

It is incumbent upon the Secretary of Health and Human Services to require a reasonable relationship between the pricing of drugs, the public investment in those drugs, and the health and safety needs of the public. Unfortunately, taxpayer accountability was tossed aside when the Nation's reasonable pricing policy on drugs—which was put in place by the bush administration—was dropped in April 1995.

The reasonable pricing clause was dropped after extensive review of the policy, even though the review resulted in no certain recommendations. The rationale for this decision was that "the pricing clause had driven industry away from potentially beneficial scientific collaborations with the Public Health Service." Yet, there was no hard evidence given during the review to show that this was the case—only anecdotal stories by the drug industry.

When 42 percent of all U.S. health care research and development expenditures is paid for by the taxpayer, and 92 percent of the cancer drugs developed since 1955 were developed with Federal funding, we owe it to the taxpayer to give them a fair return on their investment with a reasonable price on the drugs they paid to develop. The Health Care Research and Development and Consumer Protection Act reinstates the reasonable pricing clause and gives the Secretary of HHS the authority to waive the clause when it is determined to be in the public interest to do so.

In determining a reasonable price for a drug, the Secretary shall consider—

The public interest in continued health care research and development;

The contribution of the person marketing such drug to the drug research and development expenses, including the amount, timing, and risk of investment in such research development;

The contribution of the Federal Government to the research and development of such drug, including the amount, timing, and risk of investment in such research and development;

The therapeutic value of such drugs;

The number patients who are expected to purchase drug;

The cost of producing and marketing of such drug;

The cost of therapies which are similar to the therapy using such drug; and

Other relevant factors.

In addition to restoring the reasonable pricing clause, this legislation will promote the research and development of new drugs by requiring the Secretary of Health and Human Services to adopt rules which set out minimum levels of reinvestment in research and development for persons engaged in the manufacture of drugs sold in the United States.

I urge my colleagues to restore accountability to the U.S. taxpayer and support The Health Care Research and Development and Consumer Protection Act.

"IT MATTERS WHEN AMERICA TAKES THE LEAD"—MADELEINE K. ALBRIGHT

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 27, 1996

Ms. ESHOO. Mr. Speaker, in an era of increasing interdependence, no one nation

alone can solve problems that cross national borders. That's why the United Nations [U.N.] was founded 50 years ago. In the last half of this century, the U.N. continues to address international social and economic problems such as terrorism, nuclear proliferation, the spread of disease, environmental degradation, and illicit drug trafficking.

The United Nations is essential: the U.N.'s work benefits the United States and advances America's foreign policy. As the only international organization seeking to save succeeding generations from the scourge of war. U.N. peacekeepers and human rights monitors have helped build democratic forms of government and prevented regional and global conflicts. In an era of stringent domestic budgets, it makes sense to work through the United Nations to solve transnational problems. The United Nations is an investment in the future of our children and the children of the world.

Making the United Nations more efficient: The United Nations has begun to implement internal reforms as the organization prepares for the next century, and yes, there is much that remains to be done. However we, as members of the United Nations, cannot seek reform when we have refused to meet our financial obligations. As U.N. Ambassador Madeleine Albright recently stated, "To achieve reform, you have to be a builder, not a destroyer; you have to embrace change, but you also have to understand that change does not occur without cost."

Our continued commitment: Our concerned constituents are sending personal checks to the United Nations to demonstrate their concern about our financial obligations to the United Nations. These Americans believe the U.N.'s goals are being hindered by the \$1 billion in back dues the United States has withheld. In fact, a recent poll conducted by the U.N. Association indicates that fully 64 percent of Americans believe the Congress should allocate enough resources to pay our dues in full and on schedule.

That's why I'm introducing a concurrent resolution recognizing the important of the United Nations and calling on the United States to meet our financial obligations in a full, timely, and consistent manner. Paying our dues and supporting the ongoing reform efforts will help the United Nations to effectively and efficiently meet the challenges of the 21st century. I urge my colleagues to support this important measure.

WHITE COLLAR REFORM ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 27, 1996

Mr. PETRI. Mr. Speaker, today I am introducing a bill to clarify and modernize the white collar exemption in the Fair Labor Standards Act. I hope this bill will receive close attention in the next Congress.

The Fair Labor Standards Act enjoys a unique status among Federal labor laws. The rights it creates, including the minimum wage and the 40-hour workweek, have become as ingrained as constitutional guarantees. Any attempt to tinker with the FLSA is immediately perceived as an attack on these basic rights or at least is so portrayed by political opponents.

It is now becoming increasingly apparent, however, that more than a half century of hands-off politics has left a law that is seriously out of step with the times. No one is suggesting that the FLSA's fundamental precepts should be rethought in any way. Rather, it is the way the law achieves these ends that needs improvement.

Two relatively recent developments have brought the issue to a head. First, disgruntled employees have begun to use the FLSA's salary basis test as a tool—not for logically distinguishing exempt from non-exempt employees—but rather for seeking revenge. The problem would not be so bad if it were limited to a few individual overtime awards; but it is not. Instead, seizing upon a single two-word phrase in the regulations, employees have argued that everyone theoretically "subject to a technically flawed payroll policy is entitled to the same windfall—regardless of whether the flaw affected any particular employee's pay. Employers, of course, rarely issue separate payroll policies for different groups of exempt employees; thus, every employee, up to the top levels of the corporate boardroom, becomes an equally viable candidate for unexpected largesse. The potential overtime liability is as enormous as it is irrational.

Second, and just as disturbing, is the increasing arbitrariness of FLSA duties tests. Concepts such as discretion and independent judgment have always been difficult to define, but these problems seemed manageable in the era of assembly lines and hierarchical management structures. Today, however, technology has diversified job duties, service-based employment has proliferated, and even old-line manufacturing operations have moved to team management concepts. In this environment, employers can no longer rely on cookie-cutter paradigms in making duties judgments. Employers often have to guess—and too many are guessing wrong. Even the courts struggle to achieve consistency, reaching irreconcilable results in cases involving the growing ranks of quasi-professionals such as accountants, engineers, insurance professionals, and journalists.

The legislation I am introducing addresses these problems in three separate ways. First, my proposal will restore original understandings of the salary basis test by requiring the Department of Labor, and the courts, to focus on actual pay reductions rather than speculation as to potential deductions under some nebulous policy. The FLSA still will protect exempt employees from inappropriate practices, since regulatory provisions denying exempt status for actual salary deductions would remain unchanged. My legislation, however, will prevent employees from using a policy's theoretical application to extort huge overtime windfalls for company-wide classes of highly-paid employees who never could have imagined themselves as non-exempt laborers.

Second, my proposal will address perhaps the most confusing and indefensible requirement among the FLSA's duties tests: the attempted distinction between production and management workers. Under current regulations, for example, an administrative assistant might meet exemption standards simply by opening a management executive's mail and deciding who should handle it, because such a job is directly related to management policies or general business operations of (the) employer or (the) employer's customers. On