would expand Federal employee commuter options and accept the Federal Government's responsibility as the single largest employer in the Capital region to reduce traffic congestion and air pollution.

Mr. Speaker, I am excited about the gentleman from Virginia's leadership and the way that the administration is moving. I hope, however it is done, that we do not let an extra minute go by. People who are caught in traffic as we speak this moment deserve the best from the Federal Government to make our communities more livable, to make our families safe, healthy, and economically secure.

Having a uniform comprehensive approach to the Federal Government's transportation issues in the metropolitan region is an important step in that direction.

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THE CBO REPORTS ON MEDICARE HMOs

The SPEAKER pro tempore (Mr. OSE). Under the Speaker's announced policy of January 19, 1999, the gentleman from Iowa (Mr. GANSKE) is recognized during morning hour debates for 5 minutes.

Mr. GANSKE. Mr. Speaker, remember when we debated the Bipartisan Consensus Managed Care Reform Act here on the floor about 3 months ago, and the HMO industry said the sky will fall, the sky will fall; premiums will go out of site.

We get the accurate answer, the accurate answer from the Congressional Budget Office, which has analyzed the bill which passed this floor by a vote of 275 to 151.

What did the CBO say would be the cost? The CBO said that over 5 years, the cost of premiums would go up 4.1 percent total. Now, this is important to understand.

All my colleagues should listen. The HMO industry will say 4.1 percent each year. Wrong. That is not what the CBO report says. In fact, I talked to a CBO staffer, Tom Bradley, last night and he said that in the first year there would be almost no effect. In the second, third, fourth and fifth years, premiums would go up about 1 percent over what they normally would be because of this legislation.

To my friends who debated this liability issue so vigorously, who said liability will cost so much, well look at what the CBO said. The CBO said when it looked at the bipartisan consensus bill that the largest single coster was not liability. The largest single coster in our bill is the internal and external appeals process, at 1.3 percent. Why is that? Well, because they recognize that HMOs are inappropriately denying care and that if a patient has an opportunity to take that denial of care to an independent peer panel, that about 50 percent of the time they are going to overrule the denial of care by the HMO and provide one with the care that they deserve and is justified and is medically necessary.

There is another reason why this report is so interesting, and that is that the CBO estimate for the Senate bill shows an increase of about 1.3 percent over 4 years.

Now some would say that is great. I would point out that that is a recognition that the Senate bill does almost nothing. It only covers about 43 million people. It does not cover the 160 million people that our bill covers, and it does not have an effective internal and external appeals process, because if one looks at the fine language in the Senate bill, it still says at the end of the day that an HMO can say whatever they want is medically necessary or is not. Whereas our bill, the bill that passed this House, addresses that issue.

Mr. Speaker, I would advise Members to look at this; but to remember this, that when they look at that 4.1 percent, it is cumulative over 5 years. That, in effect, is about the cost to the average consumer of one Big Mac per month. That is what we are talking about in terms of the cost, not an excessive amount for people to know that all that money they are currently spending on their health care premiums will actually mean something if they get sick.

Mr. Speaker, I just briefly wanted to mention a report by the Inspector General for Medicare. She looked at Medicare HMOs. We are all concerned about fraud and abuse. This is what the Inspector General found that Medicare HMOs are charging the Federal Government for: $250,000 in meetings for gifts, food, alcoholic beverages, at only one HMO; $190,000 for a sales award meeting in Puerto Rico for one Medicare HMO; $160,000 for a party celebrating a Medicare HMO's parent company's 150th anniversary; $25,000 for leasing a luxury box suite at a professional sports arena by a Medicare HMO; $106,000 for sporting events and theater tickets at four Medicare HMOs; $70,000 for holiday parties at three Medicare HMOs; $37,000 for wine, gifts, flowers, gift certificates, insurance brokers and employees at one Medicare HMO; $3,000 for a massage therapist for an employee at one Medicare HMO.

When the HMOs say that they are really hurting and that we need to increase their Federal dollars, maybe we ought to ask them, gee, maybe the tension is so much that they will need that massage therapist.

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THE PEOPLE OF NAGORNO KARABAGH MUST HAVE A SEAT AT THAT TABLE WITH AZERBAIJAN AND ARMENIA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, this week the president of the Republican of Azerbaijan, Heydar Aliyev, is visiting our Nation's Capital. President Aliyev is scheduled to meet with President Clinton this morning at the White House. He will also be holding meetings with Secretary of State Albright and Energy Secretary Richardson.

I would like to take this opportunity, Mr. Speaker, to express my hope that President Clinton and the other officials in his administration will use these meetings to urge President Aliyev to work in good faith for Azerbaijan for an Azerbaijan-negotiated settlement to the Nagorno Karabagh conflict.

In particular, it is imperative that Mr. Aliyev be urged to accept the direct participation of representatives from Nagorno Karabagh in the negotiations. In the minds of many, the Nagorno Karabagh conflict is viewed as a bilateral dispute between Armenia and Azerbaijan. While these two countries must obviously be part of the negotiations in the final settlement, the people of Karabagh who have their own democratically elected government must have a seat at that table. After all, it is their homeland and their lives that are at stake in this peace process. No one else should be allowed to make these life and death decisions for them.

Mr. Speaker, the United States is one of the cochairs of the Minsk Group, the body under the Organization for Security and Cooperation in Europe, the OSCE, charged with facilitating a negotiated settlement to this dispute.

More than a year ago, the U.S. and our Minsk Group partners put forth a plan for resolving this conflict known as the common state approach. Despite their serious reservations, both Armenia and Nagorno Karabagh previously accepted this framework as the basis for negotiations while Azerbaijan rejected it. We do not necessarily need to be wedded to this one approach for jump starting the negotiations, but we should use occasions like this week's visit by President Aliyev to call for all sides to get back to the negotiating table with no preconditions.

I expect that President Aliyev will use this occasion, this meeting with the President, to call for the lifting of section 907 of the Freedom Support Act, a provision of U.S. law that prohibits direct American government aid to Azerbaijan until that country lifts its blockades of Armenia and Nagorno Karabagh. President Aliyev, backed up by the support of major oil companies, has been lobbying American officials to repeal section 907.

In 1998, this Congress rejected an amendment to the foreign operations bill that would have repealed section 907 and we must hold the line. Azerbaijan has failed to meet the basic condition for lifting section 907, namely, that it take demonstrable steps to lift the blockades it has imposed on its neighbors, and such intransigence should not be rewarded. I call on our administration to use this occasion to stress to the Azerbaijani president that the ball is in his court and that the only way to lift the ban on U.S. aid is for Azerbaijan to lift the blockade.