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Senator Grassley submitted the following statement to the record.

Senator Chuck Grassley  
Senate Floor Debate – Closing Statement  
Tax Incentives for Business in Response to a Minimum Wage Increase  
Thursday, February 1, 2007

Mr. President, we're finishing up debate on the Senate minimum wage/small business tax relief bill. The Senate invoked cloture on the Baucus Substitute amendment. It contained two basic components. The first one is the proposed increase in the Federal minimum wage. The second component is tax incentives to assist workers and businesses burdened by the increased Federal minimum wage. That part of the package was approved, on a bipartisan basis, by the Finance Committee late last month.

Now, by approving the Baucus substitute on an overwhelmingly bipartisan vote, the Senate has made its will clear: a minimum wage increase must be linked to small business tax relief package. In the normal course of events, after Senate passage, the amended House bill would either go into conference or go back to the House as amended. We call the latter procedure "ping-pong."

Since tax matters were linked and the House bill doesn't have tax provisions, the House Democratic Leadership and tax writers have threatened to send the Senate bill back to the Senate. They will claim that they are protecting prerogatives of the House.

We find ourselves stuck on minimum wage because the House Democrats have threatened to use the "Blue Slip" procedure. So, no one should be mistaken. It is House Democrats, not Senate Republicans, who are delaying passage of the minimum wage. If House Democrats send us a suitable revenue bill, Senate Republicans will be ready to move expeditiously to the next step. Right now, we can't move.

Now, if the House Democrats send us a minimum wage-related revenue bill, what happens next? That's up to our Democratic and Republican leaders.

There are two basic avenues to take. One is a conference. The other is to amend the House revenue bill back with the Senate-passed bill and send it to the House.

On tax bills, we have used both approaches over the last few years. For instance, the Hurricane Katrina tax relief measures never went to conference. On the other hand, we had conferences on the tax relief reconciliation bill and the pension bill.

Still another approach would be for the House to combine its minimum wage bill with the Senate tax relief package and send it over here. That route, though unusual, has also worked.

In this case, I've indicated to my Republican Leadership that I'm wary about the conference option. The Senate Democratic Leadership only came to linking minimum wage with small business tax relief after Chairman Baucus relayed the Republican position to them. It took a cloture vote to prove Chairman Baucus right.

So, if we go to conference, the Senate Democratic Leadership and House Democratic Leadership might be perfectly willing to scrap the Senate's position.

Apparently, at a pen and pad session with reporters today, the Majority Leader indicated as much. He told reporters he wanted a "clean" minimum wage bill to come out of conference. Now, I'm told the Majority Leader's press operation has attempted to change the impression those remarks left.

Let's just say I'm reasonably suspicious of those kinds of "clarifications." Apparently, the Majority Leader also said he'd be prepared to dare Republicans to filibuster a clean minimum wage conference report. By "clean," he appears to be referring to the term used by House and Senate Democratic Leadership to mean no linked small business tax relief.

Make no mistake -- the easiest and quickest way to send a minimum wage bill to the President would be for the House to send the Senate a bill identical to the Senate-passed bill.

An alternative quick option would be for the House to send us a revenue bill and the Senate would amend the bill and send it to the House. The House could then send the bill to the President's desk.

The conference option could be troublesome. It could be drawn out. Or, it could be a way for the House and Senate Democratic Leadership to subvert the Senate position. That would not be a good way to start out the new session. In a conference setting, it would mean the Senate Democratic Leadership acting in a manner that is at odds with how it said it was going to conduct business.

I counsel my leadership and the Democratic Leadership to consider my concerns about the next step. I yield the floor.