Scott went on to say that Wal-Mart shoppers will further be challenged to ''support themselves and their families.''

''While it is unusual for us to take a public position on a public policy issue of this kind, we simply believe it is time for Congress to take a responsible look at the minimum wage and other legislation that may help working families,'' he said.

Wal-Mart maintains that it pays above the current $5.15 an hour minimum wage to its employees.

As the world's largest retailer and largest U.S. non-union private sector employer with more than 1.3 million ''associates'' in its U.S. stores, Wal-Mart has been a lightning rod for criticism about its wage and benefits policy as well as lawsuits alleging gender discrimination. It continues to draw fire for allegedly stifling small businesses and squeezing its vendors.

Scott also discussed a new health-care package with lower premiums for Wal-Mart workers.

The new ''Value option'' plan, which will be introduced Jan. 1 2006, offers insurance coverage of $23 a month ''and kids covered for less than 50 cents per day . . . no matter how many children,'' Scott said.

''We will offer this plan for $11 a month, with children covered for less than 30 cents per day in some markets—and we are working to offer these savings nationally,'' he said.

Said Scott, ''We want to drive out as much as 25 percent of the cost in the healthcare system through leading a coalition of business, government and industry leaders in applying standards and technologies for efficiency.''

He also touted the retailer's efforts to present itself as a more environmentally friendly company.

Whether it is jobs, health care, product sourcing or environmental impact, ''it is clear to me that in order to build a 21st century company, we need to view these same issues in a different light,'' Scott said in the speech.

''Our environmental goals at Wal-Mart are simple and straightforward,'' he said. ''One, to be supplied 100 percent by renewable energy. Two, to create zero waste. Three, to sell products that sustain our resources and environment.''

In energy-saving moves that will save Wal-Mart money, Scott said the company plans to increase the fuel efficiency of its truck fleet—among the largest in the country—by 25 percent over the next three years and double it within ten years.

''If implemented across our entire fleet by 2015, this would amount to savings of more than $310 million a year. Compare that to doing nothing,'' he said.

In addition, Wal-Mart said it will show preference to factories in China that participate in a ''green company program'' where the company will show preference to those suppliers and their factories involved in such a program.

''We are also committed to reducing our solid waste from U.S. stores and clubs by 25 percent in the next three years,'' Scott said. ''We're replacing PVC packaging for our private brands with alternatives that are more sustainable and recyclable within the next two years.''

Scott delivered the speech on the eve of the company's annual two-day conference for analysts at its Bentonville, Ark., headquarters.

MEDICAID REFORM

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, today the House Committee on Energy and Commerce will begin the long road to meaningful Medicaid reform and I am proud to be part of this effort. Think back just a decade ago when, together, the Republican-led Congress and then President Clinton, the Democrat President, enacted a successful welfare reform with a transformation of the program from a sixties-era program that became a way of life to a temporary assistance program, sort of a hand and not a handout. I believe we can do this together for Medicaid.

The Medicaid program that is vitally sustaining for some people has become a leaking raft, carrying too many others whom we want to help obtain health care with options in competition and consumer choice. It is time to take a fresh look at Medicaid. Spending for Medicaid, Federal-State medical and long-term care for low-income families, elderly and the disabled, has risen very dramatically in the past decade. It has an annual growth of 7.9 percent, almost 8 percent. This is an unsustainable trend. As mandatory spending grows, obviously less money is available for other programs with high priorities, such as education, homeland security and National Institutes of Health research. This is true in the States also. In Florida, Medicaid represents nearly a quarter of the budget and is projected by 2015 to include almost 60 percent. Yet Medicaid does not well serve either the beneficiaries or the providers. It is unwieldy for States to oversee, unfortunately making it a program which attracts fraudulent practices. Finally, it does not provide opportunities and incentives for beneficiaries to take charge of their own health care. This is especially worrisome when some eligibility categories depend upon the Medicaid program, such as the developmentally disabled.

Some points I would like to highlight include, one, cost-sharing. No one has said this better than Tennessee Governor Phil Bredesen, who delivered the national Democratic address on a Saturday in June: ''Number one, everybody pays something. Imagine shopping at a store where nothing has a price tag and you never get a bill. You would spend a lot more than you do now. But this is exactly how Medicaid works today. Until there's a little economic tension, until everyone has a little skin in the game, the system will continue to be inefficient.''

Also, I am encouraged to hear some forward-looking Governors, like Governor Jeb Bush of Florida, who has been discussing the role that beneficiary behavior change could play and has received Federal approval for a tidal change demonstration project in Medicaid. Last Wednesday, October 19, Health and Human Services Secretary Mike Leavitt approved an innovative Medicaid reform plan that will allow Florida beneficiaries to choose health care plans that best suit their needs, for the first time introducing competition and consumer choice to this government-funded health care program. Florida will begin the phase-in of this unprecedented demonstration in two counties, Broward and Duval, in July 2006. A statewide implementation plan will follow. The demonstration is approved to run through June 30, 2011.

My colleagues, these are opportunities in Medicaid coverage where vast savings could be realized. More importantly, quality of life can be vastly improved if beneficiaries would make healthier, more responsible, more forward-looking choices. This could be implemented with a carrot, not a stick, strategy and it is not such a radical departure from other insurance models that we see today. The auto insurance industry has given safe driver discounts for years, and some health insurance plans give, quote, healthy lifestyle discounts for insurees who use a gym or stop smoking. Let's design a beneficiary-empowering reward system to incentivize beneficiaries to lead healthy, fulfilling lives. Eat healthfully, drink in moderation, stop smoking, exercise, manage stress, purchase long-term care insurance when you are young and healthy, develop strong family and community ties as nurturing resources.

Mr. Speaker, finally I am most hopeful about the prospect of making consumer direction in Medicaid a permanent option. For years there has been a proposed pilot project called ''cash and counseling'' in Medicaid in Arkansas, New Jersey and my home State of Florida. Since then it has been expanded to 11 new States who were impressed by its success. In the Medicare Prescription Drug and Modernization Act of 2003, I included a provision creating an analogous demonstration and evaluation project in the Medicare program. And today I plan to introduce ''cash and counseling'' legislation to make it a permanent option so future States do not have to go through the bureaucratic waiver process for years to get on board. Besides the positive features of increasing choice, personal responsibility, and a sense of ownership over one's own health.

Let's all take this opportunity to work together, Congress, Governors, beneficiaries, patient advocates, providers, on productive solutions.

OUR SITUATION IN IRAQ

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from Missouri (Mr. SKELTON) is recognized during morning hour debates for 5 minutes.

Mr. SKELTON. Mr. Speaker, I rise this morning with mixed emotions for our situation in Iraq. I am certainly pleased for the Iraqi people to see that it looks as if they have passed the constitutional referendum. The upcoming

December elections for the national assembly will be another important milestone for them as well as their nation.

At the same time, it is impossible not to reflect on the other milestone we reached today, the announcement of the 2,000th American casualty with the deaths of two Marines in Anbar province last week. All Americans mourn with their families and all that came before them. This announcement comes simultaneously with the coordinated bombings on two Baghdad hotels this morning by insurgents. We can see from this attack and other engagements with American forces that the insurgency continues. Defeating the insurgency will not happen with military force alone. And it will not happen by American hands alone. We know that the answer in Iraq lies in transitioning security responsibility to the Iraqis themselves. The administration has been saying this for some time.

The problem, from my perspective, is that the American and the Iraqi people, if they are going to stay with us until the Iraqi security forces are capable of taking over the job, must have a clear sense of progress. Iraqi security forces must be able to take the fight to the insurgents on their own and to inspire the confidence of the Iraqi people. Similarly, the American public must see that there is a connection between increasing capability of Iraqi security forces and a diminishing American commitment over time.

For this reason, I have proposed a clear formula that can be used by our military leaders and that can be explained to the Iraqi and American publics alike, that for every three Iraqi security force combat brigades rated level 1—or fully capable—an American brigade or unit of similar size, type, and mission should be strategically redeployed from Iraq. In terms of units, because a brigade is the smallest military unit able to support itself and fight independently, brigades should be the standard sized units used to measure Iraqi security force capability over time. Additionally, in terms of readiness standards, units rated at level 1 indicate that they have the capability to plan and fight independently, without any assistance from U.S. forces. In my view, 3 to 1 is the right measurement because an American brigade surpasses its Iraqi counterpart in both quantity of forces and in quality. I think this is a formula that makes sense, but beyond the numbers, it is important because it is a benchmark that is easy to understand and that sets reasonable, achievable standards for both our forces and the Iraqis.

Finally, Mr. Speaker, I propose that we apply even more resources toward the training of Iraqi security forces to accelerate the effort. If more advisory teams would do the job faster, we should add them. All these advisory units should be staffed and equipped with our very best officers. Instead of staffing them in an ad-hoc manner, we should take those selected for command of U.S. units and assign them to advisory billets. These are the officers the services have determined to be their very best. Furthermore, we should make every effort to name next year's advisers today and get them in adviser and language schools now. We must make a combat adviser tour a highly career enhancing tour in the military.

Mr. Speaker, I believe like the President that we must leave an Iraq that is able to provide for its own security. Yet both to build the confidence of the Iraqis and to maintain the support of the American people, we must demonstrate a clear sense connection between increasing Iraqi capability and a diminishing need for American forces. This formula does that and I urge its serious consideration.

Mr. Speaker, I include for the RECORD the following letter I wrote to the President dated October 20 of this year.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, October 20, 2005.

THE PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The recent constitutional referendum, where Iraqis were able to cast their vote in the absence of large-scale violence, is an important milestone for the Iraqi people. I commend our forces for the role they played in helping to secure that vote.

I strongly believe that we share the goal of an Iraq able to provide for its own security. At the same time, both the American and the Iraqi people must have a clear sense of progress, given that the challenges to Iraqi security remain substantial. Iraqi security forces must be able to take the fight to the insurgents on their own and to inspire the confidence of the Iraqi people. Similarly, the American public must see that there is a connection between increasing capability of Iraqi security forces and a diminishing American commitment over time.

The latest quarterly report from the Department of Defense on ''Measuring Stability and Security in Iraq'' talks about the ''criteria for withdrawing forces.'' While it discusses the considerations that will be taken into account in any redeployment and talks about ''when conditions permit handing over security responsibilities,'' it is not specific nor does it give any measurement that the Iraqi or American people can use to see progress toward redeployment over time. If we expect the American people to continue to support continued deployments in Iraq, we should be able to explain the connection between the improvement in Iraqi capability and the reduced need for U.S. forces in Iraq over time more clearly.

I believe that we should set a benchmark that is easy to understand and that sets reasonable, achievable standards for both our forces and the Iraqis. In terms of units, because a brigade is the smallest military unit able to support itself and fight independently, brigades should be the standard sized units used to measure Iraqi security force capability over time. Additionally, in terms of readiness standards, units rated at ''Level 1'' indicate that they have the capability to plan and fight independently, without any assistance from U.S. forces. Therefore, I propose the following formula: that for every three Iraqi security force combat brigades rated ''Level 1''—or fully capable—an American brigade or unit of similar size, type, and mission should be strategically redeployed from Iraq.

In addition to setting a clear benchmark, we need to apply even more resources toward the training of Iraqi security forces to accelerate the effort. If more advisory teams would do the job faster, we should add them. All of these advisory units should be staffed and equipped with our very best officers. Instead of staffing them in an ad-hoc manner, we should take those selected for command of U.S. units and assign them to advisory billets. These are the officers the Services have determined to be their very best. Furthermore, we should make every effort to name next year's advisors today and get them in advisor and language schools now. We must make a combat advisor tour a highly career enhancing tour in the military.

Mr. President, I realize there are a variety of reasonable ways to look at benchmarks for strategic redeployment, but I think any of them must clearly link to the development of Iraqi Security Force capability to the redeployment of American forces in a way that both the American and the Iraqi people can plainly see. That is why I think my method of matching the redeployment of an American brigade for every three Iraq brigades that reach Level 1 readiness has particular merit.

I stand ready to assist in this critical effort and share your pride in all that our fine troops have done in Iraq and around the world.

Sincerely,

IKE SKELTON,
Ranking Democrat.

REMEMBERING THE LATE HONORABLE BOB BADHAM

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from California (Mr. DREIER) is recognized during morning hour debates for 5 minutes.

Mr. DREIER. Mr. Speaker, I rise today to remember our friend and former colleague Bob Badham who passed away suddenly last Friday. While Bob was a private man, he dedicated his life to public service. He was a veteran of the Korean War and served with great distinction as a member of the California State legislature. He represented Newport Beach, California here in the United States Congress from 1977 to 1989, and he served on the civil service board in his hometown of Newport Beach until his passing last Friday.

Bob was a longtime friend and great supporter of President Reagan. They knew each other in Sacramento when Ronald Reagan was Governor of California and Bob was a member of the State assembly. Like the President, Bob was an optimist, a true American patriot, and a strong voice for freedom and democracy. As a senior member of the House Armed Services Committee, Bob was an advocate for America's veterans, and he pushed for a more muscular and modern U.S. fighting force. He supported the defense buildup of the 1980s because he knew our country's strengths could not be sustained with weak Armed Forces. He firmly believed that communism was no match for a