminate any conferences. The Committees understand that it is often advantageous for VA employees to meet face-to-face for training and leadership development, but believe that there must be more transparency and oversight of these meetings.

PUBLICATION OF DATA ON EMPLOYMENT OF CERTAIN VETERANS BY FEDERAL CONTRACTORS

Current Law

Section 4212 of title 38, U.S.C., requires companies with federal contracts worth $100,000 or more to have an affirmative action plan to hire veterans and to report certain veteran-related employment data annually to the U.S. Department of Labor (hereinafter, ''DoL''). This data is compiled by DoL but there is no requirement to make the data available to the public.

Senate Bill

The Senate Bills contain no similar provisions.

House Bill

Section 3 of H.R. 2302, as amended, amends section 4212(d) of title 38, U.S.C., to require the Department of Labor (hereinafter, ''DoL'') to publish on an Internet Web site, reports submitted by government contractors on the results of their affirmative action plans to hire veterans.

Compromise Agreement

Section 708 of the Compromise Agreement follows the House Bill.

VETSTAR AWARD PROGRAM

Current Law

There is no requirement in current law that VA recognize businesses for their contributions to veterans employment.

Senate Bill

The Senate Bill contains no similar provisions.

House Bill

H.R. 802 amends section 532 of title 38, U.S.C., to direct VA to establish a VetStar award program to annually recognize businesses that have made significant contributions to veterans employment.

Compromise Agreement

Section 709 of the Compromise Agreement follows the House Bill.

EXTENDED PERIOD OF PROTECTIONS FOR MEMBERS OF UNIFORMED SERVICES RELATING TO MORTGAGES, MORTGAGE FORECLOSURE, AND EVICTION

Current Law

Section 2203 of Public Law 110–289, the Housing and Economic Recovery Act of 2008, amended the Servicemembers Civil Relief Act (hereinafter, ''SCRA''), by extending from 90 days to 9 months after military service, the period of protection for servicemembers against mortgage foreclosure, and the time period during which a court may stay proceedings or adjust obligations. These protections were scheduled to expire on December 31, 2010. Public Law 111–346, the Helping Heroes Keep Their Homes Act of 2010, extended the enhanced protections through December 31, 2012.

Senate Bill

Section 302 of S. 914, as reported, would extend from 9 months to 12 months after military service, the period of protection against mortgage foreclosure, and the period in which a court may stay a proceeding or adjust an obligation. It also would require the Comptroller General to report on certain foreclosure protections.

House Bill

Section 1 of H.R. 1263, as amended, would amend section 303 of the SCRA extend mortgage related protections to surviving spouses of servicemembers who die on active duty, or whose death is service-connected. This protection would preclude a lending institution from foreclosing on property owned by the surviving spouse until at least 12 months following the servicemember's death. This provision would be effective with the enactment of this bill and would sunset five years from the date of enactment.

Section 2 of H.R. 1263, as amended, would require all lending institutions covered by the SCRA to designate an employee who is responsible for the institution's compliance with SCRA and who is responsible for providing information to customers covered by the SCRA. Section 2 would require any institution with annual assets of $10 billion in the previous fiscal year to maintain a toll-free telephone number for their customers. It also would require these institutions to publish this toll-free number on their website.

Section 3 of H.R. 1263, as amended, would amend section 303(b) of the SCRA to extend the protection allowing a court to stay proceedings and adjust obligations related to real or personal property for SCRA covered property from 9 months after the servicemember's period of military service, to 12 months. Section 3 would amend section 303(c) of the SCRA to extend the protection preventing foreclosure or seizure for SCRA covered property from 9 months after the servicemember's period of military service to 12 months. These protections would sunset five years after enactment of the House bill.

Compromise Agreement

Section 710 of the Compromise Agreement generally follows the Senate's position except the agreement includes an effective date 180 days after enactment, and a provision extending the enhanced protections of this Compromise Agreement through December 31, 2014.

It is the Committees' view that inclusion of a sunset provision will continue the enhanced mortgage protections provided by this bill, but also will allow GAO sufficient time to collect information on the impact of these provisions on the financial well-being of servicemembers before allowing the enhanced protections to expire.

Mr. REID. Mr. President, I ask unanimous consent that the Murray substitute amendment, which is at the desk, be agreed to; the bill, as amended, be read three times; and the statutory pay-go statement be read.

The amendment (No. 2559), in the nature of a substitute, was agreed to.

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

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The clerk will read the pay-go statement.

The assistant bill clerk read as follows:

Mr. CONRAD. This is the Statement of Budgetary Effects of PAYGO Legislation for H.R. 1627, as amended.

Total Budgetary Effects of H.R 1627 for the 5-year Statutory PAYGO Scorecard—net reduction in the deficit of $401 million.

Total Budgetary Effects of H.R 1627 for the 10-year Statutory PAYGO Scorecard—net reduction in the deficit of $215 million.

Also submitted for the RECORD as part of this statement is a table prepared by the Congressional Budget Office, which provides additional information on the budgetary effects of this Act.

The table follows:

CBO ESTIMATE OF THE STATUTORY PAY-AS-YOU-GO EFFECTS FOR H.R. 1627, THE HONORING AMERICA'S VETERANS AND CARING FOR CAMP LEJEUNE FAMILIES ACT OF 2012, AS AMENDED (VERSION BAG12759)

	By fiscal year, in millions of dollars—												
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012–2017	2012–2022
NET INCREASE OR DECREASE (−) IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	−36	−28	−37	−49	−257	34	35	34	38	38	−401	−215

Source: Congressional Budget Office.
Notes: Components do not sum to totals because of rounding.
The legislation would provide health care benefits to certain veterans and their dependents who were stationed at Camp Lejeune, NC, as well as making several changes to housing, compensation, and education benefits provided by the Department of Veterans Affairs.

Mr. REID. Mr. President, I ask unanimous consent the bill, as amended, be passed; the Murray title amendment, which is at the desk, be agreed to; and the motions to reconsider be laid upon the table, with no intervening action or debate, and any related statements be printed in the RECORD.

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

The bill (H.R. 1627), as amended, was passed.

The amendment (No. 2560) was agreed to, as follows:

(Purpose: To amend the title)

Amend the title so as to read: ''A bill to amend title 38, United States Code, to furnish hospital care and medical services to veterans who were stationed at Camp Lejeune, North Carolina, while the water was contaminated at Camp Lejeune, to improve the provision of housing assistance to veterans and their families, and for other purposes.''.

MEASURE READ THE FIRST TIME—S. 3401

Mr. REID. Mr. President, I understand S. 3401 is due for its first reading.

The PRESIDING OFFICER. The clerk will read the bill by title for the first time.

The assistant bill clerk read as follows:

A bill (S. 3401) to amend the Internal Revenue Code of 1986 to temporarily extend tax relief provisions enacted in 2001 and 2003, to provide for temporary alternative minimum tax relief, to extend increased expensing limitations, and to provide instructions for tax reform.

Mr. REID. Mr. President, I now ask for a second reading but object to my own request.

The PRESIDING OFFICER. Objection having been heard, the bill will receive a second reading on the next legislative day.

ORDERS FOR THURSDAY, JULY 19, 2012

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Thursday, July 19; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; that the majority leader be recognized and the first hour be equally divided and controlled between the two leaders or their designees, with the Republicans controlling the first half and the majority controlling the final half; further, that the cloture vote on the motion to proceed to S. 3364, the Bring Jobs Home Act, be at 2:15 p.m. tomorrow.

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

PROGRAM

Mr. REID. Mr. President, the first vote tomorrow will be at 2:15 p.m. on the motion to invoke cloture on the motion to proceed to the Bring Jobs Home Act.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 7:14 p.m., adjourned until Thursday, July 19, 2012, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF STATE

JAMES B. CUNNINGHAM, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE ISLAMIC REPUBLIC OF AFGHANISTAN.

RICHARD G. OLSON, OF NEW MEXICO, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE ISLAMIC REPUBLIC OF PAKISTAN.