years from now, instead of creating IOUs which are simply a claim on their children's taxes 30 years from now or 40 years from now. And that would not be a real economic asset; it would simply be a real economic obligation of future generations.

I argue that the better way to accomplish that, instead of overtaxing current workers, which we do with Social Security and Medicare—I am going to focus on Social Security right now—instead of overtaxing Social Security payers, people who pay Social Security taxes today, let's give them the opportunity of setting that money aside, investing it over the long term, accumulating assets, and then using that real asset—a real economic asset—to come back 30 years from now to help pay for those benefits. That would be instead of, in a sense, putting that IOU away.

I will use this as an example. I think it is a good example. I went to a group of high school students the other day, and I asked: How many of you out here work? About half the hands went up. I asked: Where do you work? One kid said: Burger King. I said: Right now you work at Burger King, and you have to pay Social Security taxes. And 12.4 percent is what the Social Security tax is. You pay 12.4 percent, but all that money does not go to pay benefits. That is what it traditionally has done. All the money would go right out to pay benefits. But in this case, you are paying more than you need to.

You only need to pay a little over 10 percent to pay for current beneficiaries. Money comes in, goes out to beneficiaries, but we have a surplus, a little over 2 percent. So you pay more than you need to now. So we are taking more money out of your paycheck than we need.

What do we do with that surplus money in Social Security? Social Security has cash. Can Social Security hold cash? It would be a smart thing for them to do. No. They have to invest that money. Where do you think they invest the money? Treasury bonds. What are Treasury bonds? Debt of the Federal Government.

So Social Security gives money to the general fund, and the general fund puts a note back into Social Security. It is an IOU. It is a Treasury bond that pays interest.

Now let's talk about that 18-year-old 30 years from now. Thirty years from now, that 18-year-old is still paying taxes. He is 48 years old. Then, instead of having a surplus in Social Security, we have a deficit. So then what we will have to do is raise Federal taxes because we will have to start repaying those bonds. We have to put the money back into Social Security.

So what are we going to have to do? Thirty years from now, we are going to go to that person who paid too much in taxes in the first place to create the IOU, and now we are going to have to increase their taxes so they can pay back the IOU they created by paying too much taxes in the first place. So they get to pay twice for this benefit. That is not fair.

So I think we do need to create personal retirement accounts. That is one way we can solve the problem of Social Security taxes.

The Senator from Colorado is here, and I am happy to yield the floor to him.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. ALLARD. Mr. President, I thank the Senator from Pennsylvania for yielding and certainly appreciate his hard work and dedication on the issue of taxes. I served with him in the House and now serve with him in the Senate. He is certainly a great American.

I understand that we are moving into time controlled by Senator BOND and Senator COLLINS. I have a number of points I want to make in relation to national defense. I would like to yield to my colleague from Missouri to visit with him a little bit on how he plans to manage the time and what his plans are.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

(The remarks of Mr. BOND and Mr. ALLARD pertaining to the introduction of S. 336 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

NATIONAL DEFENSE

Mr. ALLARD. Mr. President, I rise today to talk about our national security and defense. This is the week the President has decided to emphasize defense. I will take a moment to review briefly where we are as far as the National Missile Defense Program is concerned. Before I do that, I will lay out a few things for the record.

First, this week the President has decided to talk about quality of life. He has emphasized the fact that soldiers enlist, but families reenlist, trying to address the problems we have with retention in our military services. I wholeheartedly agree with him in his efforts. He has made tremendous strides in that direction, when he says he will go ahead and try to promote the idea that we need to have a military pay raise, renovate standard housing, improve military training, and review overseas deployments to reduce family separations.

The President also has recognized the concept of a citizen soldier. I can relate to that. I like to think of myself as a citizen legislator. These are individuals who have regular jobs but take a spell from those jobs to serve our country. That is our National Guard and Reserve troops, and States play an important role. The National Government plays an important role to make sure these citizen soldiers are readily available in time of national emergency to serve our country and its defense.

The third item he has talked about is the transformation of the military to a stronger, more agile, modern military, which has both stealth and speed.

I think we also need to rethink our vulnerabilities and the time to do it is now. We need to rethink our strength, and the time to do it is now, while we are transitioning from one administration to another. There is no doubt in my mind that for the last 8 years our defense structure in this country suffered intolerably. It is time we made very significant changes. I support the idea that we need to increase spending for defense.

As we look at our vulnerabilities and strengths, we certainly need to base our thinking on the new technology that we have and what the future is for the development of that new technology. We need to think about the future threat from potential adversaries. We need to work toward the idea of more peace and more freedom through renewed strength and renewed security. Based on all of that, we have to control the high ground. I think that is as true today as it was two or three centuries ago. Controlling the high ground is very important in the field of battle.

I am a strong proponent of looking at an enhanced role for space. We must think in terms of a space platform. By controlling that high ground, we would secure all our forces and secure our national defense system. I believe the technology is very close, where we can move forward with some very significant steps in enhancing, in a modern way, our defense systems in America.

I want to take a little time while I have the floor to review the background of our National Missile Defense System—a step in that direction—and review a little bit about where I see we are today.

First of all, on the National Missile Defense System, I think we ought to quit referring to it as the ''national'' missile defense system. I think we need to refer to it as our missile defense system and get away from the vagueness of trying to identify a theater missile defense system and a national missile defense system. I think, from a foreign relations standpoint, when we use the term ''national,'' it implies it is just for America. We are putting together a missile defense system, hopefully, that will secure world peace. I think we need to keep that in mind when we talk about what we are going to do to enhance our missile defense system.

In my discussion this morning on defense and the National Missile Defense System, I am just going to refer to it as the missile defense system.

Starting back in 1995, the Republican Congress consistently pressured the Clinton administration to make a commitment to deploy a national missile defense system. In 1995, then-President Clinton vetoed the Defense Authorization Act over its establishment of a national missile defense deployment policy.

Then, in 1998, the Rumsfeld report, now-Secretary of Defense Rumsfeld, said that a ballistic missile threat to the U.S. was ''broader, more mature and evolving more rapidly'' than the Intelligence Community had been reporting prior to that. The report also stated that:

> The warning times the U.S. can expect of new, threatening ballistic missile deployments are being reduced . . . the U.S. might well have little or no warning before operational deployment.

That is what our current Secretary of Defense was saying.

Then, in 1999, the National Intelligence Council warned that:

> The probability that a WMD armed missile will be used against the U.S. forces or interests is higher today than during most of the Cold War.

That was made in 1999 by the National Intelligence Council.

In 1999, finally, the President signed the National Missile Defense Act of 1999—referred to around here as the Cochran bill—which requires deployment of a national missile defense system ''as soon as technologically possible.'' That is the key—''as soon as technologically possible.''

Even though the administration funded the National Missile Defense Acquisition Program, President Clinton never committed the United States to actual deployment. So in September of last year, 2000, President Clinton decided to defer a deployment decision to the next administration.

Having laid out that background, I want to talk about where we are today. The current missile defense system is preparing to deploy a single ground-based site in Alaska, with a threshold capacity of 20 interceptor missiles in fiscal years 2005–2006, and 100 interceptors in fiscal years 2007–2008. That is the current plan. This is referred to as the initial stage. This would be upgraded, and a second ground-based site would be deployed to deal with more complex and numerous threats in the fiscal year 2010–2011 timeframe.

This stand-alone, ground-based approach is inadequate really to satisfy U.S. global security requirements. Nonetheless, the most affordable and most effective path to a global ballistic missile defense system is to augment the current missile defense program rather than replace it.

Now, the current ground-based missile defense program has made significant technical progress and offers the earliest deployment options. Once this system is deployed, it will offer an ''open architecture.'' This is very important. It offers an ''open architecture'' that can be augmented with ground-based, sea-based, and/or space-based systems as they mature and are demonstrated. So we leave the door open for technological advances so we can build upon the structure we are initially going to lay out there.

I will reemphasize that this is a defense structure, not offensive; it is a defense system. Frankly, I don't understand the opposition from many of our allies to a system that is defensive in nature. I think they ultimately will share in that technology because it will assure that we have a safer world.

The key to deploying an effective missile defense architecture is a layered system that is deployed in phases. A top priority should be the prompt establishment of programs to develop the sea-based and then the space-based elements that can be added to the initial system when they are ready.

The sea-based missile defense elements should be based on the existing Navy Theater Wide (NTW) Theater Missile Defense Program. The NTW Program will need to be augmented, both in terms of funding and technical capability. The interceptor missiles are not sufficiently capable to perform the missile defense mission. Therefore, the Department of Defense should consider a phased approach to the NTW, which involves initial deployment of a system for long-range TMD and limited missile defense applications, and then upgrade to a more dedicated sea-based missile defense capability in the future.

The development of a strategy for dealing with the ABM Treaty is as important as the technical/architectural issues mentioned above. The United States will need to determine whether it wants to pursue modifications to the treaty or seek a completely new arrangement. Any effort at incrementally amending the treaty will involve many of the same problems the Clinton Administration experienced with Russia and our allies.

The current acquisition cost, including prior years, for the initial ground-based National Missile Defense system (with 100 interceptor missiles) is $20.3 billion. The average annual cost for R&D and Procurement is approximately $2.0–2.5 billion. Ballistic Missile Defense Organization is also recommending a significant increase to enhance its flight test program and its efforts to deal with counter-measures, which could increase the overall Missile Defense cost by several billion dollars. The Navy has estimated that an initial sea-based National Missile Defense capability could be deployed in 5–8 years for $4–6 billion; an intermediate capability could be deployed in 8–10 years for $7–10 billion; and a far-term capability, involving dedicated Missile Defense ships and missiles, could be deployed in 10–15 years for $13–16 billion. Note that the Navy estimates assume that the ground-based National Missile Defense infrastructure is in place. Without this infrastructure, the Navy would have to add radars, space-based sensors, battle management, and command and control to their cost estimates.

There are many issues before Congress and this administration concerning our missile defense system and they are the following:

We need to establish a policy for ballistic missile defense reflecting the current global security environment.

We need to illuminate the path ahead regarding the ABM Treaty.

We need to redefine the relationship between ballistic missile defense and strategic forces.

We need to establish a global missile defense as a new ballistic missile defense paradigm.

We need to deemphasize the distinction between national missile defense and theater missile defense.

We need an integrated missile defense architecture and operational concept.

We need to have a layered approach to ballistic missile defense starting with land, sea, and space in the future.

Our greatest challenge is overcoming 8 years of funding inadequacy. In the fiscal years 1994 through 1999, Secretary Cheney at that time envisioned $7 billion to $8 billion SDI budgets.

We have a great opportunity before us. I think most Americans like most of President Bush's major proposals. A Newsweek poll found 56 percent approved of his plan for a missile defense system.

Former Secretary of State Henry Kissinger said no President could allow a situation in which ''extinction of civilized life is one's only strategy.''

The New York Times reports today that Russian President Putin and Germany's Foreign Minister Fischer discussed the proposed American missile defense at a Kremlin meeting yesterday, ending 2 days of talks that Mr. Fischer said pointed to new Russian flexibility on the notion of a shield against rogue missiles. Mr. Fischer told reporters: ''In the end, I think Russia will accept negotiations.''

The Senate Armed Services Committee has met with the British foreign minister and discussed this. A nuclear missile defense will benefit the world. Only our aggressors, I believe, need fear our missile defense technology.

Robert L. Bartley says in today's Wall Street Journal: ''The deliberate vulnerability of 'mutual assured destruction' carries an appropriate acronym, MAD.''

In the end, with the cold war over, we should look beyond the cold war rules and to the unpredictable future and weapons of mass destruction.

I reemphasize that I believe we need to rethink our vulnerabilities and our strengths based on our new technology and based on the future threat from potential adversaries. Our goal should be more peace and more freedom through renewed strength and a renewed security, and we accomplish that by establishing control of the high-ground.

Technology is the key, and we need to be sure we are willing to put our dollars and our brain power behind the idea that we will move forward with a strong defense system which will, in the long run, assure continued world peace.

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

The PRESIDING OFFICER (Ms. COLLINS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

PATIENT PROTECTION LEGISLATION

Mr. EDWARDS. Madam President, for too long the law has been on the side of HMO's and big insurance companies. It is time we give power back to patients and families and doctors. Nearly every one of us has had some sort of bad experience with an HMO or an insurance company, either personally or through a family member or a friend. Sometimes the problems are frustrating, sometimes the problem is just red tape and bureaucracy, sometimes it is simply impersonal treatment.

Sometimes the problems are much more serious than that. Sometimes the problems are dangerous: when an HMO, for example, refuses to authorize a visit to a specialist or the nearest emergency room, or denies treatment that is desperately needed by a patient, or refuses to be held accountable for any of the decisions it makes. Americans have the right to expect that decisions about their health care and their family's health care will only be made by the patient, in consultation with physicians and family members, and that physicians will be able to help them make those decisions on the basis of the patient's best medical interests. Those decisions should not be made by HMOs and insurance companies concerned only about the bottom line.

That is why we need a Patients' Bill of Rights. That is why last week I joined Senator JOHN MCCAIN, along with a bipartisan group of Members of the House and the Senate, to introduce a bill that builds on the progress that has already been made in this Congress to pass a Patients' Bill of Rights.

The Bipartisan Patient Protection Act provides comprehensive patient protection for all Americans. It will, No. 1, guarantee access to specialists for all people who have private insurance, so that women, for example, can go directly to an OB/GYN or a child can go directly to a pediatrician for care. No. 2, it strengthens the right to go to an emergency room, to the ER, immediately after an emergency arises, without first having to be concerned about calling some 1–800 number and asking permission from an insurance company or an HMO.

When a family is involved in a medical emergency, the last thing they need to be worried about is calling the insurance company. They need to be able to do what is best for their family and go immediately to the emergency room that is closest to them. Our bill provides for that.

We also eliminate the gag rule. What we need to do is give doctors the ability to speak freely with their patients about the treatment options that ought to be considered by the patient. What we have done is prohibit clauses between insurance companies and doctors—the so-called ''gag rule''—that restrict doctors from talking to their patients about the various treatment options, and instead only allow doctors to talk about the cheapest treatment options. We prohibit that practice and prohibit gag rules.

Scope. Our bill covers every single American who has private insurance through an HMO or an insurance company. Some of my colleagues have argued, during the course of the debate about a real Patients' Bill of Rights, for a more limited approach. I do not agree. I believe every single American who has health insurance or receives coverage through an HMO deserves, and is entitled to, exactly the same rights. The same basic rights and freedoms that we provide for some people ought to be available for every single American who has HMO or health insurance coverage.

Make no mistake, in States like Texas where strong protections already exist under State law, the State's own efforts in this area should be respected. Under our bill, if the State law is comparable or more protective of patients than those we enact here in the Congress, State law will remain in effect.

In most cases, HMOs and other health care providers respect the decisions that are made by patients and doctors. This is usually not a problem. The people get the treatment they are entitled to, the treatment their doctor recommends, and they get better. But if the patient or the doctor believes that the quality of their health care may be at risk because of what the HMO is doing, because of some bureaucrats sitting behind a desk somewhere who decides that they know better what care or treatment the patient should receive, that they know better than the doctor or specialist who is taking care of the patient, then we need to provide some way for the patient to appeal that decision.

What we have done here is provide an alternative recourse whenever the HMO or insurance company decides that coverage for treatment should be denied. Under existing law, the HMO's decision is final. If the HMO, no matter what its reasoning for the decision is, decides that this care, this treatment—for example, that a sick child should not be able to go directly to a pediatric oncologist—the patient, the family, the child can do nothing. The HMO holds all the power. The law is completely on the side of the HMO and the insurance company, and patients are left totally defenseless.

What we are doing today, through this legislation, is putting accountability back into the system so that, like all other Americans, HMO's are held accountable for what they do.

As a first resort, patients are guaranteed both an internal and an external appeals process. If they go to an HMO and the HMO says that they won't pay for a particular treatment or a particular doctor, patients have a place to go to appeal. All patients will have a right to appeal treatment denials to an external review authority with outside medical experts, which is critical. The independence of the appeals process is crucial. We have provided for extensive protections to ensure that the independence is in fact there. Once the appeal is made and the independent board decides that coverage should have been provided, the decision is final and binding on the HMO or the insurance company.

As a matter of last resort—and I emphasize last resort—if the HMO has denied coverage, and the appeals process fails, the patients should have the ability to go to court.

I want to emphasize that the ability to go to court is a matter of absolute last resort. For example, in States such as Texas that have enacted legislation—about 3 years ago, Texas enacted legislation providing patients the right to go to court—experience has proven that actual litigation virtually never happens. It does not happen for a very practical reason: because, first of all, the HMO has to deny coverage; second, there is an internal review and appeal process; and third, there is an external appeal process to an independent body. So it is a very rare circumstance where anybody feels the need to go to court. In States such as Texas that have enacted patient protection legislation, there have been very few lawsuits filed.

What the Bipartisan Patient Protection Act does is ensure that medical judgment cases go to State court. The basic reasoning here is that if the HMO or the insurance company is making a medical judgment, if they make the decision that they are going to insert their judgment in the place of the physician or the health care provider, then normally those are cases that are decided in State court, under State law, using State standards. Our belief is that the HMO, if they are going to exercise medical judgment, if they are going to substitute their own judgment for the judgment of the doctor involved, ought to be subject to the same standards to which doctors are subject. If a case were brought against a doctor for exercising his or her medical judgment, that case would go to State court.

What we have provided here is simple: when the HMO steps in and inserts itself into the process of exercising medical judgment, their case goes to State court just as a medical negligence case would go to State court. We should not preempt State law. State law has traditionally controlled these kinds of cases. Under our bill, the law that the Governor at the time—now President Bush—enacted in Texas, the HMO protection law would be respected, as would HMO patient protection laws that exist all over the country. So essentially what we are doing