goods but no one has any incentive to pay. It follows that for the most part teaching hospitals have to be paid for by the public, indirectly through tax exemption or directly through expenditure.

On June 29, 1994, the Finance Committee Chairman's Mark—as we refer to these things—of the Health Security Act provided for a Graduate Medical Education and Academic Health Center Trust Fund to be financed by a 1.5 percent tax on all private health care premiums. An additional levy of .25 percent was added on to pay for medical research as proposed by Senator Hatfield. A motion to strike the 1.75 percent premium tax failed by 13 votes to 7. And we were not bashful about calling this assessment a tax, to wit:

''(a) IMPOSITION OF TAX.—There is hereby imposed—

''(1) on each taxable health insurance policy, a tax equal to 1.75 percent of the premiums received under such policy, and

''(2) on each amount received for health-related administrative services, a tax equal to 1.75 percent of the amount so received.

The bill, as reported out of the Finance Committee, set a goal of covering 95 percent of Americans through subsidies to help low-income people buy health insurance, as well as reforms in the private health insurance market. A National Health Care Commission was to make recommendations for reaching:

95 percent health insurance coverage in community rating areas that have failed to meet that target.

I might note that the Senate Finance Committee was the only committee that reported a bill that was actually taken up on the Floor. However, upon taking up the Finance Committee bill, Senate Majority Leader George Mitchell offered his own substitute health reform plan which became the focus of the ultimately fruitless Senate debate.

Future prospects, for these fine institutions, are not all that they should be. During negotiation of the Balanced Budget Refinement Act of 1999 Senator ROTH and I, with assistance from my good friend Congressman RANGEL, were able to forestall some of the scheduled deep cuts in indirect medical education payments, but, I'm afraid, only temporarily.

There were proposals about—for example by the Bipartisan Commission on the Future of Medicare, Chaired by Senator BREAUX—that would subject Graduate Medical Education payments to the appropriations process. Fifty-five of my colleagues, including Senators STEVENS and BYRD, the Chairman and Ranking Member of the Appropriations Committee, joined with me to oppose this approach.

In a February, 1999 letter, we pointed out the critical role of America's teaching hospitals in clinical research and health services research.

Teaching hospitals play a vitally important role in the nation's health care delivery system. In addition to the mission of patient care that all hospitals fulfill, teaching hospitals serve as the pre-eminent setting for the clinical education of physicians and other health professionals. . . . In order to remain the world leader in graduate medical education, we must continue to maintain Medicare's strong commitment to the nation's teaching hospitals.

I'm happy to report that in the final version of the Commission's report, they seem to have relented somewhat recommending that:

Congress should provide a separate mechanism for continued funding [of Graduate Medical Education] through either a mandatory entitlement or multi-year discretionary appropriation program.

What is needed is explicit and dedicated funding for these institutions, which will ensure that the United States continues to lead the world in this era of medical discovery. The Graduate Medical Education Trust Fund Act would require that the public sector, through the Medicare and Medicaid programs, and the private sector through an assessment on health insurance premiums, provide broad-based financial support for graduate medical education. The Clinton Administration proposed something similar as part of the Health Security Act. Funding for Graduate Medical Education would come from Medicare and from corporate and regional health alliances—but there was no way anyone could have known it as they attempted to trace the flow of money between and among these corporate and regional health alliances.

My bill would roughly double current funding levels for Graduate Medical Education and would establish a Medical Education Advisory Commission to make recommendations on the operation of the Medical Education Trust Fund, on alternative payment sources for funding graduate medical education and teaching hospitals, and on policies designed to maintain superior research and educational capacities.

After this year, I will not be there fighting in the last hours of a legislative session to preserve funding for Graduate Medical Education. The vehicle to preserve that funding, I would maintain, remains the trust fund legislation that I first introduced in June 1996.

As I said at the opening of my statement, I am pleased that the $80 billion package the Democratic Leader has announced today, would cancel scheduled cuts in ''Indirect Medical Education'' payments to our Nation's teaching hospitals, restoring about $7 billion over 10 years to those institutions. But this is only an interim step. I strongly urge that we take the next step which would be to enact my proposal for a Medical Education Trust Fund, which would ensure an adequate, stable source of funding for these vital institutions.

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for 5 minutes.

MISSOURI RIVER RIDER

Mr. BAUCUS. Mr. President, I rise to join the minority leader and others who have expressed strong opposition to section 103 of the energy and water appropriations bill, which affects the management of the Missouri River.

From the debate that we've had thus far, you might think that this is pretty straightforward. Upstream states against downstream states, in a conventional battle about who gets water, how much they get, and when they get it.

I'm not going to kid anybody. That is a big part of the debate. I'm from an upstream state. We believe that we've been getting a bad deal for years. We want more balanced management of the system. That will, among other things, give more weight to the use of the water for recreation upstream, at places like Fort Peck reservoir in Montana.

Under the current river operations, there are times when the lake has been drawn down so low that boat ramps are a mile or more from the water's edge.

Our project manager at Fort Peck, Roy Snyder, who does a great job at that facility, has talked to me about how much healthier the river would be with a spring rise/split season management.

But it's not just a conventional battle over water. There's more to it. A lot more.

You wouldn't necessarily know that from the text of the provision itself. It says that none of the funds made available in the bill:

. . . may be used to revise the Missouri River Master Water Control Manual when it is made known to the Federal entity or official to which the funds are made available that such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in States that have rivers draining into the Missouri River below the Gavins Point Dam.

That's what the bill says.

Here's what it does.

Simply put, it prohibits the Secretary of the Army from obeying the law of the land. Specifically, it prohibits the Secretary from complying with the Endangered Species Act.

Let me explain. Like any other Federal agency, the Army Corps of Engineers has a legal obligation, under section 7 of the Endangered Species Act, to operate in a way that does not jeopardize the existence of any endangered species.

That's just common sense. After all, private landowners have to comply with the Endangered Species Act. Why should federal agencies get a free pass?

They shouldn't. The federal government should do its part. That's why section 7 is a fundamental part of the ESA. Without section 7, the ESA would be unfair to private landowners and, in many cases, would provide no protection for endangered species whatsoever.

Let's turn to the Missouri River. The river provides habitat for three endangered species: The pallid sturgeon, the piping plover, and the least interior tern.

Accordingly, in developing its new master manual, which will govern the

operation of the river, the Corps is legally required to propose a management approach that protects the habitat for these three species.

Now, under section 7, when there's a pretty good chance that a federal agency's actions might jeopardize a species, the agency must consult with the Fish and Wildlife Service.

That's the right approach. When it comes to the nuts and bolts of running a river system, the Corps is the expert. But, when it comes to the nuts and bolts of protecting a species, the Fish and Wildlife Service is the expert. No question.

So, as it is legally required to do, the Corps has consulted with the Fish and Wildlife Service, initially under what's called the ''informal consultation process.''

There have been problems. Serious problems.

When the Corps issued the first Environmental Impact Statement for the Master Manual, back in 1994, the Fish and Wildlife Service issued a draft opinion saying that, in it's judgment, the proposed operation would jeopardize the three species.

In 1998, the Corps issued a revised EIS. Once again, the Fish and Wildlife Service said that, in it's judgment, the proposed operation still would jeopardize the three species.

Then we made progress. On March 30 of this year, the Corps announced that it was entering into a formal consultation with the Fish and Wildlife Service and would rely on the Service's biological judgment to propose an alternative that does not jeopardize the species. In other words, it would fully comply with the ESA.

We expect the Fish and Wildlife Service to issue it's biological opinion any day now. That opinion will explain, based on the best scientific information available, how to provide the needed protection for the recovery of the 3 endangered species on the river.

Nobody outside the agency knows for sure what the biological opinion will say. But, based on all of the scientific discussion that's gone on so far, there's a good likelihood that it will require more releases of water in the spring, to maintain the instream flows necessary to provide habitat for the sturgeon, plover, and tern.

That probably will mean fewer releases in the summer which, some will argue, could affect barge traffic downstream.

That's where section 103 of the bill comes in. It prevents the Corps releasing more water in the spring.

In other words, if the biological opinion comes out the way most folks expect it to, section 103 prevents the Corps from complying with the Endangered Species Act.

So, again, this debate is not just about the allocation of water between upstream and downstream states.

The debate is also, fundamentally, about whether, in one fell swoop, we should waive the application of the Endangered Species Act to one of the largest rivers in the country. The river, I might add, that is the wellspring of the history of the American west.

I suggest that the answer is obvious. We should not.

Mr. President, let me also respond to a point that some of the supporters of section 103 have made.

They argue, in essence, that we've lost our chance. Sort of like the legal notion of estoppel. This provision has been in the bill for several years, they argue. We've never tried to delete it before.

So, I suppose they're trying to imply, it's somehow inappropriate for us to raise it now.

This argument is a red herring. A distraction.

Up until now, we've never been in a situation in which there was an impending biological opinion under the endangered Species Act. So, by definition, the earlier provisions did not override the Endangered Species Act.

What's more, in the absence of a biological opinion, there was no real likelihood that the Corps would implement a spring rise.

So the provision was theoretical. Symbolic. It had absolutely no practical effect.

Now, Mr. President, it most certainly will. That's why we are raising the issue.

One final point. If we pass section 103, and the Corps is directed to operate the system in violation of the Endangered Species Act, there will be a lawsuit.

That will have two effects. First, it will slow things down. Second, it may well put us in the position of having the river operated, in effect, by the courts rather than by the Corps.

We've seen this happen along the Columbia Snake River system, and it's not been an easy experience for anyone.

In closing, I suggest that there's a better way. After all, once a biological opinion is issued, there will be an opportunity for public comment, so this decision will not be made in a vacuum.

In fact, there have been countless public meetings and forums on the revision of the Master Manual over the years. And that's as it should be.

So let's not create a special exemption for the Corps. Let's require them to abide by the same law that we apply to everybody else.

Let's allow the regular process to work. Let's allow the agencies to continue to consult and figure out how to strike the balance that's necessary to manage this mighty and beautiful river: for upstream states, for downstream states, and for the protection of endangered species; that is, for all of us.

PNTR

Mr. BAUCUS. Mr. President, I am very glad the Senate has voted to invoke cloture and will finally get to the bill granting China permanent normal trade relations status. That bill will come up in September. That legislation has the strong support of at least three-quarters of the Members of this body, and it is deeply in our national interests. We should have rapidly disposed of it months ago. But later is better than never. I hope very much when we bring it up in September that we have a very large vote—at least three-quarters, as I earlier stated.

When we make that vote, it will be a profound choice. The question will be, Do we bring China into the orbit of the global trading community with its rule of law? Or do we choose to isolate and contain China, creating a 21st century version of a cold war in Asia?

China is not our enemy. China is not our friend. The issue for us is how to engage China, and this means engagement with no illusions—engagement with a purpose. How do we steer China's energies into productive, peaceful, and stable relationships within the region and globally? For just as we isolate China at our peril, we engage them to our advantage.

The incorporation of China into the WTO—and that includes granting them PNTR—is a national imperative for the United States of America.

I might add that when the debate comes up on PNTR in September, various Senators will offer amendments, as is their right, to that legislation. I think it is essential that we maintain the integrity of the House-passed bill. Many of those amendments that will be coming are very worthy amendments, and in another context they should pass. I would vote for them. But to maintain the integrity of the House-passed bill, I will strongly urge my colleagues to vote against amendments that are added on to the PNTR legislation, as worthy as they are, even though Senators certainly have a right to bring them up, because if those amendments were to pass, we would no longer be maintaining the integrity of the House-passed bill. But the bill would have to go back to conference, and that would, in my judgment, jeopardize passage of PNTR to such a great degree that we should take the extraordinary step of not passing those amendments.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I rise to address the body on an issue.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota was to be recognized.

Mr. WELLSTONE. Mr. President, I rise to participate in the debate on the motion to proceed. But I have been doing work with my colleague, Senator BROWNBACK. I ask unanimous consent that I be allowed to follow Senator BROWNBACK.

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

The Senator from Kansas is recognized.