



# Committee On Finance

Max Baucus, Ranking Member

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## **The Education Competitiveness Act of 2006 Introductory Statement of U.S. Senator Max Baucus**

In August of 1802, from his desk in Monticello, President Thomas Jefferson glimpsed the future of the young American economy. He was shaken by what he saw.

Jefferson had just finished reading a book published a year earlier in London. The slim volume was the travel account of Alexander MacKenzie, a young Scotsman working in Great Britain's Canadian colonies.

In June of 1793, MacKenzie had crossed the Continental Divide at a place where it was just three thousand feet high and easily portaged. Two weeks later, he reached the Pacific Ocean. Using a makeshift paint of vermilion and grease, Mackenzie inscribed his name on a rock to memorialize his discovery, and to claim it for Great Britain.

The economic implications of MacKenzie's discovery were enormous. In his book, MacKenzie urged the British to build on his discovery and develop a passage to the Pacific. Such a passage would give Great Britain control over much of North America's lucrative fur trade and access to the world's markets. Worse, MacKenzie's discovery threatened to stunt America's economic growth in its infancy.

MacKenzie's book lit a fire under Jefferson. That summer, he talked of little else. He enlisted the most qualified man he knew. And with him, Jefferson devised a plan for action. It was a plan to counter the economic threat from the north. It was a plan to safeguard America's economic future.

That December, President Jefferson presented his plan to Congress. It was America's first economic competitiveness plan. It called for one officer, a dozen soldiers, and \$2,500.

Thomas Jefferson's economic competitiveness plan of 1802 has become better known as the Lewis and Clark Expedition. Today, we see that expedition as one of our nation's great displays of ambition and courage. And today, we see that it laid the foundation of the United States as we know it.

Today, America faces a new competitive challenge. Our challenge is not over control of the fur trade. It comes not from an imperial power or its colony. It is not a race for territory in unexplored lands. Our challenge is far more complex. And the need to act is even more urgent.

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America today faces a world more integrated, more interdependent, and more intensely competitive than ever in our history. In this world, it is our challenge to succeed. It is our challenge to leave our children and grandchildren an economy that is better than the one that we inherited.

We seek an economy that is not laden with debt, but bursting with opportunity. We seek an economy that plants the seeds of innovation and education today, knowing that generations far in the future will harvest their bounty. We seek an economy whose workers are increasingly productive, and whose skills are continuously sharpened.

Our challenge is to create an economy in which investment in our workers is our greatest asset, not our heaviest burden. Our challenge is to create an economy known for what it will be, rather than for what is was.

To realize this competitive economy, we must — like Jefferson — rise to the challenge. We must — like Jefferson — look to unknown horizons and march out to meet them. We must call upon our greatest minds and set them to creating a plan. And we must dedicate the resources necessary to implement that plan.

I have spent much of the past year planning a comprehensive competitiveness agenda. In February, I introduced the Trade Competitiveness Act, a bill to open markets and keep a level playing field for America's ranchers, farmers, and businesses.

In March, I introduced the Energy Competitiveness Act, to fund cutting edge research in energy while making alternative energies more affordable.

In April, I introduced the Savings Competitiveness Act, to create savings today, so that we may invest and innovate tomorrow.

In May, I introduced the Research Competitiveness Act, to give start-ups and universities better access to capital for research and development, and to improve and make permanent the R&D tax credit.

Today, I am introducing the fifth in this series of bills: The Education Competitiveness Act of 2006. Just as education is the foundation of a competitive economy, this legislation is the foundation of my competitiveness agenda.

Thomas Jefferson knew that it was not enough to send Lewis and Clark to the Pacific Ocean, without the means to return. Lewis and Clark knew that the discoveries and contacts that they made had to be lasting to make a difference for our economy.

The Education Competitiveness Act is also designed to have a lasting effect. This legislation embraces education in its earliest stages, following through to continuing education and worker training. Each provision is designed with maximum flexibility to meet our states' unique needs. It is a bill that recognizes excellence, welcomes innovation, and rewards ambition.

The Education Competitiveness Act has seven important components.

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First, it recognizes that our nation needs to continue to bring quality teachers into the classroom. The bill funds 100 thousand scholarships for future teachers of languages, early education, and science. It creates incentives for teachers to serve in rural and underserved areas. And it rapidly expands funding to advanced placement and international baccalaureate programs.

Second, the bill recognizes that early education is widely considered to be one of the best education investments that money can buy. The bill creates a flexible program of matching grants to build a national system of universal, voluntary pre-kindergarten. The bill sets out benchmarks for quality and provides help for states to make sure that their teachers are the best that they can be.

Third, the bill helps students to go the extra mile in their studies, by offering states the means to expand after-school programs in everything from college test preparation to drug prevention. Summer programs get students out of the classroom for hands-on experience in science, technology, mathematics, and engineering.

Fourth, the bill looks to the needs of tomorrow's workforce. That workforce will increasingly demand technical skills based in math, science, and engineering. The bill provides a free college education to any student wishing to study science, technology, math, or engineering. In return, the student must work 4 years in that field of study. The bill offers states matching grants to establish and expand specialty math, science, and technology schools. And the bill makes young promising scientists eligible for cash grants to continue their research.

Fifth, the bill addresses the chronic neglect of our nation's Indian education. The bill fully funds Indian Colleges and makes a real commitment to the Johnson O'Malley program. The bill also increases the Pell Grant to \$6,000. 80 percent of Montana's students rely on Pell Grants.

Sixth, the Education Competitiveness Act allows American workers to continue learning. The bill funds programs to link businesses and schools, to give workers the skills that they need. Where universities and community colleges are too far away, distance learning grants will help bridge the gap.

Finally, the bill's tax provisions grant greater access to education. The bill starts by simplifying confusing tax credits and combining them into a single refundable Higher Education Credit of up to \$2,000 per student. The bill eases the burden of loan repayment by permitting graduates to deduct more of the interest paid on their student loans. And the bill increases the deductions for charitable contributions to schools as well as teachers' expenses on classrooms.

Taken together, these seven components form a bill that is both comprehensive and responsible. It is a bill that would help to secure a more competitive American economy.

I look forward to returning to the floor to describe each title in greater detail. I also look forward to discussing these proposals with my Colleagues.

The Education Competitiveness Act sets out a bold agenda. Some of its rewards may only be reaped decades from now. Some of its benefits may only be realized by our grandchildren. But I firmly believe that this is an agenda that we must begin to implement today.

Like the journey of Lewis and Clark 200 years ago, this is an agenda that portends discovery and rewards for America. It is an agenda that promises a passage to a new nation. I urge my Colleagues to join me as we advance to this future, and join me in sponsoring the Education Competitiveness Act.