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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

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# House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LATOURETTE).

## DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*June 28, 2000.*

I hereby appoint the Honorable STEVEN C. LATOURETTE to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

## PRAYER

The Reverend Mark A. Teslik, Pastor, Immanuel Lutheran Church, East Moline, Illinois, offered the following prayer:

Almighty God, Creator and Ruler of the universe, accept our praise and thanks for Your help in times past in our individual and corporate lives.

Remind us that Your power is chiefly shown through acts of love and mercy in the day-to-day context of our present lives.

Direct and empower us, Mighty God, to be part of a present so marked by acts of love and mercy that the future of this country and the world might be shaped by Your love.

Bless the Members and staff of this House, their families, and all who visit here today with Your love and presence.

Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. MANZULLO) come forward and lead the House in the Pledge of Allegiance.

Mr. MANZULLO led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one 1-minute address to introduce the guest Chaplain. All other 1-minutes will be at the end of the legislative day.

## INTRODUCING THE REVEREND MARK TESLIK OF ROCKFORD, ILLINOIS, GUEST CHAPLAIN

(Mr. MANZULLO asked and was given permission to address the House for 1 minute.)

Mr. MANZULLO. Mr. Speaker, it is my pleasure that the House has had its invocation given by the Reverend Mark Teslik of Rockford, Illinois. He is here with his wife, Annette, and son Tom, who are in the gallery just in front of me.

Mark was an Eagle Scout. He was an outstanding ROTC Cadet in Jefferson High School in Rockford, Illinois. He is a Ripon College 1976 graduate, with additional studies at Northern Illinois University in Dekalb.

Mark served with the Third Armor in Germany and was a Second Lieutenant in the Signal Corps. He is a graduate of the Airborne School in Fort Benning, Georgia. He is a graduate of Lutheran Northwestern Theological Seminary in St. Paul.

Mark underwent clinical pastoral training with residency at Alexian Brothers Medical Center in Elk Grove Village, Illinois, and was ordained in 1984.

Mr. Speaker, he is the pastor of Immanuel Lutheran Church in East Moline, Illinois, and chairman of the World Hunger Appeal Committee of the Northern Illinois Synod of the Evangelical Lutheran Church of America.

Mr. Speaker, we are honored today to have in our presence the Reverend Mark Teslik and we have been honored with his prayer for our country.

## PARLIAMENTARY INQUIRIES

Mr. BONIOR. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BONIOR. Mr. Speaker, under House Rule 539, which governs the debate on prescription drug coverage that we will engage in today, is it in order to consider the text of our Democratic proposal, H.R. 4770, to provide affordable, voluntary, and guaranteed Medicare prescription drug coverage to all seniors?

The SPEAKER pro tempore. The Chair will not respond to the content of a resolution before the House. That is determined during the course of the debate on the resolution.

Mr. BONIOR. Mr. Speaker, I have another parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BONIOR. Mr. Speaker, is it a fact that in order to consider any substitute or alternative, Democratic or otherwise under this shutdown rule, that it would be impossible to do that?

The SPEAKER pro tempore. The Chair would give the same response, and that information can also be discerned during the course of debate on the rule.

Mr. BONIOR. Mr. Speaker, that is my understanding of the situation; that we would not be able to offer our substitute or any substitute on the floor



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under this rule. With that, Mr. Speaker, I strongly object to the procedures that deny the American people a vote on any real plan to help with the soaring cost of prescription medicine, and I protest this shutdown procedure.

## MOTION TO ADJOURN

Mr. BONIOR. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion to adjourn offered by the gentleman from Michigan (Mr. BONIOR).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BONIOR. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 166, nays 237, not voting 32, as follows:

[Roll No. 343]

YEAS—166

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clayton
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Danner
Davis (FL)
DeFazio
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinojosa
Hoeffel
Holden
Holt
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E.B.
Jones (OH)
Kanjorski
Kennedy
Kildee
Kleczka
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rangel
Rivers
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Velazquez
Visclosky
Waters
Weiner
Wexler
Weygand
Woolsey
Wynn

NAYS—237

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Blagojevich
Bliley
Blunt
Boehlert
Bonilla
Bono
Brady (TX)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Davis (IL)
Davis (VA)
Deal
DeGette
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Ewing
Farr
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kilpatrick
Kind (WI)
King (NY)
Kingston
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Moore
Moran (KS)
Morella
Nethercutt
Ney
Northup
Nussle
Ortiz
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reyes
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Souder
Spence
Stabenow
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Udall (NM)
Upton
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu

NOT VOTING—32

Boehner
Burton
Canady
Clay
Clement
Cook
Cummings
Delahunt
Dixon
Emerson
Hinchey
Kaptur
Linder
Markey
Martinez
McIntosh
Meek (FL)
Moran (VA)
Murtha
Myrick
Norwood
Porter
Reynolds
Serrano
Smith (TX)
Strickland
Vento
Vitter
Waxman
Wise
Young (AK)
Young (FL)

□ 1027

Mr. DELAY, Mrs. FOWLER, and Messrs. BLILEY, BARTON of Texas, MOORE, and HORN changed their vote from ''yea'' to ''nay.''

Messrs. SPRATT, GEPHARDT and RUSH changed their vote from ''nay'' to ''yea.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

□ 1030

## PROVIDING FOR CONSIDERATION OF H.R. 4680, MEDICARE RX 2000 ACT

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 539 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 539

*Resolved*, That upon the adoption of this resolution it shall be in order, without intervention of any point of order, to consider in the House the bill (H.R. 4680) to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, equally divided among and controlled by the chairmen and ranking minority members of the Committee on Ways and Means and the Committee on Commerce; and (2) one motion to recommit with or without instructions.

SEC. 2. During consideration of H.R. 4680, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill until a time designated by the Speaker.

SEC. 3. It shall be in order at any time on or before the legislative day of Friday, June 30, 2000, for the Speaker to entertain motions to suspend the rules with respect to the following measures:

(1) the bill (H.R. 3240) to amend the Federal Food, Drug, and Cosmetic Act to clarify certain responsibilities of the Food and Drug Administration with respect to the importation of drugs into the United States; and

(2) the resolution (H. Res. 535) expressing the sense of the House of Representatives concerning use of additional projected surplus funds to supplement Medicare funding, previously reduced under the Balanced Budget Act of 1997.

UNFUNDED MANDATES POINT OF ORDER

Mr. STENHOLM. Mr. Speaker, I make a point of order against consideration of the resolution.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman will state his point of order.

Mr. STENHOLM. Mr. Speaker, House Resolution 539 waives all points of order against consideration of H.R. 4680, including points of order against provisions of the House Rules pertaining to intergovernmental mandates as defined in the Unfunded Mandates Reform Act.

Mr. Speaker, the offending language in the resolution is ''without intervention of any point of order.'' Included in that waiver are points of order that would possibly lie against consideration of H.R. 4680.

The SPEAKER pro tempore. The gentleman from Texas (Mr. STENHOLM)

makes a point of order that the resolution violates section 426(a) of the Congressional Budget Act of 1974.

According to section 426(b)(2) of the Act, the gentleman must specify precise language in the resolution that has that effect. Having met his threshold burden to identify the specific language of the resolution under section 426(b)(2), the gentleman from Texas (Mr. STENHOLM) and a Member opposed each will control 10 minutes of debate on the question of consideration under section 426(b)(4).

Following the debate, the Chair will put the question of consideration, to wit: ''Will the House now consider the resolution?''

The gentleman from Texas (Mr. STENHOLM) is recognized for 10 minutes.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

I would point out, Mr. Speaker, that the bill contains a number of preemptions of State law that would be intergovernmental mandates as defined in the Unfunded Mandates Reform Act. CBO cannot estimate the cost of a preemption of State taxing authority because of uncertainties about market changes.

The bill also contains a private sector mandate on Medigap insurers that would bar them from providing coverage of prescription drug expenses for certain individuals. But CBO estimates that its cost would not exceed the threshold specified.

Mr. Speaker, we have spent a lot of time in this body over the last several years discussing unfunded mandates; and there has been very strong bipartisan acknowledgment and support that the Federal Government, the United States Congress in particular, should pass no additional legislation that causes States and/or private businesses to incur cost without at least conferring with them and getting their acquiescence.

This bill, developed somewhere in the middle of the night, no real bipartisan hearings, no discussions regarding the question of the point of order that I bring up at this moment, no one has had an acknowledgment of what do we do about these unfunded mandates. It seems that this bill has been agreed to and that unfunded mandates on this particular bill are okay.

I would hope that we could have some consistency in our opinions regarding legislation and again would point out the number of preemptions that are in this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I rise in opposition to the point of order, and I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, we all understand electoral pressures. None of us parachuted in here without getting votes. But I have never seen people react so badly to electoral pressures as we are now seeing on the part of the majority. The legislative process is becoming a total shambles.

Last night, at midnight, we debated on suspension of the rules, without any chance of amendment, on important campaign reform. It was one where there were constitutional objections. The majority whip said it was unconstitutional. Unfortunately, he must have got stuck in the elevator and could not be here to talk about it.

Now we have a complex bill addressing one of the most important problems in this country, that of older people who cannot afford to pay for their prescription drugs; and, once again, we are dealing with a travesty of the legislative process.

The Committee on Rules met. First of all, we do major campaign reform at midnight. Then they get to the Committee on Rules and the Committee on Rules waives points of order. On the one hand, of course, it could not possibly take any of the increased revenues that are available to try to help middle income, older people. On the other hand, the unfunded mandate issue, to which Members on the other side intermittently profess great support, suddenly goes out the window.

Why? Because a pollster said, you guys better move in a hurry. This is the most policy driven, ill-advised overly hasty piece of legislation on a major issue I have ever seen.

I do not know, because I have been skeptical of some of the unfunded mandate talk, whether there is a problem or not. I do know that because in carrying out their pollsters instructions to move quickly so they seem to be doing something, they did not allow adequate consideration of this.

Most of their own Members do not know, Mr. Speaker, what the unfunded mandates are or are not. Perhaps we should use some of the extra revenue the Federal Government is getting to alleviate this impact on the States. They will never know. They will just vote yes because their pollster said, hey, the House may be at stake.

So a month ago the majority obediently votes against a campaign reform bill which last night the majority of them obediently voted for, one of the great convergences in history.

Today the party that says, leave the Government out of it, the private sector will do it, decides it better try to show that it does think a Government response is there.

Now, I will once again congratulate the majority on its flexibility. This is an expansion of the Federal Government's role. But they have done it too hastily, maybe because the whole notion of expanding the Government's role so bothers Members of the majority that they have to get it over with in a hurry, they cannot stand to think about it. But when they do it this hastily, when they do not allow adequate consideration in the Committee on Ways and Means, when they rush this thing through the Committee on Rules, when they do not allow the other side, ourselves, give an alternative that is well thought out, they make mistakes.

The gentleman from Texas (Mr. STENHOLM) has been a model of consistency and fiscal integrity; and when he invokes a point of order against unfunded mandates, he is speaking from a demonstrated history of this House of concern.

Their legislative procedure has made a travesty of the House and of their own professed principles.

Mr. GOSS. Mr. Speaker, I continue to reserve the balance of my time, and I want to be sure I have the right to close.

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) has the right to close.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think there is very strong agreement on both sides of the aisle that we need to deal with the pharmaceutical cost issue.

I know in my own district at home that I have hundreds, if not thousands, of individuals who have to choose between the cost of their medicine and food every month. And I know that folks on both sides of the aisle agree to that.

What bothers me about the bill that is being rushed to the floor and those of us on this side who would have had some differing opinions, or at least having a substitute, or at least having the opportunity to amend in some way being denied.

Okay, I understand the rule of the majority. The majority can do anything that they wish to do, and they are doing it. But by the same token, I would hope that there would be large numbers of Members on the other side of the aisle that would have just a tinge of conscience in following their leadership down a path in which, when we ask the question, what is this plan that we will vote on later today going to cost, I do not know. That is up to the private sector to determine.

That is where the unfunded mandates in this point of order come from. If my colleagues read carefully the legislation, they will find that there are mandates on the private sector and mandates on local and State government that I do not think most of my colleagues want to vote for.

Most of them are like most of us, we have not seen in detail this bill that we are considering. We are rushing it to the floor because somebody thinks it is a good idea and everybody on that side suggests that we should not be allowed to even amend it on this floor.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, this will be my only floor statement on the rule and the bill. I will vote ''no'' on the rule, ''no'' on the Democratic bill, and ''no'' on the GOP bill.

Why? Number one, regular order has not been followed. The Committee on Commerce, which has equal jurisdiction, has held no hearings on the bill.

□ 1045

We certainly held no markups.

Number two, both parties' plans are fundamentally flawed because of adverse risk selection. Read the USA Today lead editorial on both of the bills. They are right.

Number three, I offered four amendments and a substitute at the Committee on Rules. No amendments from anyone or substitutes are allowed, and that is not right on such an important issue.

Finally, Mr. Speaker, I hope that we address this issue in a more thoughtful way after the July 4 recess. If this rule goes down, it is not over for the year. We simply must deal with this later this year.

Mr. GOSS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, in the interest of bipartisanship and a better debate, I know last night there were obviously some constraints which kept some Members of the Republican side, including the leadership, from participating in the debate. In case the same constraints are applied today, if there are Republican Members, particularly in the leadership, who have doubts about this bill that they have been asked not to express we are available. If they send them to us, we would be glad once again to put them into the RECORD so that there is a fuller debate than apparently otherwise we are going to have. We are available for those Republicans suffering from that kind of floor censorship to get their message out.

Mr. GOSS. Mr. Speaker, the gentleman from Florida continues to reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I rise because I am moved by the comments of the gentleman from Iowa (Mr. GANSKE) that indeed what we are looking at today is a bill that really does not have a true dollar sign on it. When we came before the Committee on Rules last night, many of us were talking about making sure that whatever we brought before the House is going to be a cost effective, efficient piece of legislation that could indeed provide us with a reduction in prescription costs for all seniors.

Indeed, what we have today, unfortunately, is a bill that does not have a bottom line to it. In fact, has a very, very expensive way of providing for prescription drugs and does not provide us with a basic fundamental purpose of what the bill is all about, making sure that all seniors are covered in a universal way so that indeed they can have reduced costs of their prescription drugs.

We implore the other side to take into account what the people in their districts and our districts are talking about. When people are spending $3,000, $4,000, $5,000 a year for prescription drugs, we have to have a bill that will clearly address the issue of dollars in a reasonable way. We hope that they will listen to us because we are just repeating what the people in their districts are talking about.

Mr. GOSS. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Speaker, I just want to take 30 seconds to respond to the gentleman from Massachusetts (Mr. FRANK). There is no one more cantankerous or contrary with our leadership than I am, and we have never been stifled in our conversation and we have never been limited in terms of our ability to express our viewpoint.

Mr. STENHOLM. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the point of order is raised on the unfunded mandates. Read the bill, my friends on the other side who are about to blindly follow their leadership down the path. This is not the way to legislate. This is not the way to deal with the question as important as the pharmaceutical costs to all Americans is, and it is certainly not the way to have an unfunded mandate after spending the hours passing bills and doing all of the things and saying we are not going to impose costs on State and local government and private business for any purpose.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas (Mr. STENHOLM) has raised the possibility that H.R. 4680 may contain an unfunded mandate. There is a provision for that. The provision is to proceed forward with the question will the committee now consider the amendment. I would like to get to that point so we can get on with the important business of the day, which is this legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair will now put the question of consideration.

The question is, Will the House now consider the resolution?

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. GOSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 224, nays 200, not voting 10, as follows:

[Roll No. 344]

YEAS—224

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
Matsui
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—200

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Edwards
Engel

Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—10

Burton
Cook
Hinojosa
Hyde
Markey
McIntosh
Porter
Scott
Strickland
Vento

□ 1108

Mrs. CHENOWETH-HAGE, Mrs. CUBIN, and Messrs. WHITFIELD, HOEKSTRA, MATSUI and PETERSON of Pennsylvania changed their vote from ''nay'' to ''yea.''

So the question of consideration was decided in the affirmative.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, on rollcall Nos. 343 and 344, I was unavoidably detained and therefore unable to be present on the House floor during that time. Had I been present, I would have voted ''no'' on rollcall vote 343 and ''aye'' on rollcall vote 344.

MOTION TO RECONSIDER THE VOTE: OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Speaker, I move to reconsider the vote.

The SPEAKER pro tempore (Mr. LATOURETTE). Did the gentleman from Massachusetts vote on the prevailing side?

Mr. FRANK of Massachusetts. Yes, I did, Mr. Speaker.

MOTION TO TABLE OFFERED BY MR. GOSS

Mr. GOSS. Mr. Speaker, I move to lay on the table the motion to reconsider.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Florida (Mr. GOSS).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 200, not voting 15, as follows:

[Roll No. 345]

AYES—219

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeMint
Diaz-Balart
Dickey
Dicks
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lowey
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—200

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—15

Cannon
Cook
DeLay
Hansen
Hinojosa
Hyde
Markey
McIntosh
Olver
Porter
Radanovich
Scott
Strickland
Tauzin
Vento

□ 1127

Messrs. STENHOLM, SNYDER, PRICE of North Carolina and Ms. MCKINNEY changed their vote from ''aye'' to ''no.''

Mr. DEAL of Georgia changed his vote from ''no'' to ''aye.''

So the motion to table the motion to reconsider was agreed to.

The result of the vote was announced as above recorded.

MOTION TO ADJOURN

Mr. FRANK of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 174, noes 242, not voting 18, as follows:

[Roll No. 346]

AYES—174

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (FL)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Dicks
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Turner
Udall (CO)
Velazquez
Visclosky
Waters
Waxman
Weiner
Wexler
Weygand
Woolsey
Wynn

NOES—242

Abercrombie
Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Evans
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Isakson
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson, Sam
Kasich
Kelly
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Towns
Traficant
Udall (NM)
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wilson
Wise
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—18

Conyers
Cook
Delahunt
Dingell
Emerson
Hinojosa
Hutchinson
Hyde
Jones (NC)
Lazio
Markey
McIntosh
Porter
Schaffer
Scott
Strickland
Vento
Wicker

□ 1147

Mr. SNYDER changed his vote from ''aye'' to ''no.''

Mr. WEXLER changed his vote from ''no'' to ''aye.''

So the motion was rejected.

The result of the vote was announced as above recorded.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair would make the general pronouncement to remind all Members to be properly attired when they appear in the Chamber.

## PROVIDING FOR CONSIDERATION OF H.R. 4680, MEDICARE RX 2000 ACT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. GOSS) for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield, in the spirit of comity and bipartisanship, which is customary in this Chamber, the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), my friend; pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate on this matter only.

Mr. Speaker, this is an appropriate structured rule that ensures a rigorous debate on how best to provide our Nation's seniors with prescription drug coverage, a matter of great concern to them. The rule provides 2 hours of general debate divided equally between the minority and the majority of two committees of jurisdictions, the Committee on Ways and Means and the Committee on Commerce.

The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the one printed in the Committee on Rules report, shall be considered as adopted.

The rule also provides that, at any time on or before this Friday, it shall be in order for the House to entertain motions to suspend the rules with respect to two bills only. Mr. Speaker, I will repeat, it shall be in order for the House to entertain motions to suspend the rules with respect to two bills only, H.R. 3240 and H. Res. 535.

Finally, the rule provides a motion to recommit with or without instructions. This is a minority right that has become standard in every bill under the Republican majority.

Today is another historic day for our Nation's seniors. Three years ago, the Medicare program was speeding toward bankruptcy, many will recall. While the partisans and the naysayers said it could not be done to fix it, a Republican-led Congress appropriately stepped in and saved Medicare through sound structural reform of that program. Had we not acted responsibly, then our seniors would not even have access to hospitals or doctors let alone the services necessary to modernize the program. We met that challenge head on. We met it successfully.

Today we take the logical next step to provide every senior with the opportunity of a safe and secure prescription drug benefit. This is very good news. As in 1995 and in 1997, we will hear a lot of partisan vitriol and rhetoric today, probably see even a little more theater of the type we have already seen this morning, what The Washington Post has labeled as ''Mediscare.'' We will hear poll-tested attack words like ''vouchers'' and ''privatize'' and maybe even words like ''risky scheme.''

To be sure, this is an election year and nothing plays better than some good old-fashioned scare tactics aimed at the most vulnerable among us, our Nation's seniors, who we are here to serve, not walk out on.

While we should expect such attacks, we cannot let them go unanswered. The bipartisan plan crafted by the gentleman from California (Mr. THOMAS) and the gentleman from Minnesota (Mr. PETERSON) will provide a sound drug benefit while also recognizes the weakness of the current Medicare bureaucracy. It is a new universal benefit

for all seniors that reflects the advances of our modern health care delivery system, not the outdated top-down bureaucracy of the old system.

Unlike the President's plan, the bipartisan program we bring forward today promotes individual choice, choice so that our seniors can tailor the benefit to meet their own needs. Members of Congress currently enjoy a menu of choices when they choose their health care. We think it only appropriate that we extend that same privilege to our seniors.

We also think it is important to recognize that two-thirds of our seniors already have drug coverage, and we do not want to force any of them to abandon what they already have. We let them keep their coverage if they like it and focus most of our attention on the one-third who currently lack coverage.

Every senior has a right to complain about the rising cost of prescription drugs, this one included. Under the bipartisan plan, drug costs for the average senior will be cut by 25 percent, more than double the savings envisioned under the Clinton plan. This according to the independent Congressional Budget Office. We do not ignore those Americans with the highest drug costs.

The bipartisan plan delivers a strong stop-loss program in 2003 that will cap the cost of drugs for every senior. The Democrat plan does not offer this protection until the year 2006, 3 years later, conveniently escaping the 5-year budget window, and calling into question the sincerity of their commitment to this goal and their fiscal rationales.

Most importantly, the bipartisan plan provides unprecedented protections for our most needy seniors. We pay the full premium for any senior up to 135 percent of poverty with partial subsidies for those up to 150 percent. Poor seniors will no longer have to choose between paying their rent and getting needed prescription drugs.

While H.R. 4780 is not a perfect plan, it does provide a workable benefit and a meaningful and lasting reform to our Medicare program. It does so without busting the budget and without endangering the safety of the security of the overall medical program, Medicare, which we care about and need to preserve and make strong.

I am hopeful that Members will study the details, ignore the demagoguery, the dilatory tactics which we have already seen an abundance of, and support this historic reform to improve the quality of life of seniors across America.

This rule will ensure a vigorous debate. That is the purpose of the rule. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume. I thank the gentleman from Florida (Mr. GOSS), my dear friend, for yielding me the customary half hour.

Mr. Speaker, if people say they have not had much time to look at the bill, it is probably because we voted it out of the Committee on Rules at 2:30 this morning, and not too many people were here in the Chamber at the time.

Mr. Speaker, American seniors are having a very hard time today, and the House could really do something about it. Today we could have passed a Democratic bill to make sure that every single senior citizen gets help with their expensive prescription drugs and never again has to make the terrible choice between putting food on the table or medicine in their cabinet.

But my Republican colleagues decided against legitimate help for seniors. Instead, they decided to offer a bill to pour billions of dollars into the coffers of insurance companies and drug companies on the off chance that these companies will offer people some kind, any kind of drug benefit. In fact, Mr. Speaker, the Republican drug bill does more for insurance companies and the Grand Old Party than it does for grandparents.

Mr. Speaker, people with incomes over $12,600 get no direct help whatsoever from this Republican bill. But, Mr. Speaker, we have a chance to do something different. We have a Democratic prescription drug bill that would give every single senior American affordable, dispensable prescription drug coverage. It is ready right now. But the Republicans would not allow that amendment to be heard.

Mr. Speaker, seniors need our help. American senior citizens were promised Social Security and health care. They were promised dignity. They took their country at its word. I believe we should keep that word and shore up their health care with a real prescription drug bill.

Mr. Speaker, right now, the elderly account for one-third of the drug spending in this country. They spend an average of $1,100 each year. Let me repeat that, Mr. Speaker. The average senior citizen spends $1,100 each year on his or her medicine. But instead of us coming to their rescue, this rule makes in order a Republican drug bill that sounds great, but just does nothing to make seniors lives easier.

Now, Monday's New York Times, this is not my statement, this is not the Democratic statement, this is the editorial in Monday's New York Times, described the Republican bill as guaranteeing the elderly nothing but undefined policy of uncertain costs. That is a wonderful thing for seniors to look forward to.

Mr. Speaker, my Republican colleagues may cite respect for the Budget Act as an excuse not to help seniors with their prescription drugs, but let me tell my colleagues, Mr. Speaker, my Republican colleagues waived the Budget Act against eight appropriation bills, two emergency supplementals, and the Bankruptcy Reform Act in this very Congress alone.

□ 1200

The Republicans were willing to also waive the budget act for the minimum wage bill in order to accommodate tax cuts for the very rich. But, Mr. Speaker, they will not touch the budget act for senior citizens, even though we learned yesterday that the budget surplus will be twice as large as we originally anticipated.

Mr. Speaker, seniors should get their prescription drugs from the same place they get their prescriptions, Medicare, no matter where they live, no matter how sick they are. The Democrats have a bill that will just do that. So I urge my colleagues to oppose this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules, who will speak to the question of doing the Nation's business on behalf of affordable prescription drugs for our seniors.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong support of this very fair and balanced rule which will allow the opportunity for each side to come forward with its proposals.

Mr. Speaker, each of us knows how important Medicare is to the American people, and not just to our Nation's senior citizens. Health care is obviously a key quality of life issue for seniors, so we are deeply concerned that parents, grandparents, and our older friends are, in fact, cared for and assured a strong and long and great quality of life.

Winston Churchill said that democracy is the worst form of government, except for all the rest. Similarly, the health care system that we have here in the United States is the worst, except for all the rest. And Medicare has clearly got to be included in that. Make no mistake, as I said, we have the best health care system in the world, but it is not perfect.

Medicare itself has clearly helped improve the quality of life for seniors for 3 decades now. The biggest mistake we can make is to try to look at a 3-decade-old program, which Medicare is, and freeze it in time. Here we are in a new millennium, and it is obvious that changes need to be made. We need to have a Medicare system which is going to focus on how it is that we can improve access and affordability of quality health care for our Nation's seniors.

Clearly, prescription drugs and the availability of those prescription drugs is very high on the priority list. We want to make sure that we get the best quality and the most affordable prescription drugs and that they are available to the American people. We know that those drugs save lives. We know that we, clearly, as a Nation, have an industry which is on the cutting edge at developing so many of these new drugs. The biotechnology industry. We have just in the last few days had this

very historic development in genome research.

I believe that we have now a wonderful opportunity to ensure that we get those quality drugs through this plan that we have put forward for our seniors. We are committed to ensuring that every American senior has the opportunity to have affordable and effective prescription drug programs to deal with this under the Medicare plan.

Frankly, both sides share that priority. I know the Democrats like to believe that they have a corner on this, but they do not. We have stepped forward, and we have been working hard with what is a very, very fair plan.

Our plan, I am happy to say, accomplishes this goal as part of a very fiscally responsible program. And we believe, as Republicans, that we can do much better than a one-size-fits-all plan, which is what my colleagues on the other side of the aisle are proposing. Our plan clearly should enjoy strong bipartisan support. And I predict that, at the end of the day, when we do have this vote, we will have the support of both Democrats and Republicans on this issue.

Now, let me take just a moment, Mr. Speaker, if I may, to talk about the rule itself and how we got to where we are. Many people are talking about the fact that we met in the middle of the night. And yes, it is true that it was 3:31 this morning when the gentleman from Texas (Mr. SESSIONS) and I were here and filed this rule. The fact of the matter is, it does, as I said, give an opportunity for the Republicans to come forward with a Republican plan and the Democrats to come forward with their plan.

Now, that is not something that would have existed when the Democrats were in the majority. And the reason I say that is that time and time again the minority, Republicans at that point, were not offered the chance to propose their alternative. Yet we, when we took the majority in 1994, having served for four long decades in the minority, said that we wanted to guarantee minority rights, and we made that change, Mr. Speaker. And the change is one which allows the Democrats the chance to come forward with their minority proposal. We made that change.

We guarantee the minority that right. Now, they will scream that they should have two bites of the apple while we, as Republicans, have one bite of the apple. That seems to me to be unfair to the majority. So we have a proposal which says let us look at their plan, let us look at our plan, and then have a vote. And that is exactly what this will consist of.

So it is a fair and balanced rule. It allows everyone the opportunity to look at the two choices and then have a vote. And I hope very much that my colleagues will support the rule and at the end of the day support this very fair bill.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume so that, before my chairman leaves, I can read him something from the Washington Post this morning.

In the editorial page it says: ''The legislation was hastily assembled and in our judgment wouldn't work. Not well, anyway. But the bill will achieve its principal purpose, which is to provide Republicans with cover, a basis for saying in the fall campaign that they are, too, for drug benefits, just not the kind the Democrats propose.''

Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Speaker, every time seniors have to choose between drugs and food, they are going to remember this vote. Every time, in the future, when seniors have to cut their pills in order to make them last longer, they are going to remember this vote. Every time seniors are going to have to share their medications because they cannot afford them, they are going to remember this vote.

But I will tell my colleagues when they are really going to remember this vote. They are going to remember this vote in the November election, when they vote to return a Democratic majority to the House of Representatives. Because this Republican plan is nothing more than empty promises. And what do America's seniors get when they get empty promises? They get empty pill jars.

That is what this prescription drug plan that the Republicans have is all about: empty promises equaling empty pill jars.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the distinguished ranking member for the time and for his leadership on this important issue.

Mr. Speaker, this is a very important debate today. Too bad we cannot have the Democratic option before us so that we could have a discussion that this issue deserves.

Since the creation of Medicare 35 years ago, the curative power of prescription medicines has increased dramatically. What once required surgeries and hospital care now can be treated with prescription medicines. However, these medicines are often very expensive. Prices for the 50 most prescribed drugs for senior citizens have been going up, on average, at twice the rate of inflation over the past 6 years. As these prices have soared, our Nation's elderly and disabled populations have found it harder and harder to afford the treatments their doctors prescribe.

As with so many of the issues that we have recently debated in this Chamber, the debate between the Democratic and Republican prescription drug plans comes down to a question of priorities. Democrats offer a voluntary, affordable, guaranteed prescription drug benefit that is available to all citizens through Medicare, the same program that has provided reliable access to doctor and hospital care for 30 years.

But the American people will not have a chance to hear about it, because in the dark of night the Republican majority has foisted a rule on this House that does not give us a chance to present our option to the American people. But America should know that we will be tireless in our efforts to have our proposal of direct benefits prevail.

It is no wonder that the Republican's scheme shies away from Medicare. The Republicans have always opposed it. Former Speaker Gingrich once said that Medicare would wither on the vine because we think people are voluntarily going to leave it. And the gentleman from Texas (Mr. ARMEY), in 1995, called Medicare ''a program I would have no part of in the free world.''

Mr. Speaker, it is very important that the Democratic plan prevail; that we have a plan that has a guaranteed defined benefit that gives seniors the benefit of being in a purchasing group which is private. We will work tirelessly to that end. I urge a ''no'' vote on the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate very much his leadership and that of my colleagues that are working so hard on this issue.

I rise today to express my deep, deep disappointment that this rule does not allow for a vote on a real solution to the high cost of prescription drugs for older Americans. I want to share just a few words from Connie Lisuzzo from Dearborn, Michigan, who wrote me, as thousands of seniors and disabled have written me from Michigan, pleading for some help so they do not have to choose between getting their food and getting their medications.

She writes, ''I am a widow of 18 years. I am now 72 years of age. I find prescriptions going up every day. I have no insurance to cover any of these costs. I call around for the best price I can get. Seems that every visit to the doctor adds one more prescription. Please help us so we won't have to make choices between food and prescriptions.''

Unfortunately, today, Mr. Speaker, this bill does not directly help Connie Lisuzzo and the millions of other seniors who earn above $12,525 a year, barely enough to live on, which, by the way, are the majority of seniors in Michigan. I urge us to pass a bill that makes sense and modernize Medicare.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I rise in strong opposition to this rule and against the Republican plan.

This bill that has been forced on to the floor will provide nothing for my

constituents back in Rhode Island. Matter of fact, it will be more harmful than helpful. Our Democratic colleagues and I have put together a proposal that will be a prescription drug coverage as part of Medicare versus part of private insurance.

That is really the clear difference between our two proposals. We would have a reliable consistent option that would provide for choices and be a voluntary plan. Their proposal would really put more money in or pad the pockets of insurance companies.

Rhode Islanders already know what happens when we rely too heavily on private insurance coverage. Over 120,000 Rhode Islanders, about 12 percent of our population, lost their health care coverage overnight when an HMO pulled out because it was not profitable for them to stay in our State any more. This is the same type of system that is proposed today as part of prescription drug coverage by the Republican plan. This will just not work.

We want to create a system that will truly be beneficial for our seniors, but this is a system that will surely fail. Vote ''no'' on the rule; vote ''no'' on the Republican plan.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR), the Democratic whip.

Mr. BONIOR. Mr. Speaker, the Republican leadership has noticed that affordable prescription medicine is a major problem. Unfortunately, all they see is a major political problem. That is why today they have come to the floor with a purely political response, a scheme that, in the words of the National Senior Citizens Law Center, and I quote, says ''does nothing to address the needs of seniors for meaningful and affordable prescription drug coverage.'' Nothing.

America would be better off if the Republican leadership spent less time talking to their pollsters and more time listening to Dolores Martin, a person in my district. We call her Dee. She is 70 years of age. In April, she had two angioplasties. She does not need any pollsters to tell her about the high cost of medicine. She spends $330 each month.

What does the Republican plan offer seniors like Dee? Well, the chance to buy insurance she cannot afford from companies who do not even want to sell it to her. That is what they are all about. And all the sponsors say that the insurance companies and the HMOs will lower their prices only if we give them enough money. Their message is: trust the HMOs and trust the insurance companies.

□ 1215

My God, have we not learned anything in these last few years?

Older Americans deserve better. They have earned the right to affordable prescription medicine. And that is exactly what our plan would provide. But, as we heard today, we are not allowed to present our plan. We are not given an opportunity to each debate our proposal, let alone vote on it.

At a time when older Americans desperately need affordable medicine, the Republicans have written a prescription for disaster.

Say no to this sham. Vote ''no'' on this rule.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. WEXLER).

Mr. WEXLER. Mr. Speaker, this Republican bill is bad medicine. Instead of providing prescription coverage for seniors, this bill provides political coverage for Republicans. Premiums are 40 percent higher than the Democratic plan. Worst of all, it puts seniors desperate for life-saving drugs at the mercy of greedy HMOs.

Sorry Mom, one year you are covered, the next you are not.

Instead of helping seniors get well, this plan helps insurance companies get wealthy.

Mr. Speaker, seniors deserve a second opinion by allowing a vote on the Democratic plan which guarantees Medicare drug coverage. Republicans are guilty of congressional malpractice. And since they killed the Patients' Bill of Rights, we cannot even sue them.

Who will this bill truly cover? Republicans on election day.

Mr. MOAKLEY. Mr. Speaker, may I inquire of my dear friend from Florida (Mr. GOSS) if he has any speakers to defend his position?

Mr. GOSS. Mr. Speaker, I would be happy to inform the distinguished gentleman from the Commonwealth of Massachusetts (Mr. MOAKLEY) that we actually have several speakers who are on their way. We have been trying to let the time balance out.

Mr. MOAKLEY. Mr. Speaker, could the gentleman tell me where they are on their way from?

Mr. GOSS. Mr. Speaker, they are nearby.

Mr. MOAKLEY. Mr. Speaker, so the gentleman does not have any speakers at the present time?

Mr. GOSS. Mr. Speaker, actually, at this time we do have a speaker. If I could inquire how much time is remaining.

The SPEAKER pro tempore (Mr. LAHOOD). Both sides have 19 minutes remaining.

Mr. GOSS. Mr. Speaker, perhaps the gentleman from Massachusetts (Mr. MOAKLEY) would like to continue on his side since we are going to close, and then we will have a speaker ready to go.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) actually has 17½ minutes remaining, and the gentleman from Florida (Mr. GOSS) has 19½ minutes remaining.

Mr. MOAKLEY. Mr. Speaker, the gentleman from Florida (Mr. GOSS) has more time, so he can go if he would like.

Mr. GOSS. Mr. Speaker, I thank the gentleman very much, and I appreciate the consideration. We see the spirit of bipartisan comity at work in the House, and we are very thankful for that.

Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I rise in strong support of this rule, which will allow the House to debate a plan to give seniors access to affordable prescription drugs. This bipartisan plan is voluntary, affordable, and covers all Medicare beneficiaries.

Yet, the other side wants to change the subject. They want to divert our attention away from the fact that this Congress is about to vote on one of the most significant issues we face this year by trying to bring this House to a halt and to prove their claim that we are a ''do nothing Congress.''

It has been their plan all along. Before this rule was even written, they had the press release out celebrating their dramatic walk-out on the debate this morning.

Regardless of how many substitutes, amendments, hours of debate, their rhetoric and antics would be the same.

Well, methinks thou doth protest too much.

My colleagues know full well that, under this fair process, the rule provides that both Republicans and Democrats get one bite of the apple, one for them and one for us.

I would remind my colleagues that even this basic fairness was never guaranteed until the Republicans took control of the House and ensured that a motion to recommit would always be available to the minority.

But they do not want a fair fight. They want an unfair advantage. The Democrats do not want to debate the issue. They are throwing a temper tantrum to divert attention away from the merits of this bill.

Well, frankly, it is a transparent political strategy and it is irresponsible. But these political stunts are not surprising. It has been clear for some time that the issue of prescription drugs has been a political game to the Democrats all along. And every minute they waste, every dilatory tactic and every delay they employ will show their real intentions. They did not walk out on us, Mr. Speaker. They walked out on American seniors. And shame on them.

Mr. Speaker, I think the American people deserve better. They deserve an honest debate about the merits of the Medicare prescription drug plan that is before this House. Unfortunately, the Democrats' political grandstanding is designed to eclipse an honest debate on the merits. But we will walk through it if we must. We will do it cheerfully. The American people deserve no less. They want to hear an honest debate.

I urge my colleagues, come back from their grandstanding, their press conferences, their parade, and let us get to work. I urge my colleagues to support this fair rule.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very happy to hear my colleague talk about a fair debate. If this were a fair debate, a Democratic substitute or an alternative would have been allowed. It was not. And if they call a motion to recommit a fair debate, which allows 10 minutes of debate at the end of the bill after all the debate, I do not understand it. And if it were not for that poll that was taken by some Republican leadership, this bill would not be on the floor because it showed the American people want a prescription bill.

So if they want to talk about politics, let us talk about politics.

Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I hope that people here and people watching on C–SPAN have a sense of what is going on. We are debating a rule, and what that rule does, it prevents the Democrats from offering a prescription drug coverage bill. That is what the rule does.

Now, why would the Republican leadership want to do that rule? Think about that for a second. The reason they want that rule is it might pass, the Democratic proposal might pass if offered. And so, by this rule, the Democratic option will not be available.

Why not? Well, the Republican proposal, specifically when we get into what it does, literally destroys Medicare. It changes Medicare from a universal mandatory health care system for seniors to a selective system only for seniors who are at 130 percent of poverty.

So the broad-based political support that we have for Social Security and Medicare would end, and the things that we have done to sustain Medicare would end.

Mr. Speaker, the issue of a voucher part of the program would also be part of the Republican proposal, fundamentally different than what the Democrats are trying to do.

Finally, very quickly, in closing I say that, in 1965, Medicare would not have been passed if the Republicans were in charge. It will not pass in the year 2000 with the Republican majority.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. FROST).

Mr. FROST. Mr. Speaker, in our small little meeting room on the third floor of the Capitol last night, long after the evening television news and safely passed newspaper deadlines, at approximately 2:30 a.m., Republican Congressional leaders moved to kill the momentum for prescription medicine help for seniors.

That is why there will be no vote in the House of Representatives today on a guaranteed Medicare prescription coverage plan for all seniors who want it, which Democrats offered in the Committee on Rules last night and which we are being prevented by this rule being debated right now from offering on the floor today.

Instead, this Republican Congress would do its best today to place an attractive shroud on the coffin of Medicare prescription coverage. The Republican plan provides seniors with nothing but an empty promise, one guaranteed by nothing more than their faith in the Republican party and their allies among the HMOs and insurance companies.

Until recently, Republicans made little secret of their indifference to skyrocketing prescription costs or their hostility toward Medicare itself. Over the past few years, we have all become aware of how poorly Americans have been treated by HMOs and insurance companies.

Under the Republican plan, though, their HMO or insurance company will decide which prescription medicines they get as well as which doctors they see. That is why Democrats earlier today took the dramatic step of walking off the House floor, because Republicans know that only in the dark of night can they hope to get away with denying seniors guaranteed Medicare prescription coverage and because guaranteed Medicare prescription coverage will remain a top Democratic priority until we get it done in a Republican Congress this year or in a Democratic Congress next year.

Mr. MOAKLEY. Mr. Speaker, I would like to inquire of my friend if any of his wandering minstrels have showed up.

Mr. GOSS. Mr. Speaker, we are doing very well attracting some very quality testimony for this debate. And, of course, we have Members out doing other things today despite efforts by the opposition to shut down the House, which they announced last night, which is regrettable because there is the Nation's business to do.

Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Tennessee (Mr. BRYANT).

Mr. BRYANT. Mr. Speaker, Social Security and Medicare, as we know it today, are not going to go away. Please do not listen to those scare tactics and listen to the honest debate that is before this House today on prescription drug benefits.

People have always wanted insurance to protect against their losses whether it is their house from burning or their car from being wrecked or loss of income from death or disability and, as always, they wanted a choice to be able to select the insurance that best fits their specific needs.

People do not want to look to Washington for the one-sheet-fits-all that we hear about so often, that solution that we know best in Washington. We all want to be in charge of making our own health care decisions.

Our bipartisan Republican/Democratic bill that we are talking about on this side does just that. If my mother likes the prescription drug program she is on, she gets to stay on that. She does not have to look to Washington for that one-shoe-fits-all. Now, if she wants to shop around for something better, then she has that freedom to do so. She has a real choice here.

Our bipartisan bill establishes a cap or a limit what a senior would have to pay each year even for high-cost drugs. So if we want a cap or limitation, our bipartisan bill establishes this cap or a limit on what a senior citizen will have to pay each year, even in high-cost drug situations.

So if my colleagues have seniors in their district who like to make their own health care choices, they ought to vote for this bipartisan bill. And if they have seniors who would really enjoy the security and the peace of mind of knowing that their yearly drug bill is limited, they might want to vote for this bill also and for this rule, which I strongly support.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in opposition to this unfair, partisan, shameful rule. The fact, Mr. Speaker, is Medicare works. That is why we should add to Medicare a prescription drug benefit. That is the only way to add a reliable, affordable, guaranteed benefit for seniors.

We should not force seniors to deal with private insurance companies to get prescription drug coverage. Why? Those private insurance companies are not reliable.

The two major private insurance companies in Philadelphia that dominate the market have both in recent months reduced their prescription drug coverage, one company reducing from an $1,800 a year benefit to $1,000 and now down to $500 a year benefit, for the same premium I might add; and the second company refusing to cover any more brand name drugs, only covering generics for the same premium they originally charged. That will not do.

What can I say to Earl and Irene Baker of Lansdale, Pennsylvania? They need real insurance coverage for prescription drugs.

I urge a no vote on this rule.

Mr. GOSS. Mr. Speaker, might I inquire about the status of the time on either side at this point.

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) has 15½ minutes remaining. The gentleman from Texas (Mr. FROST) has 13 minutes remaining.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Oklahoma (Mr. COBURN).

(Mr. COBURN asked and was given permission to revise and extend his remarks.)

□ 1230

Mr. COBURN. Mr. Speaker, I thank the gentleman from Florida (Mr. GOSS) for yielding me this time.

Mr. Speaker, I would ask unanimous consent for the body to extend the time on this debate for 4 minutes and allow me a total of 5 minutes to speak.

The SPEAKER pro tempore (Mr. LAHOOD). Does the gentleman from

Florida (Mr. GOSS) yield for the request?

Mr. GOSS. I regret I am unable to yield the additional 4 minutes.

The SPEAKER pro tempore. The gentleman is recognized for 1 minute.

PARLIAMENTARY INQUIRY

Mr. COBURN. Mr. Speaker, point of inquiry. Is it out of order to make a unanimous consent request outside of the rule for additional time on extension of the rule?

The SPEAKER pro tempore. The manager of the resolution must yield for that request and has not yielded. The gentleman is recognized for 1 minute.

Mr. COBURN. Mr. Speaker, we are having a debate today; and we have heard a lot of partisan bickering back and forth, and it is because what we are doing is the wrong thing, and the politics of Washington is claiming to fix a problem that is very real, but it is fixing the wrong problem. The problem is, there is no competition within the pharmaceutical industry and what is there is limited in its base. As we seek to solve the problem for the very seniors that need our help, if we do not solve the problem on competition, then we will, in fact, have wasted Medicare dollars and cost-shifted another large cost of health care to the private sector.

I would like to introduce into the RECORD the FTC Web site showing four pharmaceutical companies who have been paying their competitors not to bring drugs to market, costing the American consumers over $250 million a year. I would also enter into the RECORD various portions of the paper talking about the pricing of prescription drugs, not the availability but the pricing. If we fail to address that, we have shirked our duty completely. Neither the Republican or the Democrat bill does that.

WHY THE HIGH COST OF PRESCRIPTION DRUGS IS A PROBLEM WE CAN'T AFFORD TO IGNORE

Spending on prescriptions rose a record 17.4% last year. Elderly patients saw the largest increases, with average prescription prices increasing 18% for women aged 70-79 and 20% for women 80 and older. Men in the same age groups fared a bit better, experiencing 9% and 11% increases, respectively. For all Americans, prescription spending averaged $387.09 per person in 1999, up from $329.83 in 1998.—Study by Express Scripts, a St. Louis-based pharmacy benefits manager, which examined claims data from more than 9 million patients, reflecting average wholesale prices, June 27, 2000.

Express Scripts projects that spending on prescription drugs will nearly double over the next five years, reaching $758.81 per person in 2004.—Wall Street Journal, June 27, 2000.

The history of Medicare shows that the federal government has seriously underestimated the future growth of the program. In 1964, the Johnson administration projected that Medicare in 1990 would cost about $12 billion (with an adjustment for inflation); the actual cost was $110 billion—almost a 1,000% cost underestimate. How much of a cost underestimate can we afford for prescription drugs?—The Origins of Medicare by Robert B. Helms, American Enterprise Institute, April 1999.

Express Scripts noted that the introduction of new drugs, such as the arthritis medicines Vioxx and Celebrex, contributed significantly to the rise in spending last year. However, roughly half of the total increase in drug spending was due to higher prescription costs.—New York Times, June 27, 2000.

Of the 50 top selling drugs for seniors in 1999; 11 increased at least 5 times the rate of inflation; 16 increased at least 3 times the rate of inflation; 33 increased at least 1.5 times the rate of inflation, and only 12 increased slower than the rate of inflation.—Families USA, April 2000.

Of the 50 top selling drugs for seniors between 1994 and 2000, 39 of which were marketed for all six years, 6 increased at least 5 times the rate of inflation; 11 increased at least three times the rate of inflation; 22 increased at least 2 times the rate of inflation; 30 increased at least 1.5 times the rate of inflation, and 37 increased faster than inflation.—Families USA, April 2000.

While prescription drugs accounted for about 5% of overall health care spending in 1992, some experts have predicted that that figure could rise to about 15% within 10 years.—Los Angeles Times, May 29, 2000.

Drug spending is increasing 15% to 20% a year even in well-run private health plans.—New York Times, May 15, 2000.

For 1999, drug spending is projected to have risen 14% to 18%, according to HCFA. A recent study by Families USA, a health-care advocacy group, said the average cost of the 50 drugs most used by the elderly rose 3.9% last year, outpacing the 2.2% inflation rate, and the prices of some medications jumped as much as 10%.—Wall Street Journal, May 11, 2000.

Pharmacia Corp., which markets a generic version of the drug called Toposar, reported a price of $157.65 for a 20-milligram dose in the 1999 industry guide. But the actual average wholesale price is $9.70, according to a government price list.—Wall Street Journal, June 2, 2000.

Today, federal and state investigators are threatening civil litigation against pharmaceutical makers that authorities believe have induced Medicare and Medicaid to overpay for prescription drugs by $1 billion or more a year.—Wall Street Journal, May 12, 2000.

In 1997, Zachary Bentley, an employee of a Florida company called Ven-A-Care that offered patients the option of receiving intravenous drugs in their homes rather than at a hospital, sent a toilet seat and an overpriced drug to HCFA. Bentley noted that Medicare was paying providers almost $428 a day for a product that could be bought for $49—proof, in Bentley's view, that the agency was wasting tax dollars as the Pentagon did with its high-priced toilet seats in the 1980s.—Wall Street Journal, May 12, 2000.

FTC CHARGES DRUG MANUFACTURERS WITH STIFLING COMPETITION IN TWO PRESCRIPTION DRUG MARKETS

COMPLAINT FILED AGAINST HOECHST MARION ROUSSEL, INC. AND ANDRX CORP.; PROPOSED SETTLEMENT REACHED WITH ABBOTT LABORATORIES AND GENEVA PHARMACEUTICALS, INC.

COMPLAINTS CHARGE MULTI-MILLION-DOLLAR ARRANGEMENTS WERE DESIGNED TO KEEP GENERIC VERSIONS OF CARDIZEM CD AND HYTRIN OFF THE MARKET

The Federal Trade Commission today charged two drug makers, Hoechst Marion Roussel (now Aventis) and Andrx Corporation, with engaging in anticompetitive practices in violation of Section 5 of the FTC Act, alleging that Hoechst, the maker of Cardizem CD, a widely prescribed drug for treatment of hypertension and angina, agreed to pay Andrx millions of dollars to delay bringing its competitive generic product to market. The Commission also announced a proposed settlement with two other drug makers, Abbott Laboratories and Geneva Pharmaceuticals, Inc., resolving charges that the companies entered into a similar anticompetitive agreement in which Abbott paid Geneva substantial sums to delay bringing to market a generic alternative to Abbott's brand-name hypertension and prostate drug, Hytrin.

''The financial arrangements between the branded and generic manufacturers were designed to keep generic versions of Cardizem CD and Hytrin off the market for an extended period of time,'' said Richard Parker, Director of the FTC's Bureau of Competition. ''These types of agreements have the potential to cost consumers hundreds of millions of dollars each year, Parker noted. He further explained that ''the proposed consents with Abbot and Geneva will provide immediate guidance to the drug industry and the antitrust bar with regard to these kinds of arrangements, and the Hoechst-Andrx complaint will allow the Commission to further consider the issues as it examines the arrangement in that case in light of a record developed during an administrative hearing.''

Under legislation commonly known as the Hatch-Waxman Act, a company can seek approval from the Food and Drug Administration (FDA) to market a generic drug before the expiration of a patent relating to the brand name drug upon which the generic is based. Pursuant to this Act, the first company to file an Abbreviated New Drug Application (ANDA) with the FDA has the exclusive right to market the generic drug for 180 days. No other generic can gain FDA approval until this 180-day period expires. The purpose of the exclusivity period is to encourage generic entry.

To begin the FDA approval process, the generic applicant must: (1) certify in its ANDA that the patent in question is invalid or is not infringed by the generic product (known as a ''paragraph IV certification''); and (2) notify the patent holder of the filing of the ANDA. If the patent holder files an infringement suit against the generic applicant within 45 days of the ANDA notification, FDA approval to market the generic drug is automatically stayed for 30 months, unless, before that time, the patent expires or is judicially determined to be invalid or not infringed. This 30-month automatic stay allows the patent holder time to assert its patent rights in court before a generic competitor is permitted to enter.

*Hoechst-Andrx complaint allegations*

Hoechst sells Cardizem CD, a once-a-day diltiazem product used to treat hypertension and angina—chronic, severe chest pain due to a reduction in blood flow to the heart. The Hoechst product accounts for approximately 70 percent of all once-a-day diltiazem products sold in the United States. In September 1995, Andrx filed its ANDA with the FDA to manufacture and distribute a generic version of the drug, and, as the first to file, was entitled to the 180-day exclusivity right. Hoechst promptly sued Andrx for patent infringement, which triggered the 30-month stay on FDA approval of Andrx's ANDA. This 30-month period expired in July 1998.

In September 1997, the FTC's complaint alleges, Hoechst and Andrx entered into an agreement in which Andrx was paid to stay off the market. Under the agreement, Andrx would not market its product when it received FDA approval, would not give up or transfer its 180-day exclusivity right, and would not even market a non-infringing generic version of Cardizem CD.

In exchange, Hoechst paid Andrx $10 million per quarter, beginning in July 1998,

when Andrx gained FDA approval for its product. The agreement also stipulated that Hoechst would pay Andrx an additional $60 million per year from July 1998 to the conclusion of the lawsuit of Andrx prevailed.

According to the FTC, the agreement acted as a bottleneck that prevented any other potential competitors from entering the market because: (1) Andrx would not market its product and thus its 180 days of exclusivity would not begin to run; and (2) other generics were precluded from entering the market because Andrx agreed not to give up or transfer its exclusivity.

According to the complaint, Hoechst's agreement with Andrx had the ''purpose or effect, or the tendency or capacity'' to restrain trade in the market for once-a-day diltiazem and in other narrower markets. Entry of a generic into the market immediately would have introduced a lower-cost alternative and would have started the 180-day waiting period.

The complaint alleges that the agreement between Hoechst and Andrx constituted an unreasonable restraint of trade; that Hoechst attempted to preserve its monopoly in the relevant market; that Hoechst and Andrx conspired to monopolize the relevant market; and that the acts and practices are anticompetitive and constitute unfair methods of competition, all in violation of Section 5.

*Abbott-Geneva: Complaint allegations*

Hytrin is the brand-name for terazosin HCL, a prescription drug marketed and sold by Abbott Laboratories. This drug is used to treat hypertension and benign prostatic hyperplasia (''BPH'' or enlarged prostate). Both hypertension and BPH are chronic conditions affecting millions of Americans each year, many of them senior citizens. According to the complaint, Abbott paid Geneva $4.5 million per month to keep Geneva's generic version of Hytrin off the U.S. market. This agreement also resulted in a significant delay in the introduction of other generic versions of Hytrin because Geneva was the first filer with the FDA and other companies could not market their generic products until 180 days after Geneva's entry.

In January 1993, Geneva filed an ANDA with the FDA for a generic version of terazosin HCL in tablet form; Geneva filed a similar ANDA for a generic version of terazosin in capsule from in December 1995. In April 1996, Geneva filed a Paragraph IV certification with the FDA for both ANDAs.

On June 4, 1996, Abbott sued Geneva, claiming patent infringement by Geneva's generic terazosin HCL tablet product. Abbott mistakenly made no such claim against Geneva's capsule version of the product, even though both tablets and capsules involved the same potential infringement issues. Pursuant to the Hatch-Waxman Act, Abbott's lawsuit triggered a 30-month stay of final FDA approval of Geneva's generic tablet ANDA, until December 1998. Because no similar lawsuit was filed regarding the generic capsule, the FDA's review and approval process regarding this product continued.

The complaint alleges that Geneva, confident that it would win its patent infringement dispute with Abbott, planned to bring its generic terazosin HCL capsule to market as soon as possible after FDA approval. As the first filer for approval of generic Hytrin capsules, Geneva would enjoy the 180-day exclusivity period provided under the Hatch-Waxman Act.

When Geneva actually received FDA approval to market its generic capsules, Geneva contacted Abbott and announced that it would launch its product unless Abbott paid it not to enter the market. Abbott, which estimated that the entry of a generic would eliminate $185 million in Hytrin sales in the first six months, reached an agreement with Geneva on April 1, 1998, pursuant to which Geneva would not bring a generic terazosin HCL product to market until the earlier of: (1) final resolution of the patent infringement lawsuit involving the generic tablet product (including possible review by the Supreme Court); or (2) entry into the market of another generic terazosin HCL product. Geneva also agreed not to transfer, assign or relinquish its 180-day exclusivity right to market its generic product.

In exchange, the complaint alleges, Abbott would pay Geneva $4.5 million per month until the district court ruled on the ongoing patent infringement dispute. If the court found that Geneva's tablet product did not infringe any ''valid and enforceable claim'' of Abbott's patent, Abbott agreed to pay $4.5 million monthly after that decision into an escrow account until the final resolution of the litigation. Under the agreement, the party ultimately prevailing in the patent litigation would receive the escrow funds. The court hearing the patent infringement case was not made aware of the agreement between the companies.

In accordance with the agreement, Geneva did not introduce its generic capsules in April 1998, and instead began collecting the $4.5 million monthly payments from Abbott, which exceeded the amount Abbott expected Geneva to receive from actually marketing the drug. On September 1, 1998, the district court granted Geneva's motion for summary judgment in its patent litigation with Abbott, invalidating Abbott's patent. Despite this victory, Geneva still did not enter the market with its generic product, content to have Abbott make monthly $4.5 million payments into the escrow account. On July 1, 1999, the Court of Appeals for the Federal Circuit affirmed the decision invalidating Abbott's patent. Under the agreement, Geneva was to await Supreme Court consideration of the matter before entering. According to the complaint, Geneva did not enter until August 13, 1999, when, aware of the Commission's investigation, it canceled its agreement with Abbott.

The complaint alleges that Abbott's agreement with Geneva had the ''purpose or effect, or the tendency or capacity'' to restrain competition unreasonably and to injure competition by preventing or discouraging the entry of competition into the relevant market. As a result of the anticompetitive behavior, the complaint alleges, the lower-priced generic version of Hytrin was not made available to consumers, pharmacies, hospitals, insurers, wholesalers, government agencies, managed care organizations and others during the time the agreement was in place.

Entry by a generic competitor would have had a significant procompetitive effect. The complaint alleges that the agreement between Abbott and Geneva constituted an unreasonable restraint of trade; that Abbott monopolized the relevant market; that Abbott and Geneva conspired to monopolize the relevant market; and that the acts and practices are anticompetitive in nature and tendency and constitute unfair methods of competition, all in violation of Section 5.

*The proposed consent orders*

Under the terms of the proposed settlement, Abbott and Geneva would be barred from entering into agreements pursuant to which a first-filing generic company agrees with a manufacturer of a branded drug that the generic company will not (1) give up or transfer its exclusivity or (2) bring a non-infringing drug to market. In addition, agreements involving payments to a generic company to stay off the market would have to be approved by the court when undertaken during the pendency of patent litigation (with notice to the Commission), and the companies would be required to give the Commission 30 days' notice before entering into such agreements in other contexts. In addition, Geneva would be required to waive its right to a 180-day exclusivity period for its generic terazosin HCL tablet product, so other generic tablets could immediately enter the market.

The proposed orders, which would expire in 10 years, also contain certain reporting and other provisions designed to help the Commission monitor compliance by the companies.

The Commission vote to issue the administrative complaint against Hoechst/Andrx was 5–0. The vote to accept the proposed consent orders with Abbott and Geneva was 5–0.

In a unanimous statement, the Commissioners said: ''These consent orders represent the first resolution of an antitrust challenge by the government to a private agreement whereby a brand name drug company paid the first generic company that sought FDA approval not to enter the market, and to retain its 180-day period of market exclusivity. Because the behavior occurred in the context of the complicated provisions of the Hatch-Waxman Act, and because this is the first government antitrust enforcement action in this area, we believe the public interest is satisfied with orders that regulate future conduct by the parties. We recognize that there may be market settings in which similar but less restrictive arrangements could be justified, and each case must be examined with respect to its particular facts.

''We have today issued an administrative complaint against two other pharmaceutical companies with respect to conduct that is in some ways similar to the conduct addressed by these consent orders. We anticipate that the development of a full factual record in the administrative proceeding, as well as the public comments on these consent orders, will help to shape further the appropriate parameters of permissible conduct in this area, and guide other companies and their legal advisors.

''Pharmaceutical firms should now be on notice, however, that arrangements comparable to those addressed in the present consent orders can raise serious antitrust issues, with a potential for serious consumer harm. Accordingly, in the future, the Commission will consider its entire range of remedies in connection with enforcement actions against such arrangements, including possibly seeking disgorgement of illegally obtained profits.''

The Commission is accepting public comment on the consent in the Abbott/Geneva matter until April 17, 2000, after which it will decide whether to make it final. Comments should be sent to the FTC, Office of the Secretary, 600 Pennsylvania Ave., N.W., Washington, D.C. 20580.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, this is a particularly sad day for the House. My colleagues talked about this walk-out. The reason this man's portrait is on the wall right here is because they walked out on the British 224 years ago because they would not allow free and fair debate. Today we are not allowed free and fair debate on the floor.

The gentleman from Oklahoma (Mr. COBURN) just spoke about his opinion.

The problem is that the Republicans are going to allow debate on only one opinion, that gentleman's opinion over there. We are going to take up a bill that one man has written, that the full House is not going to get to debate, that affects 39 million Americans and we are going to hide behind a phony debate, a phony argument, of a limitation in a budget resolution that the Republican leadership violates time and again; in fact, intends to violate later this week with a waiver on a bill dealing with doctors.

They violated it on defense spending. Perhaps if we added an aircraft carrier to this, we might be able to get a real debate going on this issue.

They violated it for highway construction. They violated it for agriculture. When it comes to senior citizens and whether or not we can have a fair, full and open debate on the question of what type of Medicare prescription drug coverage they ought to have, the Republicans who never wanted to do this in the first place say, no, we will have one issue on our bill alone, which the industry has already said will not work, but we will talk about nothing else because they are afraid, they are afraid, that too many of their Republicans may side with too many of the Democrats in putting a real prescription drug plan under Medicare; and we cannot allow that to happen because we lose the political advantage.

Perhaps that is the unfair advantage that the gentlewoman from Ohio was talking about.

Let us do what our forefathers intended us to do, the whole reason that we are on the House floor today. Let us have a full, fair and honest debate as Americans in the same way that the country was established 224 years ago and be done with this sham debate on this rule behind a phony argument of budget constraint that the Republicans have already violated this year, violated last year, will violate apparently later this week, and will violate for the rest of the year.

Mr. FROST. Mr. Speaker, I would inquire as to whether the gentleman on the other side has a speaker on the floor at this point.

Mr. GOSS. Actually, we have several very excellent speakers on the floor at this time; but I think that the balance of the time, if the gentleman wishes to go forward for the short yield, that would be fine with us.

Mr. FROST. I would inquire of the Chair of the time remaining on each side.

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) has 14½ minutes remaining. The gentleman from Texas (Mr. FROST) has 11 minutes remaining.

Mr. FROST. Does the gentleman still wish that we proceed?

Mr. GOSS. I have no strong preference. We are prepared to proceed if the gentleman would like us to.

Mr. FROST. The gentleman has more time available at this time.

Mr. GOSS. I think I am detecting a suggestion that we proceed. In that case, I am most delighted to yield 4 minutes to the distinguished gentleman from Ohio (Mr. TRAFICANT), as part of a bipartisan spirit of unity.

Mr. TRAFICANT. Mr. Speaker, I heard the words today too risky, too hasty, bad procedure, not enough money, bad for seniors, unfunded mandates, politics, empty promises, on and on. And once again, divide, confuse, obstruct, pit seniors against youth, management against labor, more and more class warfare in the House of Representatives.

I think enough is enough, and I think it is time to tell it like it is today. The Democrats controlled Congress for 50 years. The Democrats never balanced the budget. The Democrats never did a thing about welfare. The Democrats never did a thing about prescription drugs. The Democrats never did a thing about IRS reform and how well I know, because for 12 years I tried to get the Democrats to take up the Traficant bill to change the burden of proof and to require judicial consent before the IRS can seize our property.

The Democrats would not even hold a hearing. The Republicans not only had a hearing, they included the Traficant provisions in the bill, even though the Democrats were against it and the President threatened to veto it for the Traficant provisions.

Now listen to the statistics, and I want to compliment the Republican Party. 1997 was the last year of the Democratic law; 1999 the first year of the Republican law. Attachment of wages, $3.1 million under the Democrats; $540,000 under the Republican reform. Property liens, $680,000 under the Democrats; $160,000 under the Republican reform. Seizure of our constituents' farms, businesses and homes, 10,037 under the Democrat law; only 161 under the Republican law.

But that is not what bugs me today. JFK would have never walked out from a fight. Truman would have never walked up that aisle. Eisenhower would have never walked that aisle. Colin Powell would have resisted that aisle like he resisted America's enemies. Warriors do not walk out. I am disgusted today because we are not warriors. We walked away.

I am going to vote for the rule. I am going to vote for the bill. Is it perfect? No. But what are the Republicans doing? What are they doing? They are giving us the first prescription drug opportunity to amend a great dilemma that as Democrats we have done nothing with. Now, ours is better. Bring a better one out, and I am going to vote for it; but I am going to vote for their bill because their bill is an incremental process step that can be perfected, made better.

I want my constituents to have the benefit of a prescription drug plan that begins the process of mitigating and remediating this horrible problem; but I will say one thing, I did not walk out and I want to commend the Republican Party, the Speaker and the gentleman from Texas (Mr. ARCHER) for helping me in the IRS reform bill, and I want to commend the Republican Party for not only not walking out but standing here and bringing forward this bill; and I am going to vote for it.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I urge my colleagues to oppose this rule. This rule does not allow us to consider the best prescription drug plan that we can offer our senior citizens. I represent the fastest-growing senior population in the United States. Not a day goes by that I do not receive a call from a frightened senior begging me to help them obtain affordable prescription medication; sharing their feelings of despair and worry; sharing their horror stories of having to choose between buying food to survive or medicine that will help them survive; of having to choose between paying their rent and purchasing their prescription medication.

I have seen the Republican plan firsthand. The Nevada State legislature passed similar legislation over 13 months ago, relying on private insurance companies to provide drug coverage. To date, no insurance company, not one, has agreed to participate.

My friends in Nevada are attempting to fix the program. They have the best of intentions, just like my friends across the aisle. But why in the world, when it is not yet functioning for the 223,000 seniors in Nevada, would we try to replicate it for the millions of seniors that are desperately in need of affordable prescription medication?

I urge my colleagues to consider the Democratic alternative that would provide a comprehensive volunteer affordable prescription drug plan. Our parents and our grandparents are expecting better from us.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman from Florida (Mr. GOSS) for yielding me this time. I too rise to join the gentleman from Ohio (Mr. TRAFICANT) and the other Democrats who are helping us pass and support this bipartisan bill. I am doing that in the name of some constituents of mine, Brian and Sue Doe in Vidalia, Georgia.

Now Mr. Doe is retired from the police force, and Mrs. Doe is retired from the Piggly-Wiggly Grocery Store chain. They are on a fixed income, $20,000 a year. They do not know what procedural motions are, motions to rise, motions to adjourn. In fact, it would be funny for them to figure why would people who are paid $136,000 a year vote to adjourn and quit working at 11:00 in the morning. But that is Washington.

Here is what they know, and here is what they are real experts on. On their fixed income they have to pay about

$8,200 a year for prescription drugs, $8,200. Anything from Lipitor for his cholesterol to something for her heart murmur; and they know that these expensive drugs, this one right here at $10 a shot, that they have to take three or four times a week, they know under this plan, this bipartisan plan today, it will go down from $10 to about $6. They know that $8,200 a year will go down to $6,000; even more than that. They know that they will have the choice of plans. They know that this will not get in the way of their doctor relationship. They will still have a doctor-patient relationship, and they know they will be able to go to the neighborhood pharmacist still, and they think this is very important because they do not really want a one-size cookie cutter Washington bureaucracy getting into their drug cabinet and telling them how to live.

It is very important for the Does in Vidalia, Georgia, for the folks in Savannah, Georgia, for the people in Miami, for the people in Maine, for the people in San Francisco. It is time to come together and put seniors over politics, and that is why I support this bill today.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Speaker, I oppose the rule because this bill is a sham. It covers only the poorest senior citizens whose incomes place them near or below the poverty standard. It deliberately creates another division in America: us who are wealthy enough to take care of ourselves and them who are given a taxpayer handout because they are poor. In fact, the Republican plan is carefully designed to fail, not immediately, of course, certainly not before the November election. It is being polished to look like gold until after the election. But next year when everyone realizes this plan was virtually useless and worthless, fool's gold, that failure will be used as a spear to attack Medicare, the hammer the Republicans hope to use to privatize Medicare.

That is the bottom line, privatization. Eliminate the Medicare program that provides universal, dependable, quality, guaranteed health insurance for every senior citizen by right of American citizenship. This bill is political chicanery at its very worst.

Mr. GOSS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Carolina (Mr. BALLENGER), my friend and colleague.

Mr. BALLENGER. Mr. Speaker, I am a senior citizen. I actually am that proper age and have Medicare and each night I use Zocor and Cardura and Claritin D and Timoptin, but I pay for them myself. We in Congress earn over $130,000 per year. We should not receive government assistance. Let us help the poor who need it. The Democrat plan would take care of us, the Kennedys, the Houghtons and the Ballengers. We are too rich. We do not need it and nobody in Congress should get it, and yet the Democrat plan allows it.

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Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I am concerned about the hundreds of thousands of rural West Virginians earning $12,000, $15,000 a year, sometimes less than that, and that is why I am voting for a bill, the substitute, that would extend the Medicare program as we already know it. We know it, it has worked, let us have a prescription drug benefit.

I am voting against the Republican bill, however, that would simply put this into the hands of the private insurance agencies, private insurance industry that says they do not want it. It would put it into the hands of private HMOs that are not functioning in rural States.

I am voting for a bill that would provide real prescription drug coverage. I will not vote for a bill that will deny almost 300,000 senior citizens, many of them in rural areas, true coverage.

At a time when senior citizens need real medicine, strong medicine, the Republican substitute unfortunately only gives them two aspirins and tells them to go home and forget about it. That is not what we ought to be doing here today.

Mr. Speaker, we should have a real bill on the floor to provide the prescription drug benefits. I oppose the rule.

Mr. GOSS. Mr. Speaker, I would like to advise my colleague, the distinguished gentleman from the Commonwealth of Massachusetts (Mr. MOAKLEY), that I have one speaker left besides myself to close.

Mr. MOAKLEY. Mr. Speaker, I say to the gentleman from Florida (Mr. GOSS), I appreciate the warning.

Mr. Speaker, I yield 1 minute to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me the time.

The Republican majority touts their plan for offering people choices. Why do they not begin by giving us a choice of bills? It is unthinkable that seniors would buy into a plan that thrusts them further into the managed care and HMO market that today routinely is dumping them. It is unthinkable that we would commit scarce health care dollars to the costly, countless administrative structures of HMOs instead of relying on low costs, administrative efficiency built into Medicare.

It is unthinkable that we would send our seniors to a private sector HMO party that private insurers say they will boycott. It is unthinkable that we would send seniors shopping among the chaos of premiums and deductibles and copayments, out there to snare even the most sophisticated.

This rule gives seniors choices they cannot take and cannot afford. It gives them every choice, except the choice they must have, a choice between a cosmetic bill and one that works.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. BALDACCI).

(Mr. BALDACCI asked and was given permission to revise and extend his remarks.)

Mr. BALDACCI. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, this rule is a terrible rule. The rule does not recognize alternatives. It does not recognize the importance of this debate. For instance, in rural Maine, there is no private insurance market and no matter how high we pile the money, no one is going there to offer the care.

We are going to be writing a check to the HMO insurance companies instead of providing universal voluntary and affordable coverage for Maine senior citizens. We have over 211,000 seniors in Maine on Medicare, over 15 percent, 16 percent of the State's population. They are dependent upon having the ability to have drug coverage and there is no private insurance market. They pay higher costs than urban or suburban areas.

We need to make sure that it is part of the Medicare program and it is universal across the board. I have heard references here today about John Kennedy and Harry Truman. Let me tell my colleagues, I do not know them, but I have read about them, and if they were here, I am sure that they would be distressed about what is being passed by the Republican leadership in the House today.

Mr. Speaker, I urge a vote against this rule and for more common sense legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I want to thank the gentleman for yielding me the time.

Mr. Speaker, I want to say a couple of things. When I go home, I am an elected official, I represent Democrats, Republicans, and Independents. And what I heard from my constituents, and why we are protesting so loudly, is because there are Americans that are not being heard in this debate today.

I just want to bring up a few of those. We have the Older Women League who says that they are a national grassroots membership organization focusing soley on issues unique to women as they age, there was a disappointment to see that the Republican prescription drug plan does not represent a defined benefit added to the Medicare program but rather a private insurance option.

We can go on, and we can talk about the National Council of Senior Citizens. In short, the Republican RX 2000 Act is a fraud and a callous and partisan attempt to create the illusion of sensitivity to a desperate need of millions. It is based on private market plans in the face of massive withdrawals from Medicare coverage by health insurance industry.

Then on top of that, my colleagues should hear the health care industry that they think is going to give them this insurance.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, I rise today in opposition to the rule and in opposition to the majority bill that is before us today. I believe that the bill before us is set up for failure, and it is set up for failure for one simple reason, they don't want to do it. I do not want to question the motives of the Republican leadership in offering this type of bill, but we do know the intent and motivation of the insurance industry that is being called upon to provide the drug-only insurance plan in order to make this bill work.

They do not want to do it. In fact, in recent testimony by Charles Kahn III, President of the Health Insurance Association of America, before the Committee on Ways and Means earlier this month, he stated and I quote, the proposals we have examined that rely on stand-alone drug-only insurance policies simply would not work in practice. Designing a theoretical drug coverage model through legislative language does not guarantee that private insurers will develop the product in the market.

Mr. Speaker, good things happen in this place when we come together and work in a bipartisan manner to deal with a serious yet complicated issue such as providing affordable drug coverage to seniors who need it. That process did not take place today. I think we need to go back to the drawing board and get it right.

Providing affordable Medicare prescription drug coverage for our nation's seniors is one of the most pressing issues facing our country today. Even though the elderly use the most prescriptions, more than 75 percent of seniors on Medicare lack reliable drug coverage. It is time to modernize Medicare to reflect our current health care delivery system. The use of prescription medications is as important today as the use of hospital beds was in 1965 when Medicare was created.

I have heard from a number of seniors in western Wisconsin regarding the problems they have paying for prescription drugs. One woman from a small town in my district wrote to me and said:

> I am sending you my medicine receipts for the month of March. Why doesn't Medicare cover the cost of these drugs? This is more than I can handle on my Social Security income.

Her monthly cost for prescription medicines is $382.13. That is a lot of money for a widow on a fixed income.

Other seniors in my district are paying substantially higher medicine prices than pharmaceutical companies most favored customers, such as HMOs. A study conducted in my district found that price discrimination by pharmaceutical manufacturers is one of the principle causes of the high prescription medicine prices that confront seniors. Senior citizens who pay for their own drugs pay more than twice as much for drugs than do the pharmaceutical companies' most favored customers.

Not only are my seniors facing price discrimination in their hometowns, but they can go to Canada and get the same medicine for a substantially cheaper price. For example, a senior in Rice Lake, Wisconsin pays $105 for a prescription of Zocor. If this senior makes the short trip to Canada, then she would only pay $59 for the Zocor prescription—a 129 percent difference. On average my constituents would pay about 80 percent less for their drugs in Canada than they do at home in western Wisconsin. That is wrong.

The cost of prescription medicines should not place financial strains on seniors that would force them to choose between buying drugs and buying food. We need to make prescription medicines affordable and accessible to all of our seniors.

Unfortunately, today's debate is a sham. We will not have the opportunity to discuss this issue in a fair and open process. The majority decided to railroad the debate and silence the minority by not allowing an alternative to be debated and voted upon. Our nation's seniors deserve better. They deserve an open process, but the Republican leadership has failed to deliver this.

The leadership has also failed seniors with their prescription drug proposal. The Republican plan is doomed to fail because the plan relies on health insurance companies to offer drug only policies which they have said they won't offer. If insurance companies won't offer these policies, how will seniors actually obtain prescription drug coverage under the leadership plan?

Every insurance company with whom I have spoken has said that they will not offer a drug-only insurance policy. In fact, in February, the Health Insurance Association of America, which consists of 294 insurance companies, released a statement claiming, ''These 'drug only' policies represent an empty promise to America's seniors. They are not workable or realistic.''

Why should the insurance companies provide these drug only policies? They are in the business of insuring risk and there is no risk associated with a drug only policy because most seniors need prescription medications. This single benefit policy also will result in adverse risk selection—only people with predictably high prescription medicine costs will purchase the plan. This will increase the cost to the insurance companies who in turn will pass the costs on to the beneficiaries through higher premiums.

In addition, under the Republican plan, there is no guarantee that seniors will have access to the specific drugs that they need. Plans may establish restrictive formularies and exclude medicines they don't want to cover. If a senior needs a drug the policy doesn't cover, then he must prove that other similar drugs have an adverse effect on him and go through the hoops of an uncertain appeals process just to get the drug he needs.

We must provide a real solution to the problem of prescription drug coverage for our seniors. The Republican plan falls woefully short. The Democratic proposal heads in the right direction and builds on the current Medicare program. Our plan would allow Medicare beneficiaries the choice of traditional Medicare or Medicare HMO with a defined benefit that would be available across the country. Further, seniors would have lower premiums and a lower catastrophic cap.

Another issue our plan addresses is the regional disparities in Medicare reimbursement rates and payments. There are some seniors in select parts of the country that receive prescription drug coverage through Medicare+Choice plans, an HMO. Most seniors across the country, however, do not have this benefit. For example, the only Medicare+Choice plan in my district cannot afford to offer a drug benefit because of the low Medicare payment. Even though all seniors pay into the Medicare system, only a few receive the extra drug benefit. While both the Republican and Democratic proposals provide for some target relief such as increasing the minimum payment and moving faster to the 50/50 blend, the Democratic plan includes language that Congress will work to provide equal treatment for all seniors by not compounding the geographic disparities that unfairly penalize Medicare+Choice plans from doing business in low payment areas. The Republican plan is silent on this issue.

It is unfortunate that the Republican leadership has squandered an excellent opportunity to try and solve the problem of prescription drug coverage in a bipartisan fashion. Instead they have steam-rolled ahead and presented our nation's seniors with an unworkable solution to a grave problem. I urge my colleagues to reject this flawed proposal.

Mr. MOAKLEY. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) has 4 minutes remaining. The gentleman from Florida (Mr. GOSS) has 8 minutes remaining.

Mr. MOAKLEY. I have one remaining speaker so the gentleman from Florida (Mr. GOSS) may proceed.

Mr. GOSS. Mr. Speaker, I also have one remaining speaker other than myself to close.

Mr. Speaker, it is my privilege to yield 5 minutes to the distinguished gentleman from California (Chairman THOMAS), the author of the bill.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, today actually started in 1998, when, under the 1997 Balanced Budget Act, we created the Bipartisan Commission on Medicare. We knew that Medicare had to change, that prescription drugs had to be integrated into Medicare, that it was overdue. The bipartisan commission met for more than a year, and we came up with the proposal. That bipartisan effort has continued even though the commission ended.

In January of this year, the President, in his budget, finally presented a prescription drug proposal on the administration's behalf. Remember, 1999, the bipartisan commission offered a proposal, then early this year, the President offered it.

We have been working, on a bipartisan basis, to carry forward a plan to put prescription drugs in Medicare. Today we have that debate. Most of the

discussion so far has been on the rule, that somehow when the bipartisan plan gets a vote and the Democratic plan gets a vote, that is unfair.

Their argument is they cannot argue their issue. Every Democratic speaker that has gotten up to speak has condemned the bipartisan plan and praised theirs. There is an hour debate on the rule evenly divided. There is a 2-hour debate on the bill evenly divided. There is one vote for the bipartisan plan, and one vote for the Democratic plan.

The reason the Democrats are upset is because it is not two bites of the apple for them and one bite for us. They say the bipartisan plan is not in Medicare. They say it is not guaranteed. That, in fact, it is a shame. Now, I could spend a lot of time arguing with my colleagues on the other side to tell them they are wrong. Do not let me make the argument. We will let Horace Deets, the executive director of the American Association for Retired Persons, make the argument, and what does he say, we are pleased that both bills include a voluntary prescription drug benefit in Medicare.

If my colleagues are honest, they will not make that argument again. I quote from Horace Deets: ''Our plan and their plan puts it in Medicare. Further, both bills provide a benefit that would be available in either fee-for-service or managed care settings.'' They have made the argument. If they are honest, they will not make it again. It is available in fee-for-service, and managed. It is not just one area. Let us see if they are honest.

He goes on to say, ''There are differences between both bills, but the core prescription drug benefit is in statute.'' It is not illusionary. My colleagues have made the argument that we are offering something that does not really exist. Horace Deets and the American Association of Retired Persons say the bipartisan plan is in statute. It is guaranteed. It is part of Medicare. It is available on a voluntary basis, and we can get it in fee-for-service or in managed care.

I imagine that is going to require my colleagues to scratch out a lot of lines of their debate. Let us see if they scratch it out, so it is an honest debate or if they continue to repeat the untruths that Horace Deets shows are, in fact, untruths.

Now, what is it the real debate is going to be? It is going to be this: The bipartisan plan offers choice. Their plan does not. We offer pocketbook protection now, seniors should not have to pay high costs.

We incorporated it into the $40 billion, which was in the budget resolution, pocketbook protection for seniors now. Look at the Democratic plan. They matched the $40 billion over the first 5 years, the same as the bipartisan plan, but the Congressional Budget Office says over the next 5 years, it goes to $295 billion. Why? Because the pocketbook protection is not in the first 5 years, it is in the last 5 years.

They lose on that comparison. We have twice the savings that their plan has. The Congressional Budget Office certifies it. As we listen to this debate, just remember they get one vote, we get one vote. The time of the debate is evenly divided, they are making their points, we are making ours. The rule is fair. The question is will the debate be honest.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. GEPHARDT), our Democratic minority leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, this process, this rule is an outrage against the American people. It has been said that the Republican plan is a bipartisan plan. It is not a bipartisan plan.

There has been no conversation about this plan and the putting together of the plan with the members of our Committee on Ways and Means. There has been no conversation between the leadership on either side about how we could build a bipartisan plan to add a prescription drug benefit to Medicare.

This process is a grave disservice to all Americans. The debate is being shut down on the most important issue to American seniors since the creation of Medicare. The decision of the majority does more than deny the view of the Democratic minority to be heard, it denies the American people a vote on a plan that would provide real affordable, definable, and guaranteed prescription medicine benefits for America's seniors.

This debate, like so many of the debates we have held in this Congress this year, is always my way or the highway.

□ 1300

Bipartisan is defined by: Are you for our partisan bill? Not: Can we work together to find real bipartisanship?

I believe the other party is stooping to this level simply for politics. They are intent on passing anything that is called ''prescription coverage'' in order to avoid the issue being raised in the November elections. It is the passage of a press release. It is the passage of a statement of intent. They want to ram through their bill and shut down debate so that the American people will not know what this sham bill really is. Their posters said it best when Glen Bolger told them, and I quote, ''It is more important to communicate that you have a plan than it is to communicate what is in the plan.'' This is a PR effort. It is a sham. It is a hoax. It is public relations. It is electioneering. It is not writing a plan that will help the American people.

Mr. Speaker, instead of making prescriptions more affordable for seniors, they want to hand a huge subsidy to the insurance industry, which has said it will not write these plans. The head of the association came and said, we will not write these plans. Why will they not write these plans? They will not write them because this is not what insurance companies do. They underwrite risk. We have fire policies on our houses. Why? Because most houses do not burn down. The lucky people pay for the unlucky people. When we come to prescription drug benefits, everybody makes a claim, because everybody needs prescription drugs. It is a benefit, not an insurance plan. That is why the basic supposition of the Republican plan that they are going to turn this over to insurance companies is completely flawed, and completely wrong.

Mr. Speaker, we believe this should be done through Medicare. We believe it should be affordable. We believe it should be definable. We feel it should be equal all over this country.

What is really happening today is what really happened 35 years ago. This is the same debate we had over Medicare. The Republicans wanted to privatize Medicare; we wanted to have Medicare run through a Medicare system. They want to set up a new bureaucracy in the Government to run this program; we say we can run it through the Medicare system.

Republicans have never believed in Medicare. As former Speaker Gingrich once said, ''Medicare would wither on the vine because we think people are voluntarily going to leave it.'' The majority leader once said, Medicare should not be part of our society. We should not have to be in this program.

Mr. Speaker, I say to my friends in the Republican Party, that is an honest debate. If my colleagues want to get rid of Medicare, say so. If they want to privatize it, try to do so. But let us have an honest debate. Let us have real alternatives on the floor. Our plan is a real benefit, it is definable, it is affordable, it is equal for everybody in this country. It would have catastrophic coverage so that people over $4,000 a year of costs would have all of their Medicare costs picked up.

I was in a press conference with seniors a few days ago. A woman who had a heart transplant got up and said her costs are $1,300 a month for her drugs. She said her Social Security benefit is $1,300 a month. And then she broke down and cried, because she could not figure out where the money to live on was going to come from.

Mr. Speaker, we need a plan that offers a real benefit to people like that who right now in today's world are facing this problem. Vote against this rule, vote to defeat this plan, let us get back to writing a real bipartisan plan that will help the seniors citizens of this country.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

I think it has all been pretty well said on this rule. Each side has had a bite of the apple and, as we can tell from the debate so far, there are different points of view on what is the best plan. They are both being aired, so

those who would say there is no debate obviously would be incorrect. There is debate, and it is happening as we speak.

One of the problems I think that we are facing today is, indeed, the emergence of partisan politics again. I think the record is fairly well clear, the public record, I think it is established that the minority leader's game plan, and it has been stated as such, is to ensure that this is a ''do-nothing Congress.'' On our side of the aisle, our leadership intends to ensure that we are a ''do the important American business Congress,'' the business of America that they want done; and that important thing that is called affordable prescription drugs for our seniors certainly falls on the list of important things to do. We are doing that. We are not walking out, and I am a little confused by the minority leader's comments about press conferences that he has been going to, because I understand that that is exactly what the instructions were this morning to the minority, was to get up en masse and walk out and attend a press conference on the east front steps of the Capitol which, in fact, we witnessed.

I do not think that is the way to do the Nation's business. I realize we can get good sound bites at press conferences, but it does not get the hard work done, and we are here to do the hard work. I congratulate the gentleman from California (Mr. THOMAS), and I congratulate those on the other side of the aisle who have participated in working with him to bring forward a bipartisan bill which provides affordable prescription drugs for seniors. That is what we are doing today; that is the important Nation's business. The rule is fair, each side gets a bite at the apple; and I believe that the Thomas bill, along with his colleagues on the other side, have come up with a good bipartisan plan which will bring affordable prescription relief for our seniors; and I think that will be a huge accomplishment, and it will be well received.

Mr. Speaker, I urge a yes vote on this rule.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in strong opposition to the rule which has a sole purpose of prohibiting Democrats from offering our prescription drug benefit plan, for which we have been advocating long before the majority realized that it is a ''political imperative'', in this election year, to at least address the issue of prescription drugs.

As one of the first to join the Democrats prescription drug bill, I have been a vociferous advocate for the need for real prescription drug coverage and not the type of ineffective coverage proposed by the majority.

The Republican prescription drug plan is a political sham crafted to mislead America's seniors.

It has been said, ''The healthy, the strong individual, is the one who asks for help when he needs it. Whether he has an abscess on his knee or in his soul.'' Our senior citizens are asking for our help to continue to live their lives as healthy individuals. It is time for us to answer this call, but the majority refuses to do so.

If the majority were truly concerned about the needs of this nation's elderly and the disabled, then I ask them to allow alternative proposals to be offered, so that we can work together on both sides of the aisle, to benefit America's seniors and the disabled.

This is an absolute travesty of the legislative process. The majority voted in the wee hours of the morning to prohibit any amendments to their supposed ''prescription drug'' proposal because they are more concerned about their political races, than about true prescription drug coverage.

The drug plan introduced by the GOP will in no way guarantee access to coverage. Instead, this proposal allows plans to ration the prescription drugs available for coverage by limiting coverage to a specific list of drugs.

Therefore, if a doctor prescribes a medication which they deem medically necessary, but is not on the list, then seniors will not receive coverage. To make matters worse, this bill would actually limit seniors' choice of drugs and pharmacies and raise cost for some seniors with medical problems.

It is tragic that the majority truly believes that it can play games with the lives of this nation's seniors by attempting to disguise H.R. 4680 as a prescription drug plan, when it is actually a meaningless proposal to advance special interests.

Many senior citizens live on a limited, fixed income. The cost of prescription drugs is an important issue because senior citizens are more likely to suffer from chronic long-term illnesses, such as diabetes, high blood pressure, and Alzheimer's disease which require medication.

Although prescription drugs are covered by most private insurance, 37 percent of senior citizens do not have their own prescription drug coverage. The average senior citizen takes several medications a day (up to 30 prescriptions a year) and many of them pay for their own medications out of pocket.

If the majority were truly concerned about providing prescription drug coverage, then H.R. 4680 would provide benefits everywhere in the United State and not limit it according to the plans the private insurance industry and pharmaceutical industry decide to offer.

Currently, our nation's Medicare program provides vital health insurance for 39 million aged and disabled Americans.

The Republican leadership has never supported the Medicare program; thus it is not surprising that their prescription drug bill fails to adequately address the concerns of those seniors and the disabled currently on Medicare. Democrat proposals better reflect senior citizen's concerns.

It is clear the Republicans truly do not understand the needs of this nation's seniors and the disabled on Medicare. Instead of providing the prescription drug benefit plan that they request, the majority instead asks Americans to ''trust the HMOs.''

The Republican proposal fails to provide a single dollar directly to seniors or the disabled. Instead, they must rely on the private insurance industry that already fails to insure millions of this nation's population.

The Republican plan does nothing to address the soaring price of prescription drugs. However, under the Democrat plan, the nation's seniors and the disabled are protected, allowing them to obtain their needed medications without worrying about whether this purchase will prohibit them for paying rent, purchasing food or other necessities.

The facts are simple, Democrat proposals do more for seniors and the disabled. Democrat proposals provide comprehensive care for all of the nation's seniors and not just some.

Mr. Speaker, I strenuously object to the imposition of a closed rule because we all know that H.R. 4680 is simply the latest attempt to appease the nation's seniors into believing that they will obtain comprehensive prescription drug coverage while actually providing them with an empty excuse for a prescription drug plan.

Under H.R. 4680, it is the drug companies that benefit, not the nation's seniors. Yet, even these same insurance companies fail to believe that this proposal of a drug-only private insurance scheme will work in practice.

Heads of top Insurance associations and companies like the Health Insurance Association of America, Mutual of Omaha, and even Blue Cross & Blue Shield believe that a private sector drug benefit provides a false hope to America's seniors because it is ''neither workable nor affordable.''

In fact, the executive vice president of Mutual of Omaha Companies has stated ''I'm convinced that stand-alone drug policies won't work.

The National Association of Chain Drug Stores strongly opposed H.R. 4680 as do the United Auto Workers, the National Association of Manufacturers, the National Council of Senior Citizens, the Older Women's League, and even the American Association of People with Disabilities.

All of these groups agree that what America's seniors need is a prescription drug bill with substantive protection and not simply empty rhetoric. Simply communicating the message that ''I have a plan,'' despite what pollsters say, is not what America needs.

I stand in opposition to this rule and ask my colleagues to allow sincere measures to be offered on behalf of America's seniors. We need to invest in this nation's elderly who have contributed so much to the stability of this society. I urge my colleagues to reject this rule and the majority's attempt to deceive the American people.

Mr. GOSS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 227, nays 204, not voting 4, as follows:

[Roll No. 347]

YEAS—227

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moakley
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—204

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—4

Cook
Markey
Strickland
Vento

□ 1326

Mr. SNYDER changed his vote from ''yea'' to ''nay.''

Mrs. CUBIN and Mr. MOAKLEY changed their vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

MOTION TO RECONSIDER THE VOTE OFFERED BY MR. MOAKLEY

Mr. MOAKLEY. Mr. Speaker, I move to reconsider the vote by which the previous question was ordered.

The SPEAKER pro tempore (Mr. LAHOOD). Did the gentleman from Massachusetts vote on the prevailing side?

Mr. MOAKLEY. I did, Mr. Speaker.

MOTION TO TABLE OFFERED BY MR. DREIER

Mr. DREIER. Mr. Speaker, I move to lay on the table the motion to reconsider the vote.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DREIER) to lay on the table the motion offered by the gentleman from Massachusetts (Mr. MOAKLEY) to reconsider the vote.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 205, not voting 10, as follows:

[Roll No. 348]

AYES—220

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—205

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello

Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—10

Buyer
Cook
Gekas
Goodlatte
Hunter
Markey
Meeks (NY)
Stearns
Strickland
Vento

□ 1337

Ms. WOOLSEY, Mr. DOGGETT, and Mr. MCDERMOTT changed their vote from ''aye'' to ''no.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 15-minute vote on the resolution, followed by a possible 5-minute vote on a question incidental thereto.

The vote was taken by electronic device, and there were—ayes 216, noes 213, not voting 6, as follows:

[Roll No. 349]

AYES—216

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—213

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Ganske
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hostettler
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shadegg
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—6

Cook
Jones (NC)
Markey
Souder
Strickland
Vento

□ 1400

Mr. GEORGE MILLER of California changed his vote from ''aye'' to ''no.''

Mr. WHITFIELD and Mr. MORAN of Kansas changed their vote from ''no'' to ''aye.''

Mr. DEFAZIO changed his vote from ''present'' to ''no.''

So the resolution was agreed to.

The result of the vote was announced as aboved recorded.

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, a motion to reconsider is laid on the table.

Mr. MOAKLEY. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

MOTION TO RECONSIDER THE VOTE OFFERED BY MR. GOSS

Mr. GOSS. Mr. Speaker, I move to reconsider the vote.

MOTION TO TABLE OFFERED BY MR. DREIER

Mr. DREIER. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. DREIER) to lay on the table the motion to reconsider the vote offered by the gentleman from Florida (Mr. GOSS).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 222, noes 204, not voting 9, as follows:

[Roll No. 350]

AYES—222

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Frelinghuysen
Gallegly
Ganske
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—9

Cook
Edwards
Franks (NJ)
Gekas
Goodling
Markey
Peterson (MN)
Strickland
Vento

□ 1411

Mr. SNYDER and Mr. WEYGAND changed their vote from ''aye'' to ''no.''

So the motion to table the motion to reconsider was agreed to.

The result of the vote was announced as above recorded.

## MOTION TO ADJOURN

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts (Mr. MOAKLEY).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. MOAKLEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 178, noes 244, not voting 13, as follows:

[Roll No. 351]

AYES—178

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Turner
Udall (CO)
Velazquez
Visclosky
Waters
Waxman
Weiner
Wexler
Weygand
Woolsey
Wu
Wynn

NOES—244

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Evans
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hill (MT)
Hilleary
Hobson
Hoekstra
Holt
Hooley
Horn

| | | |
|---|---|---|
| Hostettler | Miller, Gary | Sherwood |
| Houghton | Mollohan | Shimkus |
| Hulshof | Moran (KS) | Shuster |
| Hunter | Morella | Simpson |
| Hutchinson | Nethercutt | Skeen |
| Hyde | Ney | Smith (MI) |
| Isakson | Northup | Smith (NJ) |
| Istook | Norwood | Smith (TX) |
| Jenkins | Nussle | Souder |
| Johnson (CT) | Ose | Spence |
| Johnson, Sam | Oxley | Stearns |
| Jones (NC) | Packard | Stump |
| Kasich | Paul | Sununu |
| Kelly | Pease | Sweeney |
| Kind (WI) | Peterson (MN) | Talent |
| King (NY) | Peterson (PA) | Tancredo |
| Kingston | Petri | Tauzin |
| Kleczka | Phelps | Taylor (NC) |
| Klink | Pickering | Terry |
| Knollenberg | Pitts | Thomas |
| Kolbe | Porter | Thornberry |
| Kucinich | Portman | Thune |
| Kuykendall | Pryce (OH) | Thurman |
| LaHood | Quinn | Tiahrt |
| Largent | Rahall | Toomey |
| Larson | Ramstad | Towns |
| Latham | Regula | Traficant |
| LaTourette | Reynolds | Udall (NM) |
| Lazio | Riley | Upton |
| Leach | Roemer | Vitter |
| Lewis (CA) | Rogan | Walden |
| Lewis (KY) | Rogers | Walsh |
| Linder | Rohrabacher | Wamp |
| Lipinski | Ros-Lehtinen | Watkins |
| LoBiondo | Roukema | Watt (NC) |
| Lofgren | Royce | Watts (OK) |
| Lucas (OK) | Ryan (WI) | Weldon (FL) |
| Manzullo | Ryun (KS) | Weldon (PA) |
| Martinez | Salmon | Weller |
| McCollum | Sanford | Whitfield |
| McCrery | Saxton | Wicker |
| McHugh | Scarborough | Wilson |
| McInnis | Schaffer | Wise |
| McIntosh | Sensenbrenner | Wolf |
| McKeon | Sessions | Young (AK) |
| Metcalf | Shadegg | Young (FL) |
| Mica | Shaw | |
| Miller (FL) | Shays | |

NOT VOTING—13

| | | |
|---|---|---|
| Cook | Maloney (NY) | Radanovich |
| Gilman | Markey | Strickland |
| Goodling | Myrick | Vento |
| Herger | Olver | |
| Maloney (CT) | Pombo | |

□ 1428

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

## MEDICARE RX 2000 ACT

Mr. ARCHER. Mr. Speaker, pursuant to H. Res. 539, I call up the bill (H.R. 4680), to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 539, the bill is considered read for amendment.

The text of the bill, H.R. 4680, is as follows:

H.R. 4680

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Medicare Rx 2000 Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT

Sec. 101. Establishment of a medicare prescription drug benefit.

''PART D—VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM

''Sec. 1860A. Benefits; eligibility; enrollment; and coverage period.

''Sec. 1860B. Requirements for qualified prescription drug coverage.

''Sec. 1860C. Beneficiary protections for qualified prescription drug coverage.

''Sec. 1860D. Requirements for prescription drug plan (PDP) sponsors.

''Sec. 1860E. Process for beneficiaries to select qualified prescription drug coverage.

''Sec. 1860F. Premiums.

''Sec. 1860G. Premium and cost-sharing subsidies for low-income individuals.

''Sec. 1860H. Subsidies for all medicare beneficiaries through reinsurance for qualified prescription drug coverage.

''Sec. 1860I. Medicare Prescription Drug Account in Federal Supplementary Medical Insurance Trust Fund.

''Sec. 1860J. Definitions; treatment of references to provisions in part C.

Sec. 102. Offering of qualified prescription drug coverage under the Medicare+Choice program.

Sec. 103. Medicaid amendments.

Sec. 104. Medigap transition provisions.

TITLE II—MODERNIZATION OF ADMINISTRATION OF MEDICARE

Subtitle A—Medicare Benefits Administration

Sec. 201. Establishment of administration.

''Sec. 1807. Medicare Benefits Administration.

Sec. 202. Miscellaneous administrative provisions.

Subtitle B—Oversight of Financial Sustainability of the Medicare Program

Sec. 211. Additional requirements for annual financial report and oversight on medicare program.

Subtitle C—Changes in Medicare Coverage and Appeals Process

Sec. 221. Revisions to medicare appeals process.

Sec. 222. Provisions with respect to limitations on liability of beneficiaries.

Sec. 223. Waivers of liability for cost sharing amounts.

Sec. 224. Elimination of motions by the Secretary on decisions of the Provider Reimbursement Review Board.

TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT

Subtitle A—Medicare+Choice Reforms

Sec. 301. Increase in national per capita Medicare+Choice growth percentage in 2001 and 2002.

Sec. 302. Permanently removing application of budget neutrality beginning in 2002.

Sec. 303. Increasing minimum payment amount.

Sec. 304. Allowing movement to 50:50 percent blend in 2002.

Sec. 305. Increased update for payment areas with only one or no Medicare+Choice contracts.

Sec. 306. Permitting higher negotiated rates in certain Medicare+Choice payment areas below national average.

Sec. 307. 10-year phase in of risk adjustment based on data from all settings.

Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals

Sec. 311. Preservation of coverage of drugs and biologicals under part B of the medicare program.

### TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT

**SEC. 101. ESTABLISHMENT OF A MEDICARE PRESCRIPTION DRUG BENEFIT.**

(a) IN GENERAL.—Title XVIII of the Social Security Act is amended—

(1) by redesignating part D as part E; and

(2) by inserting after part C the following new part:

''PART D—VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM

**''SEC. 1860A. BENEFITS; ELIGIBILITY; ENROLLMENT; AND COVERAGE PERIOD.**

''(a) PROVISION OF QUALIFIED PRESCRIPTION DRUG COVERAGE THROUGH ENROLLMENT IN PLANS.—Subject to the succeeding provisions of this part, each individual who is enrolled under part B is entitled to obtain qualified prescription drug coverage (described in section 1860B(a)) as follows:

''(1) MEDICARE+CHOICE PLAN.—If the individual is eligible to enroll in a Medicare+Choice plan that provides qualified prescription drug coverage under section 1851(j), the individual may enroll in the plan and obtain coverage through such plan.

''(2) PRESCRIPTION DRUG PLAN.—If the individual is not enrolled in a Medicare+Choice plan that provides qualified prescription drug coverage, the individual may enroll under this part in a prescription drug plan (as defined in section 1860C(a)).

Such individuals shall have a choice of such plans under section 1860E(d).

''(b) GENERAL ELECTION PROCEDURES.—

''(1) IN GENERAL.—An individual may elect to enroll in a prescription drug plan under this part, or elect the option of qualified prescription drug coverage under a Medicare+Choice plan under part C, and change such election only in such manner and form as may be prescribed by regulations of the Administrator of the Medicare Benefits Administration (appointed under section 1807(b)) (in this part referred to as the 'Medicare Benefits Administrator') and only during an election period prescribed in or under this subsection.

''(2) ELECTION PERIODS.—

''(A) IN GENERAL.—Except as provided in this paragraph, the election periods under this subsection shall be the same as the coverage election periods under the Medicare+Choice program under section 1851(e), including—

''(i) annual coordinated election periods; and

''(ii) special election periods.

In applying the last sentence of section 1851(e)(4) (relating to discontinuance of a Medicare+Choice election during the first year of eligibility) under this subparagraph, in the case of an election described in such section in which the individual had elected or is provided qualified prescription drug coverage at the time of such first enrollment, the individual shall be permitted to enroll in a prescription drug plan under this part at the time of the election of coverage under the original fee-for-service plan.

''(B) INITIAL ELECTION PERIODS.—

''(i) INDIVIDUALS CURRENTLY COVERED.—In the case of an individual who is enrolled under part B as of November 1, 2002, there shall be an initial election period of 6 months beginning on that date.

''(ii) INDIVIDUAL COVERED IN FUTURE.—In the case of an individual who is first enrolled under part B after November 1, 2002, there

shall be an initial election period which is the same as the initial election period under section 1851(e)(1).

''(C) ADDITIONAL SPECIAL ELECTION PERIODS.—The Medicare Benefits Administrator shall establish special election periods—

''(i) in cases of individuals who have and involuntarily lose prescription drug coverage described in subsection (c)(2)(C); and

''(ii) in cases described in section 1837(h) (relating to errors in enrollment), in the same manner as such section applies to part B.

''(D) ONE-TIME ENROLLMENT PERMITTED FOR CURRENT PART A ONLY BENEFICIARIES.—In the case of an individual who as of November 1, 2002—

''(i) is entitled to benefits under part A; and

''(ii) is not (and has not previously been) enrolled under part B;

the individual shall be eligible to enroll in a prescription drug plan under this part but only during the period described in subparagraph (B)(i). If the individual enrolls in such a plan, the individual may change such enrollment under this part, but the individual may not enroll in a Medicare+Choice plan under part C unless the individual enrolls under part B. Nothing in this subparagraph shall be construed as providing for coverage under a prescription drug plan of benefits that are excluded because of the application of section 1860B(f)(2)(B).

''(c) GUARANTEED ISSUE; COMMUNITY RATING; AND NONDISCRIMINATION.—

''(1) GUARANTEED ISSUE.—

''(A) IN GENERAL.—An eligible individual who is eligible to elect qualified prescription drug coverage under a prescription drug plan or Medicare+Choice plan at a time during which elections are accepted under this part with respect to the plan shall not be denied enrollment based on any health status-related factor (described in section 2702(a)(1) of the Public Health Service Act) or any other factor.

''(B) MEDICARE+CHOICE LIMITATIONS PERMITTED.—The provisions of paragraphs (2) and (3) (other than subparagraph (C)(i), relating to default enrollment) of section 1851(g) (relating to priority and limitation on termination of election) shall apply to PDP sponsors under this subsection.

''(2) COMMUNITY-RATED PREMIUM.—

''(A) IN GENERAL.—In the case of an individual who maintains (as determined under subparagraph (C)) continuous prescription drug coverage since first qualifying to elect prescription drug coverage under this part, a PDP sponsor or Medicare+Choice organization offering a prescription drug plan or Medicare+Choice plan that provides qualified prescription drug coverage and in which the individual is enrolled may not deny, limit, or condition the coverage or provision of covered prescription drug benefits or increase the premium under the plan based on any health status-related factor described in section 2702(a)(1) of the Public Health Service Act or any other factor.

''(B) LATE ENROLLMENT PENALTY.—In the case of an individual who does not maintain such continuous prescription drug coverage, a PDP sponsor or Medicare+Choice organization may (notwithstanding any provision in this title) increase the premium otherwise applicable or impose a pre-existing condition exclusion with respect to qualified prescription drug coverage in a manner that reflects additional actuarial risk involved. Such a risk shall be established through an appropriate actuarial opinion of the type described in subparagraphs (A) through (C) of section 2103(c)(4).

''(C) CONTINUOUS PRESCRIPTION DRUG COVERAGE.—An individual is considered for purposes of this part to be maintaining continuous prescription drug coverage on and after a date if the individual establishes that there is no period of 63 days or longer on and after such date (beginning not earlier than January 1, 2003) during all of which the individual did not have any of the following prescription drug coverage:

''(i) COVERAGE UNDER PRESCRIPTION DRUG PLAN OR MEDICARE+CHOICE PLAN.—Qualified prescription drug coverage under a prescription drug plan or under a Medicare+Choice plan.

''(ii) MEDICAID PRESCRIPTION DRUG COVERAGE.—Prescription drug coverage under a medicaid plan under title XIX, including through the Program of All-inclusive Care for the Elderly (PACE) under section 1934, through a social health maintenance organization (referred to in section 4104(c) of the Balanced Budget Act of 1997), or through a Medicare+Choice project that demonstrates the application of capitation payment rates for frail elderly medicare beneficiaries through the use of a interdisciplinary team and through the provision of primary care services to such beneficiaries by means of such a team at the nursing facility involved.

''(iii) PRESCRIPTION DRUG COVERAGE UNDER GROUP HEALTH PLAN.—Any outpatient prescription drug coverage under a group health plan, including a health benefits plan under the Federal Employees Health Benefit Plan under chapter 89 of title 5, United States Code, and a qualified retiree prescription drug plan as defined in section 1860H(f)(1).

''(iv) PRESCRIPTION DRUG COVERAGE UNDER CERTAIN MEDIGAP POLICIES.—Coverage under a medicare supplemental policy under section 1882 that provides benefits for prescription drugs (whether or not such coverage conforms to the standards for packages of benefits under section 1882(p)(1)), but only if the policy was in effect on January 1, 2003, and only until the date such coverage is terminated.

''(v) STATE PHARMACEUTICAL ASSISTANCE PROGRAM.—Coverage of prescription drugs under a State pharmaceutical assistance program.

''(vi) VETERANS' COVERAGE OF PRESCRIPTION DRUGS.—Coverage of prescription drugs for veterans under chapter 17 of title 38, United States Code.

''(D) CERTIFICATION.—For purposes of carrying out this paragraph, the certifications of the type described in sections 2701(e) of the Public Health Service Act and in section 9801(e) of the Internal Revenue Code shall also include a statement for the period of coverage of whether the individual involved had prescription drug coverage described in subparagraph (C).

''(E) CONSTRUCTION.—Nothing in this section shall be construed as preventing the disenrollment of an individual from a prescription drug plan or a Medicare+Choice plan based on the termination of an election described in section 1851(g)(3), including for non-payment of premiums or for other reasons specified in subsection (d)(3), which takes into account a grace period described in section 1851(g)(3)(B)(i).

''(3) NONDISCRIMINATION.—A PDP sponsor offering a prescription drug plan shall not establish a service area in a manner that would discriminate based on health or economic status of potential enrollees.

''(d) EFFECTIVE DATE OF ELECTIONS.—

''(1) IN GENERAL.—Except as provided in this section, the Medicare Benefits Administrator shall provide that elections under subsection (b) take effect at the same time as the Secretary provides that similar elections under section 1851(e) take effect under section 1851(f).

''(2) NO ELECTION EFFECTIVE BEFORE 2003.—In no case shall any election take effect before January 1, 2003.

''(3) TERMINATION.—The Medicare Benefits Administrator shall provide for the termination of elections in the case of—

''(A) termination of coverage under part B (other than the case of an individual described in subsection (b)(2)(D) (relating to part A only individuals); and

''(B) termination of elections described in section 1851(g)(3) (including failure to pay required premiums).

**"SEC. 1860B. REQUIREMENTS FOR QUALIFIED PRESCRIPTION DRUG COVERAGE.**

''(a) REQUIREMENTS.—

''(1) IN GENERAL.—For purposes of this part and part C, the term 'qualified prescription drug coverage' means either of the following:

''(A) STANDARD COVERAGE WITH ACCESS TO NEGOTIATED PRICES.—Standard coverage (as defined in subsection (b)) and access to negotiated prices under subsection (d).

''(B) ACTUARIALLY EQUIVALENT COVERAGE WITH ACCESS TO NEGOTIATED PRICES.—Coverage of covered outpatient drugs which meets the alternative coverage requirements of subsection (c) and access to negotiated prices under subsection (d).

''(2) PERMITTING ADDITIONAL OUTPATIENT PRESCRIPTION DRUG COVERAGE.—

''(A) IN GENERAL.—Subject to subparagraph (B), nothing in this part shall be construed as preventing qualified prescription drug coverage from including coverage of covered outpatient drugs that exceeds the coverage required under paragraph (1), but any such additional coverage shall be limited to coverage of covered outpatient drugs.

''(B) DISAPPROVAL AUTHORITY.—The Medicare Benefits Administrator shall review the offering of qualified prescription drug coverage under this part or part C. If the Administrator finds that, in the case of a qualified prescription drug coverage under a prescription drug plan or a Medicare+Choice plan, that the organization or sponsor offering the coverage is purposefully engaged in activities intended to result in favorable selection of those eligible medicare beneficiaries obtaining coverage through the plan, the Administrator may terminate the contract with the sponsor or organization under this part or part C.

''(3) APPLICATION OF SECONDARY PAYOR PROVISIONS.—The provisions of section 1852(a)(4) shall apply under this part in the same manner as they apply under part C.

''(b) STANDARD COVERAGE.—For purposes of this part, the 'standard coverage' is coverage of covered outpatient drugs (as defined in subsection (f)) that meets the following requirements:

''(1) DEDUCTIBLE.—The coverage has an annual deductible—

''(A) for 2003, that is equal to $250; or

''(B) for a subsequent year, that is equal to the amount specified under this paragraph for the previous year increased by the percentage specified in paragraph (5) for the year involved.

Any amount determined under subparagraph (B) that is not a multiple of $5 shall be rounded to the nearest multiple of $5.

''(2) LIMITS ON COST-SHARING.—The coverage has cost-sharing (for costs above the annual deductible specified in paragraph (1) and up to the initial coverage limit under paragraph (3)) that is equal to 50 percent or that is actuarially consistent (using processes established under subsection (e)) with an average expected payment of 50 percent of such costs.

''(3) INITIAL COVERAGE LIMIT.—Subject to paragraph (4), the coverage has an initial coverage limit on the maximum costs that may be recognized for payment purposes (above the annual deductible)—

''(A) for 2003, that is equal to $2,100; or

''(B) for a subsequent year, that is equal to the amount specified in this paragraph for the previous year, increased by the annual percentage increase described in paragraph (5) for the year involved.

Any amount determined under subparagraph (B) that is not a multiple of $25 shall be rounded to the nearest multiple of $25.

''(4) LIMITATION ON OUT-OF-POCKET EXPENDITURES BY BENEFICIARY.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), the coverage provides benefits without any cost-sharing after the individual has incurred costs (as described in subparagraph (C)) for covered outpatient drugs in a year equal to the annual out-of-pocket limit specified in subparagraph (B).

''(B) ANNUAL OUT-OF-POCKET LIMIT.—For purposes of this part, the 'annual out-of-pocket limit' specified in this subparagraph—

''(i) for 2003, is equal to $6,000; or

''(ii) for a subsequent year, is equal to the amount specified in the subparagraph for the previous year, increased by the annual percentage increase described in paragraph (5) for the year involved.

Any amount determined under clause (ii) that is not a multiple of $100 shall be rounded to the nearest multiple of $100.

''(C) APPLICATION.—In applying subparagraph (A)—

''(i) incurred costs shall only include costs incurred for the annual deductible (described in paragraph (1)), cost-sharing (described in paragraph (2)), and amounts for which benefits are not provided because of the application of the initial coverage limit described in paragraph (3); but

''(ii) costs shall be treated as incurred without regard to whether the individual or another person, including a State program, has paid for such costs, but shall not be counted insofar as such costs are covered as benefits under a prescription drug plan, a Medicare+Choice plan, or other third-party coverage.

''(5) ANNUAL PERCENTAGE INCREASE.—For purposes of this part, the annual percentage increase specified in this paragraph for a year is equal to the annual percentage increase in average per capita aggregate expenditures for covered outpatient drugs in the United States for medicare beneficiaries, as determined by the Medicare Benefits Administrator for the 12-month period ending in July of the previous year.

''(c) ALTERNATIVE COVERAGE REQUIREMENTS.—A prescription drug plan or Medicare+Choice plan may provide a different prescription drug benefit design from the standard coverage described in subsection (b)(1) so long as the following requirements are met:

''(1) ASSURING AT LEAST ACTUARIALLY EQUIVALENT COVERAGE.—

''(A) ASSURING EQUIVALENT VALUE OF TOTAL COVERAGE.—The actuarial value of the total coverage (as determined under subsection (e)) is at least equal to the actuarial value (as so determined) of standard coverage.

''(B) ASSURING EQUIVALENT UNSUBSIDIZED VALUE OF COVERAGE.—The unsubsidized value of the coverage is at least equal to the unsubsidized value of standard coverage. For purposes of this subparagraph, the unsubsidized value of coverage is the amount by which the actuarial value of the coverage (as determined under subsection (e)) exceeds the actuarial value of the reinsurance subsidy payments under section 1860H with respect to such coverage.

''(C) ASSURING STANDARD PAYMENT FOR COSTS AT INITIAL COVERAGE LIMIT.—The coverage is designed, based upon an actuarially representative pattern of utilization (as determined under subsection (e)), to provide for the payment, with respect to costs incurred that are equal to the sum of the deductible under subsection (b)(1) and the initial coverage limit under subsection (b)(3), of an amount equal to at least such initial coverage limit multiplied by the percentage specified in subsection (b)(2).

''(2) LIMITATION ON OUT-OF-POCKET EXPENDITURES BY BENEFICIARIES.—The coverage provides the limitation on out-of-pocket expenditures by beneficiaries described in subsection (b)(4).

''(d) ACCESS TO NEGOTIATED PRICES.—Under qualified prescription drug coverage offered by a PDP sponsor or a Medicare+Choice organization, the sponsor or organization shall provide beneficiaries with access to negotiated prices (including applicable discounts) used for payment for covered outpatient drugs, regardless of the fact that no benefits may be payable under the coverage with respect to such drugs because of the application of cost-sharing or an initial coverage limit (described in subsection (b)(3)).

''(e) ACTUARIAL VALUATION; DETERMINATION OF ANNUAL PERCENTAGE INCREASES.—

''(1) PROCESSES.—For purposes of this section, the Medicare Benefits Administrator shall establish processes and methods—

''(A) for determining the actuarial valuation of prescription drug coverage, including—

''(i) an actuarial valuation of standard coverage and of the reinsurance subsidy payments under section 1860H;

''(ii) the use of generally accepted actuarial principles and methodologies; and

''(iii) applying the same methodology for determinations of alternative coverage under subsection (c) as is used with respect to determinations of standard coverage under subsection (b); and

''(B) for determining annual percentage increases described in subsection (b)(5).

''(2) USE OF OUTSIDE ACTUARIES.—Under the processes under paragraph (1)(A), PDP sponsors and Medicare+Choice organizations may use actuarial opinions certified by independent, qualified actuaries to establish actuarial values.

''(f) COVERED OUTPATIENT DRUGS DEFINED.—

''(1) IN GENERAL.—Except as provided in this subsection, for purposes of this part, the term 'covered outpatient drug' means—

''(A) a drug that may be dispensed only upon a prescription and that is described in subparagraph (A)(i) or (A)(ii) of section 1927(k)(2); or

''(B) a biological product or insulin described in subparagraph (B) or (C) of such section.

''(2) EXCLUSIONS.—

''(A) IN GENERAL.—Such term does not include drugs or classes of drugs, or their medical uses, which may be excluded from coverage or otherwise restricted under section 1927(d)(2), other than subparagraph (E) thereof (relating to smoking cessation agents).

''(B) AVOIDANCE OF DUPLICATE COVERAGE.—A drug prescribed for an individual that would otherwise be a covered outpatient drug under this part shall not be so considered if payment for such drug is available under part A or B (but shall be so considered if such payment is not available because benefits under part A or B have been exhausted), without regard to whether the individual is entitled to benefits under part A or enrolled under part B.

''(3) APPLICATION OF FORMULARY RESTRICTIONS.—A drug prescribed for an individual that would otherwise be a covered outpatient drug under this part shall not be so considered under a plan if the plan excludes the drug under a formulary that meets the requirements of section 1860C(f)(2) (including providing an appeal process).

''(4) APPLICATION OF GENERAL EXCLUSION PROVISIONS.—A prescription drug plan or Medicare+Choice plan may exclude from qualified prescription drug coverage any covered outpatient drug—

''(A) for which payment would not be made if section 1862(a) applied to part D; or

''(B) which are not prescribed in accordance with the plan or this part.

Such exclusions are determinations subject to reconsideration and appeal pursuant to section 1860C(f).

**''SEC. 1860C. BENEFICIARY PROTECTIONS FOR QUALIFIED PRESCRIPTION DRUG COVERAGE.**

''(a) GUARANTEED ISSUE AND NONDISCRIMINATION.—For provisions requiring guaranteed issue, community-rated premiums, and nondiscrimination, see sections 1860A(c) and 1860F(b).

''(b) DISSEMINATION OF INFORMATION.—

''(1) GENERAL INFORMATION.—A PDP sponsor shall disclose, in a clear, accurate, and standardized form to each enrollee with a prescription drug plan offered by the sponsor under this part at the time of enrollment and at least annually thereafter, the information described in section 1852(c)(1) relating to such plan. Such information includes the following:

''(A) Access to covered outpatient drugs, including access through pharmacy networks.

''(B) How any formulary used by the sponsor functions.

''(C) Co-payments and deductible requirements.

''(D) Grievance and appeals procedures.

''(2) DISCLOSURE UPON REQUEST OF GENERAL COVERAGE, UTILIZATION, AND GRIEVANCE INFORMATION.—Upon request of an individual eligible to enroll under a prescription drug plan, the PDP sponsor shall provide the information described in section 1852(c)(2) (other than subparagraph (D)) to such individual.

''(3) RESPONSE TO BENEFICIARY QUESTIONS.—Each PDP sponsor offering a prescription drug plan shall have a mechanism for providing specific information to enrollees upon request. The sponsor shall make available, through an Internet website and in writing upon request, information on specific changes in its formulary.

''(4) CLAIMS INFORMATION.—Each PDP sponsor offering a prescription drug plan must furnish to enrolled individuals in a form easily understandable to such individuals an explanation of benefits (in accordance with section 1806(a) or in a comparable manner) and a notice of the benefits in relation to initial coverage limit and annual out-of-pocket limit for the current year, whenever prescription drug benefits are provided under this part (except that such notice need not be provided more often than monthly).

''(c) ACCESS TO COVERED BENEFITS.—

''(1) ASSURING PHARMACY ACCESS.—The PDP sponsor of the prescription drug plan shall secure the participation of sufficient numbers of pharmacies (which may include mail order pharmacies) to ensure convenient access (including adequate emergency access) for enrolled beneficiaries. Nothing in this paragraph shall be construed as requiring the participation of all pharmacies in any area under a plan.

''(2) ACCESS TO NEGOTIATED PRICES FOR PRESCRIPTION DRUGS.—The PDP sponsor of a prescription drug plan shall issue such a card that may be used by an enrolled beneficiary to assure access to negotiated prices under section 1860B(d) for the purchase of prescription drugs for which coverage is not otherwise provided under the prescription drug plan.

''(3) REQUIREMENTS ON DEVELOPMENT AND APPLICATION OF FORMULARIES.—Insofar as a PDP sponsor of a prescription drug plan uses a formulary, the following requirements must be met:

''(A) FORMULARY COMMITTEE.—The sponsor must establish a pharmaceutical and therapeutic committee that develops the formulary. Such committee shall include at least one physician and at least one pharmacist.

''(B) INCLUSION OF DRUGS IN ALL THERAPEUTIC CATEGORIES.—The formulary must include drugs within all therapeutic categories and classes of covered outpatient drugs (although not necessarily for all drugs within such categories and classes).

''(C) APPEALS AND EXCEPTIONS TO APPLICATION.—The PDP sponsor must have, as part of the appeals process under subsection (i)(2), a process for appeals for denials of coverage based on such application of the formulary.

''(d) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE; MEDICATION THERAPY MANAGEMENT PROGRAM.—

''(1) IN GENERAL.—The PDP sponsor shall have in place—

''(A) an effective cost and drug utilization management program, including appropriate incentives to use generic drugs, when appropriate;

''(B) quality assurance measures and systems to reduce medical errors and adverse drug interactions, including a medication therapy management program described in paragraph (2); and

''(C) a program to control fraud, abuse, and waste.

''(2) MEDICATION THERAPY MANAGEMENT PROGRAM.—

''(A) IN GENERAL.—A medication therapy management program described in this paragraph is a program of drug therapy management and medication administration that is designed to assure that covered outpatient drugs under the prescription drug plan are appropriately used to achieve therapeutic goals and reduce the risk of adverse events, including adverse drug interactions.

''(B) ELEMENTS.—Such program may include—

''(i) enhanced beneficiary understanding of such appropriate use through beneficiary education, counseling, and other appropriate means; and

''(ii) increased beneficiary adherence with prescription medication regimens through medication refill reminders, special packaging, and other appropriate means.

''(C) DEVELOPMENT OF PROGRAM IN COOPERATION WITH LICENSED PHARMACISTS.—The program shall be developed in cooperation with licensed pharmacists and physicians.

''(D) CONSIDERATIONS IN PHARMACY FEES.—The PDP sponsor of a prescription drug program shall take into account, in establishing fees for pharmacists and others providing services under the medication therapy management program, the resources and time used in implementing the program.

''(3) TREATMENT OF ACCREDITATION.—Section 1852(e)(4) (relating to treatment of accreditation) shall apply to prescription drug plans under this part with respect to the following requirements, in the same manner as they apply to Medicare+Choice plans under part C with respect to the requirements described in a clause of section 1852(e)(4)(B):

''(A) Paragraph (1) (including quality assurance), including medication therapy management program under paragraph (2).

''(B) Subsection (c)(1) (relating to access to covered benefits).

''(C) Subsection (g) (relating to confidentiality and accuracy of enrollee records).

''(e) GRIEVANCE MECHANISM.—Each PDP sponsor shall provide meaningful procedures for hearing and resolving grievances between the organization (including any entity or individual through which the sponsor provides covered benefits) and enrollees with prescription drug plans of the sponsor under this part in accordance with section 1852(f).

''(f) COVERAGE DETERMINATIONS, RECONSIDERATIONS, AND APPEALS.—

''(1) IN GENERAL.—A PDP sponsor shall meet the requirements of section 1852(g) with respect to covered benefits under the prescription drug plan it offers under this part in the same manner as such requirements apply to a Medicare+Choice organization with respect to benefits it offers under a Medicare+Choice plan under part C.

''(2) APPEALS OF FORMULARY DETERMINATIONS.—Under the appeals process under paragraph (1) an individual who is enrolled in a prescription drug plan offered by a PDP sponsor may appeal to obtain coverage for a medically necessary covered outpatient drug that is not on the formulary of the sponsor (established under subsection (c)) if the prescribing physician determines that the therapeutically similar drug that is on the formulary is not effective for the enrollee or has significant adverse effects for the enrollee.

''(g) CONFIDENTIALITY AND ACCURACY OF ENROLLEE RECORDS.—A PDP sponsor shall meet the requirements of section 1852(h) with respect to enrollees under this part in the same manner as such requirements apply to a Medicare+Choice organization with respect to enrollees under part C.

**''SEC. 1860D. REQUIREMENTS FOR PRESCRIPTION DRUG PLAN (PDP) SPONSORS.**

''(a) GENERAL REQUIREMENTS.—Each PDP sponsor of a prescription drug plan shall meet the following requirements:

''(1) LICENSURE.—Subject to subsection (c), the sponsor is organized and licensed under State law as a risk-bearing entity eligible to offer health insurance or health benefits coverage in each State in which it offers a prescription drug plan.

''(2) ASSUMPTION OF FULL FINANCIAL RISK.—

''(A) IN GENERAL.—Subject to subparagraph (B) and section 1860E(d)(2), the entity assumes full financial risk on a prospective basis for qualified prescription drug coverage that it offers under a prescription drug plan and that is not covered under reinsurance under section 1860H.

''(B) REINSURANCE PERMITTED.—The entity may obtain insurance or make other arrangements for the cost of coverage provided to any enrolled member under this part.

''(3) SOLVENCY FOR UNLICENSED SPONSORS.—In the case of a sponsor that is not described in paragraph (1), the sponsor shall meet solvency standards established by the Medicare Benefits Administrator under subsection (d).

''(b) CONTRACT REQUIREMENTS.—

''(1) IN GENERAL.—The Medicare Benefits Administrator shall not permit the election under section 1860A of a prescription drug plan offered by a PDP sponsor under this part, and the sponsor shall not be eligible for payments under section 1860G or 1860H, unless the Administrator has entered into a contract under this subsection with the sponsor with respect to the offering of such plan. Such a contract with a sponsor may cover more than 1 prescription drug plan. Such contract shall provide that the sponsor agrees to comply with the applicable requirements and standards of this part and the terms and conditions of payment as provided for in this part.

''(2) INCORPORATION OF CERTAIN MEDICARE+CHOICE CONTRACT REQUIREMENTS.—The following provisions of section 1857 shall apply, subject to subsection (c)(5), to contracts under this section in the same manner as they apply to contracts under section 1857(a):

''(A) MINIMUM ENROLLMENT.—Paragraphs (1) and (3) of section 1857(b).

''(B) CONTRACT PERIOD AND EFFECTIVENESS.—Paragraphs (1) through (3) and (5) of section 1857(c).

''(C) PROTECTIONS AGAINST FRAUD AND BENEFICIARY PROTECTIONS.—Section 1857(d).

''(D) ADDITIONAL CONTRACT TERMS.—Section 1857(e); except that in applying section 1857(e)(2) under this part—

''(i) such section shall be applied separately to costs relating to this part (from costs under part C);

''(ii) in no case shall the amount of the fee established under this subparagraph for a plan exceed 20 percent of the maximum amount of the fee that may be established under subparagraph (B) of such section; and

''(iii) no fees shall be applied under this subparagraph with respect to Medicare+Choice plans.

''(E) INTERMEDIATE SANCTIONS.—Section 1857(g).

''(F) PROCEDURES FOR TERMINATION.—Section 1857(h).

''(3) RULES OF APPLICATION FOR INTERMEDIATE SANCTIONS.—In applying paragraph (2)(E)—

''(A) the reference in section 1857(g)(1)(B) to section 1854 is deemed a reference to this part; and

''(B) the reference in section 1857(g)(1)(F) to section 1852(k)(2)(A)(ii) shall not be applied.

''(c) WAIVER OF CERTAIN REQUIREMENTS TO EXPAND CHOICE.—

''(1) IN GENERAL.—In the case of an entity that seeks to offer a prescription drug plan in a State, the Medicare Benefits Administrator shall waive the requirement of subsection (a)(1) that the entity be licensed in that State if the Administrator determines, based on the application and other evidence presented to the Administrator, that any of the grounds for approval of the application described in paragraph (2) has been met.

''(2) GROUNDS FOR APPROVAL.—The grounds for approval under this paragraph are the grounds for approval described in subparagraph (B), (C), and (D) of section 1855(a)(2), and also include the application by a State of any grounds other than those required under Federal law.

''(3) APPLICATION OF MEDICARE+CHOICE PSO WAIVER PROCEDURES.—With respect to an application for a waiver (or a waiver granted) under this subsection, the provisions of subparagraphs (E), (F), and (G) of section 1855(a)(2) shall apply.

''(4) LICENSURE DOES NOT SUBSTITUTE FOR OR CONSTITUTE CERTIFICATION.—The fact that an entity is licensed in accordance with subsection (a)(1) does not deem the entity to meet other requirements imposed under this part for a PDP sponsor.

''(5) REFERENCES TO CERTAIN PROVISIONS.—For purposes of this subsection, in applying provisions of section 1855(a)(2) under this subsection to prescription drug plans and PDP sponsors—

''(A) any reference to a waiver application under section 1855 shall be treated as a reference to a waiver application under paragraph (1); and

''(B) any reference to solvency standards were treated as a reference to solvency standards established under subsection (c).

''(d) SOLVENCY STANDARDS FOR NON-LICENSED SPONSORS.—

''(1) ESTABLISHMENT.—The Medicare Benefits Administrator shall establish, by not later than October 1, 2001, financial solvency and capital adequacy standards that an entity that does not meet the requirements of subsection (a)(1) must meet to qualify as a PDP sponsor under this part.

''(2) COMPLIANCE WITH STANDARDS.—Each PDP sponsor that is not licensed by a State

under subsection (a)(1) and for which a waiver application has been approved under subsection (c) shall meet solvency and capital adequacy standards established under paragraph (1). The Medicare Benefits Administrator shall establish certification procedures for such PDP sponsors with respect to such solvency standards in the manner described in section 1855(c)(2).

''(e) OTHER STANDARDS.—The Medicare Benefits Administrator shall establish by regulation other standards (not described in subsection (d)) for PDP sponsors and plans consistent with, and to carry out, this part. The Administrator shall publish such regulations by October 1, 2001. In order to carry out this requirement in a timely manner, the Administrator may promulgate regulations that take effect on an interim basis, after notice and pending opportunity for public comment.

''(f) RELATION TO STATE LAWS.—

''(1) IN GENERAL.—The standards established under this subsection shall supersede any State law or regulation (including standards described in paragraph (2)) with respect to prescription drug plans which are offered by PDP sponsors under this part to the extent such law or regulation is inconsistent with such standards, in the same manner as such laws and regulations are superseded under section 1856(b)(3).

''(2) STANDARDS SPECIFICALLY SUPERSEDED.—State standards relating to the following are superseded under this subsection:

''(A) Benefit requirements.

''(B) Requirements relating to inclusion or treatment of providers.

''(C) Coverage determinations (including related appeals and grievance processes).

''(3) PROHIBITION OF STATE IMPOSITION OF PREMIUM TAXES.—No State may impose a premium tax or similar tax with respect to premiums paid to PDP sponsors for prescription drug plans under this part, or with respect to any payments made to such a sponsor by the Medicare Benefits Administrator under this part.

**''SEC. 1860E. PROCESS FOR BENEFICIARIES TO SELECT QUALIFIED PRESCRIPTION DRUG COVERAGE.**

''(a) IN GENERAL.—The Medicare Benefits Administrator, through the Office of Beneficiary Assistance, shall establish, based upon and consistent with the procedures used under part C (including section 1851), a process for the selection of the prescription drug plan or Medicare+Choice plan which offer qualified prescription drug coverage through which eligible individuals elect qualified prescription drug coverage under this part.

''(b) ELEMENTS.—Such process shall include the following:

''(1) Annual, coordinated election periods, in which such individuals can change the qualifying plans through which they obtain coverage, in accordance with section 1860A(b)(2).

''(2) Active dissemination of information to promote an informed selection among qualifying plans based upon price, quality, and other features, in the manner described in (and in coordination with) section 1851(d), including the provision of annual comparative information, maintenance of a toll-free hotline, and the use of non-federal entities.

''(3) Coordination of elections through filing with a Medicare+Choice organization or a PDP sponsor, in the manner described in (and in coordination with) section 1851(c)(2).

''(c) MEDICARE+CHOICE ENROLLEE IN PLAN OFFERING PRESCRIPTION DRUG COVERAGE MAY ONLY OBTAIN BENEFITS THROUGH THE PLAN.—An individual who is enrolled under a Medicare+Choice plan that offers qualified prescription drug coverage may only elect to receive qualified prescription drug coverage under this part through such plan.

''(d) ASSURING ACCESS TO A CHOICE OF QUALIFIED PRESCRIPTION DRUG COVERAGE.—

''(1) IN GENERAL.—The Medicare Benefits Administrator shall assure that each individual who is enrolled under part B and who is residing in an area has available a choice of enrollment in at least 2 qualifying plans (as defined in paragraph (5)) in the area in which the individual resides, at least 1 of which is a prescription drug plan.

''(2) GUARANTEEING ACCESS TO COVERAGE.—In order to assure access under paragraph (1) and consistent with paragraph (3), the Medicare Benefits Administrator may provide financial incentives (including partial underwriting of risk) for a PDP sponsor to expand the service area under an existing prescription drug plan to adjoining or additional areas or to establish such a plan (including offering such a plan on a regional or nationwide basis), but only so long as (and to the extent) necessary to assure the access guaranteed under paragraph (1).

''(3) LIMITATION ON AUTHORITY.—In exercising authority under this subsection, the Medicare Benefits Administrator—

''(A) shall not provide for the full underwriting of financial risk for any PDP sponsor;

''(B) shall not provide for any underwriting of financial risk for a public PDP sponsor with respect to the offering of a nationwide prescription drug plan; and

''(C) shall seek to maximize the assumption of financial risk by PDP sponsors or Medicare+Choice organizations.

''(4) REPORTS.—The Medicare Benefits Administrator shall, in each annual report to Congress under section 1807(f), include information on the exercise of authority under this subsection. The Administrator also shall include such recommendations as may be appropriate to minimize the exercise of such authority, including minimizing the assumption of financial risk.

''(5) QUALIFYING PLAN DEFINED.—For purposes of this subsection, the term 'qualifying plan' means a prescription drug plan or a a Medicare+Choice plan that includes qualified prescription drug coverage.

**''SEC. 1860F. PREMIUMS.**

''(a) SUBMISSION OF PREMIUMS AND RELATED INFORMATION.—

''(1) IN GENERAL.—Each PDP sponsor shall submit to the Medicare Benefits Administrator information of the type described in paragraph (2) in the same manner as information is submitted by a Medicare+Choice organization under section 1854(a)(1).

''(2) TYPE OF INFORMATION.—The information described in this paragraph is the following:

''(A) Information on the qualified prescription drug coverage to be provided.

''(B) Information on the actuarial value of the coverage.

''(C) Information on the monthly premium to be charged for the coverage, including an actuarial certification of—

''(i) the actuarial basis for such premium;

''(ii) the portion of such premium attributable to benefits in excess of standard coverage; and

''(iii) the reduction in such premium resulting from the reinsurance subsidy payments provided under section 1860H.

''(D) Such other information as the Medicare Benefits Administrator may require to carry out this part.

''(3) REVIEW.—The Medicare Benefits Administrator shall review the information filed under paragraph (2) and shall approve or disapprove such rates, amounts, and values so submitted. In exercising such authority, the Administrator shall take into account the reinsurance subsidy payments under section 1860H and the adjusted community rate (as defined in section 1854(f)(3)) for the benefits covered and shall have the same authority to negotiate the terms and conditions of such premiums and other terms and conditions of plans as the Director of the Office of Personnel Management has with respect to health benefits plans under chapter 89 of title 5, United States Code.

''(b) UNIFORM PREMIUM.—The premium for a prescription drug plan charged under this section may not vary among individuals enrolled in the plan in the same service area, except as is permitted under section 1860A(c)(2)(B) (relating to late enrollment penalties).

''(c) TERMS AND CONDITIONS FOR IMPOSING PREMIUMS.—The provisions of section 1854(d) shall apply under this part in the same manner as they apply under part C, and, for this purpose, the reference in such section to section 1851(g)(3)(B)(i) is deemed a reference to section 1860A(d)(3)(B) (relating to failure to pay premiums required under this part).

''(d) ACCEPTANCE OF REFERENCE PREMIUM AS FULL PREMIUM IF NO STANDARD (OR EQUIVALENT) COVERAGE IN AN AREA.—

''(1) IN GENERAL.—If there is no standard prescription drug coverage (as defined in paragraph (2)) offered in an area, in the case of an individual who is eligible for a premium subsidy under section 1860G and resides in the area, the PDP sponsor of any prescription drug plan offered in the area (and any Medicare+Choice organization that offers qualified prescription drug coverage in the area) shall accept the reference premium under section 1860G(b)(2) as payment in full for the premium charge for qualified prescription drug coverage.

''(2) STANDARD PRESCRIPTION DRUG COVERAGE DEFINED.—For purposes of this subsection, the term 'standard prescription drug coverage' means qualified prescription drug coverage that is standard coverage or that has an actuarial value equivalent to the actuarial value for standard coverage.

**''SEC. 1860G. PREMIUM AND COST-SHARING SUBSIDIES FOR LOW-INCOME INDIVIDUALS.**

''(a) IN GENERAL.—

''(1) FULL PREMIUM SUBSIDY AND REDUCTION OF COST-SHARING FOR INDIVIDUALS WITH INCOME BELOW 135 PERCENT OF FEDERAL POVERTY LEVEL.—In the case of a subsidy eligible individual (as defined in paragraph (3)) who is determined to have income that does not exceed 135 percent of the Federal poverty level, the individual is entitled under this section—

''(A) to a premium subsidy equal to 100 percent of the amount described in subsection (b)(1); and

''(B) subject to subsection (c), to the substitution for the beneficiary cost-sharing described in paragraphs (1) and (2) of section 1860B(b) (up to the initial coverage limit specified in paragraph (3) of such section) of amounts that are nominal.

''(2) SLIDING SCALE PREMIUM SUBSIDY FOR INDIVIDUALS WITH INCOME ABOVE 135, BUT BELOW 150 PERCENT, OF FEDERAL POVERTY LEVEL.—In the case of a subsidy eligible individual who is determined to have income that exceeds 135 percent, but does not exceed 150 percent, of the Federal poverty level, the individual is entitled under this section to a premium subsidy determined on a linear sliding scale ranging from 100 percent of the amount described in subsection (b)(1) for individuals with incomes at 135 percent of such level to 0 percent of such amount for individuals with incomes at 150 percent of such level.

''(3) DETERMINATION OF ELIGIBILITY.—

''(A) SUBSIDY ELIGIBLE INDIVIDUAL DEFINED.—For purposes of this section, subject to subparagraph (D), the term 'subsidy eligible individual' means an individual who—

''(i) is eligible to elect, and has elected, to obtain qualified prescription drug coverage under this part;

''(ii) has income below 150 percent of the Federal poverty line; and

''(iii) meets the resources requirement described in section 1905(p)(1)(C).

''(B) DETERMINATIONS.—The determination of whether an individual residing in a State is a subsidy eligible individual and the amount of such individual's income shall be determined under the State medicaid plan for the State under section 1935(a). In the case of a State that does not operate such a medicaid plan (either under title XIX or under a statewide waiver granted under section 1115), such determination shall be made under arrangements made by the Medicare Benefits Administrator.

''(C) INCOME DETERMINATIONS.—For purposes of applying this section—

''(i) income shall be determined in the manner described in section 1905(p)(1)(B); and

''(ii) the term 'Federal poverty line' means the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

''(D) TREATMENT OF TERRITORIAL RESIDENTS.—In the case of an individual who is not a resident of the 50 States or the District of Columbia, the individual is not eligible to be a subsidy eligible individual but may be eligible for financial assistance with prescription drug expenses under section 1935(e).

''(b) PREMIUM SUBSIDY AMOUNT.—

''(1) IN GENERAL.—The premium subsidy amount described in this subsection for an individual residing in an area is the reference premium (as defined in paragraph (2)) for qualified prescription drug coverage offered by the prescription drug plan or the Medicare+Choice plan in which the individual is enrolled.

''(2) REFERENCE PREMIUM DEFINED.—For purposes of this subsection, the term 'reference premium' means, with respect to qualified prescription drug coverage offered under—

''(A) a prescription drug plan that—

''(i) provides standard coverage (or alternative prescription drug coverage the actuarial value is equivalent to that of standard coverage), the premium imposed for enrollment under the plan under this part (determined without regard to any subsidy under this section or any late enrollment penalty under section 1860A(c)(2)(B)); or

''(ii) provides alternative prescription drug coverage the actuarial value of which is greater than that of standard coverage, the premium described in clause (i) multiplied by the ratio of (I) the actuarial value of standard coverage, to (II) the actuarial value of the alternative coverage; or

''(B) a Medicare+Choice plan, the standard premium computed under section 1851(j)(4)(A)(iii), determined without regard to any reduction effected under section 1851(j)(4)(B).

''(c) RULES IN APPLYING COST-SHARING SUBSIDIES.—

''(1) IN GENERAL.—In applying subsection (a)(1)(B)—

''(A) the maximum amount of subsidy that may be provided with respect to an enrollee for a year may not exceed 95 percent of the maximum cost-sharing described in such subsection that may be incurred for standard coverage;

''(B) the Medicare Benefits Administrator shall determine what is 'nominal' taking into account the rules applied under section 1916(a)(3); and

''(C) nothing in this part shall be construed as preventing a plan or provider from waiving or reducing the amount of cost-sharing otherwise applicable.

''(2) LIMITATION ON CHARGES.—In the case of an individual receiving cost-sharing subsidies under subsection (a)(1)(B), the PDP sponsor may not charge more than a nominal amount in cases in which the cost-sharing subsidy is provided under such subsection.

''(d) ADMINISTRATION OF SUBSIDY PROGRAM.—The Medicare Benefits Administrator shall provide a process whereby, in the case of an individual who is determined to be a subsidy eligible individual and who is enrolled in prescription drug plan or is enrolled in a Medicare+Choice plan under which qualified prescription drug coverage is provided—

''(1) the Administrator provides for a notification of the PDP sponsor or Medicare+Choice organization involved that the individual is eligible for a subsidy and the amount of the subsidy under subsection (a);

''(2) the sponsor or organization involved reduces the premiums or cost-sharing otherwise imposed by the amount of the applicable subsidy and submits to the Administrator information on the amount of such reduction; and

''(3) the Administrator periodically and on a timely basis reimburses the sponsor or organization for the amount of such reductions.

The reimbursement under paragraph (3) with respect to cost-sharing subsidies may be computed on a capitated basis, taking into account the actuarial value of the subsidies and with appropriate adjustments to reflect differences in the risks actually involved.

''(e) RELATION TO MEDICAID PROGRAM.—

''(1) IN GENERAL.—For provisions providing for eligibility determinations, and additional financing, under the medicaid program, see section 1935.

''(2) MEDICAID PROVIDING WRAP AROUND BENEFITS.—The coverage provided under this part is primary payor to benefits for prescribed drugs provided under the medicaid program under title XIX.

**''SEC. 1860H. SUBSIDIES FOR ALL MEDICARE BENEFICIARIES THROUGH REINSURANCE FOR QUALIFIED PRESCRIPTION DRUG COVERAGE.**

''(a) REINSURANCE SUBSIDY PAYMENT.—In order to reduce premium levels applicable to qualified prescription drug coverage for all medicare beneficiaries, to reduce adverse selection among prescription drug plans and Medicare+Choice plans that provide qualified prescription drug coverage, and to promote the participation of PDP sponsors under this part, the Medicare Benefits Administrator shall provide in accordance with this section for payment to a qualifying entity (as defined in subsection (b)) of the reinsurance payment amount (as defined in subsection (c)) for excess costs incurred in providing qualified prescription drug coverage—

''(1) for individuals enrolled with a prescription drug plan under this part;

''(2) for individuals enrolled with a Medicare+Choice plan that provides qualified prescription drug coverage under part C; and

''(3) for medicare primary individuals (described in subsection (f)(3)(D)) who are enrolled in a qualified retiree prescription drug plan.

This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Administrator to provide for the payment of amounts provided under this section.

''(b) QUALIFYING ENTITY DEFINED.—For purposes of this section, the term 'qualifying entity' means any of the following that has entered into an agreement with the Administrator to provide the Administrator with such information as may be required to carry out this section:

''(1) A PDP sponsor offering a prescription drug plan under this part.

''(2) A Medicare+Choice organization that provides qualified prescription drug coverage under a Medicare+Choice plan under part C.

''(3) The sponsor of a qualified retiree prescription drug plan (as defined in subsection (f)).

''(c) REINSURANCE PAYMENT AMOUNT.—

''(1) IN GENERAL.—Subject to subsection (d)(2) and paragraph (4), the reinsurance payment amount under this subsection for a qualifying covered individual (as defined in subsection (g)(1)) for a coverage year (as defined in subsection (g)(2)) is equal to the sum of the following:

''(A) For the portion of the individual's gross covered prescription drug costs (as defined in paragraph (3)) for the year that exceeds $1,250, but does not exceed $1,350, an amount equal to 30 percent of the allowable costs (as defined in paragraph (2)) attributable to such gross covered prescription drug costs.

''(B) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $1,350, but does not exceed $1,450, an amount equal to 50 percent of the allowable costs attributable to such gross covered prescription drug costs.

''(C) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $1,450, but does not exceed $1,550, an amount equal to 70 percent of the allowable costs attributable to such gross covered prescription drug costs.

''(D) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $1,550, but does not exceed $2,350, an amount equal to 90 percent of the allowable costs attributable to such gross covered prescription drug costs.

''(E) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $7,050, an amount equal to 90 percent of the allowable costs attributable to such gross covered prescription drug costs.

''(2) ALLOWABLE COSTS.—For purposes of this section, the term 'allowable costs' means, with respect to gross covered prescription drug costs under a plan described in subsection (b) offered by a qualifying entity, the part of such costs that are actually paid under the plan, but in no case more than the part of such costs that would have been paid under the plan if the prescription drug coverage under the plan were standard coverage.

''(3) GROSS COVERED PRESCRIPTION DRUG COSTS.—For purposes of this section, the term 'gross covered prescription drug costs' means, with respect to an enrollee with a qualifying entity under a plan described in subsection (b) during a coverage year, the costs incurred under the plan for covered prescription drugs dispensed during the year, including costs relating to the deductible, whether paid by the enrollee or under the plan, regardless of whether the coverage under the plan exceeds standard coverage and regardless of when the payment for such drugs is made.

''(4) INDEXING DOLLAR AMOUNTS.—

''(A) AMOUNTS FOR 2003.—The dollar amounts applied under paragraph (1) for 2003 shall be the dollar amounts specified in such paragraph.

''(B) FOR 2004.—The dollar amounts applied under paragraph (1) for 2004 shall be the dollar amounts specified in such paragraph increased by the annual percentage increase described in section 1860B(b)(5) for 2004.

''(C) FOR SUBSEQUENT YEARS.—The dollar amounts applied under paragraph (1) for a

year after 2004 shall be the amounts (under this paragraph) applied under paragraph (1) for the preceding year increased by the annual percentage increase described in section 1860B(b)(5) for the year involved.

''(D) ROUNDING.—Any amount, determined under the preceding provisions of this paragraph for a year, which is not a multiple of $5 shall be rounded to the nearest multiple of $5.

''(d) ADJUSTMENT OF PAYMENTS.—

''(1) IN GENERAL.—The Medicare Benefits Administrator shall estimate—

''(A) the total payments to be made (without regard to this subsection) during a year under this section; and

''(B) the total payments to be made by qualifying entities for standard coverage under plans described in subsection (b) during the year.

''(2) ADJUSTMENT OF PAYMENTS.—The Administrator shall proportionally adjust the payments made under this section for a coverage year in such manner so that the total of the payments made for the year under this section is equal to 35 percent of the total payments described in paragraph (1)(B) during the year.

''(e) PAYMENT METHODS.—

''(1) IN GENERAL.—Payments under this section shall be based on such a method as the Medicare Benefits Administrator determines. The Administrator may establish a payment method by which interim payments of amounts under this section are made during a year based on the Administrator's best estimate of amounts that will be payable after obtaining all of the information.

''(2) SOURCE OF PAYMENTS.—Payments under this section shall be made from the Medicare Prescription Drug Account.

''(f) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN DEFINED.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified retiree prescription drug plan' means employment-based retiree health coverage (as defined in paragraph (3)(A)) if, with respect to an individual enrolled (or eligible to be enrolled) under this part who is covered under the plan, the following requirements are met:

''(A) ASSURANCE.—The sponsor of the plan shall annually attest, and provide such assurances as the Medicare Benefits Administrator may require, that the coverage meets the requirements for qualified prescription drug coverage.

''(B) AUDITS.—The sponsor (and the plan) shall maintain, and afford the Medicare Benefits Administrator access to, such records as the Administrator may require for purposes of audits and other oversight activities necessary to ensure the adequacy of prescription drug coverage, the accuracy of payments made, and such other matters as may be appropriate.

''(C) PROVISION OF CERTIFICATION OF PRESCRIPTION DRUG COVERAGE.—The sponsor of the plan shall provide for issuance of certifications of the type described in section 1860A(c)(2)(D).

''(D) OTHER REQUIREMENTS.—The sponsor of the plan shall comply with such other requirements as the Medicare Benefits Administrator finds necessary to administer the program under this section.

''(2) LIMITATION ON BENEFIT ELIGIBILITY.—No payment shall be provided under this section with respect to an individual who is enrolled under a qualified retiree prescription drug plan unless the individual is a medicare primary individual who—

''(A) is covered under the plan; and

''(B) is eligible to obtain qualified prescription drug coverage under section 1860A but did not elect such coverage under this part (either through a prescription drug plan or through a Medicare+Choice plan).

''(3) DEFINITIONS.—As used in this section:

''(A) EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.—The term 'employment-based retiree health coverage' means health insurance or other coverage of health care costs for medicare primary individuals (or for such individuals and their spouses and dependents) based on their status as former employees or labor union members.

''(B) EMPLOYER.—The term 'employer' has the meaning given such term by section 3(5) of the Employee Retirement Income Security Act of 1974 (except that such term shall include only employers of two or more employees).

''(C) SPONSOR.—The term 'sponsor' means a plan sponsor, as defined in section 3(16)(B) of the Employee Retirement Income Security Act of 1974.

''(D) MEDICARE PRIMARY INDIVIDUAL.—The term 'medicare primary individual' means, with respect to a plan, an individual who is covered under the plan and with respect to whom the plan is not a primary plan (as defined in section 1862(b)(2)(A)).

''(g) GENERAL DEFINITIONS.—For purposes of this section:

''(1) QUALIFYING COVERED INDIVIDUAL.—The term 'qualifying covered individual' means an individual who—

''(A) is enrolled with a prescription drug plan under this part;

''(B) is enrolled with a Medicare+Choice plan that provides qualified prescription drug coverage under part C; or

''(C) is covered as a medicare primary individual under a qualified retiree prescription drug plan.

''(2) COVERAGE YEAR.—The term 'coverage year' means a calendar year in which covered outpatient drugs are dispensed if a claim for payment is made under the plan for such drugs, regardless of when the claim is paid.

**''SEC. 1860I. MEDICARE PRESCRIPTION DRUG ACCOUNT IN FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.**

''(a) IN GENERAL.—There is created within the Federal Supplementary Medical Insurance Trust Fund established by section 1841 an account to be known as the 'Medicare Prescription Drug Account' (in this section referred to as the 'Account'). The Account shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this part. Funds provided under this part to the Account shall be kept separate from all other funds within the Federal Supplementary Medical Insurance Trust Fund.

''(b) PAYMENTS FROM ACCOUNT.—

''(1) IN GENERAL.—The Managing Trustee shall pay from time to time from the Account such amounts as the Medicare Benefits Administrator certifies are necessary to make—

''(A) payments under section 1860G (relating to low-income subsidy payments);

''(B) payments under section 1860H (relating to reinsurance subsidy payments); and

''(C) payments with respect to administrative expenses under this part in accordance with section 201(g).

''(2) TRANSFERS TO MEDICAID ACCOUNT FOR INCREASED ADMINISTRATIVE COSTS.—The Managing Trustee shall transfer from time to time from the Account to the Grants to States for Medicaid account amounts the Secretary certifies are attributable to increases in payment resulting from the application of a higher Federal matching percentage under section 1935(b).

''(c) DEPOSITS INTO ACCOUNT.—

''(1) MEDICAID TRANSFER.—There is hereby transferred to the Account, from amounts appropriated for Grants to States for Medicaid, amounts equivalent to the aggregate amount of the reductions in payments under section 1903(a)(1) attributable to the application of section 1935(c).

''(2) APPROPRIATIONS TO COVER GOVERNMENT CONTRIBUTIONS.—There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Account, an amount equivalent to the amount of payments made from the Account under subsection (b), reduced by the amount transferred to the Account under paragraph (1).

**''SEC. 1860J. DEFINITIONS; TREATMENT OF REFERENCES TO PROVISIONS IN PART C.**

''(a) DEFINITIONS.—For purposes of this part:

''(1) COVERED OUTPATIENT DRUGS.—The term 'covered outpatient drugs' is defined in section 1860B(f).

''(2) INITIAL COVERAGE LIMIT.—The term 'initial coverage limit' means the such limit as established under section 1860B(b)(3), or, in the case of coverage that is not standard coverage, the comparable limit (if any) established under the coverage.

''(3) MEDICARE PRESCRIPTION DRUG ACCOUNT.—The term 'Medicare Prescription Drug Account' means the Account in the Federal Supplementary Medical Insurance Trust Fund created under section 1860I(a).

''(4) PDP SPONSOR.—The term 'PDP sponsor' means an entity that is certified under this part as meeting the requirements and standards of this part for such a sponsor.

''(5) PRESCRIPTION DRUG PLAN.—The term 'prescription drug plan' means health benefits coverage that—

''(A) is offered under a policy, contract, or plan by a PDP sponsor pursuant to, and in accordance with, a contract between the Medicare Benefits Administrator and the sponsor under section 1860D(b);

''(B) provides qualified prescription drug coverage; and

''(C) meets the applicable requirements of the section 1860C for a prescription drug plan.

''(6) QUALIFIED PRESCRIPTION DRUG COVERAGE.—The term 'qualified prescription drug coverage' is defined in section 1860B(a).

''(7) STANDARD COVERAGE.—The term 'standard coverage' is defined in section 1860B(b).

''(b) APPLICATION OF MEDICARE+CHOICE PROVISIONS UNDER THIS PART.—For purposes of applying provisions of part C under this part with respect to a prescription drug plan and a PDP sponsor, unless otherwise provided in this part such provisions shall be applied as if—

''(1) any reference to a Medicare+Choice plan included a reference to a prescription drug plan;

''(2) any reference to a provider-sponsored organization included a reference to a PDP sponsor;

''(3) any reference to a contract under section 1857 included a reference to a contract under section 1860D(b); and

''(4) any reference to part C included a reference to this part.''.

(c) CONFORMING AMENDMENTS TO FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.—Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—

(1) in the last sentence of subsection (a)—

(A) by striking ''and'' before ''such amounts'', and

(B) by inserting before the period the following: ''and such amounts as may be deposited in, or appropriated to, the Medicare Prescription Drug Account established by section 1860I''; and

(2) in subsection (g), by inserting after ''by this part,'' the following: ''the payments provided for under part D (in which case the

payments shall come from the Medicare Prescription Drug Account in the Trust Fund),''.

(d) ADDITIONAL CONFORMING CHANGES.—

(1) CONFORMING REFERENCES TO PREVIOUS PART D.—Any reference in law (in effect before the date of the enactment of this Act) to part D of title XVIII of the Social Security Act is deemed a reference to part E of such title (as in effect after such date).

(2) SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this subtitle.

**SEC. 102. OFFERING OF QUALIFIED PRESCRIPTION DRUG COVERAGE UNDER THE MEDICARE+CHOICE PROGRAM.**

(a) IN GENERAL.—Section 1851 of the Social Security Act (42 U.S.C. 1395w–21) is amended by adding at the end the following new subsection:

''(j) AVAILABILITY OF PRESCRIPTION DRUG BENEFITS.—

''(1) IN GENERAL.—A Medicare+Choice organization may not offer prescription drug coverage (other than that required under parts A and B) to an enrollee under a Medicare+Choice plan unless such drug coverage is at least qualified prescription drug coverage and unless the requirements of this subsection with respect to such coverage are met.

''(2) COMPLIANCE WITH ADDITIONAL BENEFICIARY PROTECTIONS.—With respect to the offering of qualified prescription drug coverage by a Medicare+Choice organization under a Medicare+Choice plan, the organization and plan shall meet the requirements of section 1860C, including requirements relating to information dissemination and grievance and appeals, in the same manner as they apply to a PDP sponsor and a prescription drug plan under part D. The Medicare Benefits Administrator shall waive such requirements to the extent the Administrator determines that such requirements duplicate requirements otherwise applicable to the organization or plan under this part.

''(3) TREATMENT OF COVERAGE.—Except as provided in this subsection, qualified prescription drug coverage offered under this subsection shall be treated under this part in the same manner as supplemental health care benefits described in section 1852(a)(3)(A).

''(4) AVAILABILITY OF PREMIUM AND COST-SHARING SUBSIDIES FOR LOW-INCOME ENROLLEES AND REINSURANCE SUBSIDY PAYMENTS FOR ORGANIZATIONS.—For provisions—

''(A) providing premium and cost-sharing subsidies to low-income individuals receiving qualified prescription drug coverage through a Medicare+Choice plan, see section 1860G; and

''(B) providing a Medicare+Choice organization with reinsurance subsidy payments for providing qualified prescription drug coverage under this part, see section 1860H.

''(5) SPECIFICATION OF SEPARATE AND STANDARD PREMIUM.—

''(A) IN GENERAL.—For purposes of applying section 1854 and section 1860G(b)(2)(B) with respect to qualified prescription drug coverage offered under this subsection under a plan, the Medicare+Choice organization shall compute and publish the following:

''(i) SEPARATE PRESCRIPTION DRUG PREMIUM.—A premium for prescription drug benefits that constitute qualified prescription drug coverage that is separate from other coverage under the plan.

''(ii) PORTION OF COVERAGE ATTRIBUTABLE TO STANDARD BENEFITS.—The ratio of the actuarial value of standard coverage to the actuarial value of the qualified prescription drug coverage offered under the plan.

''(iii) PORTION OF PREMIUM ATTRIBUTABLE TO STANDARD BENEFITS.—A standard premium equal to the product of the premium described in clause (i) and the ratio under clause (ii).

The premium under clause (i) shall be compute without regard to any reduction in the premium permitted under subparagraph (B).

''(B) REDUCTION OF PREMIUMS ALLOWED.—Nothing in this subsection shall be construed as preventing a Medicare+Choice organization from reducing the amount of a premium charged for prescription drug coverage because of the application of section 1854(f)(1)(A) to other coverage.

''(C) ACCEPTANCE OF REFERENCE PREMIUM AS FULL PREMIUM IF NO STANDARD (OR EQUIVALENT) COVERAGE IN AN AREA.—For requirement to accept reference premium as full premium if there is no standard (or equivalent) coverage in the area of a Medicare+Choice plan, see section 1860F(d).

''(6) TRANSITION IN INITIAL ENROLLMENT PERIOD.—Notwithstanding any other provision of this part, the annual, coordinated election period under subsection (e)(3)(B) for 2003 shall be the 6-month period beginning with November 2002.

''(7) QUALIFIED PRESCRIPTION DRUG COVERAGE; STANDARD COVERAGE.—For purposes of this part, the terms 'qualified prescription drug coverage' and 'standard coverage' have the meanings given such terms in section 1860B.''.

(b) CONFORMING AMENDMENTS.—Section 1851 of such Act (42 U.S.C. 1395w–21) is amended—

(1) in subsection (a)(1)—

(A) by inserting ''(other than qualified prescription drug benefits)'' after ''benefits'';

(B) by striking the period at the end of subparagraph (B) and inserting a comma; and

(C) by adding after and below subparagraph (B) the following:

''and may elect qualified prescription drug coverage in accordance with section 1860A.''; and

(2) in subsection (g)(1), by inserting ''and section 1860A(c)(2)(B)'' after ''in this subsection''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to coverage provided on or after January 1, 2003.

**SEC. 103. MEDICAID AMENDMENTS.**

(a) DETERMINATIONS OF ELIGIBILITY FOR LOW-INCOME SUBSIDIES.—

(1) REQUIREMENT.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) in subsection (a)—

(i) by striking ''and'' at the end of paragraph (64);

(ii) by striking the period at the end of paragraph (65) and inserting ''; and''; and

(iii) by inserting after paragraph (65) the following new paragraph:

''(66) provide for making eligibility determinations under section 1935(a).''.

(2) NEW SECTION.—Title XIX of such Act is further amended—

(A) by redesignating section 1935 as section 1936; and

(B) by inserting after section 1934 the following new section:

''SPECIAL PROVISIONS RELATING TO MEDICARE PRESCRIPTION DRUG BENEFIT

''SEC. 1935. (a) REQUIREMENT FOR MAKING ELIGIBILITY DETERMINATIONS FOR LOW-INCOME SUBSIDIES.—As a condition of its State plan under this title under section 1902(a)(66) and receipt of any Federal financial assistance under section 1903(a), a State shall—

''(1) make determinations of eligibility for premium and cost-sharing subsidies under (and in accordance with) section 1860G;

''(2) inform the Administrator of the Medicare Benefits Administration of such determinations in cases in which such eligibility is established; and

''(3) otherwise provide such Administrator with such information as may be required to carry out part D of title XVIII (including section 1860G).

''(b) PAYMENTS FOR ADDITIONAL ADMINISTRATIVE COSTS.—

''(1) IN GENERAL.—The amounts expended by a State in carrying out subsection (a) are, subject to paragraph (2), expenditures reimbursable under the appropriate paragraph of section 1903(a); except that, notwithstanding any other provision of such section, the applicable Federal matching rates with respect to such expenditures under such section shall be increased as follows:

''(A) For expenditures attributable to costs incurred during 2003, the otherwise applicable Federal matching rate shall be increased by 20 percent of the percentage otherwise payable (but for this subsection) by the State.

''(B) For expenditures attributable to costs incurred during 2004, the otherwise applicable Federal matching rate shall be increased by 40 percent of the percentage otherwise payable (but for this subsection) by the State.

''(C) For expenditures attributable to costs incurred during 2005, the otherwise applicable Federal matching rate shall be increased by 60 percent of the percentage otherwise payable (but for this subsection) by the State.

''(D) For expenditures attributable to costs incurred during 2006, the otherwise applicable Federal matching rate shall be increased by 80 percent of the percentage otherwise payable (but for this subsection) by the State.

''(E) For expenditures attributable to costs incurred after 2006, the otherwise applicable Federal matching rate shall be increased to 100 percent.

''(2) COORDINATION.—The State shall provide the Secretary with such information as may be necessary to properly allocate administrative expenditures described in paragraph (1) that may otherwise be made for similar eligibility determinations.''.

(b) PHASED-IN FEDERAL ASSUMPTION OF MEDICAID RESPONSIBILITY FOR PREMIUM AND COST-SHARING SUBSIDIES FOR DUALLY ELIGIBLE INDIVIDUALS.—

(1) IN GENERAL.—Section 1903(a)(1) of the Social Security Act (42 U.S.C. 1396b(a)(1)) is amended by inserting before the semicolon the following: '', reduced by the amount computed under section 1935(c)(1) for the State and the quarter''.

(2) AMOUNT DESCRIBED.—Section 1935 of such Act, as inserted by subsection (a)(2), is amended by adding at the end the following new subsection:

''(c) FEDERAL ASSUMPTION OF MEDICAID PRESCRIPTION DRUG COSTS FOR DUALLY-ELIGIBLE BENEFICIARIES.—

''(1) IN GENERAL.—For purposes of section 1903(a)(1), for a State that is one of the 50 States or the District of Columbia for a calendar quarter in a year (beginning with 2003) the amount computed under this subsection is equal to the product of the following:

''(A) MEDICARE SUBSIDIES.—The total amount of payments made in the quarter under section 1860G (relating to premium and cost-sharing prescription drug subsidies for low-income medicare beneficiaries) that are attributable to individuals who are residents of the State and are entitled to benefits with respect to prescribed drugs under the State plan under this title (including

such a plan operating under a waiver under section 1115).

''(B) STATE MATCHING RATE.—A proportion computed by subtracting from 100 percent the Federal medical assistance percentage (as defined in section 1905(b)) applicable to the State and the quarter.

''(C) PHASE-OUT PROPORTION.—The phase-out proportion (as defined in paragraph (2)) for the quarter.

''(2) PHASE-OUT PROPORTION.—For purposes of paragraph (1)(C), the 'phase-out proportion' for a calendar quarter in—

''(A) 2003 is 80 percent;

''(B) 2004 is 60 percent;

''(C) 2005 is 40 percent;

''(D) 2006 is 20 percent; or

''(E) a year after 2006 is 0 percent.''.

(c) MEDICAID PROVIDING WRAP-AROUND BENEFITS.—Section 1935 of such Act, as so inserted and amended, is further amended by adding at the end the following new subsection:

''(d) ADDITIONAL PROVISIONS.—

''(1) MEDICAID AS SECONDARY PAYOR.—In the case of an individual dually entitled to qualified prescription drug coverage under a prescription drug plan under part D of title XVIII (or under a Medicare+Choice plan under part C of such title) and medical assistance for prescribed drugs under this title, medical assistance shall continue to be provided under this title for prescribed drugs to the extent payment is not made under the prescription drug plan or the Medicare+Choice plan selected by the individual.

''(2) CONDITION.—A State may require, as a condition for the receipt of medical assistance under this title with respect to prescription drug benefits for an individual eligible to obtain qualified prescription drug coverage described in paragraph (1), that the individual elect qualified prescription drug coverage under section 1860A.''.

(d) TREATMENT OF TERRITORIES.—

(1) IN GENERAL.—Section 1935 of such Act, as so inserted and amended, is further amended—

(A) in subsection (a)(1), by inserting ''subject to subsection (e),'' after ''section 1903 '';

(B) in subsection (c)(1), by inserting ''subject to subsection (e),'' after ''1903(a)''; and

(C) by adding at the end the following new subsection:

''(e) TREATMENT OF TERRITORIES.—

''(1) IN GENERAL.—In the case of a State, other than the 50 States and the District of Columbia—

''(A) the previous provisions of this section shall not apply to residents of such State; and

''(B) if the State establishes a plan described in paragraph (2) (for providing medical assistance with respect to the provision of prescription drugs to medicare beneficiaries), the amount otherwise determined under section 1108(f) (as increased under section 1108(g)) for the State shall be increased by the amount specified in paragraph (3).

''(2) PLAN.—The plan described in this paragraph is a plan that—

''(A) provides medical assistance with respect to the provision of covered outpatient drugs (as defined in section 1860B(f)) to low-income medicare beneficiaries; and

''(B) assures that additional amounts received by the State that are attributable to the operation of this subsection are used only for such assistance.

''(3) INCREASED AMOUNT.—

''(A) IN GENERAL.—The amount specified in this paragraph for a State for a year is equal to the product of—

''(i) the aggregate amount specified in subparagraph (B); and

''(ii) the amount specified in section 1108(g)(1) for that State, divided by the sum of the amounts specified in such section for all such States.

''(B) AGGREGATE AMOUNT.—The aggregate amount specified in this subparagraph for—

''(i) 2003, is equal to $20,000,000; or

''(ii) a subsequent year, is equal to the aggregate amount specified in this subparagraph for the previous year increased by annual percentage increase specified in section 1860(b)(5) for the year involved.

''(4) REPORT.—The Secretary shall submit to Congress a report on the application of this subsection and may include in the report such recommendations as the Secretary deems appropriate.''.

(2) CONFORMING AMENDMENT.—Section 1108(f) of such Act is amended by inserting ''and section 1935(e)(1)(B)'' after ''Subject to subsection (g)''.

**SEC. 104. MEDIGAP TRANSITION PROVISIONS.**

(a) IN GENERAL.—Notwithstanding any other provision of law, no new medicare supplemental policy that provides coverage of expenses for prescription drugs may be issued under section 1882 of the Social Security Act on or after January 1, 2003, to an individual unless it replaces a medicare supplemental policy that was issued to that individual and that provided some coverage of expenses for prescription drugs.

(b) ISSUANCE OF SUBSTITUTE POLICIES IF OBTAIN PRESCRIPTION DRUG COVERAGE THROUGH MEDICARE.—

(1) IN GENERAL.—The issuer of a medicare supplemental policy—

(A) may not deny or condition the issuance or effectiveness of a medicare supplemental policy that has a benefit package classified as ''A'', ''B'', ''C'', ''D'', ''E'', ''F'', or ''G'' (under the standards established under subsection (p)(2) of section 1882 of the Social Security Act, 42 U.S.C. 1395ss) and that is offered and is available for issuance to new enrollees by such issuer;

(B) may not discriminate in the pricing of such policy, because of health status, claims experience, receipt of health care, or medical condition; and

(C) may not impose an exclusion of benefits based on a pre-existing condition under such policy,

in the case of an individual described in paragraph (2) who seeks to enroll under the policy not later than 63 days after the date of the termination of enrollment described in such paragraph and who submits evidence of the date of termination or disenrollment along with the application for such medicare supplemental policy.

(2) INDIVIDUAL COVERED.—An individual described in this paragraph is an individual who—

(A) enrolls in a prescription drug plan under part D of title XVIII of the Social Security Act; and

(B) at the time of such enrollment was enrolled and terminates enrollment in a medicare supplemental policy which has a benefit package classified as ''H'', ''I'', or ''J'' under the standards referred to in paragraph (1)(A) or terminates enrollment in a policy to which such standards do not apply but which provides benefits for prescription drugs.

(3) ENFORCEMENT.—The provisions of paragraph (1) shall be enforced as though they were included in section 1882(s) of the Social Security Act (42 U.S.C. 1395ss(s)).

(4) DEFINITIONS.—For purposes of this subsection, the term ''medicare supplemental policy'' has the meaning given such term in section 1882(g) of the Social Security Act (42 U.S.C. 1395ss(g)).

## TITLE II—MODERNIZATION OF ADMINISTRATION OF MEDICARE

### Subtitle A—Medicare Benefits Administration

**SEC. 201. ESTABLISHMENT OF ADMINISTRATION.**

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by inserting after section 1806 the following new section:

''MEDICARE BENEFITS ADMINISTRATION

''SEC. 1807. (a) ESTABLISHMENT.—There is established within the Department of Health and Human Services an agency to be known as the Medicare Benefits Administration.

''(b) ADMINISTRATOR AND DEPUTY ADMINISTRATOR.—

''(1) ADMINISTRATOR.—

''(A) IN GENERAL.—The Medicare Benefits Administration shall be headed by an Administrator (in this section referred to as the 'Administrator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be in direct line of authority to the Secretary.

''(B) COMPENSATION.—The Administrator shall be paid at the rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

''(C) TERM OF OFFICE.—The Administrator shall be appointed for a term of 5 years. In any case in which a successor does not take office at the end of an Administrator's term of office, that Administrator may continue in office until the entry upon office of such a successor. An Administrator appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(D) GENERAL AUTHORITY.—The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

''(E) RULEMAKING AUTHORITY.—The Administrator may prescribe such rules and regulations as the Administrator determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Administrator shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

''(F) AUTHORITY TO ESTABLISH ORGANIZATIONAL UNITS.—The Administrator may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Administrator considers necessary or appropriate, except that this subparagraph shall not apply with respect to any unit, component, or provision provided for by this section.

''(G) AUTHORITY TO DELEGATE.—The Administrator may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Administration as the Administrator may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.

''(2) DEPUTY ADMINISTRATOR.—

''(A) IN GENERAL.—There shall be a Deputy Administrator of the Medicare Benefits Administration who shall be appointed by the President, by and with the advice and consent of the Senate.

''(B) COMPENSATION.—The Deputy Administrator shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(C) TERM OF OFFICE.—The Deputy Administrator shall be appointed for a term of 5

years. In any case in which a successor does not take office at the end of a Deputy Administrator's term of office, such Deputy Administrator may continue in office until the entry upon office of such a successor. A Deputy Administrator appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(D) DUTIES.—The Deputy Administrator shall perform such duties and exercise such powers as the Administrator shall from time to time assign or delegate. The Deputy Administrator shall be Acting Administrator of the Administration during the absence or disability of the Administrator and, unless the President designates another officer of the Government as Acting Administrator, in the event of a vacancy in the office of the Administrator.

''(3) SECRETARIAL COORDINATION OF PROGRAM ADMINISTRATION.—The Secretary shall ensure appropriate coordination between the Administrator and the Administrator of the Health Care Financing Administration in carrying out the programs under this title.

''(c) DUTIES; ADMINISTRATIVE PROVISIONS.—

''(1) DUTIES.—

''(A) GENERAL DUTIES.—The Administrator shall carry out parts C and D, including—

''(i) negotiating, entering into, and enforcing, contracts with plans for the offering of Medicare+Choice plans under part C, including the offering of qualified prescription drug coverage under such plans; and

''(ii) negotiating, entering into, and enforcing, contracts with PDP sponsors for the offering of prescription drug plans under part D.

''(B) OTHER DUTIES.—The Administrator shall carry out any duty provided for under part C or part D, including demonstration projects carried out in part or in whole under such parts, the programs of all-inclusive care for the elderly (PACE program) under section 1894, the social health maintenance organization (SHMO) demonstration projects (referred to in section 4104(c) of the Balanced Budget Act of 1997), and through a Medicare+Choice project that demonstrates the application of capitation payment rates for frail elderly medicare beneficiaries through the use of a interdisciplinary team and through the provision of primary care services to such beneficiaries by means of such a team at the nursing facility involved).

''(C) ANNUAL REPORTS.—Not later March 31 of each year, the Administrator shall submit to Congress and the President a report on the administration of parts C and D during the previous fiscal year.

''(2) STAFF.—

''(A) IN GENERAL.—The Administrator, with the approval of the Secretary, may employ, without regard to chapter 31 of title 5, United States Code, such officers and employees as are necessary to administer the activities to be carried out through the Medicare Benefits Administration.

''(B) FLEXIBILITY WITH RESPECT TO CIVIL SERVICE LAWS.—

''(i) IN GENERAL.—The staff of the Medicare Benefits Administration shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and, subject to clause (ii), shall be paid without regard to the provisions of chapter 51 and chapter 53 of such title (relating to classification and schedule pay rates).

''(ii) MAXIMUM RATE.—In no case may the rate of compensation determined under clause (i) exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(3) REDELEGATION OF CERTAIN FUNCTIONS OF THE HEALTH CARE FINANCING ADMINISTRATION.—

''(A) IN GENERAL.—The Secretary, the Administrator, and the Administrator of the Health Care Financing Administration shall establish an appropriate transition of responsibility in order to redelegate the administration of part C from the Secretary and the Administrator of the Health Care Financing Administration to the Administrator as is appropriate to carry out the purposes of this section.

''(B) TRANSFER OF DATA AND INFORMATION.—The Secretary shall ensure that the Administrator of the Health Care Financing Administration transfers to the Administrator of the Medicare Benefits Administration such information and data in the possession of the Administrator of the Health Care Financing Administration as the Administrator of the Medicare Benefits Administration requires to carry out the duties described in paragraph (1).

''(C) CONSTRUCTION.—Insofar as a responsibility of the Secretary or the Administrator of the Health Care Financing Administration is redelegated to the Administrator under this section, any reference to the Secretary or the Administrator of the Health Care Financing Administration in this title or title XI with respect to such responsibility is deemed to be a reference to the Administrator.

''(d) OFFICE OF BENEFICIARY ASSISTANCE.—

''(1) ESTABLISHMENT.—The Secretary shall establish within the Medicare Benefits Administration an Office of Beneficiary Assistance to carry out functions relating to medicare beneficiaries under this title, including making determinations of eligibility of individuals for benefits under this title, providing for enrollment of medicare beneficiaries under this title, and the functions described in paragraph (2). The Office shall be separate operating division within the Administration.

''(2) DISSEMINATION OF INFORMATION ON BENEFITS AND APPEALS RIGHTS.—

''(A) DISSEMINATION OF BENEFITS INFORMATION.—The Office of Beneficiary Assistance shall disseminate to medicare beneficiaries, by mail, by posting on the Internet site of the Medicare Benefits Administration and through the toll-free telephone number provided for under section 1804(b), information with respect to the following:

''(i) Benefits, and limitations on payment (including cost-sharing, stop-loss provisions, and formulary restrictions) under parts C and D.

''(ii) Benefits, and limitations on payment under parts A and B, including information on medicare supplemental policies under section 1882.

Such information shall be presented in a manner so that medicare beneficiaries may compare benefits under parts A, B, D, and medicare supplemental policies with benefits under Medicare+Choice plans under part C.

''(B) DISSEMINATION OF APPEALS RIGHTS INFORMATION.—The Office of Beneficiary Assistance shall disseminate to medicare beneficiaries in the manner provided under subparagraph (A) a description of procedural rights (including grievance and appeals procedures) of beneficiaries under the original medicare fee-for-service program under parts A and B, the Medicare+Choice program under part C, and the Voluntary Prescription Drug Benefit Program under part D.

''(3) MEDICARE OMBUDSMAN.—

''(A) IN GENERAL.—Within the Office of Beneficiary Assistance, there shall be a Medicare Ombudsman, appointed by the Secretary from among individuals with expertise and experience in the fields of health care and advocacy, to carry out the duties described in subparagraph (B).

''(B) DUTIES.—The Medicare Ombudsman shall—

''(i) receive complaints, grievances, and requests for information submitted by a medicare beneficiary, with respect to any aspect of the medicare program;

''(ii) provide assistance with respect to complaints, grievances, and requests referred to in clause (i), including—

''(I) assistance in collecting relevant information for such beneficiaries, to seek an appeal of a decision or determination made by a fiscal intermediary, carrier, Medicare+Choice organization, a PDP sponsor under part D, or the Secretary; and

''(II) assistance to such beneficiaries with any problems arising from disenrollment from a Medicare+Choice plan under part C or a prescription drug plan under part D; and

''(iii) submit annual reports to Congress, the Secretary, and the Medicare Policy Advisory Board describing the activities of the Office, and including such recommendations for improvement in the administration of this title as the Ombudsman determines appropriate.

''(C) COORDINATION WITH STATE OMBUDSMAN PROGRAMS AND CONSUMER ORGANIZATIONS.—The Medicare Ombudsman shall, to the extent appropriate, coordinate with State medical Ombudsman programs, and with State- and community-based consumer organizations, to—

''(i) provide information about the medicare program; and

''(ii) conduct outreach to educate medicare beneficiaries with respect to manners in which problems under the medicare program may be resolved or avoided.

''(e) MEDICARE POLICY ADVISORY BOARD.—

''(1) ESTABLISHMENT.—There is established within the Medicare Benefits Administration the Medicare Policy Advisory Board (in this section referred to the 'Board'). The Board shall advise, consult with, and make recommendations to the Administrator of the Medicare Benefits Administration with respect to the administration of parts C and D, including the review of payment policies under such parts.

''(2) REPORTS.—

''(A) IN GENERAL.—With respect to matters of the administration of parts C and D, the Board shall submit to Congress and to the Administrator of the Medicare Benefits Administration such reports as the Board determines appropriate. Each such report may contain such recommendations as the Board determines appropriate for legislative or administrative changes to improve the administration of such parts, including the topics described in subparagraph (B). Each such report shall be published in the Federal Register.

''(B) TOPICS DESCRIBED.—Reports required under subparagraph (A) may include the following topics:

''(i) FOSTERING COMPETITION.—Recommendations or proposals to increase competition under parts C and D for services furnished to medicare beneficiaries.

''(ii) EDUCATION AND ENROLLMENT.—Recommendations for the improvement to efforts to provide medicare beneficiaries information and education on the program under this title, and specifically parts C and D, and the program for enrollment under the title.

''(iii) IMPLEMENTATION OF RISK-ADJUSTMENT.—Evaluation of the implementation under section 1853(a)(3)(C) of the risk adjustment methodology to payment rates under that section to Medicare+Choice organizations offering Medicare+Choice plans that accounts for variations in per capita costs based on health status and other demographic factors.

''(iv) DISEASE MANAGEMENT PROGRAMS.—Recommendations on the incorporation of disease management programs under parts C and D.

''(C) MAINTAINING INDEPENDENCE OF BOARD.—The Board shall directly submit to Congress reports required under subparagraph (A). No officer or agency of the United States may require the Board to submit to any officer or agency of the United States for approval, comments, or review, prior to the submission to Congress of such reports.

''(3) DUTY OF ADMINISTRATOR OF MEDICARE BENEFITS ADMINISTRATION.—With respect to any report submitted by the Board under paragraph (2)(A), not later than 90 days after the report is submitted, the Administrator of the Medicare Benefits Administration shall submit to Congress and the President an analysis of recommendations made by the Board in such report. Each such analysis shall be published in the Federal Register.

''(4) MEMBERSHIP.—

''(A) APPOINTMENT.—Subject to the succeeding provisions of this paragraph, the Board shall consist of 7 members to be appointed as follows:

''(i) 3 members shall be appointed by the President.

''(ii) 2 members shall be appointed by the Speaker of the House of Representatives, with the advice of the chairman and the ranking minority member of the Committees on Ways and Means and on Commerce of the House of Representatives.

''(iii) 2 members shall be appointed by the President pro tempore of the Senate with the advice of the chairman and the ranking minority member of the Senate Committee on Finance.

''(B) QUALIFICATIONS.—The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education and experience in health care benefits management, exceptionally qualified to perform the duties of members of the Board.

''(C) PROHIBITION ON INCLUSION OF FEDERAL EMPLOYEES.—No officer or employee of the United States may serve as a member of the Board.

''(5) COMPENSATION.—Members of the Board shall receive, for each day (including travel time) they are engaged in the performance of the functions of the board, compensation at rates not to exceed the daily equivalent to the annual rate in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(6) TERMS OF OFFICE.—

''(A) IN GENERAL.—The term of office of members of the Board shall be 3 years.

''(B) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

''(i) 1 shall be appointed for a term of 1 year;

''(ii) 3 shall be appointed for terms of 2 years; and

''(iii) 3 shall be appointed for terms of 3 years.

''(C) REAPPOINTMENTS.—Any person appointed as a member of the Board may not serve for more than 8 years.

''(D) VACANCY.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.

''(7) CHAIR.—The Chair of the Board shall be elected by the members. The term of office of the Chair shall be 3 years.

''(8) MEETINGS.—The Board shall meet at the call of the Chair, but in no event less than 3 times during each fiscal year.

''(9) DIRECTOR AND STAFF.—

''(A) APPOINTMENT OF DIRECTOR.—The Board shall have a Director who shall be appointed by the Chair.

''(B) STAFF.—With the approval of the Board, the Director may appoint and fix the pay of such additional personnel as the Director considers appropriate.

''(C) FLEXIBILITY IN APPLICATION OF CIVIL SERVICE LAWS.—

''(i) IN GENERAL.—The Director and staff of the Board shall be appointed without regard to the provisions of chapter 31 of title 5, United States Code, governing appointments in the competitive service, and, subject to clause (ii), shall be paid without regard to the provisions of chapters 51 and 53 of such title (relating to classification and General Schedule pay rates).

''(ii) MAXIMUM RATE.—In no case may the rate of compensation determined under clause (i) exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(D) ASSISTANCE FROM THE ADMINISTRATOR OF THE MEDICARE BENEFITS ADMINISTRATION.—The Administrator of the Medicare Benefits Administration shall make available to the Board such information and other assistance as it may require to carry out its functions.

''(10) CONTRACT AUTHORITY.—The Board may contract with and compensate government and private agencies or persons to carry out its duties under this subsection, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

''(f) FUNDING.—There is authorized to be appropriated, in appropriate part from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund (including the Medicare Prescription Drug Account), such sums as are necessary to carry out this section.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) TIMING OF INITIAL APPOINTMENTS.—The Administrator and Deputy Administrator of the Medicare Benefits Administration may not be appointed before March 1, 2001.

(3) DUTIES WITH RESPECT TO ELIGIBILITY DETERMINATIONS AND ENROLLMENT.—The Administrator of the Medicare Benefits Administration shall carry out enrollment under title XVIII of the Social Security Act, make eligibility determinations under such title, and carry out part C of such title for years beginning or after January 1, 2003.

**SEC. 202. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.**

(a) ADMINISTRATOR AS MEMBER OF THE BOARD OF TRUSTEES OF THE MEDICARE TRUST FUNDS.—Section 1817(b) and section 1841(b) of the Social Security Act (42 U.S.C. 1395i(b), 1395t(b)) are each amended by striking ''and the Secretary of Health and Human Services, all ex officio,'' and inserting '', the Secretary of Health and Human Services, and the Administrator of the Medicare Benefits Administration, all ex officio,''.

(b) INCREASE IN GRADE TO EXECUTIVE LEVEL III FOR THE ADMINISTRATOR OF THE HEALTH CARE FINANCING ADMINISTRATION.—

(1) IN GENERAL.—Section 5314 of title 5, United States Code, by adding at the end the following:

''Administrator of the Health Care Financing Administration.''.

(2) CONFORMING AMENDMENT.—Section 5315 of such title is amended by striking ''Administrator of the Health Care Financing Administration.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on March 1, 2001.

## Subtitle B—Oversight of Financial Sustainability of the Medicare Program

**SEC. 211. ADDITIONAL REQUIREMENTS FOR ANNUAL FINANCIAL REPORT AND OVERSIGHT ON MEDICARE PROGRAM.**

(a) IN GENERAL.—Section 1817 of the Social Security Act (42 U.S.C. 1395i) is amended by adding at the end the following new subsection:

''(l) COMBINED REPORT ON OPERATION AND STATUS OF THE TRUST FUND AND THE FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.—

''(1) IN GENERAL.—In addition to the duty of the Board of Trustees to report to Congress under subsection (b), on the date the Board submits the report required under subsection (b)(2), the Board shall submit to Congress a report on the operation and status of the Trust Fund and the Federal Supplementary Medical Insurance Trust Fund established under section 1841 (in this subsection referred to as the 'Trust Funds'). Such report shall included the following information:

''(A) OVERALL SPENDING FROM THE GENERAL FUND OF THE TREASURY.—A statement of total amounts obligated during the preceding fiscal year from the General Revenues of the Treasury to the Trust Funds for payment for benefits covered under this title, stated in terms of the total amount and in terms of the percentage such amount bears to all other amounts obligated from such General Revenues during such fiscal year.

''(B) HISTORICAL OVERVIEW OF SPENDING.—From the date of the inception of the program of insurance under this title through the fiscal year involved, a statement of the total amounts referred to in subparagraph (A).

''(C) 10-YEAR AND 50-YEAR PROJECTIONS.—An estimate of total amounts referred to in subparagraph (A) required to be obligated for payment for benefits covered under this title for each of the 10 fiscal years succeeding the fiscal year involved and for the 50-year period beginning with the succeeding fiscal year.

''(D) RELATION TO GDP GROWTH.—A comparison of the rate of growth of the total amounts referred to in subparagraph (A) to the rate of growth in the gross domestic product for the same period.

''(2) PUBLICATION.—Each report submitted under paragraph (1) shall be published by the Committee on Ways and Means as a public document and shall be made available by such Committee on the Internet.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fiscal years beginning on or after the date of the enactment of this Act.

(c) CONGRESSIONAL HEARINGS.—It is the sense of Congress that the committees of jurisdiction shall hold hearings on the reports submitted under section 1817(l) of the Social Security Act.

## Subtitle C—Changes in Medicare Coverage and Appeals Process

**SEC. 221. REVISIONS TO MEDICARE APPEALS PROCESS.**

(a) CONDUCT OF RECONSIDERATIONS OF DETERMINATIONS BY INDEPENDENT CONTRACTORS.—Section 1869 of the Social Security Act (42 U.S.C. 1395ff) is amended to read as follows:

''DETERMINATIONS; APPEALS

''SEC. 1869. (a) INITIAL DETERMINATIONS.—The Secretary shall promulgate regulations and make initial determinations with respect to benefits under part A or part B in

accordance with those regulations for the following:

''(1) The initial determination of whether an individual is entitled to benefits under such parts.

''(2) The initial determination of the amount of benefits available to the individual under such parts.

''(3) Any other initial determination with respect to a claim for benefits under such parts, including an initial determination by the Secretary that payment may not be made, or may no longer be made, for an item or service under such parts, an initial determination made by a utilization and quality control peer review organization under section 1154(a)(2), and an initial determination made by an entity pursuant to a contract with the Secretary to administer provisions of this title or title XI.

''(b) APPEAL RIGHTS.—

''(1) IN GENERAL.—

''(A) RECONSIDERATION OF INITIAL DETERMINATION.—Subject to subparagraph (D), any individual dissatisfied with any initial determination under subsection (a) shall be entitled to reconsideration of the determination, and, subject to subparagraphs (D) and (E), a hearing thereon by the Secretary to the same extent as is provided in section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

''(B) REPRESENTATION BY PROVIDER OR SUPPLIER.—

''(i) IN GENERAL.—Sections 206(a), 1102, and 1871 shall not be construed as authorizing the Secretary to prohibit an individual from being represented under this section by a person that furnishes or supplies the individual, directly or indirectly, with services or items, solely on the basis that the person furnishes or supplies the individual with such a service or item.

''(ii) MANDATORY WAIVER OF RIGHT TO PAYMENT FROM BENEFICIARY.—Any person that furnishes services or items to an individual may not represent an individual under this section with respect to the issue described in section 1879(a)(2) unless the person has waived any rights for payment from the beneficiary with respect to the services or items involved in the appeal.

''(iii) PROHIBITION ON PAYMENT FOR REPRESENTATION.—If a person furnishes services or items to an individual and represents the individual under this section, the person may not impose any financial liability on such individual in connection with such representation.

''(iv) REQUIREMENTS FOR REPRESENTATIVES OF A BENEFICIARY.—The provisions of section 205(j) and section 206 (regarding representation of claimants) shall apply to representation of an individual with respect to appeals under this section in the same manner as they apply to representation of an individual under those sections.

''(C) SUCCESSION OF RIGHTS IN CASES OF ASSIGNMENT.—The right of an individual to an appeal under this section with respect to an item or service may be assigned to the provider of services or supplier of the item or service upon the written consent of such individual using a standard form established by the Secretary for such an assignment.

''(D) TIME LIMITS FOR APPEALS.—

''(i) RECONSIDERATIONS.—Reconsideration under subparagraph (A) shall be available only if the individual described subparagraph (A) files notice with the Secretary to request reconsideration by not later than 180 days after the individual receives notice of the initial determination under subsection (a) or within such additional time as the Secretary may allow.

''(ii) HEARINGS CONDUCTED BY THE SECRETARY.—The Secretary shall establish in regulations time limits for the filing of a request for a hearing by the Secretary in accordance with provisions in sections 205 and 206.

''(E) AMOUNTS IN CONTROVERSY.—

''(i) IN GENERAL.—A hearing (by the Secretary) shall not be available to an individual under this section if the amount in controversy is less than $100, and judicial review shall not be available to the individual if the amount in controversy is less than $1,000.

''(ii) AGGREGATION OF CLAIMS.—In determining the amount in controversy, the Secretary, under regulations, shall allow 2 or more appeals to be aggregated if the appeals involve—

''(I) the delivery of similar or related services to the same individual by one or more providers of services or suppliers, or

''(II) common issues of law and fact arising from services furnished to 2 or more individuals by one or more providers of services or suppliers.

''(F) EXPEDITED PROCEEDINGS.—

''(i) EXPEDITED DETERMINATION.—In the case of an individual who—

''(I) has received notice by a provider of services that the provider of services plans to terminate services provided to an individual and a physician certifies that failure to continue the provision of such services is likely to place the individual's health at significant risk, or

''(II) has received notice by a provider of services that the provider of services plans to discharge the individual from the provider of services,

the individual may request, in writing or orally, an expedited determination or an expedited reconsideration of an initial determination made under subsection (a), as the case may be, and the Secretary shall provide such expedited determination or expedited reconsideration.

''(ii) EXPEDITED HEARING.—In a hearing by the Secretary under this section, in which the moving party alleges that no material issues of fact are in dispute, the Secretary shall make an expedited determination as to whether any such facts are in dispute and, if not, shall render a decision expeditiously.

''(G) REOPENING AND REVISION OF DETERMINATIONS.—The Secretary may reopen or revise any initial determination or reconsidered determination described in this subsection under guidelines established by the Secretary in regulations.

''(2) REVIEW OF COVERAGE DETERMINATIONS.—

''(A) NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—Review of any national coverage determination shall be subject to the following limitations:

''(I) Such a determination shall not be reviewed by any administrative law judge.

''(II) Such a determination shall not be held unlawful or set aside on the ground that a requirement of section 553 of title 5, United States Code, or section 1871(b) of this title, relating to publication in the Federal Register or opportunity for public comment, was not satisfied.

''(III) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by the Departmental Appeals Board of the Department of Health and Human Services. In conducting such a review, the Departmental Appeals Board shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the Departmental Appeals Board shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(IV) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(ii) DEFINITION OF NATIONAL COVERAGE DETERMINATION.—For purposes of this section, the term 'national coverage determination' means a determination by the Secretary respecting whether or not a particular item or service is covered under this title, including such a determination under 1862(a)(1).

''(B) LOCAL COVERAGE DETERMINATION.—In the case of a local coverage determination made by a fiscal intermediary or a carrier under part A or part B respecting whether a particular type or class of items or services is covered under such parts, the following limitations apply:

''(i) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by an administrative law judge of the Social Security Administration. The administrative law judge shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the administrative law judge shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(ii) Such a determination may be reviewed by the Departmental Appeals Board of the Department of Health and Human Services.

''(iii) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(C) NO MATERIAL ISSUES OF FACT IN DISPUTE.—In the case of review of a determination under subparagraph (A)(i)(III) or (B)(i) where the moving party alleges that there are no material issues of fact in dispute, and alleges that the only issue is the constitutionality of a provision of this title, or that a regulation, determination, or ruling by the Secretary is invalid, the moving party may seek review by a court of competent jurisdiction.

''(D) PENDING NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—In the event the Secretary has not issued a national coverage or noncoverage determination with respect to a particular type or class of items or services, an affected party may submit to the Secretary a request to make such a determination with respect to such items or services. By not later than the end of the 90-day period beginning on the date the Secretary receives such a request, the Secretary shall take one of the following actions:

''(I) Issue a national coverage determination, with or without limitations.

''(II) Issue a national noncoverage determination.

''(III) Issue a determination that no national coverage or noncoverage determination is appropriate as of the end of such 90-day period with respect to national coverage of such items or services.

''(IV) Issue a notice that states that the Secretary has not completed a review of the national coverage determination and that includes an identification of the remaining steps in the Secretary's review process and a deadline by which the Secretary will complete the review and take an action described in subclause (I), (II), or (III).

''(ii) In the case of an action described in clause (i)(IV), if the Secretary fails to take an action referred to in such clause by the deadline specified by the Secretary under such clause, then the Secretary is deemed to have taken an action described in clause (i)(III) as of the deadline.

''(iii) When issuing a determination under clause (i), the Secretary shall include an explanation of the basis for the determination.

An action taken under clause (i) (other than subclause (IV)) is deemed to be a national coverage determination for purposes of review under subparagraph (A).

''(3) PUBLICATION ON THE INTERNET OF DECISIONS OF HEARINGS OF THE SECRETARY.—Each decision of a hearing by the Secretary shall be made public, and the Secretary shall publish each decision on the Medicare Internet site of the Department of Health and Human Services. The Secretary shall remove from such decision any information that would identify any individual, provider of services, or supplier.

''(4) LIMITATION ON REVIEW OF CERTAIN REGULATIONS.—A regulation or instruction which relates to a method for determining the amount of payment under part B and which was initially issued before January 1, 1981, shall not be subject to judicial review.

''(5) STANDING.—An action under this section seeking review of a coverage determination (with respect to items and services under this title) may be initiated only by one (or more) of the following aggrieved persons, or classes of persons:

''(A) Individuals entitled to benefits under part A, or enrolled under part B, or both, who are in need of the items or services involved in the coverage determination.

''(B) Persons, or classes of persons, who make, manufacture, offer, supply, make available, or provide such items and services.

''(c) CONDUCT OF RECONSIDERATIONS BY INDEPENDENT CONTRACTORS.—

''(1) IN GENERAL.—The Secretary shall enter into contracts with qualified independent contractors to conduct reconsiderations of initial determinations made under paragraphs (2) and (3) of subsection (a). Contracts shall be for an initial term of three years and shall be renewable on a triennial basis thereafter.

''(2) QUALIFIED INDEPENDENT CONTRACTOR.—For purposes of this subsection, the term 'qualified independent contractor' means an entity or organization that is independent of any organization under contract with the Secretary that makes initial determinations under subsection (a), and that meets the requirements established by the Secretary consistent with paragraph (3).

''(3) REQUIREMENTS.—Any qualified independent contractor entering into a contract with the Secretary under this subsection shall meet the following requirements:

''(A) IN GENERAL.—The qualified independent contractor shall perform such duties and functions and assume such responsibilities as may be required under regulations of the Secretary promulgated to carry out the provisions of this subsection, and such additional duties, functions, and responsibilities as provided under the contract.

''(B) DETERMINATIONS.—The qualified independent contractor shall determine, on the basis of such criteria, guidelines, and policies established by the Secretary and published under subsection (d)(2)(D), whether payment shall be made for items or services under part A or part B and the amount of such payment. Such determination shall constitute the conclusive determination on those issues for purposes of payment under such parts for fiscal intermediaries, carriers, and other entities whose determinations are subject to review by the contractor; except that payment may be made if—

''(i) such payment is allowed by reason of section 1879;

''(ii) in the case of inpatient hospital services or extended care services, the qualified independent contractor determines that additional time is required in order to arrange for postdischarge care, but payment may be continued under this clause for not more than 2 days, and only in the case in which the provider of such services did not know and could not reasonably have been expected to know (as determined under section 1879) that payment would not otherwise be made for such services under part A or part B prior to notification by the qualified independent contractor under this subsection;

''(iii) such determination is changed as the result of any hearing by the Secretary or judicial review of the decision under this section; or

''(iv) such payment is authorized under section 1861(v)(1)(G).

''(C) DEADLINES FOR DECISIONS.—

''(i) DETERMINATIONS.—The qualified independent contractor shall conduct and conclude a determination under subparagraph (B) or an appeal of an initial determination, and mail the notice of the decision by not later than the end of the 45-day period beginning on the date a request for reconsideration has been timely filed.

''(ii) CONSEQUENCES OF FAILURE TO MEET DEADLINE.—In the case of a failure by the qualified independent contractor to mail the notice of the decision by the end of the period described in clause (i), the party requesting the reconsideration or appeal may request a hearing before an administrative law judge, notwithstanding any requirements for a reconsidered determination for purposes of the party's right to such hearing.

''(iii) EXPEDITED RECONSIDERATIONS.—The qualified independent contractor shall perform an expedited reconsideration under subsection (b)(1)(F) of a notice from a provider of services or supplier that payment may not be made for an item or service furnished by the provider of services or supplier, of a decision by a provider of services to terminate services furnished to an individual, or of a decision of the provider of services to discharge the individual from the provider of services, in accordance with the following:

''(I) DEADLINE FOR DECISION.—Notwithstanding section 216(j), not later than 1 day after the date the qualified independent contractor has received a request for such reconsideration and has received such medical or other records needed for such reconsideration, the qualified independent contractor shall provide notice (by telephone and in writing) to the individual and the provider of services and attending physician of the individual of the results of the reconsideration. Such reconsideration shall be conducted regardless of whether the provider of services or supplier will charge the individual for continued services or whether the individual will be liable for payment for such continued services.

''(II) CONSULTATION WITH BENEFICIARY.—In such reconsideration, the qualified independent contractor shall solicit the views of the individual involved.

''(D) LIMITATION ON INDIVIDUAL REVIEWING DETERMINATIONS.—

''(i) PHYSICIANS.—No physician under the employ of a qualified independent contractor may review—

''(I) determinations regarding health care services furnished to a patient if the physician was directly responsible for furnishing such services; or

''(II) determinations regarding health care services provided in or by an institution, organization, or agency, if the physician or any member of the physician's family has, directly or indirectly, a significant financial interest in such institution, organization, or agency.

''(ii) PHYSICIAN'S FAMILY DESCRIBED.—For purposes of this paragraph, a physician's family includes the physician's spouse (other than a spouse who is legally separated from the physician under a decree of divorce or separate maintenance), children (including stepchildren and legally adopted children), grandchildren, parents, and grandparents.

''(E) EXPLANATION OF DETERMINATIONS.—Any determination of a qualified independent contractor shall be in writing, and shall include a detailed explanation of the determination as well as a discussion of the pertinent facts and applicable regulations applied in making such determination.

''(F) NOTICE REQUIREMENTS.—Whenever a qualified independent contractor makes a determination under this subsection, the qualified independent contractor shall promptly notify such individual and the entity responsible for the payment of claims under part A or part B of such determination.

''(G) DISSEMINATION OF INFORMATION.—Each qualified independent contractor shall, using the methodology established by the Secretary under subsection (d)(4), make available all determinations of such qualified independent contractors to fiscal intermediaries (under section 1816), carriers (under section 1842), peer review organizations (under part B of title XI), Medicare+Choice organizations offering Medicare+Choice plans under part C, and other entities under contract with the Secretary to make initial determinations under part A or part B or title XI.

''(H) ENSURING CONSISTENCY IN DETERMINATIONS.—Each qualified independent contractor shall monitor its determinations to ensure consistency of determinations with respect to requests for reconsideration of similar or related matters.

''(I) DATA COLLECTION.—

''(i) IN GENERAL.—Consistent with the requirements of clause (ii), a qualified independent contractor shall collect such information relevant to its functions, and keep and maintain such records in such form and manner as the Secretary may require to carry out the purposes of this section and shall permit access to and use of any such information and records as the Secretary may require for such purposes.

''(ii) TYPE OF DATA COLLECTED.—Each qualified independent contractor shall keep accurate records of each decision made, consistent with standards established by the Secretary for such purpose. Such records shall be maintained in an electronic database in a manner that provides for identification of the following:

''(I) Specific claims that give rise to appeals.

''(II) Situations suggesting the need for increased education for providers of services, physicians, or suppliers.

''(III) Situations suggesting the need for changes in national or local coverage policy.

''(IV) Situations suggesting the need for changes in local medical review policies.

''(iii) ANNUAL REPORTING.—Each qualified independent contractor shall submit annually to the Secretary (or otherwise as the Secretary may request) records maintained under this paragraph for the previous year.

''(J) HEARINGS BY THE SECRETARY.—The qualified independent contractor shall (i) prepare such information as is required for an appeal of its reconsidered determination to the Secretary for a hearing, including as necessary, explanations of issues involved in the determination and relevant policies, and (ii) participate in such hearings as required by the Secretary.

''(4) NUMBER OF QUALIFIED INDEPENDENT CONTRACTORS.—The Secretary shall enter into contracts with not more than 12 qualified independent contractors under this subsection.

''(5) LIMITATION ON QUALIFIED INDEPENDENT CONTRACTOR LIABILITY.—No qualified independent contractor having a contract with the Secretary under this subsection and no person who is employed by, or who has a fiduciary relationship with, any such qualified

independent contractor or who furnishes professional services to such qualified independent contractor, shall be held by reason of the performance of any duty, function, or activity required or authorized pursuant to this subsection or to a valid contract entered into under this subsection, to have violated any criminal law, or to be civilly liable under any law of the United States or of any State (or political subdivision thereof) provided due care was exercised in the performance of such duty, function, or activity.

''(d) ADMINISTRATIVE PROVISIONS.—

''(1) OUTREACH.—The Secretary shall perform such outreach activities as are necessary to inform individuals entitled to benefits under this title and providers of services and suppliers with respect to their rights of, and the process for, appeals made under this section. The Secretary shall use the toll-free telephone number maintained by the Secretary (1–800–MEDICAR(E)) (1–800–633–4227) to provide information regarding appeal rights and respond to inquiries regarding the status of appeals.

''(2) GUIDANCE FOR RECONSIDERATIONS AND HEARINGS.—

''(A) REGULATIONS.—Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations governing the processes of reconsiderations of determinations by the Secretary and qualified independent contractors and of hearings by the Secretary. Such regulations shall include such specific criteria and provide such guidance as required to ensure the adequate functioning of the reconsiderations and hearings processes and to ensure consistency in such processes.

''(B) DEADLINES FOR ADMINISTRATIVE ACTION.—

''(i) HEARING BY ADMINISTRATIVE LAW JUDGE.—

''(II) IN GENERAL.—Except as provided in subclause (II), an administrative law judge shall conduct and conclude a hearing on a decision of a qualified independent contractor under subsection (c) and render a decision on such hearing by not later than the end of the 90-day period beginning on the date a request for hearing has been timely filed.

''(II) WAIVER OF DEADLINE BY PARTY SEEKING HEARING.—The 90-day period under subclause (i) shall not apply in the case of a motion or stipulation by the party requesting the hearing to waive such period.

''(ii) DEPARTMENTAL APPEALS BOARD REVIEW.—The Departmental Appeals Board of the Department of Health and Human Services shall conduct and conclude a review of the decision on a hearing described in subparagraph (B) and make a decision or remand the case to the administrative law judge for reconsideration by not later than the end of the 90-day period beginning on the date a request for review has been timely filed.

''(iii) CONSEQUENCES OF FAILURE TO MEET DEADLINES.—In the case of a failure by an administrative law judge to render a decision by the end of the period described in clause (ii), the party requesting the hearing may request a review by the Departmental Appeals Board of the Department of Health and Human Services, notwithstanding any requirements for a hearing for purposes of the party's right to such a review.

''(iv) DAB HEARING PROCEDURE.—In the case of a request described in clause (iii), the Departmental Appeals Board shall review the case de novo.

''(C) POLICIES.—The Secretary shall provide such specific criteria and guidance, including all applicable national and local coverage policies and rationale for such policies, as is necessary to assist the qualified independent contractors to make informed decisions in considering appeals under this section. The Secretary shall furnish to the qualified independent contractors the criteria and guidance described in this paragraph in a published format, which may be an electronic format.

''(D) PUBLICATION OF MEDICARE COVERAGE POLICIES ON THE INTERNET.—The Secretary shall publish national and local coverage policies under this title on an Internet site maintained by the Secretary.

''(E) EFFECT OF FAILURE TO PUBLISH POLICIES.—

''(i) NATIONAL AND LOCAL COVERAGE POLICIES.—Qualified independent contractors shall not be bound by any national or local medicare coverage policy established by the Secretary that is not published on the Internet site under subparagraph (D).

''(ii) OTHER POLICIES.—With respect to policies established by the Secretary other than the policies described in clause (i), qualified independent contractors shall not be bound by such policies if the Secretary does not furnish to the qualified independent contractor the policies in a published format consistent with subparagraph (C).

''(3) CONTINUING EDUCATION REQUIREMENT FOR QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—

''(A) IN GENERAL.—The Secretary shall provide to each qualified independent contractor, and to administrative law judges that decide appeals of reconsiderations of initial determinations or other decisions or determinations under this section, such continuing education with respect to policies of the Secretary under this title or part B of title XI as is necessary for such qualified independent contractors and administrative law judges to make informed decisions with respect to appeals.

''(B) MONITORING OF DECISIONS BY QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—The Secretary shall monitor determinations made by all qualified independent contractors and administrative law judges under this section and shall provide continuing education and training to such qualified independent contractors and administrative law judges to ensure consistency of determinations with respect to appeals on similar or related matters. To ensure such consistency, the Secretary shall provide for administration and oversight of qualified independent contractors and administrative law judges through a central office of the Department of Health and Human Services. Such administration and oversight may not be delegated to regional offices of the Department.

''(4) DISSEMINATION OF DETERMINATIONS.—The Secretary shall establish a methodology under which qualified independent contractors shall carry out subsection (c)(3)(G).

''(5) SURVEY.—Not less frequently than every 5 years, the Secretary shall conduct a survey of a valid sample of individuals entitled to benefits under this title, providers of services, and suppliers to determine the satisfaction of such individuals or entities with the process for appeals of determinations provided for under this section and education and training provided by the Secretary with respect to that process. The Secretary shall submit to Congress a report describing the results of the survey, and shall include any recommendations for administrative or legislative actions that the Secretary determines appropriate.

''(6) REPORT TO CONGRESS.—The Secretary shall submit to Congress an annual report describing the number of appeals for the previous year, identifying issues that require administrative or legislative actions, and including any recommendations of the Secretary with respect to such actions. The Secretary shall include in such report an analysis of determinations by qualified independent contractors with respect to inconsistent decisions and an analysis of the causes of any such inconsistencies.''.

(b) APPLICABILITY OF REQUIREMENTS AND LIMITATIONS ON LIABILITY OF QUALIFIED INDEPENDENT CONTRACTORS TO MEDICARE+CHOICE INDEPENDENT APPEALS CONTRACTORS.—Section 1852(g)(4) of the Social Security Act (42 U.S.C. 1395w–22(e)(3)) is amended by adding at the end the following: ''The provisions of section 1869(c)(5) shall apply to independent outside entities under contract with the Secretary under this paragraph.''.

(c) CONFORMING AMENDMENT TO REVIEW BY THE PROVIDER REIMBURSEMENT REVIEW BOARD.—Section 1878(g) of the Social Security Act (42 U.S.C. 1395oo(g)) is amended by adding at the end the following new paragraph:

''(3) Findings described in paragraph (1) and determinations and other decisions described in paragraph (2) may be reviewed or appealed under section 1869.''.

**SEC. 222. PROVISIONS WITH RESPECT TO LIMITATIONS ON LIABILITY OF BENEFICIARIES.**

(a) EXPANSION OF LIMITATION OF LIABILITY PROTECTION FOR BENEFICIARIES WITH RESPECT TO MEDICARE CLAIMS NOT PAID OR PAID INCORRECTLY.—

(1) IN GENERAL.—Section 1879 of the Social Security Act (42 U.S.C. 1395pp) is amended by adding at the end the following new subsections:

''(i) Notwithstanding any other provision of this Act, an individual who is entitled to benefits under this title and is furnished a service or item is not liable for repayment to the Secretary of amounts with respect to such benefits—

''(1) subject to paragraph (2), in the case of a claim for such item or service that is incorrectly paid by the Secretary; and

''(2) in the case of payments made to the individual by the Secretary with respect to any claim under paragraph (1), the individual shall be liable for repayment of such amount only up to the amount of payment received by the individual from the Secretary.

''(j)(1) An individual who is entitled to benefits under this title and is furnished a service or item is not liable for payment of amounts with respect to such benefits in the following cases:

''(A) In the case of a benefit for which an initial determination has not been made by the Secretary under subsection (a) whether payment may be made under this title for such benefit.

''(B) In the case of a claim for such item or service that is—

''(i) improperly submitted by the provider of services or supplier; or

''(ii) rejected by an entity under contract with the Secretary to review or pay claims for services and items furnished under this title, including an entity under contract with the Secretary under section 1857.

''(2) The limitation on liability under paragraph (1) shall not apply if the individual signs a waiver provided by the Secretary under subsection (l) of protections under this paragraph, except that any such waiver shall not apply in the case of a denial of a claim for noncompliance with applicable regulations or procedures under this title or title XI.

''(k) An individual who is entitled to benefits under this title and is furnished services by a provider of services is not liable for payment of amounts with respect to such services prior to noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), unless the following conditions are met:

''(1) The provider of services shall furnish a notice of discharge and appeal rights established by the Secretary under subsection (l) to each individual entitled to benefits under this title to whom such provider of services furnishes services, upon admission of the individual to the provider of services and upon notice of determination to discharge the individual from the provider of services, of the individual's limitations of liability under this section and rights of appeal under section 1869.

''(2) If the individual, prior to discharge from the provider of services, appeals the determination to discharge under section 1869 not later than noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), the provider of services shall, by the close of business of such first working day, provide to the Secretary (or qualified independent contractor under section 1869, as determined by the Secretary) the records required to review the determination.

''(l) The Secretary shall develop appropriate standard forms for individuals entitled to benefits under this title to waive limitation of liability protections under subsection (j) and to receive notice of discharge and appeal rights under subsection (k). The forms developed by the Secretary under this subsection shall clearly and in plain language inform such individuals of their limitations on liability, their rights under section 1869(a) to obtain an initial determination by the Secretary of whether payment may be made under part A or part B for such benefit, and their rights of appeal under section 1869(b), and shall inform such individuals that they may obtain further information or file an appeal of the determination by use of the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) maintained by the Secretary. The forms developed by the Secretary under this subsection shall be the only manner in which such individuals may waive such protections under this title or title XI.

''(m) An individual who is entitled to benefits under this title and is furnished an item or service is not liable for payment of cost sharing amounts of more than $50 with respect to such benefits unless the individual has been informed in advance of being furnished the item or service of the estimated amount of the cost sharing for the item or service using a standard form established by the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 1870(a) of the Social Security Act (42 U.S.C. 1395gg(a)) is amended by striking ''Any payment under this title'' and inserting ''Except as provided in section 1879(i), any payment under this title''.

(b) INCLUSION OF BENEFICIARY LIABILITY INFORMATION IN EXPLANATION OF MEDICARE BENEFITS.—Section 1806(a) of the Social Security Act (42 U.S.C. 1395b–7(a)) is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

''(2) lists with respect to each item or service furnished the amount of the individual's liability for payment;'';

(4) in paragraph (3), as so redesignated, by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following new paragraph:

''(4) includes the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) for information and questions concerning the statement, liability of the individual for payment, and appeal rights.''.

**SEC. 223. WAIVERS OF LIABILITY FOR COST SHARING AMOUNTS.**

(a) IN GENERAL.—Section 1128A(i)(6)(A) of the Social Security Act (42 U.S.C. 1320a–7a(i)(6)(A)) is amended by striking clauses (i) through (iii) and inserting the following:

''(i) the waiver is offered as a part of a supplemental insurance policy or retiree health plan;

''(ii) the waiver is not offered as part of any advertisement or solicitation, other than in conjunction with a policy or plan described in clause (i);

''(iii) the person waives the coinsurance and deductible amount after the beneficiary informs the person that payment of the coinsurance or deductible amount would pose a financial hardship for the individual; or

''(iv) the person determines that the coinsurance and deductible amount would not justify the costs of collection.''.

(b) CONFORMING AMENDMENT.—Section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) is amended by adding at the end the following new paragraph:

''(4) In this section, the term 'remuneration' includes the meaning given such term in section 1128A(i)(6).''.

**SEC. 224. ELIMINATION OF MOTIONS BY THE SECRETARY ON DECISIONS OF THE PROVIDER REIMBURSEMENT REVIEW BOARD.**

Section 1878(f)(1) of such Act (42 U.S.C. 1395oo(f)(1)) is amended—

(1) in the first sentence, by striking ''unless the Secretary, on his own motion, and within 60 days after the provider of services is notified of the Board's decision, reverses, affirms, or modifies the Board's decision'';

(2) in the second sentence, by striking '', or of any reversal, affirmance, or modification by the Secretary,'' and ''or of any reversal, affirmance, or modification by the Secretary''; and

(3) in the fifth sentence, by striking '' and not subject to review by the Secretary''.

## TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT

### Subtitle A—Medicare+Choice Reforms

**SEC. 301. INCREASE IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE IN 2001 AND 2002.**

Section 1853(c)(6)(B) of the Social Security Act (42 U.S.C. 1395w–23(c)(6)(B)) is amended—

(1) in clause (iv), by striking ''for 2001, 0.5 percentage points'' and inserting ''for 2001, 0.4 percentage points''; and

(2) in clause (v), by striking ''for 2002, 0.3 percentage points'' and inserting ''for 2002, 0.2 percentage points''.

**SEC. 302. PERMANENTLY REMOVING APPLICATION OF BUDGET NEUTRALITY BEGINNING IN 2002.**

Section 1853(c) of the Social Security Act (42 U.S.C. 1395w–23(c)) is amended—

(1) in paragraph (1)(A), in the matter following clause (ii), by inserting ''(for years before 2002)'' after ''multiplied''; and

(2) in paragraph (5), by inserting ''(before 2002)'' after ''for each year''.

**SEC. 303. INCREASING MINIMUM PAYMENT AMOUNT.**

(a) IN GENERAL.—Section 1853(c)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(B)(ii)) is amended—

(1) by striking ''(ii) For a succeeding year'' and inserting ''(ii)(I) Subject to subclause (II), for a succeeding year''; and

(2) by adding at the end the following new subclause:

''(II) For 2002 for any of the 50 States and the District of Columbia, $450.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to years beginning with 2002.

**SEC. 304. ALLOWING MOVEMENT TO 50:50 PERCENT BLEND IN 2002.**

Section 1853(c)(2) of the Social Security Act (42 U.S.C. 1395w–23(c)(2)) is amended—

(1) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(2) by adding after and below subparagraph (F) the following:

''except that a Medicare+Choice organization may elect to apply subparagraph (F) (rather than subparagraph (E)) for 2002.''.

**SEC. 305. INCREASED UPDATE FOR PAYMENT AREAS WITH ONLY ONE OR NO MEDICARE+CHOICE CONTRACTS.**

(a) IN GENERAL.—Section 1853(c)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

(1) in clause (i), by striking ''(ii) For a subsequent year'' and inserting ''(ii)(I) Subject to subclause (II), for a subsequent year''; and

(2) by adding at the end the following new subclause:

''(II) During 2002, 2003, 2004, and 2005, in the case of a Medicare+Choice payment area in which there is no more than 1 contract entered into under this part as of July 1 before the beginning of the year, 102.5 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.''.

(b) CONSTRUCTION.—The amendments made by subsection (a) do not affect the payment of a first time bonus under section 1853(i) of the Social Security Act (42 U.S.C. 1395w–23(i)).

**SEC. 306. PERMITTING HIGHER NEGOTIATED RATES IN CERTAIN MEDICARE+CHOICE PAYMENT AREAS BELOW NATIONAL AVERAGE.**

Section 1853(c)(1) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)) is amended—

(1) in the matter before subparagraph (A), by striking ''or (C)'' and inserting ''(C), or (D)''; and

(2) by adding at the end the following new subparagraph:

''(D) PERMITTING HIGHER RATES THROUGH NEGOTIATION.—

''(i) IN GENERAL.—For each year beginning with 2004, in the case of a Medicare+Choice payment area for which the Medicare+Choice capitation rate under this paragraph would otherwise be less than the United States per capita cost (USPCC), as calculated by the Secretary, a Medicare+Choice organization may negotiate with the Medicare Benefits Administrator an annual per capita rate that—

''(I) reflects an annual rate of increase up to the rate of increase specified in clause (ii);

''(II) takes into account audited current data supplied by the organization on its adjusted community rate (as defined in section 1854(f)(3)); and

''(III) does not exceed the United States per capita cost, as projected by the Secretary for the year involved.

''(ii) MAXIMUM RATE DESCRIBED.—The rate of increase specified in this clause for a year is the rate of inflation in private health insurance for the year involved, as projected by the Medicare Benefits Administrator, and includes such adjustments as may be necessary—

''(I) to reflect the demographic characteristics in the population under this title; and

''(II) to eliminate the costs of prescription drugs.

''(iii) ADJUSTMENTS FOR OVER OR UNDER PROJECTIONS.—If subparagraph is applied to an organization and payment area for a year, in applying this subparagraph for a subsequent year the provisions of paragraph (6)(C) shall apply in the same manner as such provisions apply under this paragraph.''.

**SEC. 307. 10-YEAR PHASE IN OF RISK ADJUSTMENT BASED ON DATA FROM ALL SETTINGS.**

Section 1853(a)(3)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

(1) by striking the period at the end of subclause (II) and inserting a semicolon; and

(2) by adding after and below subclause (II) the following:

''and, beginning in 2004, insofar as such risk adjustment is based on data from all settings, the methodology shall be phased in equal increments over a 10 year period, beginning with 2004 or (if later) the first year in which such data is used.''.

**Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals**

**SEC. 311. PRESERVATION OF COVERAGE OF DRUGS AND BIOLOGICALS UNDER PART B OF THE MEDICARE PROGRAM.**

(a) IN GENERAL.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended, in each of subparagraphs (A) and (B), by striking ''(including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered)'' and inserting ''(including drugs and biologicals which are not usually self-administered by the patient)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to drugs and biologicals administered on or after October 1, 2000.

The SPEAKER pro tempore. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in House Report 106–703, is adopted.

The text of H.R. 4680, as amended, as modified, is as follows:

H.R. 4680

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

*(a) SHORT TITLE.—This Act may be cited as the ''Medicare Rx 2000 Act''.*

*(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:*

*Sec. 1. Short title; table of contents.*

*TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT*

*Sec. 101. Establishment of a medicare prescription drug benefit.*

*''PART D—VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM*

*''Sec. 1860A. Benefits; eligibility; enrollment; and coverage period.*

*''Sec. 1860B. Requirements for qualified prescription drug coverage.*

*''Sec. 1860C. Beneficiary protections for qualified prescription drug coverage.*

*''Sec. 1860D. Requirements for prescription drug plan (PDP) sponsors; contracts; establishment of standards.*

*''Sec. 1860E. Process for beneficiaries to select qualified prescription drug coverage.*

*''Sec. 1860F. Premiums.*

*''Sec. 1860G. Premium and cost-sharing subsidies for low-income individuals.*

*''Sec. 1860H. Subsidies for all medicare beneficiaries through reinsurance for qualified prescription drug coverage.*

*''Sec. 1860I. Medicare Prescription Drug Account in Federal Supplementary Medical Insurance Trust Fund.*

*''Sec. 1860J. Definitions; treatment of references to provisions in part C.''*

*Sec. 102. Offering of qualified prescription drug coverage under the Medicare+Choice program.*

*Sec. 103. Medicaid amendments.*

*Sec. 104. Medigap transition provisions.*

*Sec. 105. State Pharmaceutical Assistance Transition Commission.*

*Sec. 106. Demonstration project for disease management for severely chronically ill medicare beneficiaries.*

*TITLE II—MODERNIZATION OF ADMINISTRATION OF MEDICARE*

*Subtitle A—Medicare Benefits Administration*

*Sec. 201. Establishment of administration.*

*''Sec. 1807. Medicare Benefits Administration.''*

*Sec. 202. Miscellaneous administrative provisions.*

*Subtitle B—Oversight of Financial Sustainability of the Medicare Program*

*Sec. 211. Additional requirements for annual financial report and oversight on medicare program.*

*Subtitle C—Changes in Medicare Coverage and Appeals Process*

*Sec. 221. Revisions to medicare appeals process.*

*Sec. 222. Provisions with respect to limitations on liability of beneficiaries.*

*Sec. 223. Waivers of liability for cost sharing amounts.*

*Sec. 224. Elimination of motions by the Secretary on decisions of the Provider Reimbursement Review Board.*

*Sec. 225. Effective date of subtitle.*

*TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT*

*Subtitle A—Medicare+Choice Reforms*

*Sec. 301. Increase in national per capita Medicare+Choice growth percentage in 2001 and 2002.*

*Sec. 302. Permanently removing application of budget neutrality beginning in 2002.*

*Sec. 303. Increasing minimum payment amount.*

*Sec. 304. Allowing movement to 50:50 percent blend in 2002.*

*Sec. 305. Increased update for payment areas with only one or no Medicare+Choice contracts.*

*Sec. 306. Permitting higher negotiated rates in certain Medicare+Choice payment areas below national average.*

*Sec. 307. 10-year phase in of risk adjustment based on data from all settings.*

*Sec. 308. Delay from July to October, 2000 in deadline for offering and withdrawing Medicare+Choice plans for 2001.*

*Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals*

*Sec. 311. Preservation of coverage of drugs and biologicals under part B of the medicare program.*

*Sec. 312. GAO report on part B payment for drugs and biologicals and related services.*

## *TITLE I—MEDICARE PRESCRIPTION DRUG BENEFIT*

***SEC. 101. ESTABLISHMENT OF A MEDICARE PRESCRIPTION DRUG BENEFIT.***

*(a) IN GENERAL.—Title XVIII of the Social Security Act is amended—*

*(1) by redesignating part D as part E; and*

*(2) by inserting after part C the following new part:*

*''PART D—VOLUNTARY PRESCRIPTION DRUG BENEFIT PROGRAM*

***''SEC. 1860A. BENEFITS; ELIGIBILITY; ENROLLMENT; AND COVERAGE PERIOD.***

*''(a) PROVISION OF QUALIFIED PRESCRIPTION DRUG COVERAGE THROUGH ENROLLMENT IN PLANS.—Subject to the succeeding provisions of this part, each individual who is enrolled under part B is entitled to obtain qualified prescription drug coverage (described in section 1860B(a)) as follows:*

*''(1) MEDICARE+CHOICE PLAN.—If the individual is eligible to enroll in a Medicare+Choice plan that provides qualified prescription drug coverage under section 1851(j), the individual may enroll in the plan and obtain coverage through such plan.*

*''(2) PRESCRIPTION DRUG PLAN.—If the individual is not enrolled in a Medicare+Choice plan that provides qualified prescription drug coverage, the individual may enroll under this part in a prescription drug plan (as defined in section 1860C(a)).*

*Such individuals shall have a choice of such plans under section 1860E(d).*

*''(b) GENERAL ELECTION PROCEDURES.—*

*''(1) IN GENERAL.—An individual may elect to enroll in a prescription drug plan under this part, or elect the option of qualified prescription drug coverage under a Medicare+Choice plan under part C, and change such election only in such manner and form as may be prescribed by regulations of the Administrator of the Medicare Benefits Administration (appointed under section 1807(b)) (in this part referred to as the 'Medicare Benefits Administrator') and only during an election period prescribed in or under this subsection.*

*''(2) ELECTION PERIODS.—*

*''(A) IN GENERAL.—Except as provided in this paragraph, the election periods under this subsection shall be the same as the coverage election periods under the Medicare+Choice program under section 1851(e), including—*

*''(i) annual coordinated election periods; and*

*''(ii) special election periods.*

*In applying the last sentence of section 1851(e)(4) (relating to discontinuance of a Medicare+Choice election during the first year of eligibility) under this subparagraph, in the case of an election described in such section in which the individual had elected or is provided qualified prescription drug coverage at the time of such first enrollment, the individual shall be permitted to enroll in a prescription drug plan under this part at the time of the election of coverage under the original fee-for-service plan.*

*''(B) INITIAL ELECTION PERIODS.—*

*''(i) INDIVIDUALS CURRENTLY COVERED.—In the case of an individual who is enrolled under part B as of November 1, 2002, there shall be an initial election period of 6 months beginning on that date.*

*''(ii) INDIVIDUAL COVERED IN FUTURE.—In the case of an individual who is first enrolled under part B after November 1, 2002, there shall be an initial election period which is the same as the initial enrollment period under section 1837(d).*

*''(C) ADDITIONAL SPECIAL ELECTION PERIODS.—The Medicare Benefits Administrator shall establish special election periods—*

*''(i) in cases of individuals who have and involuntarily lose prescription drug coverage described in subsection (c)(2)(C);*

*''(ii) in cases described in section 1837(h) (relating to errors in enrollment), in the same manner as such section applies to part B; and*

*''(iii) in the case of an individual who meets such exceptional conditions (including conditions recognized under section 1851(d)(4)(D)) as the Administrator may provide.*

*''(D) ONE-TIME ENROLLMENT PERMITTED FOR CURRENT PART A ONLY BENEFICIARIES.—In the case of an individual who as of November 1, 2002—*

*''(i) is entitled to benefits under part A; and*

*''(ii) is not (and has not previously been) enrolled under part B;*

*the individual shall be eligible to enroll in a prescription drug plan under this part but only during the period described in subparagraph (B)(i). If the individual enrolls in such a plan, the individual may change such enrollment*

*under this part, but the individual may not enroll in a Medicare+Choice plan under part C unless the individual enrolls under part B. Nothing in this subparagraph shall be construed as providing for coverage under a prescription drug plan of benefits that are excluded because of the application of section 1860B(f)(2)(B).*

*''(c) GUARANTEED ISSUE; COMMUNITY RATING; AND NONDISCRIMINATION.—*

*''(1) GUARANTEED ISSUE.—*

*''(A) IN GENERAL.—An eligible individual who is eligible to elect qualified prescription drug coverage under a prescription drug plan or Medicare+Choice plan at a time during which elections are accepted under this part with respect to the plan shall not be denied enrollment based on any health status-related factor (described in section 2702(a)(1) of the Public Health Service Act) or any other factor.*

*''(B) MEDICARE+CHOICE LIMITATIONS PERMITTED.—The provisions of paragraphs (2) and (3) (other than subparagraph (C)(i), relating to default enrollment) of section 1851(g) (relating to priority and limitation on termination of election) shall apply to PDP sponsors under this subsection.*

*''(2) COMMUNITY-RATED PREMIUM.—*

*''(A) IN GENERAL.—In the case of an individual who maintains (as determined under subparagraph (C)) continuous prescription drug coverage since first qualifying to elect prescription drug coverage under this part, a PDP sponsor or Medicare+Choice organization offering a prescription drug plan or Medicare+Choice plan that provides qualified prescription drug coverage and in which the individual is enrolled may not deny, limit, or condition the coverage or provision of covered prescription drug benefits or increase the premium under the plan based on any health status-related factor described in section 2702(a)(1) of the Public Health Service Act or any other factor.*

*''(B) LATE ENROLLMENT PENALTY.—In the case of an individual who does not maintain such continuous prescription drug coverage, a PDP sponsor or Medicare+Choice organization may (notwithstanding any provision in this title) increase the premium otherwise applicable or impose a pre-existing condition exclusion with respect to qualified prescription drug coverage in a manner that reflects additional actuarial risk involved. Such a risk shall be established through an appropriate actuarial opinion of the type described in subparagraphs (A) through (C) of section 2103(c)(4).*

*''(C) CONTINUOUS PRESCRIPTION DRUG COVERAGE.—An individual is considered for purposes of this part to be maintaining continuous prescription drug coverage on and after a date if the individual establishes that there is no period of 63 days or longer on and after such date (beginning not earlier than January 1, 2003) during all of which the individual did not have any of the following prescription drug coverage:*

*''(i) COVERAGE UNDER PRESCRIPTION DRUG PLAN OR MEDICARE+CHOICE PLAN.—Qualified prescription drug coverage under a prescription drug plan or under a Medicare+Choice plan.*

*''(ii) MEDICAID PRESCRIPTION DRUG COVERAGE.—Prescription drug coverage under a medicaid plan under title XIX, including through the Program of All-inclusive Care for the Elderly (PACE) under section 1934, through a social health maintenance organization (referred to in section 4104(c) of the Balanced Budget Act of 1997), or through a Medicare+Choice project that demonstrates the application of capitation payment rates for frail elderly medicare beneficiaries through the use of a interdisciplinary team and through the provision of primary care services to such beneficiaries by means of such a team at the nursing facility involved.*

*''(iii) PRESCRIPTION DRUG COVERAGE UNDER GROUP HEALTH PLAN.—Any outpatient prescription drug coverage under a group health plan, including a health benefits plan under the Federal Employees Health Benefit Plan under chapter 89 of title 5, United States Code, and a qualified retiree prescription drug plan as defined in section 1860H(f)(1).*

*''(iv) PRESCRIPTION DRUG COVERAGE UNDER CERTAIN MEDIGAP POLICIES.—Coverage under a medicare supplemental policy under section 1882 that provides benefits for prescription drugs (whether or not such coverage conforms to the standards for packages of benefits under section 1882(p)(1)), but only if the policy was in effect on January 1, 2003, and only until the date such coverage is terminated.*

*''(v) STATE PHARMACEUTICAL ASSISTANCE PROGRAM.—Coverage of prescription drugs under a State pharmaceutical assistance program.*

*''(vi) VETERANS' COVERAGE OF PRESCRIPTION DRUGS.—Coverage of prescription drugs for veterans under chapter 17 of title 38, United States Code.*

*''(D) CERTIFICATION.—For purposes of carrying out this paragraph, the certifications of the type described in sections 2701(e) of the Public Health Service Act and in section 9801(e) of the Internal Revenue Code shall also include a statement for the period of coverage of whether the individual involved had prescription drug coverage described in subparagraph (C).*

*''(E) CONSTRUCTION.—Nothing in this section shall be construed as preventing the disenrollment of an individual from a prescription drug plan or a Medicare+Choice plan based on the termination of an election described in section 1851(g)(3), including for non-payment of premiums or for other reasons specified in subsection (d)(3), which takes into account a grace period described in section 1851(g)(3)(B)(i).*

*''(3) NONDISCRIMINATION.—A PDP sponsor offering a prescription drug plan shall not establish a service area in a manner that would discriminate based on health or economic status of potential enrollees.*

*''(d) EFFECTIVE DATE OF ELECTIONS.—*

*''(1) IN GENERAL.—Except as provided in this section, the Medicare Benefits Administrator shall provide that elections under subsection (b) take effect at the same time as the Secretary provides that similar elections under section 1851(e) take effect under section 1851(f).*

*''(2) NO ELECTION EFFECTIVE BEFORE 2003.—In no case shall any election take effect before January 1, 2003.*

*''(3) TERMINATION.—The Medicare Benefits Administrator shall provide for the termination of an election in the case of—*

*''(A) termination of coverage under part B (other than the case of an individual described in subsection (b)(2)(D) (relating to part A only individuals)); and*

*''(B) termination of elections described in section 1851(g)(3) (including failure to pay required premiums).*

***"SEC. 1860B. REQUIREMENTS FOR QUALIFIED PRESCRIPTION DRUG COVERAGE.***

*''(a) REQUIREMENTS.—*

*''(1) IN GENERAL.—For purposes of this part and part C, the term 'qualified prescription drug coverage' means either of the following:*

*''(A) STANDARD COVERAGE WITH ACCESS TO NEGOTIATED PRICES.—Standard coverage (as defined in subsection (b)) and access to negotiated prices under subsection (d).*

*''(B) ACTUARIALLY EQUIVALENT COVERAGE WITH ACCESS TO NEGOTIATED PRICES.—Coverage of covered outpatient drugs which meets the alternative coverage requirements of subsection (c) and access to negotiated prices under subsection (d).*

*''(2) PERMITTING ADDITIONAL OUTPATIENT PRESCRIPTION DRUG COVERAGE.—*

*''(A) IN GENERAL.—Subject to subparagraph (B), nothing in this part shall be construed as preventing qualified prescription drug coverage from including coverage of covered outpatient drugs that exceeds the coverage required under paragraph (1), but any such additional coverage shall be limited to coverage of covered outpatient drugs.*

*''(B) DISAPPROVAL AUTHORITY.—The Medicare Benefits Administrator shall review the offering of qualified prescription drug coverage under this part or part C. If the Administrator finds that, in the case of a qualified prescription drug coverage under a prescription drug plan or a Medicare+Choice plan, that the organization or sponsor offering the coverage is purposefully engaged in activities intended to result in favorable selection of those eligible medicare beneficiaries obtaining coverage through the plan, the Administrator may terminate the contract with the sponsor or organization under this part or part C.*

*''(3) APPLICATION OF SECONDARY PAYOR PROVISIONS.—The provisions of section 1852(a)(4) shall apply under this part in the same manner as they apply under part C.*

*''(b) STANDARD COVERAGE.—For purposes of this part, the 'standard coverage' is coverage of covered outpatient drugs (as defined in subsection (f)) that meets the following requirements:*

*''(1) DEDUCTIBLE.—The coverage has an annual deductible—*

*''(A) for 2003, that is equal to $250; or*

*''(B) for a subsequent year, that is equal to the amount specified under this paragraph for the previous year increased by the percentage specified in paragraph (5) for the year involved.*

*Any amount determined under subparagraph (B) that is not a multiple of $5 shall be rounded to the nearest multiple of $5.*

*''(2) LIMITS ON COST-SHARING.—The coverage has cost-sharing (for costs above the annual deductible specified in paragraph (1) and up to the initial coverage limit under paragraph (3)) that is equal to 50 percent or that is actuarially consistent (using processes established under subsection (e)) with an average expected payment of 50 percent of such costs.*

*''(3) INITIAL COVERAGE LIMIT.—Subject to paragraph (4), the coverage has an initial coverage limit on the maximum costs that may be recognized for payment purposes (above the annual deductible)—*

*''(A) for 2003, that is equal to $2,100; or*

*''(B) for a subsequent year, that is equal to the amount specified in this paragraph for the previous year, increased by the annual percentage increase described in paragraph (5) for the year involved.*

*Any amount determined under subparagraph (B) that is not a multiple of $25 shall be rounded to the nearest multiple of $25.*

*''(4) LIMITATION ON OUT-OF-POCKET EXPENDITURES BY BENEFICIARY.—*

*''(A) IN GENERAL.—Notwithstanding paragraph (3), the coverage provides benefits without any cost-sharing after the individual has incurred costs (as described in subparagraph (C)) for covered outpatient drugs in a year equal to the annual out-of-pocket limit specified in subparagraph (B).*

*''(B) ANNUAL OUT-OF-POCKET LIMIT.—For purposes of this part, the 'annual out-of-pocket limit' specified in this subparagraph—*

*''(i) for 2003, is equal to $6,000; or*

*''(ii) for a subsequent year, is equal to the amount specified in this subparagraph for the previous year, increased by the annual percentage increase described in paragraph (5) for the year involved.*

*Any amount determined under clause (ii) that is not a multiple of $100 shall be rounded to the nearest multiple of $100.*

*''(C) APPLICATION.—In applying subparagraph (A)—*

*''(i) incurred costs shall only include costs incurred for the annual deductible (described in paragraph (1)), cost-sharing (described in paragraph (2)), and amounts for which benefits are not provided because of the application of the initial coverage limit described in paragraph (3); and*

*''(ii) such costs shall be treated as incurred without regard to whether the individual or another person, including a State program or other third-party coverage, has paid for such costs.*

''(5) ANNUAL PERCENTAGE INCREASE.—For purposes of this part, the annual percentage increase specified in this paragraph for a year is equal to the annual percentage increase in average per capita aggregate expenditures for covered outpatient drugs in the United States for medicare beneficiaries, as determined by the Medicare Benefits Administrator for the 12-month period ending in July of the previous year.

''(c) ALTERNATIVE COVERAGE REQUIREMENTS.—A prescription drug plan or Medicare+Choice plan may provide a different prescription drug benefit design from the standard coverage described in subsection (b) so long as the following requirements are met:

''(1) ASSURING AT LEAST ACTUARIALLY EQUIVALENT COVERAGE.—

''(A) ASSURING EQUIVALENT VALUE OF TOTAL COVERAGE.—The actuarial value of the total coverage (as determined under subsection (e)) is at least equal to the actuarial value (as so determined) of standard coverage.

''(B) ASSURING EQUIVALENT UNSUBSIDIZED VALUE OF COVERAGE.—The unsubsidized value of the coverage is at least equal to the unsubsidized value of standard coverage. For purposes of this subparagraph, the unsubsidized value of coverage is the amount by which the actuarial value of the coverage (as determined under subsection (e)) exceeds the actuarial value of the reinsurance subsidy payments under section 1860H with respect to such coverage.

''(C) ASSURING STANDARD PAYMENT FOR COSTS AT INITIAL COVERAGE LIMIT.—The coverage is designed, based upon an actuarially representative pattern of utilization (as determined under subsection (e)), to provide for the payment, with respect to costs incurred that are equal to the sum of the deductible under subsection (b)(1) and the initial coverage limit under subsection (b)(3), of an amount equal to at least such initial coverage limit multiplied by the percentage specified in subsection (b)(2).

''(2) LIMITATION ON OUT-OF-POCKET EXPENDITURES BY BENEFICIARIES.—The coverage provides the limitation on out-of-pocket expenditures by beneficiaries described in subsection (b)(4).

''(d) ACCESS TO NEGOTIATED PRICES.—Under qualified prescription drug coverage offered by a PDP sponsor or a Medicare+Choice organization, the sponsor or organization shall provide beneficiaries with access to negotiated prices (including applicable discounts) used for payment for covered outpatient drugs, regardless of the fact that no benefits may be payable under the coverage with respect to such drugs because of the application of cost-sharing or an initial coverage limit (described in subsection (b)(3)). Insofar as a State elects to provide medical assistance under title XIX for a drug based on the prices negotiated by a prescription drug plan under this part, the requirements of section 1927 shall not apply to such drugs.

''(e) ACTUARIAL VALUATION; DETERMINATION OF ANNUAL PERCENTAGE INCREASES.—

''(1) PROCESSES.—For purposes of this section, the Medicare Benefits Administrator shall establish processes and methods—

''(A) for determining the actuarial valuation of prescription drug coverage, including—

''(i) an actuarial valuation of standard coverage and of the reinsurance subsidy payments under section 1860H;

''(ii) the use of generally accepted actuarial principles and methodologies; and

''(iii) applying the same methodology for determinations of alternative coverage under subsection (c) as is used with respect to determinations of standard coverage under subsection (b); and

''(B) for determining annual percentage increases described in subsection (b)(5).

''(2) USE OF OUTSIDE ACTUARIES.—Under the processes under paragraph (1)(A), PDP sponsors and Medicare+Choice organizations may use actuarial opinions certified by independent, qualified actuaries to establish actuarial values.

''(f) COVERED OUTPATIENT DRUGS DEFINED.—

''(1) IN GENERAL.—Except as provided in this subsection, for purposes of this part, the term 'covered outpatient drug' means—

''(A) a drug that may be dispensed only upon a prescription and that is described in subparagraph (A)(i) or (A)(ii) of section 1927(k)(2); or

''(B) a biological product described in clauses (i) through (iii) of subparagraph (B) of such section or insulin described in subparagraph (C) of such section;

and such term includes any use of a covered outpatient drug for a medically accepted indication (as defined in section 1927(k)(6)).

''(2) EXCLUSIONS.—

''(A) IN GENERAL.—Such term does not include drugs or classes of drugs, or their medical uses, which may be excluded from coverage or otherwise restricted under section 1927(d)(2), other than subparagraph (E) thereof (relating to smoking cessation agents) and except to the extent otherwise specifically provided by the Medicare Benefits Administrator with respect to a drug in any of such classes''.

''(B) AVOIDANCE OF DUPLICATE COVERAGE.—A drug prescribed for an individual that would otherwise be a covered outpatient drug under this part shall not be so considered if payment for such drug is available under part A or B (but shall be so considered if such payment is not available because benefits under part A or B have been exhausted), without regard to whether the individual is entitled to benefits under part A or enrolled under part B.

''(3) APPLICATION OF FORMULARY RESTRICTIONS.—A drug prescribed for an individual that would otherwise be a covered outpatient drug under this part shall not be so considered under a plan if the plan excludes the drug under a formulary that meets the requirements of section 1860C(f)(2) (including providing an appeal process).

''(4) APPLICATION OF GENERAL EXCLUSION PROVISIONS.—A prescription drug plan or Medicare+Choice plan may exclude from qualified prescription drug coverage any covered outpatient drug—

''(A) for which payment would not be made if section 1862(a) applied to part D; or

''(B) which are not prescribed in accordance with the plan or this part.

Such exclusions are determinations subject to reconsideration and appeal pursuant to section 1860C(f).

''(5) STUDY ON INCLUSION OF DRUGS TREATING MORBID OBESITY.—The Medicare Policy Advisory Board shall provide for a study on removing the exclusion under paragraph (2)(A) for coverage of agents used for weight loss in the case of morbidly obese individuals. The Board shall report to Congress on the results of the study not later than March 1, 2002.

**''SEC. 1860C. BENEFICIARY PROTECTIONS FOR QUALIFIED PRESCRIPTION DRUG COVERAGE.**

''(a) GUARANTEED ISSUE COMMUNITY-RELATED PREMIUMS AND NONDISCRIMINATION.—For provisions requiring guaranteed issue, community-rated premiums, and nondiscrimination, see sections 1860A(c)(1), 1860A(c)(2), and 1860F(b).

''(b) DISSEMINATION OF INFORMATION.—

''(1) GENERAL INFORMATION.—A PDP sponsor shall disclose, in a clear, accurate, and standardized form to each enrollee with a prescription drug plan offered by the sponsor under this part at the time of enrollment and at least annually thereafter, the information described in section 1852(c)(1) relating to such plan. Such information includes the following:

''(A) Access to covered outpatient drugs, including access through pharmacy networks.

''(B) How any formulary used by the sponsor functions.

''(C) Co-payments and deductible requirements.

''(D) Grievance and appeals procedures.

''(2) DISCLOSURE UPON REQUEST OF GENERAL COVERAGE, UTILIZATION, AND GRIEVANCE INFORMATION.—Upon request of an individual eligible to enroll under a prescription drug plan, the PDP sponsor shall provide the information described in section 1852(c)(2) (other than subparagraph (D)) to such individual.

''(3) RESPONSE TO BENEFICIARY QUESTIONS.—Each PDP sponsor offering a prescription drug plan shall have a mechanism for providing specific information to enrollees upon request. The sponsor shall make available, through an Internet website and in writing upon request, information on specific changes in its formulary.

''(4) CLAIMS INFORMATION.—Each PDP sponsor offering a prescription drug plan must furnish to enrolled individuals in a form easily understandable to such individuals an explanation of benefits (in accordance with section 1806(a) or in a comparable manner) and a notice of the benefits in relation to initial coverage limit and annual out-of-pocket limit for the current year, whenever prescription drug benefits are provided under this part (except that such notice need not be provided more often than monthly).

''(c) ACCESS TO COVERED BENEFITS.—

''(1) ASSURING PHARMACY ACCESS.—The PDP sponsor of the prescription drug plan shall secure the participation of sufficient numbers of pharmacies (which may include mail order pharmacies) to ensure convenient access (including adequate emergency access) for enrolled beneficiaries, in accordance with standards established under section 1860D(e) that ensure such convenient access. Nothing in this paragraph shall be construed as requiring the participation of (or permitting the exclusion of) all pharmacies in any area under a plan.

''(2) ACCESS TO NEGOTIATED PRICES FOR PRESCRIPTION DRUGS.—The PDP sponsor of a prescription drug plan shall issue such a card that may be used by an enrolled beneficiary to assure access to negotiated prices under section 1860B(d) for the purchase of prescription drugs for which coverage is not otherwise provided under the prescription drug plan.

''(3) REQUIREMENTS ON DEVELOPMENT AND APPLICATION OF FORMULARIES.—Insofar as a PDP sponsor of a prescription drug plan uses a formulary, the following requirements must be met:

''(A) FORMULARY COMMITTEE.—The sponsor must establish a pharmaceutical and therapeutic committee that develops the formulary. Such committee shall include at least one physician and at least one pharmacist.

''(B) INCLUSION OF DRUGS IN ALL THERAPEUTIC CATEGORIES.—The formulary must include drugs within all therapeutic categories and classes of covered outpatient drugs (although not necessarily for all drugs within such categories and classes).

''(C) APPEALS AND EXCEPTIONS TO APPLICATION.—The PDP sponsor must have, as part of the appeals process under subsection (f)(2), a process for appeals for denials of coverage based on such application of the formulary.

''(d) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE; MEDICATION THERAPY MANAGEMENT PROGRAM.—

''(1) IN GENERAL.—The PDP sponsor shall have in place—

''(A) an effective cost and drug utilization management program, including appropriate incentives to use generic drugs, when appropriate;

''(B) quality assurance measures and systems to reduce medical errors and adverse drug interactions, including a medication therapy management program described in paragraph (2); and

''(C) a program to control fraud, abuse, and waste.

''(2) MEDICATION THERAPY MANAGEMENT PROGRAM.—

''(A) IN GENERAL.—A medication therapy management program described in this paragraph is a program of drug therapy management and medication administration that is designed to assure that covered outpatient drugs under the prescription drug plan are appropriately used to achieve therapeutic goals and reduce

*the risk of adverse events, including adverse drug interactions.*

*''(B) ELEMENTS.—Such program may include—*

*''(i) enhanced beneficiary understanding of such appropriate use through beneficiary education, counseling, and other appropriate means; and*

*''(ii) increased beneficiary adherence with prescription medication regimens through medication refill reminders, special packaging, and other appropriate means.*

*''(C) DEVELOPMENT OF PROGRAM IN COOPERATION WITH LICENSED PHARMACISTS.—The program shall be developed in cooperation with licensed pharmacists and physicians.*

*''(D) CONSIDERATIONS IN PHARMACY FEES.—The PDP sponsor of a prescription drug program shall take into account, in establishing fees for pharmacists and others providing services under the medication therapy management program, the resources and time used in implementing the program.*

*''(3) TREATMENT OF ACCREDITATION.—Section 1852(e)(4) (relating to treatment of accreditation) shall apply to prescription drug plans under this part with respect to the following requirements, in the same manner as they apply to Medicare+Choice plans under part C with respect to the requirements described in a clause of section 1852(e)(4)(B):*

*''(A) Paragraph (1) (including quality assurance), including medication therapy management program under paragraph (2).*

*''(B) Subsection (c)(1) (relating to access to covered benefits).*

*''(C) Subsection (g) (relating to confidentiality and accuracy of enrollee records).*

*''(4) PUBLIC DISCLOSURE OF PHARMACEUTICAL PRICES FOR GENERIC EQUIVALENT DRUGS.—Each PDP sponsor shall provide that each pharmacy or other dispenser that arranges for the dispensing of a covered outpatient drug shall inform the beneficiary at the time of purchase of the drug of any differential between the price of the prescribed drug to the enrollee and the price of the lowest cost generic drug that is therapeutically and pharmaceutically equivalent and bioequivalent.*

*''(e) GRIEVANCE MECHANISM.—Each PDP sponsor shall provide meaningful procedures for hearing and resolving grievances between the organization (including any entity or individual through which the sponsor provides covered benefits) and enrollees with prescription drug plans of the sponsor under this part in accordance with section 1852(f).*

*''(f) COVERAGE DETERMINATIONS, RECONSIDERATIONS, AND APPEALS.—*

*''(1) IN GENERAL.—A PDP sponsor shall meet the requirements of section 1852(g) with respect to covered benefits under the prescription drug plan it offers under this part in the same manner as such requirements apply to a Medicare+Choice organization with respect to benefits it offers under a Medicare+Choice plan under part C.*

*''(2) APPEALS OF FORMULARY DETERMINATIONS.—Under the appeals process under paragraph (1) an individual who is enrolled in a prescription drug plan offered by a PDP sponsor may appeal to obtain coverage for a covered outpatient drug that is not on the formulary of the sponsor (established under subsection (c)) if the prescribing physician determines that the therapeutically similar drug that is on the formulary is not as effective for the enrollee or has significant adverse effects for the enrollee.*

*''(g) CONFIDENTIALITY AND ACCURACY OF ENROLLEE RECORDS.—A PDP sponsor shall meet the requirements of section 1852(h) with respect to enrollees under this part in the same manner as such requirements apply to a Medicare+Choice organization with respect to enrollees under part C.*

***''SEC. 1860D. REQUIREMENTS FOR PRESCRIPTION DRUG PLAN (PDP) SPONSORS; CONTRACTS; ESTABLISHMENT OF STANDARDS.***

*''(a) GENERAL REQUIREMENTS.—Each PDP sponsor of a prescription drug plan shall meet the following requirements:*

*''(1) LICENSURE.—Subject to subsection (c), the sponsor is organized and licensed under State law as a risk-bearing entity eligible to offer health insurance or health benefits coverage in each State in which it offers a prescription drug plan.*

*''(2) ASSUMPTION OF FULL FINANCIAL RISK.—*

*''(A) IN GENERAL.—Subject to subparagraph (B) and section 1860E(d)(2), the entity assumes full financial risk on a prospective basis for qualified prescription drug coverage that it offers under a prescription drug plan and that is not covered under reinsurance under section 1860H.*

*''(B) REINSURANCE PERMITTED.—The entity may obtain insurance or make other arrangements for the cost of coverage provided to any enrolled member under this part.*

*''(3) SOLVENCY FOR UNLICENSED SPONSORS.—In the case of a sponsor that is not described in paragraph (1), the sponsor shall meet solvency standards established by the Medicare Benefits Administrator under subsection (d).*

*''(b) CONTRACT REQUIREMENTS.—*

*''(1) IN GENERAL.—The Medicare Benefits Administrator shall not permit the election under section 1860A of a prescription drug plan offered by a PDP sponsor under this part, and the sponsor shall not be eligible for payments under section 1860G or 1860H, unless the Administrator has entered into a contract under this subsection with the sponsor with respect to the offering of such plan. Such a contract with a sponsor may cover more than 1 prescription drug plan. Such contract shall provide that the sponsor agrees to comply with the applicable requirements and standards of this part and the terms and conditions of payment as provided for in this part.*

*''(2) NEGOTIATION REGARDING TERMS AND CONDITIONS.—The Medicare Benefits Administrator shall have the same authority to negotiate the terms and conditions of prescription drug plans under this part as the Director of the Office of Personnel Management has with respect to health benefits plans under chapter 89 of title 5, United States Code. In negotiating the terms and conditions regarding premiums for which information is submitted under section 1860F(a)(2), the Administrator shall take into account the reinsurance subsidy payments under section 1860H and the adjusted community rate (as defined in section 1854(f)(3)) for the benefits covered.*

*''(3) INCORPORATION OF CERTAIN MEDICARE+CHOICE CONTRACT REQUIREMENTS.—The following provisions of section 1857 shall apply, subject to subsection (c)(5), to contracts under this section in the same manner as they apply to contracts under section 1857(a):*

*''(A) MINIMUM ENROLLMENT.—Paragraphs (1) and (3) of section 1857(b).*

*''(B) CONTRACT PERIOD AND EFFECTIVENESS.—Paragraphs (1) through (3) and (5) of section 1857(c).*

*''(C) PROTECTIONS AGAINST FRAUD AND BENEFICIARY PROTECTIONS.—Section 1857(d).*

*''(D) ADDITIONAL CONTRACT TERMS.—Section 1857(e); except that in applying section 1857(e)(2) under this part—*

*''(i) such section shall be applied separately to costs relating to this part (from costs under part C);*

*''(ii) in no case shall the amount of the fee established under this subparagraph for a plan exceed 20 percent of the maximum amount of the fee that may be established under subparagraph (B) of such section; and*

*''(iii) no fees shall be applied under this subparagraph with respect to Medicare+Choice plans.*

*''(E) INTERMEDIATE SANCTIONS.—Section 1857(g).*

*''(F) PROCEDURES FOR TERMINATION.—Section 1857(h).*

*''(4) RULES OF APPLICATION FOR INTERMEDIATE SANCTIONS.—In applying paragraph (3)(E)—*

*''(A) the reference in section 1857(g)(1)(B) to section 1854 is deemed a reference to this part; and*

*''(B) the reference in section 1857(g)(1)(F) to section 1852(k)(2)(A)(ii) shall not be applied.*

*''(c) WAIVER OF CERTAIN REQUIREMENTS TO EXPAND CHOICE.—*

*''(1) IN GENERAL.—In the case of an entity that seeks to offer a prescription drug plan in a State, the Medicare Benefits Administrator shall waive the requirement of subsection (a)(1) that the entity be licensed in that State if the Administrator determines, based on the application and other evidence presented to the Administrator, that any of the grounds for approval of the application described in paragraph (2) has been met.*

*''(2) GROUNDS FOR APPROVAL.—The grounds for approval under this paragraph are the grounds for approval described in subparagraph (B), (C), and (D) of section 1855(a)(2), and also include the application by a State of any grounds other than those required under Federal law.*

*''(3) APPLICATION OF WAIVER PROCEDURES.—With respect to an application for a waiver (or a waiver granted) under this subsection, the provisions of subparagraphs (E), (F), and (G) of section 1855(a)(2) shall apply.*

*''(4) LICENSURE DOES NOT SUBSTITUTE FOR OR CONSTITUTE CERTIFICATION.—The fact that an entity is licensed in accordance with subsection (a)(1) does not deem the entity to meet other requirements imposed under this part for a PDP sponsor.*

*''(5) REFERENCES TO CERTAIN PROVISIONS.—For purposes of this subsection, in applying provisions of section 1855(a)(2) under this subsection to prescription drug plans and PDP sponsors—*

*''(A) any reference to a waiver application under section 1855 shall be treated as a reference to a waiver application under paragraph (1); and*

*''(B) any reference to solvency standards shall be treated as a reference to solvency standards established under subsection (d).*

*''(d) SOLVENCY STANDARDS FOR NON-LICENSED SPONSORS.—*

*''(1) ESTABLISHMENT.—The Medicare Benefits Administrator shall establish, by not later than October 1, 2001, financial solvency and capital adequacy standards that an entity that does not meet the requirements of subsection (a)(1) must meet to qualify as a PDP sponsor under this part.*

*''(2) COMPLIANCE WITH STANDARDS.—Each PDP sponsor that is not licensed by a State under subsection (a)(1) and for which a waiver application has been approved under subsection (c) shall meet solvency and capital adequacy standards established under paragraph (1). The Medicare Benefits Administrator shall establish certification procedures for such PDP sponsors with respect to such solvency standards in the manner described in section 1855(c)(2).*

*''(e) OTHER STANDARDS.—The Medicare Benefits Administrator shall establish by regulation other standards (not described in subsection (d)) for PDP sponsors and plans consistent with, and to carry out, this part. The Administrator shall publish such regulations by October 1, 2001. In order to carry out this requirement in a timely manner, the Administrator may promulgate regulations that take effect on an interim basis, after notice and pending opportunity for public comment.*

*''(f) RELATION TO STATE LAWS.—*

*''(1) IN GENERAL.—The standards established under this section shall supersede any State law or regulation (including standards described in paragraph (2)) with respect to prescription drug*

*plans which are offered by PDP sponsors under this part to the extent such law or regulation is inconsistent with such standards.*

*''(2) STANDARDS SPECIFICALLY SUPERSEDED.—State standards relating to the following are superseded under this subsection:*

*''(A) Benefit requirements.*

*''(B) Requirements relating to inclusion or treatment of providers.*

*''(C) Coverage determinations (including related appeals and grievance processes).*

*''(D) Establishment and regulation of premiums.*

*''(3) PROHIBITION OF STATE IMPOSITION OF PREMIUM TAXES.—No State may impose a premium tax or similar tax with respect to premiums paid to PDP sponsors for prescription drug plans under this part, or with respect to any payments made to such a sponsor by the Medicare Benefits Administrator under this part.*

***''SEC. 1860E. PROCESS FOR BENEFICIARIES TO SELECT QUALIFIED PRESCRIPTION DRUG COVERAGE.***

*''(a) IN GENERAL.—The Medicare Benefits Administrator, through the Office of Beneficiary Assistance, shall establish, based upon and consistent with the procedures used under part C (including section 1851), a process for the selection of the prescription drug plan or Medicare+Choice plan which offer qualified prescription drug coverage through which eligible individuals elect qualified prescription drug coverage under this part.*

*''(b) ELEMENTS.—Such process shall include the following:*

*''(1) Annual, coordinated election periods, in which such individuals can change the qualifying plans through which they obtain coverage, in accordance with section 1860A(b)(2).*

*''(2) Active dissemination of information to promote an informed selection among qualifying plans based upon price, quality, and other features, in the manner described in (and in coordination with) section 1851(d), including the provision of annual comparative information, maintenance of a toll-free hotline, and the use of non-federal entities.*

*''(3) Coordination of elections through filing with a Medicare+Choice organization or a PDP sponsor, in the manner described in (and in coordination with) section 1851(c)(2).*

*''(c) MEDICARE+CHOICE ENROLLEE IN PLAN OFFERING PRESCRIPTION DRUG COVERAGE MAY ONLY OBTAIN BENEFITS THROUGH THE PLAN.—An individual who is enrolled under a Medicare+Choice plan that offers qualified prescription drug coverage may only elect to receive qualified prescription drug coverage under this part through such plan.*

*''(d) ASSURING ACCESS TO A CHOICE OF QUALIFIED PRESCRIPTION DRUG COVERAGE.—*

*''(1) CHOICE OF AT LEAST 2 PLANS IN EACH AREA.—*

*''(A) IN GENERAL.—The Medicare Benefits Administrator shall assure that each individual who is enrolled under part B and who is residing in an area has available, consistent with subparagraph (B), a choice of enrollment in at least 2 qualifying plans (as defined in paragraph (5)) in the area in which the individual resides, at least one of which is a prescription drug plan.*

*''(B) REQUIREMENT FOR DIFFERENT PLAN SPONSORS.—The requirement in subparagraph (A) is not satisfied with respect to an area if only one PDP sponsor or Medicare+Choice organization offers all the qualifying plans in the area.*

*''(2) GUARANTEEING ACCESS TO COVERAGE.—In order to assure access under paragraph (1) and consistent with paragraph (3), the Medicare Benefits Administrator may provide financial incentives (including partial underwriting of risk) for a PDP sponsor to expand the service area under an existing prescription drug plan to adjoining or additional areas or to establish such a plan (including offering such a plan on a regional or nationwide basis), but only so long as (and to the extent) necessary to assure the access guaranteed under paragraph (1).*

*''(3) LIMITATION ON AUTHORITY.—In exercising authority under this subsection, the Medicare Benefits Administrator—*

*''(A) shall not provide for the full underwriting of financial risk for any PDP sponsor;*

*''(B) shall not provide for any underwriting of financial risk for a public PDP sponsor with respect to the offering of a nationwide prescription drug plan; and*

*''(C) shall seek to maximize the assumption of financial risk by PDP sponsors or Medicare+Choice organizations.*

*''(4) REPORTS.—The Medicare Benefits Administrator shall, in each annual report to Congress under section 1807(f), include information on the exercise of authority under this subsection. The Administrator also shall include such recommendations as may be appropriate to minimize the exercise of such authority, including minimizing the assumption of financial risk.*

*''(5) QUALIFYING PLAN DEFINED.—For purposes of this subsection, the term 'qualifying plan' means a prescription drug plan or a Medicare+Choice plan that includes qualified prescription drug coverage.*

***''SEC. 1860F. PREMIUMS.***

*''(a) SUBMISSION OF PREMIUMS AND RELATED INFORMATION.—*

*''(1) IN GENERAL.—Each PDP sponsor shall submit to the Medicare Benefits Administrator information of the type described in paragraph (2) in the same manner as information is submitted by a Medicare+Choice organization under section 1854(a)(1).*

*''(2) TYPE OF INFORMATION.—The information described in this paragraph is the following:*

*''(A) Information on the qualified prescription drug coverage to be provided.*

*''(B) Information on the actuarial value of the coverage.*

*''(C) Information on the monthly premium to be charged for the coverage, including an actuarial certification of—*

*''(i) the actuarial basis for such premium;*

*''(ii) the portion of such premium attributable to benefits in excess of standard coverage; and*

*''(iii) the reduction in such premium resulting from the reinsurance subsidy payments provided under section 1860H.*

*''(D) Such other information as the Medicare Benefits Administrator may require to carry out this part.*

*''(3) REVIEW.—The Medicare Benefits Administrator shall review the information filed under paragraph (2) for the purpose of conducting negotiations under section 1860D(b)(2).*

*''(b) UNIFORM PREMIUM.—The premium for a prescription drug plan charged under this section may not vary among individuals enrolled in the plan in the same service area, except as is permitted under section 1860A(c)(2)(B) (relating to late enrollment penalties).*

*''(c) TERMS AND CONDITIONS FOR IMPOSING PREMIUMS.—The provisions of section 1854(d) shall apply under this part in the same manner as they apply under part C, and, for this purpose, the reference in such section to section 1851(g)(3)(B)(i) is deemed a reference to section 1860A(d)(3)(B) (relating to failure to pay premiums required under this part).*

*''(d) ACCEPTANCE OF REFERENCE PREMIUM AS FULL PREMIUM IF NO STANDARD (OR EQUIVALENT) COVERAGE IN AN AREA.—*

*''(1) IN GENERAL.—If there is no standard prescription drug coverage (as defined in paragraph (2)) offered in an area, in the case of an individual who is eligible for a premium subsidy under section 1860G and resides in the area, the PDP sponsor of any prescription drug plan offered in the area (and any Medicare+Choice organization that offers qualified prescription drug coverage in the area) shall accept the reference premium under section 1860G(b)(2) as payment in full for the premium charge for qualified prescription drug coverage.*

*''(2) STANDARD PRESCRIPTION DRUG COVERAGE DEFINED.—For purposes of this subsection, the term 'standard prescription drug coverage' means qualified prescription drug coverage that is standard coverage or that has an actuarial value equivalent to the actuarial value for standard coverage.*

***''SEC. 1860G. PREMIUM AND COST-SHARING SUBSIDIES FOR LOW-INCOME INDIVIDUALS.***

*''(a) IN GENERAL.—*

*''(1) FULL PREMIUM SUBSIDY AND REDUCTION OF COST-SHARING FOR INDIVIDUALS WITH INCOME BELOW 135 PERCENT OF FEDERAL POVERTY LEVEL.—In the case of a subsidy eligible individual (as defined in paragraph (3)) who is determined to have income that does not exceed 135 percent of the Federal poverty level, the individual is entitled under this section—*

*''(A) to a premium subsidy equal to 100 percent of the amount described in subsection (b)(1); and*

*''(B) subject to subsection (c), to the substitution for the beneficiary cost-sharing described in paragraphs (1) and (2) of section 1860B(b) (up to the initial coverage limit specified in paragraph (3) of such section) of amounts that are nominal.*

*''(2) SLIDING SCALE PREMIUM SUBSIDY FOR INDIVIDUALS WITH INCOME ABOVE 135, BUT BELOW 150 PERCENT, OF FEDERAL POVERTY LEVEL.—In the case of a subsidy eligible individual who is determined to have income that exceeds 135 percent, but does not exceed 150 percent, of the Federal poverty level, the individual is entitled under this section to a premium subsidy determined on a linear sliding scale ranging from 100 percent of the amount described in subsection (b)(1) for individuals with incomes at 135 percent of such level to 0 percent of such amount for individuals with incomes at 150 percent of such level.*

*''(3) DETERMINATION OF ELIGIBILITY.—*

*''(A) SUBSIDY ELIGIBLE INDIVIDUAL DEFINED.—For purposes of this section, subject to subparagraph (D), the term 'subsidy eligible individual' means an individual who—*

*''(i) is eligible to elect, and has elected, to obtain qualified prescription drug coverage under this part;*

*''(ii) has income below 150 percent of the Federal poverty line; and*

*''(iii) meets the resources requirement described in section 1905(p)(1)(C).*

*''(B) DETERMINATIONS.—The determination of whether an individual residing in a State is a subsidy eligible individual and the amount of such individual's income shall be determined under the State medicaid plan for the State under section 1935(a). In the case of a State that does not operate such a medicaid plan (either under title XIX or under a statewide waiver granted under section 1115), such determination shall be made under arrangements made by the Medicare Benefits Administrator.*

*''(C) INCOME DETERMINATIONS.—For purposes of applying this section—*

*''(i) income shall be determined in the manner described in section 1905(p)(1)(B); and*

*''(ii) the term 'Federal poverty line' means the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.*

*''(D) TREATMENT OF TERRITORIAL RESIDENTS.—In the case of an individual who is not a resident of the 50 States or the District of Columbia, the individual is not eligible to be a subsidy eligible individual but may be eligible for financial assistance with prescription drug expenses under section 1935(e).*

*''(b) PREMIUM SUBSIDY AMOUNT.—*

*''(1) IN GENERAL.—The premium subsidy amount described in this subsection for an individual residing in an area is the reference premium (as defined in paragraph (2)) for qualified*

*prescription drug coverage offered by the prescription drug plan or the Medicare+Choice plan in which the individual is enrolled.*

*''(2) REFERENCE PREMIUM DEFINED.—For purposes of this subsection, the term 'reference premium' means, with respect to qualified prescription drug coverage offered under—*

*''(A) a prescription drug plan that—*

*''(i) provides standard coverage (or alternative prescription drug coverage the actuarial value is equivalent to that of standard coverage), the premium imposed for enrollment under the plan under this part (determined without regard to any subsidy under this section or any late enrollment penalty under section 1860A(c)(2)(B)); or*

*''(ii) provides alternative prescription drug coverage the actuarial value of which is greater than that of standard coverage, the premium described in clause (i) multiplied by the ratio of (I) the actuarial value of standard coverage, to (II) the actuarial value of the alternative coverage; or*

*''(B) a Medicare+Choice plan, the standard premium computed under section 1851(j)(5)(A)(iii), determined without regard to any reduction effected under section 1851(j)(5)(B).*

*''(c) RULES IN APPLYING COST-SHARING SUBSIDIES.—*

*''(1) IN GENERAL.—In applying subsection (a)(1)(B)—*

*''(A) the maximum amount of subsidy that may be provided with respect to an enrollee for a year may not exceed 95 percent of the maximum cost-sharing described in such subsection that may be incurred for standard coverage;*

*''(B) the Medicare Benefits Administrator shall determine what is 'nominal' taking into account the rules applied under section 1916(a)(3); and*

*''(C) nothing in this part shall be construed as preventing a plan or provider from waiving or reducing the amount of cost-sharing otherwise applicable.*

*''(2) LIMITATION ON CHARGES.—In the case of an individual receiving cost-sharing subsidies under subsection (a)(1)(B), the PDP sponsor may not charge more than a nominal amount in cases in which the cost-sharing subsidy is provided under such subsection.*

*''(d) ADMINISTRATION OF SUBSIDY PROGRAM.—The Medicare Benefits Administrator shall provide a process whereby, in the case of an individual who is determined to be a subsidy eligible individual and who is enrolled in prescription drug plan or is enrolled in a Medicare+Choice plan under which qualified prescription drug coverage is provided—*

*''(1) the Administrator provides for a notification of the PDP sponsor or Medicare+Choice organization involved that the individual is eligible for a subsidy and the amount of the subsidy under subsection (a);*

*''(2) the sponsor or organization involved reduces the premiums or cost-sharing otherwise imposed by the amount of the applicable subsidy and submits to the Administrator information on the amount of such reduction; and*

*''(3) the Administrator periodically and on a timely basis reimburses the sponsor or organization for the amount of such reductions.*

*The reimbursement under paragraph (3) with respect to cost-sharing subsidies may be computed on a capitated basis, taking into account the actuarial value of the subsidies and with appropriate adjustments to reflect differences in the risks actually involved.*

*''(e) RELATION TO MEDICAID PROGRAM.—*

*''(1) IN GENERAL.—For provisions providing for eligibility determinations, and additional financing, under the medicaid program, see section 1935.*

*''(2) MEDICAID PROVIDING WRAP AROUND BENEFITS.—The coverage provided under this part is primary payor to benefits for prescribed drugs provided under the medicaid program under title XIX.*

***''SEC. 1860H. SUBSIDIES FOR ALL MEDICARE BENEFICIARIES THROUGH REINSURANCE FOR QUALIFIED PRESCRIPTION DRUG COVERAGE.***

*''(a) REINSURANCE SUBSIDY PAYMENT.—In order to reduce premium levels applicable to qualified prescription drug coverage for all medicare beneficiaries, to reduce adverse selection among prescription drug plans and Medicare+Choice plans that provide qualified prescription drug coverage, and to promote the participation of PDP sponsors under this part, the Medicare Benefits Administrator shall provide in accordance with this section for payment to a qualifying entity (as defined in subsection (b)) of the reinsurance payment amount (as defined in subsection (c)) for excess costs incurred in providing qualified prescription drug coverage—*

*''(1) for individuals enrolled with a prescription drug plan under this part;*

*''(2) for individuals enrolled with a Medicare+Choice plan that provides qualified prescription drug coverage under part C; and*

*''(3) for medicare primary individuals (described in subsection (f)(3)(D)) who are enrolled in a qualified retiree prescription drug plan.*

*This section constitutes budget authority in advance of appropriations Acts and represents the obligation of the Administrator to provide for the payment of amounts provided under this section.*

*''(b) QUALIFYING ENTITY DEFINED.—For purposes of this section, the term 'qualifying entity' means any of the following that has entered into an agreement with the Administrator to provide the Administrator with such information as may be required to carry out this section:*

*''(1) A PDP sponsor offering a prescription drug plan under this part.*

*''(2) A Medicare+Choice organization that provides qualified prescription drug coverage under a Medicare+Choice plan under part C.*

*''(3) The sponsor of a qualified retiree prescription drug plan (as defined in subsection (f)).*

*''(c) REINSURANCE PAYMENT AMOUNT.—*

*''(1) IN GENERAL.—Subject to subsection (d)(2) and paragraph (4), the reinsurance payment amount under this subsection for a qualifying covered individual (as defined in subsection (g)(1)) for a coverage year (as defined in subsection (g)(2)) is equal to the sum of the following:*

*''(A) For the portion of the individual's gross covered prescription drug costs (as defined in paragraph (3)) for the year that exceeds $1,250, but does not exceed $1,350, an amount equal to 30 percent of the allowable costs (as defined in paragraph (2)) attributable to such gross covered prescription drug costs.*

*''(B) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $1,350, but does not exceed $1,450, an amount equal to 50 percent of the allowable costs attributable to such gross covered prescription drug costs.*

*''(C) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $1,450, but does not exceed $1,550, an amount equal to 70 percent of the allowable costs attributable to such gross covered prescription drug costs.*

*''(D) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $1,550, but does not exceed $2,350, an amount equal to 90 percent of the allowable costs attributable to such gross covered prescription drug costs.*

*''(E) For the portion of the individual's gross covered prescription drug costs for the year that exceeds $7,050, an amount equal to 90 percent of the allowable costs attributable to such gross covered prescription drug costs.*

*''(2) ALLOWABLE COSTS.—For purposes of this section, the term 'allowable costs' means, with respect to gross covered prescription drug costs under a plan described in subsection (b) offered by a qualifying entity, the part of such costs that are actually paid under the plan, but in no case more than the part of such costs that would have been paid under the plan if the prescription drug coverage under the plan were standard coverage.*

*''(3) GROSS COVERED PRESCRIPTION DRUG COSTS.—For purposes of this section, the term 'gross covered prescription drug costs' means, with respect to an enrollee with a qualifying entity under a plan described in subsection (b) during a coverage year, the costs incurred under the plan for covered prescription drugs dispensed during the year, including costs relating to the deductible, whether paid by the enrollee or under the plan, regardless of whether the coverage under the plan exceeds standard coverage and regardless of when the payment for such drugs is made.*

*''(4) INDEXING DOLLAR AMOUNTS.—*

*''(A) AMOUNTS FOR 2003.—The dollar amounts applied under paragraph (1) for 2003 shall be the dollar amounts specified in such paragraph.*

*''(B) FOR 2004.—The dollar amounts applied under paragraph (1) for 2004 shall be the dollar amounts specified in such paragraph increased by the annual percentage increase described in section 1860B(b)(5) for 2004.*

*''(C) FOR SUBSEQUENT YEARS.—The dollar amounts applied under paragraph (1) for a year after 2004 shall be the amounts (under this paragraph) applied under paragraph (1) for the preceding year increased by the annual percentage increase described in section 1860B(b)(5) for the year involved.*

*''(D) ROUNDING.—Any amount, determined under the preceding provisions of this paragraph for a year, which is not a multiple of $5 shall be rounded to the nearest multiple of $5.*

*''(d) ADJUSTMENT OF PAYMENTS.—*

*''(1) IN GENERAL.—The Medicare Benefits Administrator shall estimate—*

*''(A) the total payments to be made (without regard to this subsection) during a year under this section; and*

*''(B) the total payments to be made by qualifying entities for standard coverage under plans described in subsection (b) during the year.*

*''(2) ADJUSTMENT OF PAYMENTS.—The Administrator shall proportionally adjust the payments made under this section for a coverage year in such manner so that the total of the payments made for the year under this section is equal to 35 percent of the total payments described in paragraph (1)(B) during the year.*

*''(e) PAYMENT METHODS.—*

*''(1) IN GENERAL.—Payments under this section shall be based on such a method as the Medicare Benefits Administrator determines. The Administrator may establish a payment method by which interim payments of amounts under this section are made during a year based on the Administrator's best estimate of amounts that will be payable after obtaining all of the information.*

*''(2) SOURCE OF PAYMENTS.—Payments under this section shall be made from the Medicare Prescription Drug Account.*

*''(f) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN DEFINED.—*

*''(1) IN GENERAL.—For purposes of this section, the term 'qualified retiree prescription drug plan' means employment-based retiree health coverage (as defined in paragraph (3)(A)) if, with respect to an individual enrolled (or eligible to be enrolled) under this part who is covered under the plan, the following requirements are met:*

*''(A) ASSURANCE.—The sponsor of the plan shall annually attest, and provide such assurances as the Medicare Benefits Administrator may require, that the coverage meets the requirements for qualified prescription drug coverage.*

*''(B) AUDITS.—The sponsor (and the plan) shall maintain, and afford the Medicare Benefits Administrator access to, such records as the Administrator may require for purposes of audits and other oversight activities necessary to*

*ensure the adequacy of prescription drug coverage, the accuracy of payments made, and such other matters as may be appropriate.*

*''(C) PROVISION OF CERTIFICATION OF PRESCRIPTION DRUG COVERAGE.—The sponsor of the plan shall provide for issuance of certifications of the type described in section 1860A(c)(2)(D).*

*''(D) OTHER REQUIREMENTS.—The sponsor of the plan shall comply with such other requirements as the Medicare Benefits Administrator finds necessary to administer the program under this section.*

*''(2) LIMITATION ON BENEFIT ELIGIBILITY.—No payment shall be provided under this section with respect to an individual who is enrolled under a qualified retiree prescription drug plan unless the individual is a medicare primary individual who—*

*''(A) is covered under the plan; and*

*''(B) is eligible to obtain qualified prescription drug coverage under section 1860A but did not elect such coverage under this part (either through a prescription drug plan or through a Medicare+Choice plan).*

*''(3) DEFINITIONS.—As used in this section:*

*''(A) EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.—The term 'employment-based retiree health coverage' means health insurance or other coverage of health care costs for medicare primary individuals (or for such individuals and their spouses and dependents) based on their status as former employees or labor union members.*

*''(B) EMPLOYER.—The term 'employer' has the meaning given such term by section 3(5) of the Employee Retirement Income Security Act of 1974 (except that such term shall include only employers of two or more employees).*

*''(C) SPONSOR.—The term 'sponsor' means a plan sponsor, as defined in section 3(16)(B) of the Employee Retirement Income Security Act of 1974.*

*''(D) MEDICARE PRIMARY INDIVIDUAL.—The term 'medicare primary individual' means, with respect to a plan, an individual who is covered under the plan and with respect to whom the plan is not a primary plan (as defined in section 1862(b)(2)(A)).*

*''(g) GENERAL DEFINITIONS.—For purposes of this section:*

*''(1) QUALIFYING COVERED INDIVIDUAL.—The term 'qualifying covered individual' means an individual who—*

*''(A) is enrolled with a prescription drug plan under this part;*

*''(B) is enrolled with a Medicare+Choice plan that provides qualified prescription drug coverage under part C; or*

*''(C) is covered as a medicare primary individual under a qualified retiree prescription drug plan.*

*''(2) COVERAGE YEAR.—The term 'coverage year' means a calendar year in which covered outpatient drugs are dispensed if a claim for payment is made under the plan for such drugs, regardless of when the claim is paid.*

***"SEC. 1860I. MEDICARE PRESCRIPTION DRUG ACCOUNT IN FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.***

*''(a) IN GENERAL.—There is created within the Federal Supplementary Medical Insurance Trust Fund established by section 1841 an account to be known as the 'Medicare Prescription Drug Account' (in this section referred to as the 'Account'). The Account shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this part. Funds provided under this part to the Account shall be kept separate from all other funds within the Federal Supplementary Medical Insurance Trust Fund.*

*''(b) PAYMENTS FROM ACCOUNT.—*

*''(1) IN GENERAL.—The Managing Trustee shall pay from time to time from the Account such amounts as the Medicare Benefits Administrator certifies are necessary to make—*

*''(A) payments under section 1860G (relating to low-income subsidy payments);*

*''(B) payments under section 1860H (relating to reinsurance subsidy payments); and*

*''(C) payments with respect to administrative expenses under this part in accordance with section 201(g).*

*''(2) TRANSFERS TO MEDICAID ACCOUNT FOR INCREASED ADMINISTRATIVE COSTS.—The Managing Trustee shall transfer from time to time from the Account to the Grants to States for Medicaid account amounts the Secretary certifies are attributable to increases in payment resulting from the application of a higher Federal matching percentage under section 1935(b).*

*''(3) TREATMENT IN RELATION TO PART B PREMIUM.—Amounts payable from the Account shall not be taken into account in computing actuarial rates or premium amounts under section 1839.*

*''(c) DEPOSITS INTO ACCOUNT.—*

*''(1) MEDICAID TRANSFER.—There is hereby transferred to the Account, from amounts appropriated for Grants to States for Medicaid, amounts equivalent to the aggregate amount of the reductions in payments under section 1903(a)(1) attributable to the application of section 1935(c).*

*''(2) APPROPRIATIONS TO COVER GOVERNMENT CONTRIBUTIONS.—There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Account, an amount equivalent to the amount of payments made from the Account under subsection (b), reduced by the amount transferred to the Account under paragraph (1).*

***"SEC. 1860J. DEFINITIONS; TREATMENT OF REFERENCES TO PROVISIONS IN PART C.***

*''(a) DEFINITIONS.—For purposes of this part:*

*''(1) COVERED OUTPATIENT DRUGS.—The term 'covered outpatient drugs' is defined in section 1860B(f).*

*''(2) INITIAL COVERAGE LIMIT.—The term 'initial coverage limit' means the such limit as established under section 1860B(b)(3), or, in the case of coverage that is not standard coverage, the comparable limit (if any) established under the coverage.*

*''(3) MEDICARE PRESCRIPTION DRUG ACCOUNT.—The term 'Medicare Prescription Drug Account' means the Account in the Federal Supplementary Medical Insurance Trust Fund created under section 1860I(a).*

*''(4) PDP SPONSOR.—The term 'PDP sponsor' means an entity that is certified under this part as meeting the requirements and standards of this part for such a sponsor.*

*''(5) PRESCRIPTION DRUG PLAN.—The term 'prescription drug plan' means health benefits coverage that—*

*''(A) is offered under a policy, contract, or plan by a PDP sponsor pursuant to, and in accordance with, a contract between the Medicare Benefits Administrator and the sponsor under section 1860D(b);*

*''(B) provides qualified prescription drug coverage; and*

*''(C) meets the applicable requirements of the section 1860C for a prescription drug plan.*

*''(6) QUALIFIED PRESCRIPTION DRUG COVERAGE.—The term 'qualified prescription drug coverage' is defined in section 1860B(a).*

*''(7) STANDARD COVERAGE.—The term 'standard coverage' is defined in section 1860B(b).*

*''(b) APPLICATION OF MEDICARE+CHOICE PROVISIONS UNDER THIS PART.—For purposes of applying provisions of part C under this part with respect to a prescription drug plan and a PDP sponsor, unless otherwise provided in this part such provisions shall be applied as if—*

*''(1) any reference to a Medicare+Choice plan included a reference to a prescription drug plan;*

*''(2) any reference to a provider-sponsored organization included a reference to a PDP sponsor;*

*''(3) any reference to a contract under section 1857 included a reference to a contract under section 1860D(b); and*

*''(4) any reference to part C included a reference to this part.''.*

*(b) CONFORMING AMENDMENTS TO FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.—Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—*

*(1) in the last sentence of subsection (a)—*

*(A) by striking ''and'' before ''such amounts'', and*

*(B) by inserting before the period the following: ''and such amounts as may be deposited in, or appropriated to, the Medicare Prescription Drug Account established by section 1860I''; and*

*(2) in subsection (g), by inserting after ''by this part,'' the following: ''the payments provided for under part D (in which case the payments shall come from the Medicare Prescription Drug Account in the Trust Fund),''.*

*(c) ADDITIONAL CONFORMING CHANGES.—*

*(1) CONFORMING REFERENCES TO PREVIOUS PART D.—Any reference in law (in effect before the date of the enactment of this Act) to part D of title XVIII of the Social Security Act is deemed a reference to part E of such title (as in effect after such date).*

*(2) SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this subtitle.*

***SEC. 102. OFFERING OF QUALIFIED PRESCRIPTION DRUG COVERAGE UNDER THE MEDICARE+CHOICE PROGRAM.***

*(a) IN GENERAL.—Section 1851 of the Social Security Act (42 U.S.C. 1395w–21) is amended by adding at the end the following new subsection:*

*''(j) AVAILABILITY OF PRESCRIPTION DRUG BENEFITS.—*

*''(1) IN GENERAL.—A Medicare+Choice organization may not offer prescription drug coverage (other than that required under parts A and B) to an enrollee under a Medicare+Choice plan unless such drug coverage is at least qualified prescription drug coverage and unless the requirements of this subsection with respect to such coverage are met.*

*''(2) COMPLIANCE WITH ADDITIONAL BENEFICIARY PROTECTIONS.—With respect to the offering of qualified prescription drug coverage by a Medicare+Choice organization under a Medicare+Choice plan, the organization and plan shall meet the requirements of section 1860C, including requirements relating to information dissemination and grievance and appeals, in the same manner as they apply to a PDP sponsor and a prescription drug plan under part D. The Medicare Benefits Administrator shall waive such requirements to the extent the Administrator determines that such requirements duplicate requirements otherwise applicable to the organization or plan under this part.*

*''(3) TREATMENT OF COVERAGE.—Except as provided in this subsection, qualified prescription drug coverage offered under this subsection shall be treated under this part in the same manner as supplemental health care benefits described in section 1852(a)(3)(A).*

*''(4) AVAILABILITY OF PREMIUM AND COST-SHARING SUBSIDIES FOR LOW-INCOME ENROLLEES AND REINSURANCE SUBSIDY PAYMENTS FOR ORGANIZATIONS.—For provisions—*

*''(A) providing premium and cost-sharing subsidies to low-income individuals receiving qualified prescription drug coverage through a Medicare+Choice plan, see section 1860G; and*

*''(B) providing a Medicare+Choice organization with reinsurance subsidy payments for providing qualified prescription drug coverage under this part, see section 1860H.*

*''(5) SPECIFICATION OF SEPARATE AND STANDARD PREMIUM.—*

*''(A) IN GENERAL.—For purposes of applying section 1854 and section 1860G(b)(2)(B) with respect to qualified prescription drug coverage offered under this subsection under a plan, the*

*Medicare+Choice organization shall compute and publish the following:*

*''(i) SEPARATE PRESCRIPTION DRUG PREMIUM.—A premium for prescription drug benefits that constitute qualified prescription drug coverage that is separate from other coverage under the plan.*

*''(ii) PORTION OF COVERAGE ATTRIBUTABLE TO STANDARD BENEFITS.—The ratio of the actuarial value of standard coverage to the actuarial value of the qualified prescription drug coverage offered under the plan.*

*''(iii) PORTION OF PREMIUM ATTRIBUTABLE TO STANDARD BENEFITS.—A standard premium equal to the product of the premium described in clause (i) and the ratio under clause (ii).*

*The premium under clause (i) shall be compute without regard to any reduction in the premium permitted under subparagraph (B).*

*''(B) REDUCTION OF PREMIUMS ALLOWED.—Nothing in this subsection shall be construed as preventing a Medicare+Choice organization from reducing the amount of a premium charged for prescription drug coverage because of the application of section 1854(f)(1)(A) to other coverage.*

*''(C) ACCEPTANCE OF REFERENCE PREMIUM AS FULL PREMIUM IF NO STANDARD (OR EQUIVALENT) COVERAGE IN AN AREA.—For requirement to accept reference premium as full premium if there is no standard (or equivalent) coverage in the area of a Medicare+Choice plan, see section 1860F(d).*

*''(6) TRANSITION IN INITIAL ENROLLMENT PERIOD.—Notwithstanding any other provision of this part, the annual, coordinated election period under subsection (e)(3)(B) for 2003 shall be the 6-month period beginning with November 2002.*

*''(7) QUALIFIED PRESCRIPTION DRUG COVERAGE; STANDARD COVERAGE.—For purposes of this part, the terms 'qualified prescription drug coverage' and 'standard coverage' have the meanings given such terms in section 1860B.''.*

*(b) CONFORMING AMENDMENTS.—Section 1851 of such Act (42 U.S.C. 1395w–21) is amended—*

*(1) in subsection (a)(1)—*

*(A) by inserting ''(other than qualified prescription drug benefits)'' after ''benefits'';*

*(B) by striking the period at the end of subparagraph (B) and inserting a comma; and*

*(C) by adding after and below subparagraph (B) the following:*

*''and may elect qualified prescription drug coverage in accordance with section 1860A.''; and*

*(2) in subsection (g)(1), by inserting ''and section 1860A(c)(2)(B)'' after ''in this subsection''.*

*(c) EFFECTIVE DATE.—The amendments made by this section apply to coverage provided on or after January 1, 2003.*

***SEC. 103. MEDICAID AMENDMENTS.***

*(a) DETERMINATIONS OF ELIGIBILITY FOR LOW-INCOME SUBSIDIES.—*

*(1) REQUIREMENT.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—*

*(A) in subsection (a)—*

*(i) by striking ''and'' at the end of paragraph (64);*

*(ii) by striking the period at the end of paragraph (65) and inserting ''; and''; and*

*(iii) by inserting after paragraph (65) the following new paragraph:*

*''(66) provide for making eligibility determinations under section 1935(a).''.*

*(2) NEW SECTION.—Title XIX of such Act is further amended—*

*(A) by redesignating section 1935 as section 1936; and*

*(B) by inserting after section 1934 the following new section:*

*''SPECIAL PROVISIONS RELATING TO MEDICARE PRESCRIPTION DRUG BENEFIT*

*''SEC. 1935. (a) REQUIREMENT FOR MAKING ELIGIBILITY DETERMINATIONS FOR LOW-INCOME SUBSIDIES.—As a condition of its State plan under this title under section 1902(a)(66) and receipt of any Federal financial assistance under section 1903(a), a State shall—*

*''(1) make determinations of eligibility for premium and cost-sharing subsidies under (and in accordance with) section 1860G;*

*''(2) inform the Administrator of the Medicare Benefits Administration of such determinations in cases in which such eligibility is established; and*

*''(3) otherwise provide such Administrator with such information as may be required to carry out part D of title XVIII (including section 1860G).*

*''(b) PAYMENTS FOR ADDITIONAL ADMINISTRATIVE COSTS.—*

*''(1) IN GENERAL.—The amounts expended by a State in carrying out subsection (a) are, subject to paragraph (2), expenditures reimbursable under the appropriate paragraph of section 1903(a); except that, notwithstanding any other provision of such section, the applicable Federal matching rates with respect to such expenditures under such section shall be increased as follows:*

*''(A) For expenditures attributable to costs incurred during 2003, the otherwise applicable Federal matching rate shall be increased by 20 percent of the percentage otherwise payable (but for this subsection) by the State.*

*''(B) For expenditures attributable to costs incurred during 2004, the otherwise applicable Federal matching rate shall be increased by 40 percent of the percentage otherwise payable (but for this subsection) by the State.*

*''(C) For expenditures attributable to costs incurred during 2005, the otherwise applicable Federal matching rate shall be increased by 60 percent of the percentage otherwise payable (but for this subsection) by the State.*

*''(D) For expenditures attributable to costs incurred during 2006, the otherwise applicable Federal matching rate shall be increased by 80 percent of the percentage otherwise payable (but for this subsection) by the State.*

*''(E) For expenditures attributable to costs incurred after 2006, the otherwise applicable Federal matching rate shall be increased to 100 percent.*

*''(2) COORDINATION.—The State shall provide the Secretary with such information as may be necessary to properly allocate administrative expenditures described in paragraph (1) that may otherwise be made for similar eligibility determinations.''.*

*(b) PHASED-IN FEDERAL ASSUMPTION OF MEDICAID RESPONSIBILITY FOR PREMIUM AND COST-SHARING SUBSIDIES FOR DUALLY ELIGIBLE INDIVIDUALS.—*

*(1) IN GENERAL.—Section 1903(a)(1) of the Social Security Act (42 U.S.C. 1396b(a)(1)) is amended by inserting before the semicolon the following: '', reduced by the amount computed under section 1935(c)(1) for the State and the quarter''.*

*(2) AMOUNT DESCRIBED.—Section 1935 of such Act, as inserted by subsection (a)(2), is amended by adding at the end the following new subsection:*

*''(c) FEDERAL ASSUMPTION OF MEDICAID PRESCRIPTION DRUG COSTS FOR DUALLY-ELIGIBLE BENEFICIARIES.—*

*''(1) IN GENERAL.—For purposes of section 1903(a)(1), for a State that is one of the 50 States or the District of Columbia for a calendar quarter in a year (beginning with 2003) the amount computed under this subsection is equal to the product of the following:*

*''(A) MEDICARE SUBSIDIES.—The total amount of payments made in the quarter under section 1860G (relating to premium and cost-sharing prescription drug subsidies for low-income medicare beneficiaries) that are attributable to individuals who are residents of the State and are entitled to benefits with respect to prescribed drugs under the State plan under this title (including such a plan operating under a waiver under section 1115).*

*''(B) STATE MATCHING RATE.—A proportion computed by subtracting from 100 percent the Federal medical assistance percentage (as defined in section 1905(b)) applicable to the State and the quarter.*

*''(C) PHASE-OUT PROPORTION.—The phase-out proportion (as defined in paragraph (2)) for the quarter.*

*''(2) PHASE-OUT PROPORTION.—For purposes of paragraph (1)(C), the 'phase-out proportion' for a calendar quarter in—*

*''(A) 2003 is 80 percent;*

*''(B) 2004 is 60 percent;*

*''(C) 2005 is 40 percent;*

*''(D) 2006 is 20 percent; or*

*''(E) a year after 2006 is 0 percent.''.*

*(c) MEDICAID PROVIDING WRAP-AROUND BENEFITS.—Section 1935 of such Act, as so inserted and amended, is further amended by adding at the end the following new subsection:*

*''(d) ADDITIONAL PROVISIONS.—*

*''(1) MEDICAID AS SECONDARY PAYOR.—In the case of an individual dually entitled to qualified prescription drug coverage under a prescription drug plan under part D of title XVIII (or under a Medicare+Choice plan under part C of such title) and medical assistance for prescribed drugs under this title, medical assistance shall continue to be provided under this title for prescribed drugs to the extent payment is not made under the prescription drug plan or the Medicare+Choice plan selected by the individual.*

*''(2) CONDITION.—A State may require, as a condition for the receipt of medical assistance under this title with respect to prescription drug benefits for an individual eligible to obtain qualified prescription drug coverage described in paragraph (1), that the individual elect qualified prescription drug coverage under section 1860A.''.*

*(d) TREATMENT OF TERRITORIES.—*

*(1) IN GENERAL.—Section 1935 of such Act, as so inserted and amended, is further amended—*

*(A) in subsection (a) in the matter preceding paragraph (1), by inserting ''subject to subsection (e)'' after ''section 1903(a)'';*

*(B) in subsection (c)(1), by inserting ''subject to subsection (e)'' after ''1903(a)(1)''; and*

*(C) by adding at the end the following new subsection:*

*''(e) TREATMENT OF TERRITORIES.—*

*''(1) IN GENERAL.—In the case of a State, other than the 50 States and the District of Columbia—*

*''(A) the previous provisions of this section shall not apply to residents of such State; and*

*''(B) if the State establishes a plan described in paragraph (2) (for providing medical assistance with respect to the provision of prescription drugs to medicare beneficiaries), the amount otherwise determined under section 1108(f) (as increased under section 1108(g)) for the State shall be increased by the amount specified in paragraph (3).*

*''(2) PLAN.—The plan described in this paragraph is a plan that—*

*''(A) provides medical assistance with respect to the provision of covered outpatient drugs (as defined in section 1860B(f)) to low-income medicare beneficiaries; and*

*''(B) assures that additional amounts received by the State that are attributable to the operation of this subsection are used only for such assistance.*

*''(3) INCREASED AMOUNT.—*

*''(A) IN GENERAL.—The amount specified in this paragraph for a State for a year is equal to the product of—*

*''(i) the aggregate amount specified in subparagraph (B); and*

*''(ii) the amount specified in section 1108(g)(1) for that State, divided by the sum of the amounts specified in such section for all such States.*

*''(B) AGGREGATE AMOUNT.—The aggregate amount specified in this subparagraph for—*

*''(i) 2003, is equal to $20,000,000; or*

*''(ii) a subsequent year, is equal to the aggregate amount specified in this subparagraph for the previous year increased by annual percentage increase specified in section 1860B(b)(5) for the year involved.*

''(4) REPORT.—The Secretary shall submit to Congress a report on the application of this subsection and may include in the report such recommendations as the Secretary deems appropriate.''.

(2) CONFORMING AMENDMENT.—Section 1108(f) of such Act is amended by inserting ''and section 1935(e)(1)(B)'' after ''Subject to subsection (g)''.

**SEC. 104. MEDIGAP TRANSITION PROVISIONS.**

(a) IN GENERAL.—Notwithstanding any other provision of law, no new medicare supplemental policy that provides coverage of expenses for prescription drugs may be issued under section 1882 of the Social Security Act on or after January 1, 2003, to an individual unless it replaces a medicare supplemental policy that was issued to that individual and that provided some coverage of expenses for prescription drugs.

(b) ISSUANCE OF SUBSTITUTE POLICIES IF OBTAIN PRESCRIPTION DRUG COVERAGE THROUGH MEDICARE.—

(1) IN GENERAL.—The issuer of a medicare supplemental policy—

(A) may not deny or condition the issuance or effectiveness of a medicare supplemental policy that has a benefit package classified as ''A'', ''B'', ''C'', ''D'', ''E'', ''F'', or ''G'' (under the standards established under subsection (p)(2) of section 1882 of the Social Security Act, 42 U.S.C. 1395ss) and that is offered and is available for issuance to new enrollees by such issuer;

(B) may not discriminate in the pricing of such policy, because of health status, claims experience, receipt of health care, or medical condition; and

(C) may not impose an exclusion of benefits based on a pre-existing condition under such policy,

in the case of an individual described in paragraph (2) who seeks to enroll under the policy not later than 63 days after the date of the termination of enrollment described in such paragraph and who submits evidence of the date of termination or disenrollment along with the application for such medicare supplemental policy.

(2) INDIVIDUAL COVERED.—An individual described in this paragraph is an individual who—

(A) enrolls in a prescription drug plan under part D of title XVIII of the Social Security Act; and

(B) at the time of such enrollment was enrolled and terminates enrollment in a medicare supplemental policy which has a benefit package classified as ''H'', ''I'', or ''J'' under the standards referred to in paragraph (1)(A) or terminates enrollment in a policy to which such standards do not apply but which provides benefits for prescription drugs.

(3) ENFORCEMENT.—The provisions of paragraph (1) shall be enforced as though they were included in section 1882(s) of the Social Security Act (42 U.S.C. 1395ss(s)).

(4) DEFINITIONS.—For purposes of this subsection, the term ''medicare supplemental policy'' has the meaning given such term in section 1882(g) of the Social Security Act (42 U.S.C. 1395ss(g)).

**SEC. 105. STATE PHARMACEUTICAL ASSISTANCE TRANSITION COMMISSION.**

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established as of October 1, 2000, a State Pharmaceutical Assistance Transition Commission (in this section referred to as the ''Commission'') to develop a proposal for addressing the unique transitional issues facing State pharmaceutical assistance programs, and program participants, due to the implementation of the medicare prescription drug program under part D of title XVIII of the Social Security Act.

(2) DEFINITIONS.—For purposes of this section:

(A) STATE PHARMACEUTICAL ASSISTANCE PROGRAM DEFINED.—The term ''State pharmaceutical assistance program'' means a program (other than the medicaid program) operated by a State (or under contract with a State) that provides as of the date of the enactment of this Act assistance to low-income medicare beneficiaries for the purchase of prescription drugs.

(B) PROGRAM PARTICIPANT.—The term ''program participant'' means a low-income medicare beneficiary who is a participant in a State pharmaceutical assistance program.

(b) COMPOSITION.—The Commission shall consist of the following:

(1) A representative of each governor of each State that the Secretary identifies as operating on a statewide basis a State pharmaceutical assistance program that provides for eligibility and benefits that are comparable or more generous than the low-income assistance eligibility and benefits offered under part D of title XVIII of the Social Security Act.

(2) Representatives from other States that the Secretary identifies have in operation other State pharmaceutical assistance programs, as appointed by the Secretary.

(3) Representatives of organizations that represent the interests of program participants, as appointed by the Secretary but not to exceed the number of representatives under paragraphs (1) and (2).

(4) The Secretary (or the Secretary's designee). The Secretary shall designate a member to serve as chair of the Commission and the Commission shall meet at the call of the chair.

(c) DEVELOPMENT OF PROPOSAL.—The Commission shall develop the proposal described in subsection (a) in a manner consistent with the following principles:

(1) Protection of the interests of program participants in a manner that is the least disruptive to such participants.

(2) Protection of the financial interests of States so that States are not financially worse off as a result of the enactment of this title.

(d) REPORT.—By not later than July 1, 2001, the Commission shall submit to the President and the Congress a report that contains a detailed proposal (including specific legislative or administrative recommendations, if any) and such other recommendations as the Commission deems appropriate.

(e) SUPPORT.—The Secretary shall provide the Commission with the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(f) TERMINATION.—The Commission shall terminate 30 days after the date of submission of the report under subsection (d).

**SEC. 106. DEMONSTRATION PROJECT FOR DISEASE MANAGEMENT FOR SEVERELY CHRONICALLY ILL MEDICARE BENEFICIARIES.**

(a) IN GENERAL.—The Administrator of the Medicare Benefits Administration (in this section referred to as the ''Administrator'') shall conduct a demonstration project under this section (in this section referred to as the ''project'') to demonstrate the impact on costs and health outcomes of applying disease management to medicare beneficiaries with diagnosed, advanced-stage congestive heart failure, diabetes, or coronary heart disease. In no case may the number of participants in the project exceed 30,000 at any time.''.

(b) VOLUNTARY PARTICIPATION.—

(1) ELIGIBILITY.—Medicare beneficiaries are eligible to participate in the project only if—

(A) they meet specific medical criteria demonstrating the appropriate diagnosis and the advanced nature of their disease;

(B) their physicians approve of participation in the project; and

(C) they are not enrolled in a Medicare+Choice plan.

(2) BENEFITS.—A beneficiary who is enrolled in the project shall be eligible—

(A) for disease management services related to their chronic health condition; and

(B) if the beneficiary—

(i) is enrolled in a prescription drug plan under part D of title XVIII of the Social Security Act, for payment of any premiums for such plan, any deductible or cost-sharing, and any amounts not covered under the plan because of the application of an initial coverage limit; or

(ii) is not enrolled in such a plan, for payment for all costs for prescription drugs without regard to whether or not they relate to the chronic health condition;

except that the project may provide for modest cost-sharing with respect to prescription drug coverage.

(3) TREATMENT AS QUALIFYING COVERAGE FOR PURPOSES OF CONTINUOUS COVERAGE.—For purposes of applying section 1860A(c)(2)(C) of the Social Security Act, coverage under the project shall be treated as coverage under a prescription drug plan under part D of title XVIII of such Act.

(c) CONTRACTS WITH DISEASE MANAGEMENT ORGANIZATIONS.—

(1) IN GENERAL.—The Administrator shall carry out the project through contracts with up to 3 disease management organizations. The Administrator shall not enter into such a contract with an organization unless the organization demonstrates that it can produce improved health outcomes and reduce aggregate medicare expenditures consistent with paragraph (2).

(2) CONTRACT PROVISIONS.—Under such contracts—

(A) such an organization shall be required to provide for prescription drug coverage described in subsection (b)(2)(B);

(B) such an organization shall be paid a fee negotiated and established by the Administrator in a manner so that (taking into account savings in expenditures under parts A and B of the medicare program) there will be a net reduction in expenditures under the medicare program as a result of the project; and

(C) such an organization shall guarantee, through an appropriate arrangement with a reinsurance company or otherwise, the net reduction in expenditures described in subparagraph (B).

(3) PAYMENTS.—Payments to such organizations shall be made in appropriate proportion from the Trust Funds established under title XVIII of the Social Security Act.

(d) DURATION.—The project shall last for not longer than 3 years.

(e) REPORT.—The Administrator shall submit to Congress an interim report on the project not later than 2 years after the date it is first implemented and a final report on the project not later than 6 months after the date of its completion. Such reports shall include information on the impact of the project on costs and health outcomes and recommendations on the cost-effectiveness of extending or expanding the project.

## TITLE II—MODERNIZATION OF ADMINISTRATION OF MEDICARE

### Subtitle A—Medicare Benefits Administration

**SEC. 201. ESTABLISHMENT OF ADMINISTRATION.**

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by inserting after section 1806 the following new section:

''MEDICARE BENEFITS ADMINISTRATION

''SEC. 1807. (a) ESTABLISHMENT.—There is established within the Department of Health and Human Services an agency to be known as the Medicare Benefits Administration.

''(b) ADMINISTRATOR AND DEPUTY ADMINISTRATOR.—

''(1) ADMINISTRATOR.—

''(A) IN GENERAL.—The Medicare Benefits Administration shall be headed by an Administrator (in this section referred to as the 'Administrator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall be in direct line of authority to the Secretary.

''(B) COMPENSATION.—The Administrator shall be paid at the rate of basic pay payable for level III of the Executive Schedule under section 5314 of title 5, United States Code.

''(C) TERM OF OFFICE.—The Administrator shall be appointed for a term of 5 years. In any case in which a successor does not take office at the end of an Administrator's term of office, that Administrator may continue in office until the entry upon office of such a successor. An Administrator appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(D) GENERAL AUTHORITY.—The Administrator shall be responsible for the exercise of all powers and the discharge of all duties of the Administration, and shall have authority and control over all personnel and activities thereof.

''(E) RULEMAKING AUTHORITY.—The Administrator may prescribe such rules and regulations as the Administrator determines necessary or appropriate to carry out the functions of the Administration. The regulations prescribed by the Administrator shall be subject to the rulemaking procedures established under section 553 of title 5, United States Code.

''(F) AUTHORITY TO ESTABLISH ORGANIZATIONAL UNITS.—The Administrator may establish, alter, consolidate, or discontinue such organizational units or components within the Administration as the Administrator considers necessary or appropriate, except that this subparagraph shall not apply with respect to any unit, component, or provision provided for by this section.

''(G) AUTHORITY TO DELEGATE.—The Administrator may assign duties, and delegate, or authorize successive redelegations of, authority to act and to render decisions, to such officers and employees of the Administration as the Administrator may find necessary. Within the limitations of such delegations, redelegations, or assignments, all official acts and decisions of such officers and employees shall have the same force and effect as though performed or rendered by the Administrator.

''(2) DEPUTY ADMINISTRATOR.—

''(A) IN GENERAL.—There shall be a Deputy Administrator of the Medicare Benefits Administration who shall be appointed by the President, by and with the advice and consent of the Senate.

''(B) COMPENSATION.—The Deputy Administrator shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(C) TERM OF OFFICE.—The Deputy Administrator shall be appointed for a term of 5 years. In any case in which a successor does not take office at the end of a Deputy Administrator's term of office, such Deputy Administrator may continue in office until the entry upon office of such a successor. A Deputy Administrator appointed to a term of office after the commencement of such term may serve under such appointment only for the remainder of such term.

''(D) DUTIES.—The Deputy Administrator shall perform such duties and exercise such powers as the Administrator shall from time to time assign or delegate. The Deputy Administrator shall be Acting Administrator of the Administration during the absence or disability of the Administrator and, unless the President designates another officer of the Government as Acting Administrator, in the event of a vacancy in the office of the Administrator.

''(3) SECRETARIAL COORDINATION OF PROGRAM ADMINISTRATION.—The Secretary shall ensure appropriate coordination between the Administrator and the Administrator of the Health Care Financing Administration in carrying out the programs under this title.

''(c) DUTIES; ADMINISTRATIVE PROVISIONS.—

''(1) DUTIES.—

''(A) GENERAL DUTIES.—The Administrator shall carry out parts C and D, including—

''(i) negotiating, entering into, and enforcing, contracts with plans for the offering of Medicare+Choice plans under part C, including the offering of qualified prescription drug coverage under such plans; and

''(ii) negotiating, entering into, and enforcing, contracts with PDP sponsors for the offering of prescription drug plans under part D.

''(B) OTHER DUTIES.—The Administrator shall carry out any duty provided for under part C or part D, including demonstration projects carried out in part or in whole under such parts, the programs of all-inclusive care for the elderly (PACE program) under section 1894, the social health maintenance organization (SHMO) demonstration projects (referred to in section 4104(c) of the Balanced Budget Act of 1997), and through a Medicare+Choice project that demonstrates the application of capitation payment rates for frail elderly medicare beneficiaries through the use of a interdisciplinary team and through the provision of primary care services to such beneficiaries by means of such a team at the nursing facility involved).

''(C) NONINTERFERENCE.—In carrying out its duties with respect to the provision of qualified prescription drug coverage to beneficiaries under this title, the Administrator may not—

''(i) require a particular formulary or institute a price structure for the reimbursement of covered outpatient drugs;

''(ii) interfere in any way with negotiations between PDP sponsors and Medicare+Choice organizations and drug manufacturers, wholesalers, or other suppliers of covered outpatient drugs; and

''(iii) otherwise interfere with the competitive nature of providing such coverage through such sponsors and organizations.

''(D) ANNUAL REPORTS.—Not later March 31 of each year, the Administrator shall submit to Congress and the President a report on the administration of parts C and D during the previous fiscal year.

''(2) STAFF.—

''(A) IN GENERAL.—The Administrator, with the approval of the Secretary, may employ, without regard to chapter 31 of title 5, United States Code, such officers and employees as are necessary to administer the activities to be carried out through the Medicare Benefits Administration.

''(B) FLEXIBILITY WITH RESPECT TO COMPENSATION.—

''(i) IN GENERAL.—The staff of the Medicare Benefits Administration shall, subject to clause (ii), be paid without regard to the provisions of chapter 51 and chapter 53 of such title (relating to classification and schedule pay rates).

''(ii) MAXIMUM RATE.—In no case may the rate of compensation determined under clause (i) exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(C) LIMITATION ON FULL-TIME EQUIVALENT STAFFING FOR CURRENT HCFA FUNCTIONS BEING TRANSFERRED.—The Administrator may not employ under this paragraph a number of full-time equivalent employees, to carry out functions that were previously conducted by the Health Care Financing Administration and that are conducted by the Administrator by reason of this section, that exceeds the number of such full-time equivalent employees authorized to be employed by the Health Care Financing Administration to conduct such functions as of the date of the enactment of this Act.

''(3) REDELEGATION OF CERTAIN FUNCTIONS OF THE HEALTH CARE FINANCING ADMINISTRATION.—

''(A) IN GENERAL.—The Secretary, the Administrator, and the Administrator of the Health Care Financing Administration shall establish an appropriate transition of responsibility in order to redelegate the administration of part C from the Secretary and the Administrator of the Health Care Financing Administration to the Administrator as is appropriate to carry out the purposes of this section.

''(B) TRANSFER OF DATA AND INFORMATION.—The Secretary shall ensure that the Administrator of the Health Care Financing Administration transfers to the Administrator of the Medicare Benefits Administration such information and data in the possession of the Administrator of the Health Care Financing Administration as the Administrator of the Medicare Benefits Administration requires to carry out the duties described in paragraph (1).

''(C) CONSTRUCTION.—Insofar as a responsibility of the Secretary or the Administrator of the Health Care Financing Administration is redelegated to the Administrator under this section, any reference to the Secretary or the Administrator of the Health Care Financing Administration in this title or title XI with respect to such responsibility is deemed to be a reference to the Administrator.

''(d) OFFICE OF BENEFICIARY ASSISTANCE.—

''(1) ESTABLISHMENT.—The Secretary shall establish within the Medicare Benefits Administration an Office of Beneficiary Assistance to carry out functions relating to medicare beneficiaries under this title, including making determinations of eligibility of individuals for benefits under this title, providing for enrollment of medicare beneficiaries under this title, and the functions described in paragraph (2). The Office shall be separate operating division within the Administration.

''(2) DISSEMINATION OF INFORMATION ON BENEFITS AND APPEALS RIGHTS.—

''(A) DISSEMINATION OF BENEFITS INFORMATION.—The Office of Beneficiary Assistance shall disseminate to medicare beneficiaries, by mail, by posting on the Internet site of the Medicare Benefits Administration and through the toll-free telephone number provided for under section 1804(b), information with respect to the following:

''(i) Benefits, and limitations on payment (including cost-sharing, stop-loss provisions, and formulary restrictions) under parts C and D.

''(ii) Benefits, and limitations on payment under parts A and B, including information on medicare supplemental policies under section 1882.

Such information shall be presented in a manner so that medicare beneficiaries may compare benefits under parts A, B, D, and medicare supplemental policies with benefits under Medicare+Choice plans under part C.

''(B) DISSEMINATION OF APPEALS RIGHTS INFORMATION.—The Office of Beneficiary Assistance shall disseminate to medicare beneficiaries in the manner provided under subparagraph (A) a description of procedural rights (including grievance and appeals procedures) of beneficiaries under the original medicare fee-for-service program under parts A and B, the Medicare+Choice program under part C, and the Voluntary Prescription Drug Benefit Program under part D.

''(3) MEDICARE OMBUDSMAN.—

''(A) IN GENERAL.—Within the Office of Beneficiary Assistance, there shall be a Medicare Ombudsman, appointed by the Secretary from among individuals with expertise and experience in the fields of health care and advocacy, to carry out the duties described in subparagraph (B).

''(B) DUTIES.—The Medicare Ombudsman shall—

''(i) receive complaints, grievances, and requests for information submitted by a medicare beneficiary, with respect to any aspect of the medicare program;

''(ii) provide assistance with respect to complaints, grievances, and requests referred to in clause (i), including—

''(I) assistance in collecting relevant information for such beneficiaries, to seek an appeal of a decision or determination made by a fiscal intermediary, carrier, Medicare+Choice organization, a PDP sponsor under part D, or the Secretary; and

''(II) assistance to such beneficiaries with any problems arising from disenrollment from a Medicare+Choice plan under part C or a prescription drug plan under part D; and

''(iii) submit annual reports to Congress, the Secretary, and the Medicare Policy Advisory

*Board describing the activities of the Office, and including such recommendations for improvement in the administration of this title as the Ombudsman determines appropriate.*

*''(C) COORDINATION WITH STATE OMBUDSMAN PROGRAMS AND CONSUMER ORGANIZATIONS.—The Medicare Ombudsman shall, to the extent appropriate, coordinate with State medical Ombudsman programs, and with State- and community-based consumer organizations, to—*

*''(i) provide information about the medicare program; and*

*''(ii) conduct outreach to educate medicare beneficiaries with respect to manners in which problems under the medicare program may be resolved or avoided.*

*''(e) MEDICARE POLICY ADVISORY BOARD.—*

*''(1) ESTABLISHMENT.—There is established within the Medicare Benefits Administration the Medicare Policy Advisory Board (in this section referred to the 'Board'). The Board shall advise, consult with, and make recommendations to the Administrator of the Medicare Benefits Administration with respect to the administration of parts C and D, including the review of payment policies under such parts.*

*''(2) REPORTS.—*

*''(A) IN GENERAL.—With respect to matters of the administration of parts C and D, the Board shall submit to Congress and to the Administrator of the Medicare Benefits Administration such reports as the Board determines appropriate. Each such report may contain such recommendations as the Board determines appropriate for legislative or administrative changes to improve the administration of such parts, including the topics described in subparagraph (B). Each such report shall be published in the Federal Register.*

*''(B) TOPICS DESCRIBED.—Reports required under subparagraph (A) may include the following topics:*

*''(i) FOSTERING COMPETITION.—Recommendations or proposals to increase competition under parts C and D for services furnished to medicare beneficiaries.*

*''(ii) EDUCATION AND ENROLLMENT.—Recommendations for the improvement to efforts to provide medicare beneficiaries information and education on the program under this title, and specifically parts C and D, and the program for enrollment under the title.*

*''(iii) IMPLEMENTATION OF RISK-ADJUSTMENT.—Evaluation of the implementation under section 1853(a)(3)(C) of the risk adjustment methodology to payment rates under that section to Medicare+Choice organizations offering Medicare+Choice plans that accounts for variations in per capita costs based on health status and other demographic factors.*

*''(iv) DISEASE MANAGEMENT PROGRAMS.—Recommendations on the incorporation of disease management programs under parts C and D.*

*''(v) RURAL ACCESS.—Recommendations to improve competition and access to plans under parts C and D in rural areas.*

*''(C) MAINTAINING INDEPENDENCE OF BOARD.—The Board shall directly submit to Congress reports required under subparagraph (A). No officer or agency of the United States may require the Board to submit to any officer or agency of the United States for approval, comments, or review, prior to the submission to Congress of such reports.*

*''(3) DUTY OF ADMINISTRATOR OF MEDICARE BENEFITS ADMINISTRATION.—With respect to any report submitted by the Board under paragraph (2)(A), not later than 90 days after the report is submitted, the Administrator of the Medicare Benefits Administration shall submit to Congress and the President an analysis of recommendations made by the Board in such report. Each such analysis shall be published in the Federal Register.*

*''(4) MEMBERSHIP.—*

*''(A) APPOINTMENT.—Subject to the succeeding provisions of this paragraph, the Board shall consist of 7 members to be appointed as follows:*

*''(i) 3 members shall be appointed by the President.*

*''(ii) 2 members shall be appointed by the Speaker of the House of Representatives, with the advice of the chairman and the ranking minority member of the Committees on Ways and Means and on Commerce of the House of Representatives.*

*''(iii) 2 members shall be appointed by the President pro tempore of the Senate with the advice of the chairman and the ranking minority member of the Senate Committee on Finance.*

*''(B) QUALIFICATIONS.—The members shall be chosen on the basis of their integrity, impartiality, and good judgment, and shall be individuals who are, by reason of their education and experience in health care benefits management, exceptionally qualified to perform the duties of members of the Board.*

*''(C) PROHIBITION ON INCLUSION OF FEDERAL EMPLOYEES.—No officer or employee of the United States may serve as a member of the Board.*

*''(5) COMPENSATION.—Members of the Board shall receive, for each day (including travel time) they are engaged in the performance of the functions of the board, compensation at rates not to exceed the daily equivalent to the annual rate in effect for level IV of the Executive Schedule under section 5315 of title 5, United States Code.*

*''(6) TERMS OF OFFICE.—*

*''(A) IN GENERAL.—The term of office of members of the Board shall be 3 years.*

*''(B) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—*

*''(i) 1 shall be appointed for a term of 1 year;*

*''(ii) 3 shall be appointed for terms of 2 years; and*

*''(iii) 3 shall be appointed for terms of 3 years.*

*''(C) REAPPOINTMENTS.—Any person appointed as a member of the Board may not serve for more than 8 years.*

*''(D) VACANCY.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made.*

*''(7) CHAIR.—The Chair of the Board shall be elected by the members. The term of office of the Chair shall be 3 years.*

*''(8) MEETINGS.—The Board shall meet at the call of the Chair, but in no event less than 3 times during each fiscal year.*

*''(9) DIRECTOR AND STAFF.—*

*''(A) APPOINTMENT OF DIRECTOR.—The Board shall have a Director who shall be appointed by the Chair.*

*''(B) IN GENERAL.—With the approval of the Board, the Director may appoint, without regard to chapter 31 of title 5, United States Code, such additional personnel as the Director considers appropriate.*

*''(C) FLEXIBILITY WITH RESPECT TO COMPENSATION.—*

*''(i) IN GENERAL.—The Director and staff of the Board shall, subject to clause (ii), be paid without regard to the provisions of chapter 51 and chapter 53 of such title (relating to classification and schedule pay rates).*

*''(ii) MAXIMUM RATE.—In no case may the rate of compensation determined under clause (i) exceed the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.*

*''(D) ASSISTANCE FROM THE ADMINISTRATOR OF THE MEDICARE BENEFITS ADMINISTRATION.—The Administrator of the Medicare Benefits Administration shall make available to the Board such information and other assistance as it may require to carry out its functions.*

*''(10) CONTRACT AUTHORITY.—The Board may contract with and compensate government and private agencies or persons to carry out its duties under this subsection, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).*

*''(f) FUNDING.—There is authorized to be appropriated, in appropriate part from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund (including the Medicare Prescription Drug Account), such sums as are necessary to carry out this section.''.*

*(b) EFFECTIVE DATE.—*

*(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.*

*(2) TIMING OF INITIAL APPOINTMENTS.—The Administrator and Deputy Administrator of the Medicare Benefits Administration may not be appointed before March 1, 2001.*

*(3) DUTIES WITH RESPECT TO ELIGIBILITY DETERMINATIONS AND ENROLLMENT.—The Administrator of the Medicare Benefits Administration shall carry out enrollment under title XVIII of the Social Security Act, make eligibility determinations under such title, and carry out part C of such title for years beginning or after January 1, 2003.*

***SEC. 202. MISCELLANEOUS ADMINISTRATIVE PROVISIONS.***

*(a) ADMINISTRATOR AS MEMBER OF THE BOARD OF TRUSTEES OF THE MEDICARE TRUST FUNDS.—Section 1817(b) and section 1841(b) of the Social Security Act (42 U.S.C. 1395i(b), 1395t(b)) are each amended by striking ''and the Secretary of Health and Human Services, all ex officio,'' and inserting ''the Secretary of Health and Human Services, and the Administrator of the Medicare Benefits Administration, all ex officio,''.*

*(b) INCREASE IN GRADE TO EXECUTIVE LEVEL III FOR THE ADMINISTRATOR OF THE HEALTH CARE FINANCING ADMINISTRATION.—*

*(1) IN GENERAL.—Section 5314 of title 5, United States Code, by adding at the end the following:*

*''Administrator of the Health Care Financing Administration.''.*

*(2) CONFORMING AMENDMENT.—Section 5315 of such title is amended by striking ''Administrator of the Health Care Financing Administration.''.*

*(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on March 1, 2001.*

***Subtitle B—Oversight of Financial Sustainability of the Medicare Program***

***SEC. 211. ADDITIONAL REQUIREMENTS FOR ANNUAL FINANCIAL REPORT AND OVERSIGHT ON MEDICARE PROGRAM.***

*(a) IN GENERAL.—Section 1817 of the Social Security Act (42 U.S.C. 1395i) is amended by adding at the end the following new subsection:*

*''(l) COMBINED REPORT ON OPERATION AND STATUS OF THE TRUST FUND AND THE FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND.—*

*''(1) IN GENERAL.—In addition to the duty of the Board of Trustees to report to Congress under subsection (b), on the date the Board submits the report required under subsection (b)(2), the Board shall submit to Congress a report on the operation and status of the Trust Fund and the Federal Supplementary Medical Insurance Trust Fund established under section 1841 (in this subsection referred to as the 'Trust Funds'). Such report shall included the following information:*

*''(A) OVERALL SPENDING FROM THE GENERAL FUND OF THE TREASURY.—A statement of total amounts obligated during the preceding fiscal year from the General Revenues of the Treasury to the Trust Funds for payment for benefits covered under this title, stated in terms of the total amount and in terms of the percentage such amount bears to all other amounts obligated from such General Revenues during such fiscal year.*

*''(B) HISTORICAL OVERVIEW OF SPENDING.—From the date of the inception of the program of insurance under this title through the fiscal year involved, a statement of the total amounts referred to in subparagraph (A).*

''(C) 10-YEAR AND 50-YEAR PROJECTIONS.—An estimate of total amounts referred to in subparagraph (A) required to be obligated for payment for benefits covered under this title for each of the 10 fiscal years succeeding the fiscal year involved and for the 50-year period beginning with the succeeding fiscal year.

''(D) RELATION TO GDP GROWTH.—A comparison of the rate of growth of the total amounts referred to in subparagraph (A) to the rate of growth in the gross domestic product for the same period.

''(2) PUBLICATION.—Each report submitted under paragraph (1) shall be published by the Committee on Ways and Means as a public document and shall be made available by such Committee on the Internet.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fiscal years beginning on or after the date of the enactment of this Act.

(c) CONGRESSIONAL HEARINGS.—It is the sense of Congress that the committees of jurisdiction shall hold hearings on the reports submitted under section 1817(l) of the Social Security Act.

**Subtitle C—Changes in Medicare Coverage and Appeals Process**

**SEC. 221. REVISIONS TO MEDICARE APPEALS PROCESS.**

(a) CONDUCT OF RECONSIDERATIONS OF DETERMINATIONS BY INDEPENDENT CONTRACTORS.—Section 1869 of the Social Security Act (42 U.S.C. 1395ff) is amended to read as follows:

''DETERMINATIONS; APPEALS

''SEC. 1869. (a) INITIAL DETERMINATIONS.—The Secretary shall promulgate regulations and make initial determinations with respect to benefits under part A or part B in accordance with those regulations for the following:

''(1) The initial determination of whether an individual is entitled to benefits under such parts.

''(2) The initial determination of the amount of benefits available to the individual under such parts.

''(3) Any other initial determination with respect to a claim for benefits under such parts, including an initial determination by the Secretary that payment may not be made, or may no longer be made, for an item or service under such parts, an initial determination made by a utilization and quality control peer review organization under section 1154(a)(2), and an initial determination made by an entity pursuant to a contract with the Secretary to administer provisions of this title or title XI.

''(b) APPEAL RIGHTS.—

''(1) IN GENERAL.—

''(A) RECONSIDERATION OF INITIAL DETERMINATION.—Subject to subparagraph (D), any individual dissatisfied with any initial determination under subsection (a) shall be entitled to reconsideration of the determination, and, subject to subparagraphs (D) and (E), a hearing thereon by the Secretary to the same extent as is provided in section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

''(B) REPRESENTATION BY PROVIDER OR SUPPLIER.—

''(i) IN GENERAL.—Sections 206(a), 1102, and 1871 shall not be construed as authorizing the Secretary to prohibit an individual from being represented under this section by a person that furnishes or supplies the individual, directly or indirectly, with services or items, solely on the basis that the person furnishes or supplies the individual with such a service or item.

''(ii) MANDATORY WAIVER OF RIGHT TO PAYMENT FROM BENEFICIARY.—Any person that furnishes services or items to an individual may not represent an individual under this section with respect to the issue described in section 1879(a)(2) unless the person has waived any rights for payment from the beneficiary with respect to the services or items involved in the appeal.

''(iii) PROHIBITION ON PAYMENT FOR REPRESENTATION.—If a person furnishes services or items to an individual and represents the individual under this section, the person may not impose any financial liability on such individual in connection with such representation.

''(iv) REQUIREMENTS FOR REPRESENTATIVES OF A BENEFICIARY.—The provisions of section 205(j) and section 206 (regarding representation of claimants) shall apply to representation of an individual with respect to appeals under this section in the same manner as they apply to representation of an individual under those sections.

''(C) SUCCESSION OF RIGHTS IN CASES OF ASSIGNMENT.—The right of an individual to an appeal under this section with respect to an item or service may be assigned to the provider of services or supplier of the item or service upon the written consent of such individual using a standard form established by the Secretary for such an assignment.

''(D) TIME LIMITS FOR APPEALS.—

''(i) RECONSIDERATIONS.—Reconsideration under subparagraph (A) shall be available only if the individual described subparagraph (A) files notice with the Secretary to request reconsideration by not later than 180 days after the individual receives notice of the initial determination under subsection (a) or within such additional time as the Secretary may allow.

''(ii) HEARINGS CONDUCTED BY THE SECRETARY.—The Secretary shall establish in regulations time limits for the filing of a request for a hearing by the Secretary in accordance with provisions in sections 205 and 206.

''(E) AMOUNTS IN CONTROVERSY.—

''(i) IN GENERAL.—A hearing (by the Secretary) shall not be available to an individual under this section if the amount in controversy is less than $100, and judicial review shall not be available to the individual if the amount in controversy is less than $1,000.

''(ii) AGGREGATION OF CLAIMS.—In determining the amount in controversy, the Secretary, under regulations, shall allow 2 or more appeals to be aggregated if the appeals involve—

''(I) the delivery of similar or related services to the same individual by one or more providers of services or suppliers, or

''(II) common issues of law and fact arising from services furnished to 2 or more individuals by one or more providers of services or suppliers.

''(F) EXPEDITED PROCEEDINGS.—

''(i) EXPEDITED DETERMINATION.—In the case of an individual who—

''(I) has received notice by a provider of services that the provider of services plans to terminate services provided to an individual and a physician certifies that failure to continue the provision of such services is likely to place the individual's health at significant risk, or

''(II) has received notice by a provider of services that the provider of services plans to discharge the individual from the provider of services,

the individual may request, in writing or orally, an expedited determination or an expedited reconsideration of an initial determination made under subsection (a), as the case may be, and the Secretary shall provide such expedited determination or expedited reconsideration.

''(ii) EXPEDITED HEARING.—In a hearing by the Secretary under this section, in which the moving party alleges that no material issues of fact are in dispute, the Secretary shall make an expedited determination as to whether any such facts are in dispute and, if not, shall render a decision expeditiously.

''(G) REOPENING AND REVISION OF DETERMINATIONS.—The Secretary may reopen or revise any initial determination or reconsidered determination described in this subsection under guidelines established by the Secretary in regulations.

''(2) REVIEW OF COVERAGE DETERMINATIONS.—

''(A) NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—Review of any national coverage determination shall be subject to the following limitations:

''(I) Such a determination shall not be reviewed by any administrative law judge.

''(II) Such a determination shall not be held unlawful or set aside on the ground that a requirement of section 553 of title 5, United States Code, or section 1871(b) of this title, relating to publication in the Federal Register or opportunity for public comment, was not satisfied.

''(III) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by the Departmental Appeals Board of the Department of Health and Human Services. In conducting such a review, the Departmental Appeals Board shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the Departmental Appeals Board shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(IV) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(ii) DEFINITION OF NATIONAL COVERAGE DETERMINATION.—For purposes of this section, the term 'national coverage determination' means a determination by the Secretary respecting whether or not a particular item or service is covered nationally under this title, including such a determination under 1862(a)(1).

''(B) LOCAL COVERAGE DETERMINATION.—In the case of a local coverage determination made by a fiscal intermediary or a carrier under part A or part B respecting whether a particular type or class of items or services is covered under such parts, the following limitations apply:

''(i) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by an administrative law judge of the Social Security Administration. The administrative law judge shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the administrative law judge shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(ii) Such a determination may be reviewed by the Departmental Appeals Board of the Department of Health and Human Services.

''(iii) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(C) NO MATERIAL ISSUES OF FACT IN DISPUTE.—In the case of review of a determination under subparagraph (A)(i)(III) or (B)(i) where the moving party alleges that there are no material issues of fact in dispute, and alleges that the only issue is the constitutionality of a provision of this title, or that a regulation, determination, or ruling by the Secretary is invalid, the moving party may seek review by a court of competent jurisdiction.

''(D) PENDING NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—In the event the Secretary has not issued a national coverage or noncoverage determination with respect to a particular type or class of items or services, an affected party may submit to the Secretary a request to make such a determination with respect to such items or services. By not later than the end of the 90-day period beginning on the date the Secretary receives such a request, the Secretary shall take one of the following actions:

''(I) Issue a national coverage determination, with or without limitations.

''(II) Issue a national noncoverage determination.

''(III) Issue a determination that no national coverage or noncoverage determination is appropriate as of the end of such 90-day period with respect to national coverage of such items or services.

''(IV) Issue a notice that states that the Secretary has not completed a review of the request

*for a national coverage determination and that includes an identification of the remaining steps in the Secretary's review process and a deadline by which the Secretary will complete the review and take an action described in subclause (I), (II), or (III).*

*''(ii) In the case of an action described in clause (i)(IV), if the Secretary fails to take an action referred to in such clause by the deadline specified by the Secretary under such clause, then the Secretary is deemed to have taken an action described in clause (i)(III) as of the deadline.*

*''(iii) When issuing a determination under clause (i), the Secretary shall include an explanation of the basis for the determination. An action taken under clause (i) (other than subclause (IV)) is deemed to be a national coverage determination for purposes of review under subparagraph (A).*

*''(E) ANNUAL REPORT ON NATIONAL COVERAGE DETERMINATIONS.—*

*''(i) IN GENERAL.—Not later than December 1 of each year, beginning in 2001, the Secretary shall submit to Congress a report that sets forth a detailed compilation of the actual time periods that were necessary to complete and fully implement national coverage determinations that were made in the previous fiscal year for items, services, or medical devices not previously covered as a benefit under this title, including, with respect to each new item, service, or medical device, a statement of the time taken by the Secretary to make the necessary coverage, coding, and payment determinations, including the time taken to complete each significant step in the process of making such determinations.*

*''(ii) PUBLICATION OF REPORTS ON THE INTERNET.—The Secretary shall publish each report submitted under clause (i) on the medicare Internet site of the Department of Health and Human Services.*

*''(3) PUBLICATION ON THE INTERNET OF DECISIONS OF HEARINGS OF THE SECRETARY.—Each decision of a hearing by the Secretary shall be made public, and the Secretary shall publish each decision on the Medicare Internet site of the Department of Health and Human Services. The Secretary shall remove from such decision any information that would identify any individual, provider of services, or supplier.*

*''(4) LIMITATION ON REVIEW OF CERTAIN REGULATIONS.—A regulation or instruction which relates to a method for determining the amount of payment under part B and which was initially issued before January 1, 1981, shall not be subject to judicial review.*

*''(5) STANDING.—An action under this section seeking review of a coverage determination (with respect to items and services under this title) may be initiated only by one (or more) of the following aggrieved persons, or classes of persons:*

*''(A) Individuals entitled to benefits under part A, or enrolled under part B, or both, who are in need of the items or services that are the subject of the coverage determination.*

*''(B) Persons, or classes of persons, who make, manufacture, offer, supply, make available, or provide such items and services.*

*''(c) CONDUCT OF RECONSIDERATIONS BY INDEPENDENT CONTRACTORS.—*

*''(1) IN GENERAL.—The Secretary shall enter into contracts with qualified independent contractors to conduct reconsiderations of initial determinations made under paragraphs (2) and (3) of subsection (a). Contracts shall be for an initial term of three years and shall be renewable on a triennial basis thereafter.*

*''(2) QUALIFIED INDEPENDENT CONTRACTOR.—For purposes of this subsection, the term 'qualified independent contractor' means an entity or organization that is independent of any organization under contract with the Secretary that makes initial determinations under subsection (a), and that meets the requirements established by the Secretary consistent with paragraph (3).*

*''(3) REQUIREMENTS.—Any qualified independent contractor entering into a contract with the Secretary under this subsection shall meet the following requirements:*

*''(A) IN GENERAL.—The qualified independent contractor shall perform such duties and functions and assume such responsibilities as may be required under regulations of the Secretary promulgated to carry out the provisions of this subsection, and such additional duties, functions, and responsibilities as provided under the contract.*

*''(B) DETERMINATIONS.—The qualified independent contractor shall determine, on the basis of such criteria, guidelines, and policies established by the Secretary and published under subsection (d)(2)(D), whether payment shall be made for items or services under part A or part B and the amount of such payment. Such determination shall constitute the conclusive determination on those issues for purposes of payment under such parts for fiscal intermediaries, carriers, and other entities whose determinations are subject to review by the contractor; except that payment may be made if—*

*''(i) such payment is allowed by reason of section 1879;*

*''(ii) in the case of inpatient hospital services or extended care services, the qualified independent contractor determines that additional time is required in order to arrange for postdischarge care, but payment may be continued under this clause for not more than 2 days, and only in the case in which the provider of such services did not know and could not reasonably have been expected to know (as determined under section 1879) that payment would not otherwise be made for such services under part A or part B prior to notification by the qualified independent contractor under this subsection;*

*''(iii) such determination is changed as the result of any hearing by the Secretary or judicial review of the decision under this section; or*

*''(iv) such payment is authorized under section 1861(v)(1)(G).*

*''(C) DEADLINES FOR DECISIONS.—*

*''(i) DETERMINATIONS.—The qualified independent contractor shall conduct and conclude a determination under subparagraph (B) or an appeal of an initial determination, and mail the notice of the decision by not later than the end of the 45-day period beginning on the date a request for reconsideration has been timely filed.*

*''(ii) CONSEQUENCES OF FAILURE TO MEET DEADLINE.—In the case of a failure by the qualified independent contractor to mail the notice of the decision by the end of the period described in clause (i), the party requesting the reconsideration or appeal may request a hearing before an administrative law judge, notwithstanding any requirements for a reconsidered determination for purposes of the party's right to such hearing.*

*''(iii) EXPEDITED RECONSIDERATIONS.—The qualified independent contractor shall perform an expedited reconsideration under subsection (b)(1)(F) of a notice from a provider of services or supplier that payment may not be made for an item or service furnished by the provider of services or supplier, of a decision by a provider of services to terminate services furnished to an individual, or in accordance with the following:*

*''(I) DEADLINE FOR DECISION.—Notwithstanding section 216(j), not later than 1 day after the date the qualified independent contractor has received a request for such reconsideration and has received such medical or other records needed for such reconsideration, the qualified independent contractor shall provide notice (by telephone and in writing) to the individual and the provider of services and attending physician of the individual of the results of the reconsideration. Such reconsideration shall be conducted regardless of whether the provider of services or supplier will charge the individual for continued services or whether the individual will be liable for payment for such continued services.*

*''(II) CONSULTATION WITH BENEFICIARY.—In such reconsideration, the qualified independent contractor shall solicit the views of the individual involved.*

*''(D) LIMITATION ON INDIVIDUAL REVIEWING DETERMINATIONS.—*

*''(i) PHYSICIANS.—No physician under the employ of a qualified independent contractor may review—*

*''(I) determinations regarding health care services furnished to a patient if the physician was directly responsible for furnishing such services; or*

*''(II) determinations regarding health care services provided in or by an institution, organization, or agency, if the physician or any member of the physician's family has, directly or indirectly, a significant financial interest in such institution, organization, or agency.*

*''(ii) PHYSICIAN'S FAMILY DESCRIBED.—For purposes of this paragraph, a physician's family includes the physician's spouse (other than a spouse who is legally separated from the physician under a decree of divorce or separate maintenance), children (including stepchildren and legally adopted children), grandchildren, parents, and grandparents.*

*''(E) EXPLANATION OF DETERMINATIONS.—Any determination of a qualified independent contractor shall be in writing, and shall include a detailed explanation of the determination as well as a discussion of the pertinent facts and applicable regulations applied in making such determination.*

*''(F) NOTICE REQUIREMENTS.—Whenever a qualified independent contractor makes a determination under this subsection, the qualified independent contractor shall promptly notify such individual and the entity responsible for the payment of claims under part A or part B of such determination.*

*''(G) DISSEMINATION OF INFORMATION.—Each qualified independent contractor shall, using the methodology established by the Secretary under subsection (d)(4), make available all determinations of such qualified independent contractors to fiscal intermediaries (under section 1816), carriers (under section 1842), peer review organizations (under part B of title XI), Medicare+Choice organizations offering Medicare+Choice plans under part C, and other entities under contract with the Secretary to make initial determinations under part A or part B or title XI.*

*''(H) ENSURING CONSISTENCY IN DETERMINATIONS.—Each qualified independent contractor shall monitor its determinations to ensure the consistency of its determinations with respect to requests for reconsideration of similar or related matters.*

*''(I) DATA COLLECTION.—*

*''(i) IN GENERAL.—Consistent with the requirements of clause (ii), a qualified independent contractor shall collect such information relevant to its functions, and keep and maintain such records in such form and manner as the Secretary may require to carry out the purposes of this section and shall permit access to and use of any such information and records as the Secretary may require for such purposes.*

*''(ii) TYPE OF DATA COLLECTED.—Each qualified independent contractor shall keep accurate records of each decision made, consistent with standards established by the Secretary for such purpose. Such records shall be maintained in an electronic database in a manner that provides for identification of the following:*

*''(I) Specific claims that give rise to appeals.*

*''(II) Situations suggesting the need for increased education for providers of services, physicians, or suppliers.*

*''(III) Situations suggesting the need for changes in national or local coverage policy.*

*''(IV) Situations suggesting the need for changes in local medical review policies.*

*''(iii) ANNUAL REPORTING.—Each qualified independent contractor shall submit annually to the Secretary (or otherwise as the Secretary may request) records maintained under this paragraph for the previous year.*

''(J) HEARINGS BY THE SECRETARY.—The qualified independent contractor shall (i) prepare such information as is required for an appeal of its reconsidered determination to the Secretary for a hearing, including as necessary, explanations of issues involved in the determination and relevant policies, and (ii) participate in such hearings as required by the Secretary.

''(4) NUMBER OF QUALIFIED INDEPENDENT CONTRACTORS.—The Secretary shall enter into contracts with not fewer than 12 qualified independent contractors under this subsection.

''(5) LIMITATION ON QUALIFIED INDEPENDENT CONTRACTOR LIABILITY.—No qualified independent contractor having a contract with the Secretary under this subsection and no person who is employed by, or who has a fiduciary relationship with, any such qualified independent contractor or who furnishes professional services to such qualified independent contractor, shall be held by reason of the performance of any duty, function, or activity required or authorized pursuant to this subsection or to a valid contract entered into under this subsection, to have violated any criminal law, or to be civilly liable under any law of the United States or of any State (or political subdivision thereof) provided due care was exercised in the performance of such duty, function, or activity.

''(d) ADMINISTRATIVE PROVISIONS.—

''(1) OUTREACH.—The Secretary shall perform such outreach activities as are necessary to inform individuals entitled to benefits under this title and providers of services and suppliers with respect to their rights of, and the process for, appeals made under this section. The Secretary shall use the toll-free telephone number maintained by the Secretary (1–800–MEDICAR(E)) (1–800–633–4227) to provide information regarding appeal rights and respond to inquiries regarding the status of appeals.

''(2) GUIDANCE FOR RECONSIDERATIONS AND HEARINGS.—

''(A) REGULATIONS.—Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations governing the processes of reconsiderations of determinations by the Secretary and qualified independent contractors and of hearings by the Secretary. Such regulations shall include such specific criteria and provide such guidance as required to ensure the adequate functioning of the reconsiderations and hearings processes and to ensure consistency in such processes.

''(B) DEADLINES FOR ADMINISTRATIVE ACTION.—

''(i) HEARING BY ADMINISTRATIVE LAW JUDGE.—

''(II) IN GENERAL.—Except as provided in subclause (II), an administrative law judge shall conduct and conclude a hearing on a decision of a qualified independent contractor under subsection (c) and render a decision on such hearing by not later than the end of the 90-day period beginning on the date a request for hearing has been timely filed.

''(II) WAIVER OF DEADLINE BY PARTY SEEKING HEARING.—The 90-day period under subclause (i) shall not apply in the case of a motion or stipulation by the party requesting the hearing to waive such period.

''(ii) DEPARTMENTAL APPEALS BOARD REVIEW.—The Departmental Appeals Board of the Department of Health and Human Services shall conduct and conclude a review of the decision on a hearing described in subparagraph (B) and make a decision or remand the case to the administrative law judge for reconsideration by not later than the end of the 90-day period beginning on the date a request for review has been timely filed.

''(iii) CONSEQUENCES OF FAILURE TO MEET DEADLINES.—In the case of a failure by an administrative law judge to render a decision by the end of the period described in clause (ii), the party requesting the hearing may request a review by the Departmental Appeals Board of the Department of Health and Human Services, notwithstanding any requirements for a hearing for purposes of the party's right to such a review.

''(iv) DAB HEARING PROCEDURE.—In the case of a request described in clause (iii), the Departmental Appeals Board shall review the case de novo.

''(C) POLICIES.—The Secretary shall provide such specific criteria and guidance, including all applicable national and local coverage policies and rationale for such policies, as is necessary to assist the qualified independent contractors to make informed decisions in considering appeals under this section. The Secretary shall furnish to the qualified independent contractors the criteria and guidance described in this paragraph in a published format, which may be an electronic format.

''(D) PUBLICATION OF MEDICARE COVERAGE POLICIES ON THE INTERNET.—The Secretary shall publish national and local coverage policies under this title on an Internet site maintained by the Secretary.

''(E) EFFECT OF FAILURE TO PUBLISH POLICIES.—

''(i) NATIONAL AND LOCAL COVERAGE POLICIES.—Qualified independent contractors shall not be bound by any national or local medicare coverage policy established by the Secretary that is not published on the Internet site under subparagraph (D).

''(ii) OTHER POLICIES.—With respect to policies established by the Secretary other than the policies described in clause (i), qualified independent contractors shall not be bound by such policies if the Secretary does not furnish to the qualified independent contractor the policies in a published format consistent with subparagraph (C).

''(3) CONTINUING EDUCATION REQUIREMENT FOR QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—

''(A) IN GENERAL.—The Secretary shall provide to each qualified independent contractor, and, in consultation with the Commissioner of Social Security, to administrative law judges that decide appeals of reconsiderations of initial determinations or other decisions or determinations under this section, such continuing education with respect to policies of the Secretary under this title or part B of title XI as is necessary for such qualified independent contractors and administrative law judges to make informed decisions with respect to appeals.

''(B) MONITORING OF DECISIONS BY QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—The Secretary shall monitor determinations made by all qualified independent contractors and administrative law judges under this section and shall provide continuing education and training to such qualified independent contractors and administrative law judges to ensure consistency of determinations with respect to appeals on similar or related matters. To ensure such consistency, the Secretary shall provide for administration and oversight of qualified independent contractors and, in consultation with the Commissioner of Social Security, administrative law judges through a central office of the Department of Health and Human Services. Such administration and oversight may not be delegated to regional offices of the Department.

''(4) DISSEMINATION OF DETERMINATIONS.—The Secretary shall establish a methodology under which qualified independent contractors shall carry out subsection (c)(3)(G).

''(5) SURVEY.—Not less frequently than every 5 years, the Secretary shall conduct a survey of a valid sample of individuals entitled to benefits under this title, providers of services, and suppliers to determine the satisfaction of such individuals or entities with the process for appeals of determinations provided for under this section and education and training provided by the Secretary with respect to that process. The Secretary shall submit to Congress a report describing the results of the survey, and shall include any recommendations for administrative or legislative actions that the Secretary determines appropriate.

''(6) REPORT TO CONGRESS.—The Secretary shall submit to Congress an annual report describing the number of appeals for the previous year, identifying issues that require administrative or legislative actions, and including any recommendations of the Secretary with respect to such actions. The Secretary shall include in such report an analysis of determinations by qualified independent contractors with respect to inconsistent decisions and an analysis of the causes of any such inconsistencies.''.

(b) APPLICABILITY OF REQUIREMENTS AND LIMITATIONS ON LIABILITY OF QUALIFIED INDEPENDENT CONTRACTORS TO MEDICARE+CHOICE INDEPENDENT APPEALS CONTRACTORS.—Section 1852(g)(4) of the Social Security Act (42 U.S.C. 1395w–22(e)(3)) is amended by adding at the end the following: ''The provisions of section 1869(c)(5) shall apply to independent outside entities under contract with the Secretary under this paragraph.''.

(c) CONFORMING AMENDMENT TO REVIEW BY THE PROVIDER REIMBURSEMENT REVIEW BOARD.—Section 1878(g) of the Social Security Act (42 U.S.C. 1395oo(g)) is amended by adding at the end the following new paragraph:

''(3) Findings described in paragraph (1) and determinations and other decisions described in paragraph (2) may be reviewed or appealed under section 1869.''.

**SEC. 222. PROVISIONS WITH RESPECT TO LIMITATIONS ON LIABILITY OF BENEFICIARIES.**

(a) EXPANSION OF LIMITATION OF LIABILITY PROTECTION FOR BENEFICIARIES WITH RESPECT TO MEDICARE CLAIMS NOT PAID OR PAID INCORRECTLY.—

(1) IN GENERAL.—Section 1879 of the Social Security Act (42 U.S.C. 1395pp) is amended by adding at the end the following new subsections:

''(i) Notwithstanding any other provision of this Act, an individual who is entitled to benefits under this title and is furnished a service or item is not liable for repayment to the Secretary of amounts with respect to such benefits—

''(1) subject to paragraph (2), in the case of a claim for such item or service that is incorrectly paid by the Secretary; and

''(2) in the case of payments made to the individual by the Secretary with respect to any claim under paragraph (1), the individual shall be liable for repayment of such amount only up to the amount of payment received by the individual from the Secretary.

''(j)(1) An individual who is entitled to benefits under this title and is furnished a service or item is not liable for payment of amounts with respect to such benefits in the following cases:

''(A) In the case of a benefit for which an initial determination has not been made by the Secretary under subsection (a) whether payment may be made under this title for such benefit.

''(B) In the case of a claim for such item or service that is—

''(i) improperly submitted by the provider of services or supplier; or

''(ii) rejected by an entity under contract with the Secretary to review or pay claims for services and items furnished under this title, including an entity under contract with the Secretary under section 1857.

''(2) The limitation on liability under paragraph (1) shall not apply if the individual signs a waiver provided by the Secretary under subsection (l) of protections under this paragraph, except that any such waiver shall not apply in the case of a denial of a claim for noncompliance with applicable regulations or procedures under this title or title XI.

''(k) An individual who is entitled to benefits under this title and is furnished services by a provider of services is not liable for payment of amounts with respect to such services prior to noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under

*paragraph (1), unless the following conditions are met:*

*''(1) The provider of services shall furnish a notice of discharge and appeal rights established by the Secretary under subsection (l) to each individual entitled to benefits under this title to whom such provider of services furnishes services, upon admission of the individual to the provider of services and upon notice of determination to discharge the individual from the provider of services, of the individual's limitations of liability under this section and rights of appeal under section 1869.*

*''(2) If the individual, prior to discharge from the provider of services, appeals the determination to discharge under section 1869 not later than noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), the provider of services shall, by the close of business of such first working day, provide to the Secretary (or qualified independent contractor under section 1869, as determined by the Secretary) the records required to review the determination.*

*''(l) The Secretary shall develop appropriate standard forms for individuals entitled to benefits under this title to waive limitation of liability protections under subsection (j) and to receive notice of discharge and appeal rights under subsection (k). The forms developed by the Secretary under this subsection shall clearly and in plain language inform such individuals of their limitations on liability, their rights under section 1869(a) to obtain an initial determination by the Secretary of whether payment may be made under part A or part B for such benefit, and their rights of appeal under section 1869(b), and shall inform such individuals that they may obtain further information or file an appeal of the determination by use of the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) maintained by the Secretary. The forms developed by the Secretary under this subsection shall be the only manner in which such individuals may waive such protections under this title or title XI.*

*''(m) An individual who is entitled to benefits under this title and is furnished an item or service is not liable for payment of cost sharing amounts of more than $50 with respect to such benefits unless the individual has been informed in advance of being furnished the item or service of the estimated amount of the cost sharing for the item or service using a standard form established by the Secretary.''.*

*(2) CONFORMING AMENDMENT.—Section 1870(a) of the Social Security Act (42 U.S.C. 1395gg(a)) is amended by striking ''Any payment under this title'' and inserting ''Except as provided in section 1879(i), any payment under this title''.*

*(b) INCLUSION OF BENEFICIARY LIABILITY INFORMATION IN EXPLANATION OF MEDICARE BENEFITS.—Section 1806(a) of the Social Security Act (42 U.S.C. 1395b–7(a)) is amended—*

*(1) in paragraph (1), by striking ''and'' at the end;*

*(2) by redesignating paragraph (2) as paragraph (3); and*

*(3) by inserting after paragraph (1) the following new paragraph:*

*''(2) lists with respect to each item or service furnished the amount of the individual's liability for payment;'';*

*(4) in paragraph (3), as so redesignated, by striking the period at the end and inserting ''; and''; and*

*(5) by adding at the end the following new paragraph:*

*''(4) includes the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) for information and questions concerning the statement, liability of the individual for payment, and appeal rights.''.*

***SEC. 223. WAIVERS OF LIABILITY FOR COST SHARING AMOUNTS.***

*(a) IN GENERAL.—Section 1128A(i)(6)(A) of the Social Security Act (42 U.S.C. 1320a–7a(i)(6)(A)) is amended by striking clauses (i) through (iii) and inserting the following:*

*''(i) the waiver is offered as a part of a supplemental insurance policy or retiree health plan;*

*''(ii) the waiver is not offered as part of any advertisement or solicitation, other than in conjunction with a policy or plan described in clause (i);*

*''(iii) the person waives the coinsurance and deductible amount after the beneficiary informs the person that payment of the coinsurance or deductible amount would pose a financial hardship for the individual; or*

*''(iv) the person determines that the coinsurance and deductible amount would not justify the costs of collection.''.*

*(b) CONFORMING AMENDMENT.—Section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) is amended by adding at the end the following new paragraph:*

*''(4) In this section, the term 'remuneration' includes the meaning given such term in section 1128A(i)(6).''.*

***SEC. 224. ELIMINATION OF MOTIONS BY THE SECRETARY ON DECISIONS OF THE PROVIDER REIMBURSEMENT REVIEW BOARD.***

*Section 1878(f)(1) of such Act (42 U.S.C. 1395oo(f)(1)) is amended—*

*(1) in the first sentence, by striking ''unless the Secretary, on his own motion, and within 60 days after the provider of services is notified of the Board's decision, reverses, affirms, or modifies the Board's decision'';*

*(2) in the second sentence, by striking '', or of any reversal, affirmance, or modification by the Secretary,'' and ''or of any reversal, affirmance, or modification by the Secretary''; and*

*(3) in the fifth sentence, by striking ''and not subject to review by the Secretary''.*

***SEC. 225. EFFECTIVE DATE OF SUBTITLE.***

*In no case shall the amendments made by this subtitle apply before October 1, 2000.*

## *TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT*

### *Subtitle A—Medicare+Choice Reforms*

***SEC. 301. INCREASE IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE IN 2001 AND 2002.***

*Section 1853(c)(6)(B) of the Social Security Act (42 U.S.C. 1395w–23(c)(6)(B)) is amended—*

*(1) in clause (iv), by striking ''for 2001, 0.5 percentage points'' and inserting ''for 2001, 0 percentage points''; and*

*(2) in clause (v), by striking ''for 2002, 0.3 percentage points'' and inserting ''for 2002, 0 percentage points''.*

***SEC. 302. PERMANENTLY REMOVING APPLICATION OF BUDGET NEUTRALITY BEGINNING IN 2002.***

*Section 1853(c) of the Social Security Act (42 U.S.C. 1395w–23(c)) is amended—*

*(1) in paragraph (1)(A), in the matter following clause (ii), by inserting ''(for years before 2002)'' after ''multiplied''; and*

*(2) in paragraph (5), by inserting ''(before 2002)'' after ''for each year''.*

***SEC. 303. INCREASING MINIMUM PAYMENT AMOUNT.***

*(a) IN GENERAL.—Section 1853(c)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(B)(ii)) is amended—*

*(1) by striking ''(ii) For a succeeding year'' and inserting ''(ii)(I) Subject to subclause (II), for a succeeding year''; and*

*(2) by adding at the end the following new subclause:*

*''(II) For 2002 for any of the 50 States and the District of Columbia, $450.''.*

*(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to years beginning with 2002.*

***SEC. 304. ALLOWING MOVEMENT TO 50:50 PERCENT BLEND IN 2002.***

*Section 1853(c)(2) of the Social Security Act (42 U.S.C. 1395w–23(c)(2)) is amended—*

*(1) by striking the period at the end of subparagraph (F) and inserting a semicolon; and*

*(2) by adding after and below subparagraph (F) the following:*

*''except that a Medicare+Choice organization may elect to apply subparagraph (F) (rather than subparagraph (E)) for 2002.''.*

***SEC. 305. INCREASED UPDATE FOR PAYMENT AREAS WITH ONLY ONE OR NO MEDICARE+CHOICE CONTRACTS.***

*(a) IN GENERAL.—Section 1853(c)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—*

*(1) by striking ''(ii) For a subsequent year'' and inserting ''(ii)(I) Subject to subclause (II), for a subsequent year''; and*

*(2) by adding at the end the following new subclause:*

*''(II) During 2002, 2003, 2004, and 2005, in the case of a Medicare+Choice payment area in which there is no more than 1 contract entered into under this part as of July 1 before the beginning of the year, 102.5 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.''.*

*(b) CONSTRUCTION.—The amendments made by subsection (a) do not affect the payment of a first time bonus under section 1853(i) of the Social Security Act (42 U.S.C. 1395w–23(i)).*

***SEC. 306. PERMITTING HIGHER NEGOTIATED RATES IN CERTAIN MEDICARE+CHOICE PAYMENT AREAS BELOW NATIONAL AVERAGE.***

*Section 1853(c)(1) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)) is amended—*

*(1) in the matter before subparagraph (A), by striking ''or (C)'' and inserting ''(C), or (D)''; and*

*(2) by adding at the end the following new subparagraph:*

*''(D) PERMITTING HIGHER RATES THROUGH NEGOTIATION.—*

*''(i) IN GENERAL.—For each year beginning with 2004, in the case of a Medicare+Choice payment area for which the Medicare+Choice capitation rate under this paragraph would otherwise be less than the United States per capita cost (USPCC), as calculated by the Secretary, a Medicare+Choice organization may negotiate with the Medicare Benefits Administrator an annual per capita rate that—*

*''(I) reflects an annual rate of increase up to the rate of increase specified in clause (ii);*

*''(II) takes into account audited current data supplied by the organization on its adjusted community rate (as defined in section 1854(f)(3)); and*

*''(III) does not exceed the United States per capita cost, as projected by the Secretary for the year involved.*

*''(ii) MAXIMUM RATE DESCRIBED.—The rate of increase specified in this clause for a year is the rate of inflation in private health insurance for the year involved, as projected by the Medicare Benefits Administrator, and includes such adjustments as may be necessary—*

*''(I) to reflect the demographic characteristics in the population under this title; and*

*''(II) to eliminate the costs of prescription drugs.*

*''(iii) ADJUSTMENTS FOR OVER OR UNDER PROJECTIONS.—If subparagraph is applied to an organization and payment area for a year, in applying this subparagraph for a subsequent year the provisions of paragraph (6)(C) shall apply in the same manner as such provisions apply under this paragraph.''.*

***SEC. 307. 10-YEAR PHASE IN OF RISK ADJUSTMENT BASED ON DATA FROM ALL SETTINGS.***

*Section 1853(a)(3)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—*

*(1) by striking the period at the end of subclause (II) and inserting a semicolon; and*

*(2) by adding after and below subclause (II) the following:*

*''and, beginning in 2004, insofar as such risk adjustment is based on data from all settings, the*

*methodology shall be phased in equal increments over a 10 year period, beginning with 2004 or (if later) the first year in which such data is used.''.*

***SEC. 308. DELAY FROM JULY TO OCTOBER, 2000 IN DEADLINE FOR OFFERING AND WITHDRAWING MEDICARE+CHOICE PLANS FOR 2001.***

*Notwithstanding any other provision of law, the deadline for a Medicare+Choice organization to withdraw the offering of a Medicare+Choice plan under part C of title XVIII of the Social Security Act (or otherwise to submit information required for the offering of such a plan) for 2001 is delayed from July 1, 2000, to October 1, 2000, and any such organization that provided notice of withdrawal of such a plan during 2000 before the date of the enactment of this Act may rescind such withdrawal at any time before October 1, 2000.*

***Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals***

***SEC. 311. PRESERVATION OF COVERAGE OF DRUGS AND BIOLOGICALS UNDER PART B OF THE MEDICARE PROGRAM.***

*(a) IN GENERAL.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended, in each of subparagraphs (A) and (B), by striking ''(including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered)'' and inserting ''(including injectable and infusable drugs and biologicals which are not usually self-administered by the patient)''.*

*(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to drugs and biologicals administered on or after October 1, 2000.*

***SEC. 312. GAO REPORT ON PART B PAYMENT FOR DRUGS AND BIOLOGICALS AND RELATED SERVICES.***

*(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to quantify the extent to which reimbursement for drugs and biologicals under the current medicare payment methodology (provided under section 1842 (o) of the Social Security Act (42 U.S.C. 1395u(o)) overpays for the cost of such drugs and biologicals compared to the average acquisition cost paid by physicians or other suppliers of such drugs*

*(b) ELEMENTS.—The study shall also assess the consequences of changing the current medicare payment methodology to a payment methodology that is based on the average acquisition cost of the drugs. The study shall, at a minimum, assess the effects of such a reduction on—*

*(1) the delivery of health care services to Medicare beneficiaries with cancer;*

*(2) total Medicare expenditures, including an estimate of the number of patients who would, as a result of the payment reduction, receive chemotherapy in a hospital rather than in a physician's office;*

*(3) the delivery of dialysis services;*

*(4) the delivery of vaccines;*

*(5) the administration in physician offices of drugs other than cancer therapy drugs; and*

*(6) the effect on the delivery of drug therapies by hospital outpatient departments of changing the average wholesale price as the basis for Medicare pass-through payments to such departments, as included in the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.*

*(c) PAYMENT FOR RELATED PROFESSIONAL SERVICES.—The study shall also include a review of the extent to which other payment methodologies under part B of the medicare program, if any, intended to reimburse physician and other suppliers of drugs and biologicals described in subsection (a) for costs incurred in handling, storing and administering such drugs and biologicals are inadequate to cover such costs and whether an additional payment would be required to cover these costs under the average acquisition cost methodology.*

*(d) CONSIDERATION OF ISSUES IN IMPLEMENTING AN AVERAGE ACQUISITION COST METHODOLOGY.—The study shall assess possible means by which a payment method based on average acquisition cost could be implemented, including at least the following:*

*(1) Identification of possible bases for determining the average acquisition cost of drugs, such as surveys of wholesaler catalog prices, and determination of the advantages, disadvantages, and costs (to the government and public) of each possible approach.*

*(2) The impact on individual providers and practitioners if average or median prices are used as the payment basis.*

*(3) Methods for updating and keeping current the prices used as the payment basis.*

*(e) COORDINATION WITH BBRA STUDY.—The Comptroller General shall conduct the study under this section in coordination with the study provided for under section 213(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A-350), as enacted into law by section 1000(a)(6) of Public Law 106-113.*

*(f) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Comptroller General shall submit a report on the study conducted under this section, as well as the study referred to in subsection (e). Such report shall include recommendations regarding such changes in the medicare reimbursement policies described in subsections (a) and (c) as the Comptroller General deems appropriate, as well as the recommendations described in section 213(b) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999.*

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER), the gentleman from New York (Mr. RANGEL), the gentleman from Virginia (Mr. BLILEY), and the gentleman from Michigan (Mr. DINGELL) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4680.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today 12 million seniors and disabled Americans on Medicare, including 7 million women, have no prescription drug coverage. For the vast majority of seniors living on fixed incomes, this is a very difficult situation. This bill brings them help.

Clearly, Mr. Speaker, now is the time for us to add to Medicare prescription drug coverage. Our Republican bipartisan plan does just that. 5.5 million low-income seniors, almost half of those on Medicare today, are without coverage. They now will have a prescription drug plan. For about the cost of a movie ticket, those seniors will be able to get the medicines that they need, no matter the cost, no matter the illness.

We do not just cover low-income Americans. We cover every senior who wishes to enroll. Seniors will be given the right to choose, the right to voluntarily choose the drug plan that works best for them. They will receive a 25 percent reduction in the price of the drugs they buy and the security also of catastrophic coverage in the case of chronic illness or excessively high drug costs.

So all 6½ million middle-income seniors without coverage will also get to choose a prescription drug benefit plan as well. This is truly a complete package, but there are some things that our plan will not do. First, it will not affect the millions of seniors who have existing drug coverage and like it. They will be able to continue with that.

Second, it will not force seniors into a bureaucratic government-run plan that dictates what drugs seniors can and cannot have.

Third, it will not evaporate over time if drug costs continue to outpace inflation.

Finally, it will not break the bank or threaten Medicare's future.

All of these items that I mentioned are concerns that we have with the Democrat plan. Democrats will offer seniors no choice. They offer seniors only a single government-run plan, and seniors will have to take it or leave it.

Finally, the Democrat plan makes seniors wait until the year 2006, 6 years from now, before they can get catastrophic coverage and then only if Washington has a surplus.

Why the delay? Why the contingency? The Democrat plan is a big step toward Washington-run health care but a step backward in helping seniors with the high cost of prescription drugs.

Our Republican bipartisan bill, by contrast, gives seniors the right to choose the coverage that works best for them. It gives seniors a 25 to 39 percent discount off the price of their drugs.

This vote is a simple choice, Mr. Speaker. I urge my colleagues to vote for the Republican bipartisan bill that makes prescription drugs available, affordable and voluntary.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, every time there is a good idea that we have in this House of Representatives, the Republican majority has to figure some way to find some wording that either it is going to be deep-sixed and never be brought to the floor or that it becomes a political statement because they can be assured that it is going to be vetoed. It is not only affordable health care. Whether it is school construction, minimum wage, gun safety, patient bill of rights, all good ideas, but they have to find some way to make certain that it never becomes the law; that they have to challenge Democrats and challenge the President.

They keep calling this a bipartisan bill because they found a Democrat or two that lost their way. The truth of the matter is, bipartisanship starts

with the committee. The gentleman from Texas (Mr. ARCHER) is supposed to talk with the gentleman from New York (Mr. RANGEL) and say, hey, can we get a bipartisan bill? The gentleman from California (Mr. THOMAS) is supposed to talk to the gentleman from California (Mr. STARK) and say, hey, can we work out something? That is how we get bipartisanship. That is historically how we do it here.

But, no, what the other side has chosen to do is to wait until 2:00 or 3:00 in the morning and decide that we are not going to have any option. It is going to be the Republican way or no way.

One of my favorite Republicans once said, if one gets a telephone call at 2:30 in the morning, it must be suspicious, that something is going wrong. Well, if one gets it at 3:00 in the morning, then they can rest assured that something is going on that they do not want the American people to know.

What is it? That they have a bill, they have a statement. We do not challenge the fact that they just do not like government helping people. That is their way. That is how they think. If it is Social Security, if it is Medicare, if it is education, privatize it and forget it. Get some vouchers, let the private sector do it. Give the money to the HMOs, give it to the insurers because they cannot trust old folks with their own prescription drugs.

All we are asking for is a chance to have another way. So I can say this, it is possible that the voters were sleeping when the Republicans had concocted this scheme to deny us an option to really provide health care for those who need it, but I assure them that when they vote today that the voters will not be sleeping when they check out the voting records as to who really was concerned about affordable health care. Even those that they want to help reject this cockamamie scheme that they can feed money into the HMO and that they are going to now go into the rural areas and provide health care.

Mr. Speaker, I ask unanimous consent to yield the remainder of my time to the gentleman from California (Mr. STARK), the ranking member of the Subcommittee on Health, so that he may designate and yield to other Members of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield 1¼ minutes to the gentleman from Missouri (Mr. HULSHOF), the respected member of the Committee on Ways and Means.

(Mr. HULSHOF asked and was given permission to revise and extend his remarks.)

Mr. HULSHOF. Mr. Speaker, talk is cheap. Prescription drugs are not. They are expensive and getting more expensive every day. Seniors need help now. The competing plans are alike in certain respects, monthly premiums, deductibles, out-of-pocket costs, taking care of low-income seniors; but I agree with the gentleman who just spoke that there are some philosophical differences between the two plans. In other words, shall seniors have a right to choose or shall America's seniors be forced to lose? That is what is at stake. Do we trust older Americans to be able to choose for themselves the prescription drug plans and let them keep the plans that they like? Or shall we force them into a take-it-or-leave-it approach? I think we should trust those in their golden years to make those decisions for themselves.

We have seen health-run plans in other nations, and we have seen they have not worked. In Canada and England they are not on the cutting edge of having miracle drug therapies; or the fact that seniors cannot get prescription drugs, have their doctors prescribe them and then get those drugs as they need it.

When Medicare began in 1965, the corner drugstore was the gathering place. People would sit around and catch up. Pharmacists would know a person's name, know their medical history. That has not changed even though the country has. Under our plan, that will not change, except that prescription medicines will be cheaper.

I urge a yes vote on the bipartisan plan.

Mr. STARK. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, to the previous speaker in the well I would say things have not changed, or maybe they have. Now the lobbyists for the pharmacists get together with Members of Congress in the dead of night and draw a bill that will benefit only the pharmaceutical corporations and the managed care companies. So where we used to be able to consult with our local pharmacist about what is good for us, now we have to let the Republicans cozy up to the lobbyists in whose pocket they reside and get their campaign contributions and whatever other gifts they want to give them as they draft a bill which will only help the pharmaceutical industry and the HMOs in this country.

I would like to say that the Democrats' bill, if it were allowed to be voted on by the Republicans, is a better bill. We will hear in the debate that there are some similarities, and there are. The principal difference is that the Democrats bill is dependable. It uses real resources, and it is an integral part of Medicare.

The Republican bill will never come into law. We see before us the statement that was given to us this morning by the administration which opposes H.R. 4680 because its private insurance benefit does not meet the President's test of being a meaningful Medicare prescription drug benefit that is affordable and accessible for all beneficiaries; and if H.R. 4680 were presented to the President, he would veto it.

So we are today debating something that will never come to pass, and we have been foreclosed from offering an option. Admittedly, the option would be much more expensive, and we are proud of that. We, in our limited bill, have half the number of uninsured seniors than the Republicans do. If the Republican bill were to pass, which is not likely, there would still be 10 million Medicare beneficiaries without any health care.

Our bill would leave 4½ million Medicare beneficiaries, half as few, that would not have insurance. Yet we are begging to spend this surplus and not waste it on a relief from the inheritance tax, which will benefit 3,000 or 4,000 of the very richest Americans. With that money alone, we could provide an added benefit at a low enough premium and eliminate the copay so that we could include all the Medicare beneficiaries in a generous, dependable benefit with a reliable premium that would be the same across the country and allow the seniors to get their drugs from any provider in the country. This is not true under the Republican bill.

□ 1445

We think that the government can do a better job than subsidizing managed care drug plans whose record has been to increase the premiums, leave the program, abandon their beneficiaries, kick up the premiums, cut benefits, where Medicare has done none of that, it has been dependable. I wish we could bring our bill to the public.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania, (Mr. ENGLISH), another respected member of the Ways and Means Committee.

Mr. ENGLISH. Mr. Speaker, if we can set aside for a moment the hot bipartisan rhetoric, today the House has an opportunity to take a historic step to ensure that no senior will ever have to face the choice again between destitution and neglecting their prescriptions.

The House bipartisan prescription drug plan is a balanced, market-oriented approach targeted to updating Medicare and providing prescription coverage, more generous coverage as it happens than what the President has originally proposed.

For my district, the plan does some very important things. It takes vital steps toward improving Medicare as a whole. It expedites the appeals process by mandating Medicare appeals. They used to take an average of 400 days now it takes less than a quarter of that time.

Our plan is the only one that addresses the problems in Medicare+Choice, particularly a problem in portions of my district, where plans are raising rates or cutting benefits.

Under our bipartisan bill, we move the prescription drug benefit of Medicare+Choice out from under the cold shadow of the Health Care Financing Administration that has haunted the program, instead we create the

Medicare Benefit Administration to safeguard prescription drug plans and negotiate lower prescription prices for seniors.

Mr. Speaker, today the House takes a historic step to ensure that no senior will ever have to face the choice between destitution and prescription drugs. The House Bipartisan Prescription Drug Plan is available, affordable and voluntary for ALL seniors.

Under this proposal, seniors will no longer have to pay exorbitant prices for drugs. Using group bargaining power, seniors will enjoy a 25 percent discount on necessary prescriptions.

Many seniors in my district will qualify for direct subsidies. About 100,000 seniors in Pennsylvania will be covered 100 percent under this plan.

But the best part is that those seniors who are struggling to pay runaway drug costs would have access to a Medicare entitlement which covers all of their costs about $6,000.

Seniors at all income levels will have access to affordable prescription drug coverage that best meets their individual needs.

The House Bipartisan Prescription Drug Plan is a balanced, market-oriented approach targeted at updating Medicare and providing prescription drug coverage.

Under our prescription drug plan, the government would share in insuring the sickest seniors, making the risk more manageable for private insurers.

By sharing the risk and the cost associated with caring for the sickest beneficiaries, premiums will be lower for every beneficiary.

Keeping rural seniors in mind, our plan guarantees at least two drug plans will be available in every area of the country with the government serving as the insurer of last resort.

The President's plan shoehorns seniors—many of whom have private drug coverage which they are happy with—into what I call a ''one-size-fits-few'' plan with Washington bureaucrats in control of their benefits.

MEDICARE REFORMS

The plan takes vital steps toward improving Medicare as a whole. It expedites the appeals process by mandating that appeals that used to take an average of 400 days now take less than a quarter of that time.

Our plan is the only one that addresses the problems of Medicare+Choice. In portions of my district, plans are raising rates and cutting benefits to seniors because the dismal reimbursement rates.

We move the prescription drug benefit and Medicare+Choice out from under the cold shadow of the Health Care Financing Administration that has haunted and nearly bankrupted the system.

The Medicare Benefit Administration will be created to safeguard prescription drug plans and negotiate lower prescription prices for seniors. The administration will allow the plan to realize its potential, free from interference from the bureaucracy.

We further strengthen Medicare+Choice plans by: raising the base rate that counties currently receive; providing higher updates for those areas who currently have 1 or no plans—thereby encouraging plans to continue to provide coverage in these areas.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Washington State (Mr. MCDERMOTT), who knows why the National Committee to Preserve Social Security and Medicare and National Council on Aging supports the Democrats' plan and opposes the Republicans' plan.

Mr. MCDERMOTT. Mr. Speaker, this bill is like a bad April Fool's Day joke. You know there is a purse that is laying out on the street with a string on it. And the person comes along and pulls the string and the people keep reaching for it and they cannot quite get it.

The Republican bill has no guaranteed premium in it. It has no guaranteed costs reduction in it. I do not care what figures they throw around out here, 25 percent to 39 percent reduction, it is not in the bill. There is no assurance of two choices.

One Republican Member let the cat out of the bag, it may be enough just to introduce a bill, but if we don't even have a bill, we are open to charges that we didn't do anything. That tells us where they really are, and it also tells us what their consultant told them.

He said, it is more important to communicate that you have a plan as it is to communicate what is in the plan. The reason this was done at night, the reason they will not allow us to make an alternative, the reason they do not want any open debate is because they do not want to communicate to anybody until they put out those commercials in the election.

They will say we passed a bipartisan bill for seniors with a couple of Democrats and a joke in terms of how it works. In this bill, we ask ourselves, where are they going to get the two plans that they talk about?

The bill says on one page, we will subsidize up to 35 percent. What if nobody will take it at 35 percent, they hold out. The bill later says they can add incentives and the chairman of the subcommittee said in the committee room that you could subsidize up to 99 percent.

If there is an insurance company out there that can get 99 percent subsidy on the plan maybe they will offer it, but I am telling my colleagues it is going to cost the American people. It is a bad bill.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Minnesota (Mr. PETERSON), someone who believes in policy over politics.

Mr. PETERSON of Minnesota. Mr. Speaker, I thank the gentleman for yielding to me. He and I have been working together on one aspect of this Medicare problem that I have depicted in this chart here, and that is the fact that we have 3,025 counties in this country that are being paid below the average of the normal reimbursement, and 168 counties that are being paid above.

I am going to say something that I have heard a lot of my colleagues say, but I do not think very many people are going to dare say on the floor of this House, and, that is, that it is irresponsible for us to be providing a drug benefit without reforming this system. And where I am coming from with this issue is that I think if we add a drug benefit, such as my friends on the Democratic side, on top of the existing system, the chances of us ever getting this fixed are going to be almost zero.

What has happened since we started work on this in 1995 in Dade County, which started off at $620 a month reimbursement, they are now up to $809 a month. In my area, we had $239 reimbursements, we raised that floor to $375, and it has stuck there ever since.

Since 1997, what has happened, Dade County has gone up 8 percent, we are still at $375; and the problem I have with this whole thing is that we cannot set another benefit where we are going to have the Government pick up 100 percent of these benefits, that nobody else is at risk except the government and think we are going to have the money available to fix this plan.

Mr. Speaker, at least on this side, the gentleman from California (Mr. THOMAS) and others have come forward and tried to address this issue, have funded the blend, have raised the cap and then after we got done with that, then the administration and my friends on this side of the aisle came along and said, well, we will do the same thing on our bill.

I have not seen a lot of interest, unfortunately, on my side of the aisle dealing with this problem, but this map shows where in this country they have zero premium plans or drug coverage, the dark areas are those areas, the whole rest of this is the area where they are not getting this kind of coverage. I would argue with the Democratic plan, they will never get it.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KLECZKA), a distinguished member of the Subcommittee on Health of the Committee on Ways and Means, who understands that Families USA and the Leadership Council of Aging organizations vehemently oppose the Republican bill and support the Democratic substitute.

Mr. KLECZKA. Mr. Speaker, I am trying to figure out what the previous speaker said. He is the one supporting the Republican drug bill, and as I recall, he said it is irresponsible for us to provide a drug benefit at this time. Nevertheless, he signs on to the Republican drug benefit bill. That tells me, and he is a pretty honest guy, that their bill does not provide a drug benefit at all. I agree with that.

Mr. Speaker, the Republican drug bill is a cruel hoax and an empty promise to our senior citizens. We are going to end up passing their bill today, and we are going to go home for the 4th of July break. I challenge the senior citizens in their districts to ask a few questions. My friends here is a copy of the bill, I challenge constituents to say, Mr. Republican Congressman, where in the bill is the premium that I am going to be charged? They are

going to say well, it is not in there. I will be darned.

Mr. Republican Congressman, what are the drugs covered? Where is the listing of the drugs? It is not in here. Well, Mr. Republican Congressman, how about the deductibles and copays; is that in there? No, that is not in there either.

The constituent will say, what kind of bill is this? They will say we are going to hire a new bureaucrat for $140,000 a year who will work with the insurance companies to make those decisions.

Our bill is voluntary, defines a premium of $25 a month. In the Republican bill insurance companies will decide that with this new bureaucrat. That is a drug benefit? That is a farce. This bill does not provide a universal program, where doctors coverage for Medicare is the same in this part of the country as in that part. This bill hopes and prays that the insurance companies will offer it.

Mr. Speaker, if this type of policy was profitable for insurance companies, they would offer it today. They are not going to do this. This bill is going to fail.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Illinois (Mr. WELLER), a member of the Ways and Means Committee.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, over the last several years, as I have represented the South Side of Chicago and the south suburbs, I have often been asked the question should our senior citizens today have to make a choice between buying lunch or dinner or paying for their prescription drugs?

Today we are answering that question with bipartisan legislation to ensure that seniors no longer have to make that choice between paying for their prescription drugs or paying for lunch or breakfast or dinner. We have a bipartisan plan that is now before us that is available for every senior. If you qualify for Medicare under this bipartisan plan, you qualify for prescription drug coverage. It is affordable.

If you have prescription drug coverage today, another benefit is we let you keep it; if your retirement has good coverage, you do not have to worry about losing, because it is covered by Medicare as well. It is also voluntary, which means if you like what you have, you do not have to take it.

We have the security of insuring that if you have a catastrophic situation, of course, that is covered as well. The bottom line is it is a bipartisan plan. It is affordable. There are choices, and it is secure for every senior.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. OBEY), the former chairman of the Committee on Appropriations, who understands that the National Council of Senior Citizens and the National Senior Citizens Law Center both oppose the Republican plan and wholeheartedly endorses the Democratic plan.

Mr. OBEY. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the drug companies vigorously support the Republican plan, because they understand that the Republican plan is like the wolf giving Little Red Riding Hood a roadmap through the woods. It is a phony deal.

The Republican leadership says we can afford to provide $200 billion in tax cuts to the wealthiest 400 people in this country. They say we can afford to provide $90 billion in tax cuts to the wealthiest 1 percent who make more than $300,000 a year, but somehow we cannot afford to provide a real affordable prescription drug benefit for every senior citizen under Medicare.

Under the Republican approach, they simply privatize Medicare, because they do not have the guts to let us vote on a real plan, because they know if they did, they would lose.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Illinois (Mr. Crane), a valued member of the Ways and Means Committee, the chairman of the Subcommittee of Trade, a member of the Subcommittee on Health.

Mr. CRANE. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I want to take this opportunity to share with my colleagues my strong support for this legislation, H.R. 4680, the Medicare Rx 2000 Act.

Medicare was facing insolvency in the year 2002 when Republicans took control of the House in January 1995. As a result of our hard work, and despite false charges from those on the other side of the aisle about our intent, the Medicare Trust Fund is now solvent until 2025.

Nearly every Member on our side of the aisle voted for the fiscal year 2001 budget resolution that set aside $40 billion over the next 5 years for a Medicare prescription drug benefit because we recognized the need to modernize and strengthen Medicare for the 21st century.

Speaker Hastert then formed a working group to write a Medicare prescription drug plan within the budget guidelines. To the credit of Subcommittee on Health chairman, the gentleman from California (Mr. THOMAS); Committee on Commerce chairman, the gentleman from Virginia (Mr. BLILEY); and other Members of the working group, a market-based approach was drafted to provide a Medicare prescription drug benefit that is voluntary, affordable and available to all senior citizens.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. Speaker, the plan is so well drafted it has gained bipartisan support. Unfortunately, many of my friends in the minority are supporting a government-run, take it or leave it, one-size fits all program that will cost hundreds of billions of dollars. That plan would also force millions of seniors to give up the private coverage they now have.

This bipartisan legislation provides seniors with a voluntary program, under which they would have several options and could choose which plan fits their individual needs best. This legislation also provides for coverage for seniors with unusually high drug costs. For seniors with unusually high drug costs, the plan provides security by covering 100 percent of out-of-pocket costs beyond $6,000.

I strongly urge you to support the Medicare Rx 2000 Act. I am well aware that some may think another approach might work better and others are concerned about the budget impact of adding a prescription drug benefit to Medicare. As a member of the Ways and Means Health Subcommittee, I can assure you these are questions I have answered to my own satisfaction during consideration of this legislation.

The Congressional Budget Office is expected to score the legislation under the $40 billion level we have already set aside in this year's budget.

The fact remains that our nation's health care system has changed since Medicare was first created and, to be effective, Medicare must change too. We must modernize Medicare before the Baby Boom generation retires, and we must recognize that every individual has unique health care needs. This legislation makes Medicare more flexible to address the differing needs of seniors and recognizes the importance of both prevention and treatment. In the long term, this approach will save money because preventive medicine can delay or eliminate the need for hospitalization.

As a fiscal conservative, I strongly believe the Medicare Rx 2000 Act does an excellent job of providing senior citizens the prescription drug benefits they need without squandering our nation's budget surplus. It does so by relying on the free enterprise system that has served our country so well and by giving senior citizens the choices they demand at prices for prescription drugs they can afford.

Once again, I urge your support for the Medicare Rx 2000 Act. Let's give our nation's seniors the choices they deserve at prices they can afford.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LEWIS), who understands that the Alzheimers' Association and Consumers Union both oppose the Republican plan and endorse the Democrats' plan. He understands the working group, who put this bill together for the Republicans, is mostly comprised of lobbyists for the pharmaceutical industry and the managed care industry.

□ 1500

Mr. LEWIS of Georgia. Mr. Speaker, under the Republican plan, there is no defined benefit. There is no set premium. This is a scheme written by the insurance companies. The Republicans did not like Medicare back in 1965, and they do not like it now. Here they are, once again, trying to privatize prescription drugs for seniors, just like they tried to privatize Medicare. This is nothing but a scheme.

The Republican scheme requires low-income seniors to go to the State welfare office. Are my Republican sisters

and brothers suggesting that my 86-year-old mother go down to the welfare office to find out whether she can get her prescription medicine?

This is a sham. This is a shame, and this is a disgrace.

My Republican colleagues, on the other hand, would prefer to give the money away in tax breaks to the wealthy, rather than to offer a sensible and affordable prescription medicine benefit. The availability of prescription medicine should not depend on the size of one's wallet or one's ZIP code.

There is no room, but no room in here to play partisan politics. No person in the twilight of his or her life should not have to choose between putting food on the table and getting his or her blood pressure and heart medicine.

This is not just, this is not right, and this is not fair. We have a moral obligation, a mission, and a mandate to stand up for our seniors. Our seniors do not want a prescription drug benefit next year, our seniors want it now, and they deserve it now. We can do no less for the seniors of America.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the House.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, seniors are living longer because of innovative new treatments that extend and improve their quality of life. Unfortunately, many of these new treatments carry a cost that puts a huge burden on the shoulders of seniors who are living on fixed incomes. Today will ensure that low-income seniors no longer need to have to decide between purchasing drugs and buying food or paying for rent. This bill of ours will provide all seniors access to affordable prescription drug coverage that will limit their out-of-pocket payments.

In addition, for low-income seniors, the bill will provide drug coverage that is free of premiums, deductibles and copayments. Regardless of income, seniors will be able to have peace of mind that they will have access to a voluntary drug benefit plan.

More importantly, Mr. Speaker, we offer seniors a choice of selecting a drug plan that meets their individual needs. We leave the decisions in the hands of seniors, not in the hands of government bureaucrats. In this way, we can make sure that those who offer drug plans are accountable to seniors who can choose to vote with their feet.

Mr. Speaker, I urge passage of our bill.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the Subcommittee on Health of the Committee on Ways and Means, who twice offered an amendment to give seniors a discount on their pharmaceutical drugs at no cost to the Federal Government, only to see every Republican on the Committee on Ways and Means vote against her amendment.

Mrs. THURMAN. Mr. Speaker, I find it quite interesting that we are talking about an insurance plan. In this country, we already have these plans. We have Medigap plans, we have Medicare Choice. But the problem is, they failed; and yet this is what we have to vote on again today. That is why this is the hottest issue in the country.

Senior groups who have nothing to gain have written and talked to us about why they cannot support the bill in front of us. They do not have any politics in this game. They want a drug benefit. They want to have life-sustaining drugs available to them.

So listen to them. The Senior Citizens League says, ''After considerable study, the Medicare RX 2000 Act will do more harm than good to the people that it is intended to help.''

How about Families of USA? They said, ''This proposal has all the attributes of a mirage. It looks inviting from a distance, but once you get up close, you realize there is nothing there. What is more, consumers do not know what they will actually get out of this. The Republican proposal leaves the actual benefit undefined.''

How about the Older Women's League who actually says, ''the Republican prescription drug plan does not represent a defined benefit added to the Medicare program but, rather, a private insurance program.''

Or how about the National Committee to Preserve Social Security and Medicare. ''The congressional Republican plan for prescription drug coverage for senior citizens is not what the American people need or want,'' according to one of the country's leading citizens advocate groups.

Mr. Speaker, these are folks that have come to talk to us. These are the folks that are in my town hall meetings. These are the folks that have told me: we want a defined benefit; we want a Medicare benefit. We are tired of being switched from plan to plan. We are tired of seeing our prices go up, and we have no control over it. The only way we get this is to make sure it goes through Medicare.

Please vote against this bill. Give our seniors what they deserve, and that is prescription drugs that they can afford.

Mr. THOMAS. Mr. Speaker, I yield myself 10 seconds.

Just so that people understand, letters of support for H.R. 4680 have come in from a number of institutions. The American Cancer Research Institute, the Kidney Cancer Association, National Alliance for the Mentally Ill. There are a number of organizations that simply disagree with the gentlewoman.

Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the Subcommittee on Health of the Committee on Ways and Means.

(Mrs. JOHNSON of Connecticut asked and was given permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Speaker, this is a red letter day for seniors. It is just a red letter day. For the first time in history, out of this House is going to go legislation to provide prescription drug coverage for seniors across America, every village, every city. I am proud of that. This is not about insurance companies, and here is the proof.

In the Democrats' bill, they are going to use, and it says, ''or insurers.'' They are going to use insurers; we are going to use insurers. They are going to use pharmaceutical benefits managers; we are going to use pharmaceutical benefits managers. They are going to use pharmacy chains; we are going to use pharmacies. The difference is, they are going to use one. They are going to use one plan. Seniors will have no choice, one formulary. Seniors will have no choice. In that one formulary, they may have only one drug in each category. In our bill, they must have multiple drugs. In our bill, we guarantee that we will cover off-label uses. Sixty percent of cancer victims depend on off-label uses of drugs for their cure.

Mr. Speaker, our plan offers them not only prescription coverage, but choice and hope.

Mr. Speaker, today is a great day for our nation's seniors because today we are considering historic legislation that will expand Medicare to cover the rising cost of prescription drugs.

When Medicare was created in 1965, prescription drug coverage was not included because there were relatively few drugs available and the focus was on physician and hospital care.

Today, however, it's clear that you can't have modern health care without having access to lifesaving pharmaceuticals.

Thankfully, two-thirds of seniors have prescription drug coverage under other health plans, but 12 million have no coverage at all.

This is simply morally wrong in the world's most prosperous nation because no senior should have to choose between filling the prescription they need and putting food on the table.

So, today is truly a red letter day. We will pass a House Republican bill with bipartisan support to make prescription drug coverage a part of Medicare for all seniors in America, in every town and every city.

While some of my Democrat colleagues are dramatizing their opposition to this bill, I would remind those watching that if it weren't an election year, they'd be claiming victory. The similarities between the two proposals, ours and theirs, is striking and broad.

The AARP acknowledged this point in a letter that they sent to Congress yesterday. ''We are pleased that both the House Republican and Democratic bills include a voluntary prescription drug benefit in Medicare—a benefit to which every Medicare beneficiary is entitled. Further, both bills provide for a benefit that would be available in either fee-for-service or

managed care settings. And while there are differences, both bills describe the core prescription drug benefit in statute. These are important steps and represent real progress over the past year.'' Horace B. Deets, AARP, June 27.

In other words, our plan is universal, just like the President's.

Our plan is voluntary, just like the President's.

Our plan provides an entitlement under Medicare, just like the President's.

Our plan contracts with private health organizations, just like the President's.

And like Part B coverage for doctor services and diagnostic tests, it is funded with both premiums and government subsidies, just like the President's.

But our plan is unique in two important ways. It is the only plan—and was the first—to provide immediate protection for seniors from out-of-control drug costs. All seniors will get full coverage for their drugs when their spending reaches the catastrophic threshold. We included this provision in our legislation from the very beginning because we realized how important it is for seniors peace of mind and retirement security. The President's original proposal did not include catastrophic coverage. When he realized the importance of our provision, he added it. I am hopeful that his movement toward the Republicans on this issue is a signal that we can work together in a bipartisan way to provide seniors with prescription drug coverage this year.

The second unique aspect of the House Republican bill is that it guarantees every senior in America access to at least two prescription drug plans.

We know every senior has different health care needs, and therefore needs different plans to choose from.

But a choice of plans also assures an immediate 25% price discount; lowering prescription drug costs for our seniors, just as large employers lower drug costs for their employees through group purchasing power. In contrast, the President's proposal—because it offers only a ''one-size-fits-all'' plan, would only save seniors, on average, 12 percent off retail prices. Our seniors will be able to get the best possible price on their medicines.

In addition, our plan requires companies to offer multiple drugs in each category—not just one as the Democrat's bill does. And our bill requires coverage of off-label uses of drugs, while the Democrat's bill does not. That's particularly important to the 60% of seniors who rely on off-label uses to threat their cancer.

And finally, with drug costs expected to rise 10 percent a year for the next decade, we think it's critical to adjust funding each year for drug cost inflation. In sum, the bipartisan bill creates a structure that will give seniors the best bang for their buck!

And for those who have great employer-provided retiree coverage, the House plan helps ensure that employers will continue to offer it. The bill provides employers with subsidies to address the cost of offering seniors insurance against catastrophic drug costs. The Democrat plan does not provide this same public-private partnership to preserve private retiree health coverage. Our legislation will not jeopardize the coverage that seniors already have, and they'll have the choice to keep it!

In addition to providing seniors with many choices, our legislation also contains an important initiative that I authored. For the first time, we will help seniors with serious chronic diseases—diabetes and heart disease. They will be able to enroll in a disease management program and will receive their prescription drugs at a low cost. By helping seniors manage their disease, we will be able to help them avoid hospitalizations and emergency room visits, thereby lowering Medicare spending. The private sector has moved ahead of Medicare and had success offering these programs. Now we'll be able to ensure that seniors on Medicare will have this choice to improve their health and lower Medicare's costs.

And finally, this legislation also includes an important provision for states like Connecticut that have already had the foresight to provide prescription drugs for low-income seniors. It assumes that these states will not be penalized, but rather helped to integrate their successful programs with this new federal benefit.

Indeed, this is a red letter day for seniors. The House is demonstrating its support on both sides of the aisle to commit significant funding to make prescription drugs available for the millions of seniors who are having difficulty meeting their health needs today. The AARP confirms this in a letter to Congress saying that we are taking ''important steps'' and that our work represents ''real progress.''

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN), a member of the Committee on Ways and Means, who understands that the Older Women's League and the Alliance for Children and Families have endorsed the Democrat bill and violently oppose the Republican bill.

Mr. LEVIN. Mr. Speaker, the Republicans took the advice of their consultants. Look at the label, they said, and forget about the contents. It is true. They have used bottles and vials here on the floor; but for many seniors, they would be empty. If seniors have $1,000 in prescription costs, they would pay more for the insurance under the Republican plan than they would get back, and if it is $7,000 in medicine costs, seniors would pay 85 percent.

I ask this question: Why should coverage for medicines be different than for visits to physicians and to hospitals? We Democrats say there should be no difference. My Republican colleagues say, set it up under the private insurance plan. They say, ours is one-size-fits-all. Yes, ours is under Medicare that has choice. My Republican colleagues essentially do not build theirs within Medicare. They say have it through private insurance with no assured premium, and I emphasize this, and no assured set of benefits. We can do better.

Mr. THOMAS. Mr. Speaker, I yield as much time as he may consume to the distinguished gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, I rise today in support of this legislation, and I urge my colleagues on both sides of the aisle to support it.

There is one issue that should transcend politics, and this is it. Some analysts out there are saying that this is the big political vote of the year, and they may be right. But we should not vote for this out of a concern for political futures. We should vote for this out of the concern for our constituents who need our help in dealing with the high cost of prescription drugs.

We should do this to help our mothers and our grandmothers and our neighbors down the street. We should do this to help those seniors that gather for coffee every morning down at the local McDonald's. We should do this to help those who rely on prescription drugs to stay alive and those who need them to enhance their already vibrant lives. We should work together to provide our senior citizens a better quality of life.

No senior should be forced to choose between paying the rent and putting food on the table or paying for life-saving and life-enhancing prescription drugs.

Prescription drugs are too expensive in this country, and too many of our seniors do not have an adequate prescription drug benefit. This legislation addresses both problems in a responsible way that allows seniors to have a choice and not a one-size-fits-all Federal program. Those seniors who choose the plans offered by this legislation will reduce their prescription costs by 25 percent from the first day they enter the plan. By lowering the cost of prescription drugs, this proposal gives seniors the peace of mind that they are getting the best deal for their health care dollar.

The seniors I talk do not want a handout. They are willing to pay their fair share. But they do not want to be afraid of having all of their savings wiped out if they find that they have an illness that has a very expensive drug treatment.

Mr. Speaker, our plan insures seniors against such catastrophic loss from the day this plan becomes law, not 6 years from now, as the Democratic plan does. Seniors need coverage now. We all have a special concern for low-income seniors. They will be fully subsidized by the Federal Government. All seniors will have insurance against high out-of-pocket costs.

Mr. Speaker, there is much talk from some members of the minority about our motivations for bringing this bill forward. They say we are doing the bidding of the insurance company. Well, I will say to my colleagues, last week they criticized the plan because the insurance company did not like it. They say that we are in the pocket of the pharmaceutical industry when, in fact, our bipartisan bill would cut drug costs by 25 percent and theirs only by 12 percent. They turn to the usual excuses that this bill does not do this or it does not quite do that; Republicans do not like Medicare; or Republicans do not like seniors.

It seems to me that some Members may be looking too hard for an excuse

to vote against this bill. Democracy sometimes looks a bit chaotic. Those who are watching this debate can attest to that. But I am disheartened by a story that I saw on the wire last night.

According to the Associated Press: ''Democrats have already begun testing campaign commercials, preparing to hit Republicans for failing to offer prescription drug coverage to seniors.''

My friends, put those commercials away. America is sick and tired of bickering. Americans want us to create a product that will benefit them.

□ 1515

Join us in a bipartisan effort to give senior citizens a Medicare-based prescription drug benefit. The time for demagoguery is over. It is time to modernize Medicare by adding a prescription drug benefit so that all seniors can get the chance to enjoy their golden years.

Mr. STARK. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I would inform the House that the minority office of the Committee on Ways and Means just received a telephone call from the executive director of the National Alliance for the Mentally Ill, which one of the previous speakers on the Republican side said endorsed the Republican bill. They said they do not, that that was a misstatement.

Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. NEAL), who understands that the Network of National Catholic Social Justice Lobby does endorse the Democrat bill and oppose the Republican bill.

Mr. NEAL of Massachusetts. Mr. Speaker, let me just call attention to something, with great deference, that the Speaker said. He says this should be above politics. Is he not right?

Try to square that with the argument in front of us that we were not even allowed as members of the Democratic Party to bring an alternative to the floor. Do Members know why we could not bring an alternative to the floor? Because we would have won. We would have peeled off enough Members from the Republican side who would have voted for our plan, because this battle is about certainty versus uncertainty.

Is there anybody who believes that the Republican party would do a better job with Medicare than we would? We argue that a certain benefit kicks in on a certain date and people can rely upon it. They argue that we should subsidize the insurance industry to provide a benefit to the general citizenry.

Let me quote Chip Kahn, a former Republican staff director of the Subcommittee on Health: ''We continue to believe that the concept of the so-called drug-only private insurance simply will not work in practice. Designing a theoretical drug coverage model through legislative language does not guarantee that the private insurers will develop that product in the market,'' end of the argument.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Committee on Ways and Means, a member of the Subcommittee on Health, and a Medicare beneficiary.

(Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, this prescription drug plan gives American seniors choices. They can choose a new plan or they can keep the plan they already have. This is in stark contrast, no pun intended, to the Democrat plan that forces seniors into a government-run bureaucracy-led program that will leave seniors without the choices they deserve.

Do Members remember when we were kids and we used to talk to each other with this antiquated communication system, talking through the cup and listening on the other end? Today's Medicare program is like two Dixie cups connected by a string. We can talk to one another, it works, but it does not meet the communications demands of the 21st century.

Medicare today sometimes works, but our seniors deserve a program that meets their health needs in the 21st century. That includes prescription drugs. This bill will bring Medicare into the 21st century.

Mr. STARK. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Tennessee (Mr. TANNER), a member of the Committee on Ways and Means, who knows that the Consortium for Citizens With Disabilities and the National Academy for Elder Law Attorneys both support the Democratic bill and oppose the Republican bill.

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, I am in favor of Medicare revision and all of the things that the previous speaker said. The problem with the Republican bill is they are trying make an insurance product out of a benefit, and one cannot do that. Insurance is a pooling of risk. When all of the claimants are beneficiaries, there is no pooling or spreading of risk. Therefore, it has to be a benefit.

Put another way, if everyone's house burned down, we would not be able to purchase fire insurance in the private marketplace, simply because they would not be able to offer it.

This is particularly true in the rural areas. Short of importing people into the rural areas, we do not have HMOs. We do not have satellite dishes because we think it is cool, we have satellite dishes because there is no cable TV in rural areas. There are no HMOs in the rural areas.

Therefore, we have to have a defined benefit under Medicare if we truly believe in delivering a prescription drug benefit to the senior citizens, all of them, in this country.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Kentucky (Mr. FLETCHER), a medical doctor and someone who has provided considerable assistance in writing a plan that not only works but also meets the needs of seniors.

Mr. FLETCHER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I am very disappointed in the minority. They seem to want to obstruct this very important legislation and benefit for our seniors for political purposes. That is very disturbing.

Let me tell the Members, this bipartisan bill we have will benefit 606,000 Kentuckians, people like Lois Hamilton from Stamping Ground, Kentucky, who makes $700 a month and has several hundred dollars of prescription drug costs. This will pay for her medication so she does not have to make a choice between food on the table and providing the medicine she needs to make sure she continues her health.

Let me tell the Members about the partisan plan, I will call it. It sets up a plan where there is a single government-mandated plan.

Let me talk about the Canadian plan for a minute. There, they cannot get the latest, even though it is approved by the FDA, they cannot get the latest medications for breast cancer, for metastatic ovarian cancer, metastatic colon cancer. That is because they have run a system under a mandated single plan. That is what the minority wants. Our plan offers a choice of plans, a voluntary plan that is affordable for everyone. I encourage my colleagues to support it.

Mr. STARK. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Maryland (Mr. CARDIN), who knows that the National Association of Area Agencies and the Center for Medicare Advocacy, Incorporated, of the Health Care Rights Project both endorse the Democratic bill and oppose the Republican bill.

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, the Sun Papers, my local paper, in looking at a plan that solely relies upon private insurance, said in this morning's editorial, ''Some Congressional Republicans concede it is an unworkable approach. Even health insurance companies oppose this plan. They know there is little or no profit in it for them, but plenty of administrative headaches. The best way to handle a prescription drug program is through the existing Medicare system.''

Mr. Speaker, that is a system that works on a 3 percent overhead versus private insurance at 25 percent overhead, one that guarantees benefits to our seniors, unlike the Republican bill, that does not guarantee any specific benefit or any specific premium to our seniors.

Mr. Speaker, the Sun Papers goes on to say, ''The Republican plan should be rejected. A more sensible approach championed by the Democrats would be tying prescription drug subsidies to the existing Medicare program.''

The Sun Papers called the Republican plan ''a placebo, which the dictionary defines as a substance containing no medication and given merely to humor a patient.'' This is an apt description of the Republican plan. It should be rejected.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Arizona (Mr. HAYWORTH), a member of the committee who has more than three-quarters of a million Medicare beneficiaries in the State of Arizona.

Mr. HAYWORTH. Mr. Speaker, I thank the chairman of the Subcommittee on Health for yielding time to me.

I would echo the words of our speaker, that no senior should be forced to choose between putting food on the table or paying for the prescription medications they need. That is just plain wrong.

But by the same token, the question we need to ask today, and why I rise in support of our bipartisan plan, is that we need to fairly ask, who is in charge? Mr. Speaker, I come to the floor today to reassert the authority of seniors to choose the type of benefit they want. That is the major difference.

Our friends on the left, advocates of big government, say, let the Washington bureaucrats do it. Let us put the bureaucrats in charge of the pharmacies. Let us put the bureaucrats in charge of the plans. We say no, let us ensure freedom of choice. Give seniors choices and let them decide what is best.

Mr. Speaker, simply stated, the plan on the left would fill the medicine bottles of America with red tape. We do not need that. Our seniors need choice. Support the bipartisan plan.

Mr. STARK. Mr. Speaker, I am privileged to yield 1 minute to the gentleman from California (Mr. BECERRA), the next mayor of Los Angeles and a distinguished member of the Committee on Ways and Means, who knows that the American Federation of Teachers and the National Hispanic Council on Aging have both endorsed the Democratic bill and opposed the Republican bill.

Mr. BECERRA. Mr. Speaker, I truly thank the gentleman for yielding the 1 minute to me.

Mr. Speaker, what American seniors want is a real plan, a plan that is defined, a plan that is dependable and guaranteed with regard to the benefit for prescription drugs, and a plan that fits within Medicare.

Does H.R. 4680 provide any of those things? No, it does not. H.R. 4680 puts $40 billion in the hands of the insurance industry and HMOs and says, you now go out and offer in the private sector an insurance policy that right now they are not willing to do, because they do not like to offer insurance plans for prescription drugs to seniors because it costs too much.

So by giving them $40 billion, we are giving them a bone saying, okay, you get $40 billion to offset some of those costs. Come on, this is your incentive. Go offer plans in the private sector for folks to buy.

This puts nothing in the hands of seniors except a charade. It is giving them a coupon and saying, go out and see if you can find something now for that coupon. Medicare guarantees a right to a doctor, it guarantees a right to a hospital. It should guarantee a right to prescription drugs. Vote against this bill.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Minnesota (Mr. RAMSTAD), a member of the Subcommittee on Health of the Committee on Ways and Means.

Mr. RAMSTAD. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, I rise in strong support of the bipartisan prescription drug plan. It is bipartisan. I want to pay special tribute to my friend and colleague, the gentleman from Minnesota (Mr. PETERSON), a member of the other side of the aisle, a Democrat who worked hand-in-hand with all of us on the Prescription Drug Task Force to craft this truly bipartisan, pragmatic plan. I thank the gentleman for putting the interests of Minnesota seniors ahead of politics.

We should all put the interests of America's seniors ahead of politics and pass this bipartisan plan today. It truly is, Mr. Speaker, all about choices. The question we must ask ourselves, if health care choices are okay for Members of Congress, why are some so opposed to expanding choices for our seniors?

Let us not try to have it both ways. Let us expand choices for seniors. Seniors deserve choices in their health care just like younger Americans, just like Members of Congress. This bill, this bipartisan bill, guarantees all seniors access to at least two different health plans.

Do not take choices away from seniors. Let us give them the choices, the access, to prescription drugs that they deserve.

Mr. STARK. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Maine (Mr. ALLEN), a gentleman who understands that the American Federation of State, County, and Municipal Employees and AFSCME retirees both endorse the Democrat plan and oppose the Republican plan.

Mr. ALLEN. Mr. Speaker, this is a day of shame for the House of Representatives. The Republican leadership will not allow a vote in a debate on the Democratic prescription drug benefit under Medicare. Instead, Republicans have produced a bill that says to our seniors, HMOs and insurance companies can help you. We will give those companies your tax dollars, and we will hope they will offer you insurance coverage.

But the insurance companies are saying loudly and clearly, we will not provide stand-alone prescription drug coverage. Every day in this country seniors do not fill their prescriptions. They cut their tablets in half. They do not take their medicines or do not eat well because the most profitable industry in this country is charging the highest prices in the world to people who can least afford it, including our seniors.

Canadians, Mexicans, HMOs, insurance companies, they all pay far less than our seniors. The Republican bill is not relief for seniors, it is a prescription to protect drug company profits and Republican Members of this House from defeat in November.

Mr. Speaker, when we look at a person who pays $2,300, they will wind up paying $1,700 out of their own pocket under the Republican plan. That plan is a fraud.

□ 1530

Mr. THOMAS. Mr. Speaker, I reserve the balance of my time.

Mr. STARK. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Dakota (Mr. POMEROY), the former insurance commissioner of North Dakota.

Mr. POMEROY. Mr. Speaker, I hope today's debate represents bipartisan consensus that we need to help our seniors with the high cost of prescription drugs. The choice, however, presented on the House floor falls far short of meeting that need, because we will only be allowed to vote on the proposition that we should take Federal dollars, send it to insurance companies and hope that they provide benefits to seniors.

Mr. Speaker, I used to be an insurance commissioner. I regulated insurance companies. The dollars that the majority would propose for insurance companies will go to sales commission, it will go to insurance company executive salaries, it will go to fancy office buildings. It will not go to the hard coverage that our seniors need for the high cost of prescription drugs.

It is not the way to go. The way to go is the alternative that we will not be allowed to vote on, Medicare coverage for prescription drugs. It is time to update the coverage of the Medicare program and offer the protection our seniors need. North Dakota's seniors want Medicare coverage for prescription drugs, not an insurance company sham.

Mr. THOMAS. Mr. Speaker, I continue to reserve the balance of my time.

Mr. STARK. Mr. Speaker, I would like to inquire of the gentleman from California (Mr. THOMAS) how many speakers he has remaining.

Mr. THOMAS. Mr. Speaker, it is indeterminate at this time.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Texas

(Mr. DOGGETT), a member of the Committee on Ways and Means who understands that the American Association of Mental Retardation and Elder Care America both endorse the Democratic bill and oppose the Republican bill.

Mr. DOGGETT. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, we consider this bill today for one reason and one reason only: the Republicans took a poll. Here are the results in this report. Their pollster told them that Americans believe, ''Republicans aren't doing anything for seniors.''

I cannot believe these folks paid good money to learn the obvious. For the last 6 years, a principal Republican concern for seniors has been how to dismantle Medicare, or in the words of their great leader, how to let Medicare ''wither on the vine.''

Then this pollster gave them four pages of what were called ''phrases that work'' to explain away the well-justified feeling of the American people that Republicans are totally indifferent to the plight of seniors who have to choose between purchasing groceries and prescription medications.

And here are particularly important words from Public Opinion Strategies delivered to the Republican Caucus: ''It is more important to communicate that you have a plan than it is to communicate what is in the plan.''

This is not a plan. It is a ploy. The Republican Congress is a prescription for failure.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would ask all Members to abide by the time that they are allotted.

Mr. THOMAS. Mr. Speaker, it is now my pleasure to yield 1 minute to the gentleman from Florida (Mr. FOLEY), a member of the Committee on Ways and Means.

Mr. FOLEY. Mr. Speaker, maybe people should switch to decaf around here. A little excited. A little tense. I know they want to leave the Capitol, but they should remain and discuss the issue.

It is so complicated, our Medicare prescription drug coverage. It is so hard to understand. And yet every Member of Congress is entitled to it. I do not hear any of them turning in their cards because it is difficult to get prescription drug coverage.

They can go to the pharmacy. They can order from Merck-Medco. They can go to any place in America and get covered under their policy here, provided by the taxpayers, at the House of Representatives.

But today, Mr. Speaker, a similar plan is being offered for our seniors and is this abomination? Now, we can have disagreements on policy; we can certainly have disagreement on how we arrive. But I would suggest this is a good plan. And if we wait 48 hours, AL GORE will endorse it; and the President will support it. He did not like marriage penalty elimination. It was too expensive. Give him a month; he will support it and trade us drugs.

Mr. Speaker, I urge my colleagues to vote for a very good, responsible policy and give the seniors drugs they need.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON), a distinguished member of the Committee on Ways and Means who understands that the Friends Committee on National Legislation and the International Union of United Automobile, Aerospace, Agriculture and Implement Workers both support the Democrat bill and oppose the Republican bill.

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman from California (Mr. STARK) for yielding me this time.

Mr. Speaker, I am glad my colleagues on the other side of the aisle have finally turned to a discussion of our Nation's most pressing priority, the need to ensure affordable access for seniors to prescription drugs. Unfortunately, Mr. Speaker, the debate is all that we really have.

The sharp rise in prescription drug prices has placed an intolerable burden on our Nation's seniors. This burden is aggravated by the fact that there is no Medicare prescription drug benefit. Three-fourths of Medicare beneficiaries lack decent, dependable coverage of prescription drugs.

Our Nation's seniors are not fooled by this legislation that is on the floor today, Mr. Speaker, and neither are we. A clear majority of senior and consumer groups have labeled this legislation a ''sham,'' providing no real hope of a solution.

We need a bill that will afford a solid guarantee of a drug benefit for all Medicare beneficiaries, not a bill that relies on the profit-driven whims of the private insurance industry. If Medicare is indeed an entitlement program for seniors, should we not pass a drug benefit bill that clearly lets seniors know what drug benefit they are going to get and they are entitled to?

Mr. Speaker, the program we have in front of us makes no sense. I hoped for a real choice today. It is a shame we do not have it. Our Nation's seniors deserve better.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentlewoman from Connecticut (Mrs. JOHNSON), and I hope this is not disruptive of the debate, who wishes to talk about something that is actually in the bipartisan plan.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, in my earlier remarks, I did mention the breadth of formulary that seniors would have access to under the Republican bill, because they would have access to competing plans. So they would have access to a number of prescription drugs in every category, and assurance that off-label use of drugs, so important to cancer treatment, will be at their beck and call.

But there is another wonderful provision of the bill that I want to point out to my colleagues. It allows our seniors to participate in a demonstration project if they are diagnosed with advanced stage congestive heart failure, diabetes, or coronary heart disease.

These are the very seniors with the highest drug costs, and participating in these disease management programs will enable them to get their pharmaceuticals essentially covered and through a disease management approach they will get support in recovering and adopting preventative health life style changes, following all of their doctor's orders, that will improve their health and reduce their health care costs all the while covering their drug costs. It has been proven that disease management lowers hospital costs, lowers doctor costs, lowers emergency costs. Good for Medicare and good health for seniors.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MASCARA).

(Mr. MASCARA asked and was given permission to revise and extend his remarks.)

Mr. MASCARA. Mr. Speaker, I rise in opposition to H.R. 4680.

Mr. Speaker, I come to the floor today to air my deep concerns regarding the lack of prescription drug coverage for many of our nation's seniors.

Last year I introduced H. Con. Res. 152, which called upon Congress to fix this problem. The bill we are debating today does nothing to fix the problem.

I am sure my colleagues here in the House are aware of enormity of this issue. They know that upwards of 14 million seniors in this nation are without any kind of prescription drug benefit. They know that millions of seniors are suffering in ways that are morally wrong, especially for such a wealthy and caring nation.

How can we on one hand give away billions of dollars in foreign aid, yet turn our backs on seniors who often times must choose between buying food or buying prescription drugs.

This bill can't see the forest for the trees. It does nothing to solve the problem on how to provide 13 million seniors with adequate prescription drugs at an affordable price.

This bill H.R. 4680 does not accomplish that. I oppose it and ask my colleagues to vote ''No.''

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. VISCLOSKY).

(Mr. VISCLOSKY asked and was given permission to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, I rise in opposition to H.R. 4680.

Mr. Speaker, I rise today to express my strong opposition to H.R. 4680, the Medicare Rx 2000 Act. This overly complicated bill fails to guarantee affordable prescription drug coverage for all seniors and disabled persons. Prescription drug coverage for seniors is one of the most serious issues facing this Congress, and it is time to stop making empty promises.

I am a strong supporter of responsible Medicare prescription drug coverage for our senior citizens. Coverage that ensures that seniors do not have to make life and death monetary choices, coverage that at the same time does not bust the budget and represents a promise we can keep. I therefore believe that any program we pass must have a co-pay, premium, and benefit cap. It is important that we pass meaningful and real prescription drug coverage. To do less is a cruel hoax to the elderly of this country.

When Medicare was created in 1965, prescription drugs did not play a significant role in the nation's healthcare. Today, prescription drugs have become an increasingly important part of seniors' health care. The drugs that are now routinely prescribed for seniors to regulate blood pressure, lower cholesterol, and ward off osteoporosis had not even been invented when Medicare was created in 1965. Instead of frequent doctor visits and expensive hospital stays, today's innovative drugs keep more seniors out of the doctor's office and away from hospitals.

Unfortunately, drug prices have been rising rapidly. National spending on prescription drugs increased 51 percent between 1990 and 1995. More than one-third of seniors on Medicare spend over $1,000 a year on their drug prescriptions. There are approximately 13 million seniors with no prescription drug coverage, and another 13 million have coverage which is inadequate, costly, or both. As this trend continues, drug expenses threaten to erode many seniors' modest incomes even further, placing more and more Americans in a difficult position reminiscent of an earlier era.

A constituent of mine, Eunice Bailey, a 69-year-old resident of Hammond, Indiana, receives a monthly Social Security check of $840. Unfortunately, Ms. Bailey is not only a diabetic, but suffers additionally from high blood pressure, high cholesterol, arthritis, and osteoporosis. In an average month, Ms. Bailey can spend close to $300 for her prescription drugs, not to mention $225 in rent, $280 in groceries, and $120 for her utilities and telephone. This leaves Ms. Bailey with a deficit of $85. Since she cannot possibly afford to buy medicine and pay for her basic living expenses, Ms. Bailey saves money by either splitting her pills in half, or simply does not purchase her medicine at all. In addition, Ms. Bailey sometimes finds herself reducing the amount of food she purchases, a dangerous thing to do considering she is a diabetic. I find this absolutely appalling. In a country as wealthy and as good as the U.S., no citizen should have to decide between buying food or buying medicine.

Unfortunately, the Republican bill provides subsidies to private insurance companies while denying a real prescription drug benefit for all. The plan would only provide financial incentives to encourage private health insurance companies to offer ''Medigap'' policies to provide prescription drug coverage. This approach simply will not work. It will force seniors to deal with private insurance companies rather than having the choice of getting their prescriptions through Medicare. The Health Insurance Association of America has even stated that many private insurance companies still will not offer Medigap drug policies because they will not want to assume the financial risks. The end result is that millions of individuals will not be guaranteed access to prescription drug coverage at an affordable price.

Additonally, it will do nothing to control the cost of drugs since it would not provide for direct negotiations with prescription drug companies. Instead, it creates small purchasing groups that will have little leverage in getting better prices for seniors. We need to be providing seniors the same benefits that other large purchasing groups, like HMOs, currently get.

The only way to guarantee an affordable prescription drug coverage for all elderly and disabled persons is to expand the Medicare program to include prescription drug coverage. Like the existing hospital and medical coverage under Medicare, a new prescription drug program should benefit everyone, not just the insurance companies. There is no reason why we cannot be fiscally responsible while balancing people's health care needs. Providing a prescription drug benefit for our seniors will result in savings to both consumers and American taxpayers by reducing expensive hospital stays and medical bills.

As you cast your vote this week, remember that the Republican plan is a huge misstep toward providing real Medicare prescription drug coverage for our seniors. A stand-alone, drug-only policy will not work. It provides false hope to people who need help, and will do more harm than good. It is time to move past the empty rhetoric and join together in the fight to provide substantive assistance to America's senior citizens like Eunice Bailey.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Speaker, I would like to speak as a nurse. I can tell my colleagues, in the last few months these are the bills that my senior citizens have sent to me. And I am telling my colleagues that the plan that is being put on the floor today will not help my senior citizens and that is a shame.

I am here to fight for my seniors so they can take their medications. I think what everyone is forgetting, the majority of people that cannot buy their medications cannot also afford the premiums. When we see the insurance companies saying this plan cannot work, then I as a nurse have to stand up and say let us do something right. Let us take care of our seniors, and let us stop playing politics with this.

This will help so many of my seniors if we could do something for them. Let us think about how much money we are going to end up saving if our seniors take their medications, so they do not end up calling for an ambulance, ending up in the emergency room causing our health care costs to go up even more than they are.

Mr. THOMAS. Mr. Speaker, it is now my pleasure to yield 1 minute to the gentleman from Florida (Mr. SHAW), who has more than 2.7 million Medicare beneficiaries in his State.

Mr. SHAW. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, I want to compliment the gentleman and the colleagues that originally cosponsored this bipartisan plan on both sides of the aisle.

Mr. Speaker, there can be criticism for this plan. There is no question about that. No plan is perfect. But let us look closely at what this plan offers. It offers choice. Our seniors want choice. That is an important thing.

It offers catastrophic care on drugs, and that is tremendously important. The expense of drugs is becoming more and more expensive as they become more and more sophisticated and more and more part of our health care plan.

This is a tremendously important step. Can we do more? Yes. But should we get into a bidding war? Should we turn this into an auction? No. We need to put this plan into place. It is a good plan. We can say it is a good first step; we can do more. This is the plan that we are working with, and this is the plan that I am very hopeful that we will retain our bipartisan support for.

Mr. Speaker, I rise in support of H.R. 4680, the Medicare Prescription 2000, which is a historic first step towards modernizing the Medicare health benefits that nearly 40 million senior citizens and disabled citizens of all ages rely on for all their health care needs.

Mr. Speaker, I have the honor of representing a congressional district that is home to the largest number of senior citizens and Medicare beneficiaries in America. So perhaps more than other member of this House, I am concerned about doing what is best for preserving and improving the Medicare program which has served seniors and the disabled so well for the past thirty-five years.

Is the current Medicare program perfect? Does the current Medicare program cover every service and meet every medical problem that seniors and the disabled have? We all know that it doesn't. No one knows better than I do, as Chairman of the House Social Security Subcommittee, that both the Social Security and Medicare programs need to be updated in order to be prepared for the large wave of baby boomers who will begin retiring soon. This Congress, and the last Congress and the next Congress have been grappling with the many competing ideas for modernizing Social Security and Medicare. There clearly is no consensus on what the silver bullet is for Social Security or for Medicare. What is clear is that I am committed to work with Chairman ARCHER and Chairman THOMAS and all my colleagues on the Ways and Means Committee and, indeed, all the members of this House to improve these two programs that provide security for the seniors I represent. What I would say to my colleagues who claim that H.R. 4680 isn't adequate, is that it is a very good first step. Let me be clear, however, this is just not just a symbolic first step—this bill will provide real prescription drug coverage for any senior who chooses it.

As a matter of fact, choice is one of the most important features of Medicare Prescription 2000. H.R. 4680 preserve's senior's choice on many different levels. First, I respect my seniors wishes to choose the coverage that is best for their individuals health care needs. I also respect individuals wishes to choose to not participate in one of these new Medicare prescription drug programs. Second, many of my seniors—over 150 of them—have taken the time to write and call me over the last month in order to let me know how happy they are with the prescription drug coverage

and other benefits they are receiving through their Medicare+Choice HMOs. Mr. Speaker, this bill will respect their wishes to choose to remain in their Medicare+Choice plans. Third, this bill also protects the many retirees who have excellent retiree prescription drug coverage through their former employer. Finally, and most importantly, this bill gives seniors who want to participate the choice between at least two different prescription drug plans no matter where they live. Whether a senior lives in a large metropolitan area like the greater Miami-Ft Lauderdale-Palm Beach area or in the rural areas of Central Florida or in the Mid-West, every senior will be able to choose a plan that is best for them—not a plan that a government bureaucrat imposes on them and every other senior citizen in America. I, for one, do not believe, like the President's does, that the Health Care Financing Administration should make this choice for seniors. Under his plan, the President wouldn't give seniors any such choice. It would force seniors to choose between a government-run plan or nothing.

Another important provision of this bill is peace of mind for every senior citizen who fears that they and their loved ones could be faced with large drug bills reaching into the hundreds of thousand of dollars. The Medicare Prescription 2000 bill protects all seniors from catastrophic drug expenses—once a senior's drug costs exceed $6000 in a year, this plan will completely cover the rest of their drugs for the year. Unfortunately, the President's plan did not protect beneficiaries from these huge expenses until our Republican plan came out—now the President has agreed that this was a major oversight in his plan and has agreed to support it.

Mr. Speaker, this plan also has special provisions to make sure that low-income seniors will have all their drug expenses covered by Medicare. And this plan helps make prescription drugs more affordable for all seniors by ensuring that they get the same drug-price discounts that each of us enjoys when we buy drugs through our private health insurance plans. The Congressional Budget Office has calculated that my seniors will save at least 25 percent on every prescription they buy under our plan. Other experts estimate that seniors could save between 30–35 percent on every drug purchase.

I would like to close by saying that the Medicare Prescription Drug 2000 bill will help the many seniors I represent who currently have no coverage. Am I satisfied that this is all Congress needs to do to improve the Medicare? No, I am not. But I am satisfied that this is a good place to start—just as Chairman ARCHER and I have done in announcing the outlines of our Social Security Reform proposal. By announcing the Archer-Shaw plan, we have started a rush of excellent Social Security reform ideas and suggestions from both parties. I believe that passage of H.R. 4680 will engender the continuation of a similarly energetic debate on how to build upon this newly created Medicare prescription drug benefit. I urge all my colleagues to vote yes on Medicare Prescription 2000.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER), who recognizes that the American Medical Student Association and the American Network of Community Options and Resources both support the Democratic bill and oppose the Republican bill.

Mr. TURNER. Mr. Speaker, the House leadership has twisted the rules today so that we have only one choice: their bill or no bill. So let us talk about what their bill does.

First of all, it gives millions of dollars to insurance companies instead of giving it back to seniors in the form of lower prescription drug prices.

Secondly, the bill leaves out middle-income Americans. Middle-income Americans cannot get any help. All they are told is to go buy insurance. There are millions of middle-income Americans who are struggling to pay the costs of high prescription medications.

Thirdly, this bill simply rewards the pharmaceutical industry who has spent almost $100 million trying to be sure that this bill that is on the floor today is the only bill we have a chance to debate.

A group called Citizens for Better Medicare, formed by the pharmaceutical industry, has worked hard to be sure that this day arrives in the form that we have it.

Finally, the Republican bill lets the greedy HMOs decide what medicines seniors get. We believe seniors and their doctors should decide what kind of medications they get.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds. Mr. Speaker, I submit for the RECORD a letter from the National Alliance for the Mentally Ill. I initially said they supported H.R. 4680, which had been contradicted by the other side. And I believe the RECORD should show that the letter from the National Alliance for the Mentally Ill shows support for H.R. 4680. No number of denials will change the fact that they are in support.

Mr. Speaker, the letter reads as follows:

NATIONAL ALLIANCE
FOR THE MENTALLY ILL,
*Arlington, VA, June 27, 2000.*

Hon. J. DENNIS HASTERT,
*Speaker, House of Representatives,*
*Washington, DC.*

DEAR MR. SPEAKER: On behalf of the 210,000 members and 1,200 affiliates of the National Alliance for the Mentally Ill (NAMI), I am writing to thank you for bringing forward the Medicare Rx 2000 Act (HR 4680). This legislation offers tremendous potential for assisting Medicare beneficiaries with severe mental illnesses who do not currently have access to outpatient prescription coverage.

As the nation's largest organization representing people with severe mental illnesses and their families, NAMI has long argued for the need to modernize the Medicare program and include coverage for outpatient prescription drugs. The past decade has seen tremendous advances in treatment for severe mental illnesses such as schizophrenia, bipolar disorder and major depression. This is especially the case with respect to new medications such as atypical anti-psychotic drugs for schizophrenia and selective serotonin reuptake inhibitors (SSRIs) for bipolar disorder and major depression. Unfortunately, the lack of outpatient prescription coverage within the Medicare program has left beneficiaries without access to the coverage for the treatment they need.

NAMI is pleased that both Congress and the President have made legislation extending an outpatient drug benefit to Medicare a top priority in 2000. As part of NAMI's advocacy on this critically important issue, we have set forward a set of key objectives that we believe must be a part of any legislation Congress acts on this year. NAMI was pleased to offer these policy objectives in testimony to the Ways and Means Committee earlier this year. On each of these criteria, HR 4680 appears to meet the pressing needs of Medicare beneficiaries living with severe mental illnesses.

Eligibility for non-elderly disabled beneficiaries on the same terms and conditions as senior citizens—NAMI is pleased that HR 4680 does not restrict coverage to elderly Medicare beneficiaries and requires plans offering prescription coverage to do so on a non-discriminatory basis during specified open enrollment periods,

Affordable premiums, deductibles and cost sharing requirements—NAMI is pleased that HR 4680 specifies uniform, community-rated premiums for all beneficiaries and allows those below 135% of poverty to participate at no cost (with subsidized premiums for those between 135% and 150% of poverty), 135% and 150% of poverty),

Adequate coverage for catastrophic drug expenses—NAMI is extremely pleased that HR 4680 includes a ''stop loss'' provision that will protect beneficiaries whose out of pocket cost exceed $6,000 per year,

Bar on the use of overly restrictive formularies—NAMI is strongly supportive of provisions in HR 4680 designed to prevent use of overly restrictive formularies that limit access to the newest and most effective psychiatric medications. NAMI is also pleased that HR 4680 requires a process for beneficiaries to access coverage for medically necessary non-formulary medications in cases where a physician determines that a formulary medication is not as effective.

Mr. Speaker, as you know, 5 million Medicare beneficiaries are people with disabilities under age 65 (13% of the 39 million Americans on Medicare). It is important to note that 30% of these 5 million Medicare beneficiaries are non-elderly people with disabilities have incomes below 100% of the federal poverty level and that 63% are below 200% of poverty. Further, it is estimated that a quarter of these non-elderly disabled Medicare beneficiaries have a severe mental illness. NAMI feels strongly that this legislation is critically important to their ability to access adequate coverage for their treatment needs. While no single Medicare prescription drug proposal meets the unique needs of each and every beneficiary with a severe mental illness, it is clear that HR 4680 addresses many of the key concerns that NAMI believes must be a part of any legislation Congress acts on this year.

On behalf of NAMI's consumer and family membership, we would like to thank you for moving this legislation forward. NAMI looks forward to working with all House members—on both sides of the aisle—and the Clinton Administration to ensure that Medicare prescription drug legislation is enacted in 2000.

Sincerely,

LAURIE M. FLYNN,
*Executive Director.*

□ 1545

Mr. STARK. Mr. Speaker, may I inquire of the time.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. STARK) has 1½ minutes remaining. The gentleman from California (Mr. THOMAS) has 4½ minutes remaining.

Mr. STARK. Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Iowa (Mr. NUSSLE), someone who has been extremely important in helping us shape the rural assistant portions of this particular legislation.

Mr. NUSSLE. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, as the chairman of the Rural Health Care Coalition, one of the first things that I looked at in the draft of this particular prescription drug bill was whether or not it provided seniors choice, whether it provided them access, security and affordability.

First of all, on choice, the seniors that I represent in Iowa, they want to know that they are going to have choices in this particular bill. They are tired of a one-size-fits-all government program called Medicare that tells them exactly what to do, when to do it, how to do it, and takes the decision making away from doctors. This bill gives them a prescription drug plan to choose from.

Second it provides access. In rural Iowa, one has a real concern about whether or not the local pharmacy is going to be involved. This particular bill gives them access to their local pharmacies.

Finally, security and affordability, all rural seniors will be guaranteed a prescription drug benefit just like they are guaranteed drug benefits under all other Medicare benefits, and that once they reach $6,000, they will be held harmless.

This is the bill for rural Iowa, for rural America. Please support this bill.

Support H.R. 4680 for two important reasons.

I. PRESCRIPTION DRUG BENEFIT

H.R. 4680 provides rural seniors with choice:

All seniors will have at least two different prescription drug plans to choose from.

Rural seniors have to rely too much on Washington bureaucratic ''one-size fits all'' solutions to their health care.

This bill provides rural seniors with the ability to adapt drug coverage to meet their individuals needs, not to adopt coverage dictated by bureaucrats that don't fully understand the uniqueness of rural health care.

H.R. 4680 provides rural seniors with access:

All rural seniors will have access to their local pharmacies.

Pharmacists play a vital role in the delivery of health care to rural seniors. This relationship will not be compromised under this bill.

Medicare must require plans to provide access to ''bricks and mortar'' pharmacies.

Seniors who choose to receive their drugs through the mail will still be able to under this bill.

Medicare will work to ensure prescription drug plans provide seniors with the balanced benefits of being able to both consult with their local pharmacist face-to-face and receive their medications directly in their mailbox.

H.R. 4680 provides rural seniors with security and affordability:

All rural seniors are guaranteed a prescription drug benefit, just like they are guaranteed all other Medicare benefits.

All rural seniors will have the security of full catastrophic coverage once their drug bills reach $6,000.

Because of the market-based approach, all rural seniors will be provided with negotiated drug coverage savings.

II. MEDICARE+CHOICE

The BBA took steps to provide rural America with health care choices. However, these choices have been slow in reaching rural communities.

Because the delivery of health care in rural areas tends to be more efficient and wage rates in rural areas are typically lower, the Adjusted Average Per Capita Cost (AAPCC), the measure at which managed care plans are reimbursed under Medicare, for rural counties is less than other counties. As such, rural areas have difficulties in attracting health care competition.

In order to alleviate the discrepancy in AAPCC payments, the BBA: (1) established a national floor payment, and (2) changed the formula used to calculate the AAPCC to a blended rate of 50% local cost and 50% national average.

Unfortunately, annual Medicare updates have not provided enough funding to fully fund the blend.

H.R. 4680 addresses these problems by: (1) raising the national floor payment to $450; (2) eliminating the budget neutrality factor to fund the blend; and (3) allows plans below the national average to negotiate for a higher AAPCC.

H.R. 4680 takes a good step in the right direction towards stimulating health care competition in rural America.

Mr. STARK. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Tennessee (Mr. CLEMENT). The gentleman from Tennessee understands that the National Senior Service Corps Directors Association and the American College of Nurse Midwives both support the Democratic bill and oppose the Republican bill.

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Mr. Speaker, I rise in opposition to the Republican prescription drug plan. First, there is no guarantee that these private insurance coverage companies will provide an affordable drug plan to seniors. Second, the Democratic plan that will not be considered today offers seniors a low, affordable premium. Third, the Republican plan would require seniors to shop around and find an HMO or insurance company to offer them coverage.

Mr. Speaker, under the Republican plan, the catastrophic coverage for seniors does not become effective until after $6,000 is spent while the Democratic plan is $4,000.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Michigan (Mr. CAMP), a member of the Subcommittee on Health of the Committee on Ways and Means.

(Mr. CAMP asked and was given permission to revise and extend his remarks.)

Mr. CAMP. Mr. Speaker, yesterday, I received a call from one of my constituents; and he told me that he currently receives prescription drug coverage from his employer. He wanted to ensure that prescription drug coverage was available for seniors that do not have any coverage at all, but he did not want to give up on the coverage that he already has.

The bipartisan legislation that we are discussing today protects him and everyone. It allows seniors with coverage to keep their plan. It allows seniors without coverage to choose from two plans. Not only can they elect to receive prescription drug coverage, they can elect not to receive it if they do not need it.

Our seniors spend more than any other age group on prescription drugs. This legislation brings the benefits of marketplace and negotiating power to our seniors. By negotiating with pharmacies and manufacturers, plans will seek the best possible discount. In fact, according to the nonpartisan Congressional Budget Office, our plan, the bipartisan plan, is expected to result in twice the reduction in drug costs as the alternative.

I ask Members to support the bipartisan drug plan.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

(Mr. DAVIS of Illinois asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I rise in opposition to the Republican proposal for a prescription drug benefit for seniors.

Mr. Speaker, I rise today in opposition to the Republicans' proposal for a prescription drug benefit for seniors. The House leaderships' decision to block a Democratic proposal shows their unwillingness to discuss a real drug benefit for seniors. This stonewalling is a sham of the legislative process.

As we know, the Medicare program provides significant health insurance coverage for more than 39 million seniors and disabled beneficiaries. However, the program fails to offer protection against the costs of most outpatient prescription drugs.

Prescription drug prices continue to rise and the percentage of Americans over age 65 is sharply on the rise. Medicare is therefore in need of modernization and the addition of a drug benefit for all beneficiaries, regardless of income level or location. The Republican plan falls far short of addressing the reality of the problem that many of our seniors face. I oppose the Republican proposal for three chief reasons:

First of all, their proposal is based on the faulty premise that insurance companies will write prescription drug plans for seniors. The insurance industry admits that this private insurance model will not work and leaders in the industry deny that such plans will even be offered. Charles N. Kahn, President of the Health Insurance Association of American—a group comprised of 294 insurance companies—told The New York Times on Feb. 21, 2000: ''I don't know of an insurance company that would offer a drug-only policy like that or even consider it.'' Mr. Kahn also comments that ''Private drug-insurance policies are

doomed from the start. The idea sounds good, but it cannot succeed in the real world.''

Even if insurance companies write drug plans for seniors, there will be instability in coverage. It is well known that health insurers would use the system to move in and out of markets depending on their advantage, not seniors' health. We see many examples of such pullouts today. This is not right. The Republican plan stresses competition in an already-flawed private Medigap insurance market rather than adding a prescription drug benefit to Medicare.

Secondly, the Republican proposal is not affordable: This plan offers no defined benefit. It appears to specify only the ''stop loss amount''—$2,100/yr, maximum limit on beneficiary out-of-pocket costs—while private insurers could define deductibles, co-pays, and benefit limits. Also, seniors would pay a $250 deductible. Furthermore, their plan would break up seniors into various private plans—if even written—and thus their bargaining power would be significantly reduced.

Finally, the Republican plan is not accessible to all Medicare beneficiaries: their plan fails to provide direct premium assistance for low- and middle-income Medicare beneficiaries. Any senior with an income above $12,600 will not have the assurance of lower premiums. This plan, therefore, does not protect against the risk of industry ''cherry picking'' and the negative selection of the sickest and disabled seniors. This is a Darwinian scheme where only the strongest survive.

Thus, I believe the Republican plan falls far short of providing a real drug benefit for our nation's seniors. The leaderships' denial to hear our alternative is a travesty.

I therefore rise in opposition to the Republican proposal.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume to bring this portion of the debate on our side to an end.

Mr. Speaker, we are denied, not only the last word, which I am sure the gentleman from California (Mr. THOMAS) will have, but we have been denied the opportunity to offer a bill.

Had we had the opportunity, we would of course have suggested that we spend more money, hundreds of billions of dollars more money to provide a seamless guaranteed dependable benefit to seniors who could have the unknowing security that the government would be there in the last resort if no insurance company showed up, to see that they got the pharmaceutical drugs at a reasonable price.

At a time in this country when we are so wealthy and when the surpluses are predicted to be many trillions of dollars, to me it is obscene to be sitting, offering to give away inheritance taxes and telephone taxes and taxes that nobody really cares about when we could be insuring our seniors, indeed we could be insuring our children and other folks in this country. But, no, this money is denied and is reserved for the wealthy few who would benefit from Republican tax cuts.

Oppose the Republican bill, please, and support whatever minor motion to recommit we are finally allowed.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Georgia (Mr. COLLINS), a member of the Committee on Ways and Means.

(Mr. COLLINS asked and was given permission to revise and extend his remarks.)

Mr. COLLINS. Mr. Speaker, I rise in support of this prescription drug bill for our seniors. It will be voluntary for our seniors. It will give them the freedom to choose as to whether or not to stay in a plan they may already be in or to choose this plan which they may need assistance for.

It will assist low income. It will also assist those who have high drug costs and catastrophic coverage. Others it will assist in a different way. It will help reduce the cost of drugs by having the administration deal with drug companies. It is very similar to the way we do with the Federal Employee Health Benefit Program, lowering the cost of those who have to pay the co-pay and those who would be between the low income and the catastrophic.

It is not a one-size-fits-all; that is for sure. I respect those who have the program or the plan that one size does fit all. But we must be aware of their plan, because of the back-end costs of their plans. We must be aware of the costs of any plan because, under the pay-as-you-go system, those who work today will pay the benefits.

It is not a perfect plan, but it is moving in progress, a work in progress.

Mr. THOMAS. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, this really is an opportunity for the House of Representatives to address a problem that, frankly, needed to be addressed for some time. The two plans have a lot in common, but I do think people need to understand that the Democrats' plan does not afford seniors choice.

The bipartisan plan, not only affords them choice, but requires at least two options in every area of the country.

The way in which we have structured our plan, the Congressional Budget Office says we save seniors twice as much as the Democrats' plan out-of-pocket. We provide pocketbook protection now. It is not true of the Democrats' plan because they wrote a plan to fit a budget window. Not until 2006 does their catastrophic or out-of-pocket protection plan really begin.

AARP, the American Association of Retired Persons, has said the bipartisan plan is in Medicare, notwithstanding whatever may be said on the floor today. The American Association of Retired Persons has said this is an entitlement regardless of whatever may be said on the floor today.

Most importantly, it provides seniors comfort and assurance that the bipartisan plan is a prescription drug benefit in statute. No amount of an attempt to confuse seniors should alter that position. This is in Medicare. It is an entitlement, and the benefit is in statute. Do not take my word for it. Take the word of the American Association of Retired Persons. Vote yes on H.R. 4680.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. BLILEY) and the gentleman from Michigan (Mr. DINGELL) each will control 30 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am pleased to give my full support to the bill before the House today, H.R. 4680, the Medicare Prescription Drug Act of 2000. This bill would provide for a universal, voluntary, and affordable drug benefit to Medicare beneficiaries.

I have been studying this issue for some time. In addition to the five hearings our Subcommittee on Health and Environment held on this issue, I worked closely with a group of my colleagues on the Committee on Commerce for months studying different models for delivering drug coverage to seniors that offer them choice and affordability.

Through this effort, a number of things have become clear to me. First, seniors want security, and they want choice. H.R. 4680 ensures that every Medicare beneficiary will have access to at least two choices of drug coverage everywhere in America. This proposal also provides, for the first time in the Medicare program, protections for those beneficiaries who have the highest out-of-pocket spending on drugs. True security is knowing one will not have to mortgage one's home or become Medicaid dependent because of one's prescription drug needs.

Second, HCFA's house is not in order and cannot be asked to take on the task of administering a new drug benefit. One example of problems we have experienced with HCFA in the area of drug coverage is its policy on coverage for self-injectable drugs. Prior to August 1997, HCFA covered self-injectable drugs when administered by a physician. In August of that year, however, HCFA issued a program memorandum to its carriers instructing them not to pay for drugs that can usually be self-administered, regardless of the patient's health condition.

As a result of this instruction, many Medicare beneficiaries lost coverage for drugs that had been previously covered. These were MS victims and people in the late stages of cancer who could not possibly be expected to inject themselves with a needle. I find this totally unacceptable and am pleased that this bill includes language to permanently correct this problem.

H.R. 4680 creates the Medicare Benefits Administration which will administer the new drug program as well as the Medicare+Choice program. I am not convinced that HCFA can be reformed to better meet beneficiary needs. More fundamental change is needed, a shift in the culture of the agency from one that micromanages benefits and administers prices to one that is more flexible, that adapts to changes in the marketplace, and has

the expertise to negotiate with providers on behalf of Medicare beneficiaries. I believe the Medicare Benefits Administration is designed to meet beneficiaries' needs.

Third, many seniors have drug coverage today that they like and want to keep. A key feature of our plan is that it is voluntary, and it preserves the good coverage that many seniors have today. Our proposal encourages employers to continue providing coverage by giving them access to the new reinsurance pool for beneficiaries with extraordinary drug costs.

Mr. Speaker, Medicare needs to be modernized to reflect how health care is delivered today. By denying the seniors the types of choices we all have as Members of Congress, we are relegating them to a system of care that does not meet the high standards we want for ourselves, our staffs, and our families.

I have been in this institution for 20 years, and I have seen thousands of bills come up for votes, some small in scope, some large. Many of the laws we pass do not stand the test of time. Medicare is an exception to that rule. It has fundamentally shaped the way health care is delivered in this country and provides needed coverage for millions of seniors and disabled Americans. But the program is not keeping pace with the change we have seen in medicine. A pill or an injection has, in many instances, replaced the need for a surgeon to use his scalpel. This is amazing progress that should continue without our interference.

This bill is about more than drug coverage. It is about ensuring that the Medicare program continues to meet the needs of a growing number of elderly and disabled. It has my full support, and I urge all my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

□ 1600

Mr. DINGELL. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speaker, this ''bipartisan bill'' our Republican colleagues have put on the floor reminds me of a great story. A fellow went into a restaurant and asked for stew. He was delivered stew, and he said, ''Oh, that's the worst I ever had. Where did you get it? What's the recipe?'' They said, ''It's easy. It's horse and rabbit stew.'' He said, ''What is the recipe for it? It's the worst I've ever had.'' They said, ''It's equal: one parts horse, and one rabbit.''

Well, that is kind of what we have here: it is bipartisan. Three Democrats support this outrage, the rest of the Democrats oppose it. This is a Republican bill that our Republican colleagues have finally decided they would put on the floor after the pollsters told them that they are in serious trouble on their opposition to something that the people want and the people need and that is good for the country. That is what is at stake.

There is a very simple difference between the two bills. One is that the Democratic bill helps seniors to get insurance coverage. The Republican bill only offers to subsidize insurance companies, if they can find an insurance company that happens to want some more money.

Now, having said that, the Democratic bill also sees to it that senior citizens and Medicare recipients get their pharmaceuticals at affordable prices. The Republican bill gives money to insurance companies to maybe pay to pharmaceutical houses so that both can make more money, if they decide they want it. That is what is at stake here.

Now, man and boy, I have been in this place for a long time. I have never seen a worse process than we are confronted with today. The Speaker says how he would like this to be bipartisan. Well, so would we. But it is not. Apparently, however, our Republican colleagues want this to be a partisan process. But I am not surprised, because this has been going on this whole session, and it is not something that we have not seen before.

I would just make another little observation for the benefit of my Republican colleagues. I have watched my Republican colleagues, going back to 1935, when the Social Security bill was enacted. The Republicans opposed enactment of the Social Security Act, and they fought it for everything they were worth. My Republican colleagues also opposed Medicare. And by and large, with the exception of 68 courageous decent men, they opposed the Patient's Bill of Rights. They have also opposed universal coverage of people under health insurance, again something that is desperately needed.

So this is not new. What we are observing is the Republicans are again looking after their rich buddies and seeing to it that the people who need help are going to get nothing. And I will simply point out there are few who will draw any significant benefits under this piece of legislation. It is a sham, a fraud and an outrage; and it is almost as bad as the process under which we function today.

It is a sham, a fraud and an outrage; and it is almost as bad as the grossly unfair process under which we function today, a process which denies the people of the United States a vote on a meaningful bill which really meets the needs of our retirees, and which does not simply benefit insurance companies and pharmaceutical manufacturers.

Medicare is one of our most successful social programs in history. It insures more than 39 million disabled and senior Americans, and has drastically reduced poverty and improved the health of our elderly.

Over the years, Congress has enacted a number of additions to the program, including coverage for physicians' services and coverage of certain preventive benefits. Now the House is being denied an opportunity to debate seriously the most significant program change in recent time—the addition of a prescription drug benefit to the program.

The private insurance market was not willing to provide meaningful, dependable coverage for seniors and the disabled in 1965. That is why we created Medicare. Today, the private market is failing to provide seniors with adequate coverage for prescription drugs.

We all know the important role prescription drugs play in our lives, and they are particularly important for seniors or the disabled. Yet, three out of five Medicare beneficiaries lack dependable coverage. Those without coverage are forced to pay for medically necessary drugs quit of their own fixed incomes, and too many forgo medications that will keep them healthy, out of the hospital, and living longer, more productive lives.

What this Congress does with regard to a Medicare prescription drug benefit will have a profound impact on America's seniors and disabled. Unfortunately, the Republican leadership's prescription drug proposal would break the promise that Congress made to America's seniors and the disabled over three decades ago. Instead of providing an entitlement to a guaranteed, affordable, defined benefit, the Republican drug bill is a sham and a scam.

The Republican leadership's prescription drug proposal relies on private sector insurance companies to deliver a benefit. These are the same companies that failed to provide adequate health insurance to seniors thirty-five years ago, and the same companies that are saying now the Republican proposal just won't work.

For the first time in Medicare's history, seniors and the disabled would not be guaranteed access to a standard benefit. Instead, they would be limited to whatever private insurance plans decided to sell precription drug policies in their area. Private plans could vary their benefits, vary their cost-sharing, and vary their networks of pharmacies. There would be no guarantee that the particular drug plan a senior needed would be available to them, and there would be no guarantee that a drug plan that a senior picked one year would be available the next year.

Unfortunately, we will not be allowed to vote for a real benefit. The Democratic substitute would have provided a guaranteed, affordable prescription drug coverage for every single senior and disabled person in Medicare. Whether they live in Miami, Ohio or Miami, Florida, seniors would be guaranteed the same benefit at the same premium. The Democratic substitute would guarantee seniors and the disabled access to the medically necessary drugs their doctor prescribes, and it would guarantee that they could continue to get their medication from their local pharmacist. Finally, the Democratic substitute should provide sufficient subsidies so that the benefit would remain affordable to all. That is why the Republican leadership will not even allow the House to vote on our substitute.

Members of Congress don't have a choice before them today. We must reject a bill that would undermine all the principles that has made Medicare the most successful social program in history. And we will need to wait for another day, or another Congress, to vote for a package that provides a real Drug benefit in the Medicare program.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA) for purposes of a colloquy.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I thank the gentleman from Virginia for yielding me this time to have a colloquy with our colleague, the gentleman from California (Mr. THOMAS).

Mr. Speaker, as the gentleman from California knows, we have heard concerns from our States, several of them, like New Jersey, Pennsylvania, and Connecticut, regarding the potential negative interactions between State drug assistance programs and H.R. 4680, this bipartisan bill. Has the gentleman been made aware of this, and have the issues been resolved as we have presented them to the gentleman?

Mr. THOMAS. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from California.

Mr. THOMAS. I would respond that, yes, the issues have been resolved.

Mrs. ROUKEMA. Can the gentleman briefly describe them?

Mr. THOMAS. Yes, I can describe them.

First, we federalize the dual eligibles. We give the governors more than $22.8 billion in additional funds to spend in their States.

Second, the bill allows maximum flexibility to take current State programs and so-called wraparound or integrate them with the Federal program.

But most importantly the legislation creates a commission which is charged with developing a program to address these transitional issues. And it says in the legislation that the proposal must protect current program participants and the financial interests of the States involved. Those States, who on their own offer seniors Medicare prescription drugs should have a special handling to handle the transition with the Federal and the State program.

Mrs. ROUKEMA. I thank the gentleman for his instructions.

Mr. Speaker, another point that I would like made explicitly clear is ensuring that insurance providers will not pull out of an area, leaving seniors without any coverage. As you know, in New Jersey and other areas, HMOs participating Medicare Plus Choice have been leaving the program leaving many seniors without coverage. It is my understanding that under the bill, that at least two insurance providers must be available in each area. To ensure that at least two providers are always available, the government will step in and reimburse providers at a higher rate if necessary to make sure they are available to seniors. I would like reassurance from the Chairman that under this bill, seniors will not have to worry that HMOs will leave the program leaving them without any coverage.

Mr. THOMAS. Mr. Speaker, my answer to the Gentlelady from New Jersey is that this bill guarantees that at least two plans will be available in each area.

In fact, the Medicare Benefits Administrator would administer the program in a manner such that all eligible individuals would be assured of the availability of at least two qualifying plan options in their area of residence, at least one of which is a drug plan. If necessary to ensure such access, the Administrator would be authorized to provide financial incentives, including the partial underwriting of risk, for a PDP sponsor to expand its service area under an existing prescription drug plan to adjoining or additional areas, or to establish such a plan (including offering such plan on a regional or nationwide basis).

It would be written in the statute that all participating seniors will be guaranteed at least two plans from which to choose. I thank the Gentlelady for seeking this important clarification.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WAXMAN), who was denied, along with the rest of the Committee on Commerce, the opportunity to discuss this matter in committee through this irregular process.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

The bill the Republican leadership in this House has insisted on bringing to the floor today is a sham. It purports to provide drugs for the Medicare population. It does not. It purports to give seniors peace of mind that their drug costs will be covered. It does not. It claims to cover the drugs they need, and it does not do that.

Instead, it would allow insurance companies to establish restrictive formularies and use that as a barrier in the way of patients getting medically necessary drugs if those drugs are not on the formularies. It would not assure that Medicare beneficiaries could get their drugs from their neighborhood drugstore. It would not assure that coverage was available in every area of the country. Seniors in rural areas would be particularly likely to find no coverage is available to them.

What does the Republican bill do if it does not spend money to give seniors a drug benefit? It gives money to America's insurance companies. It tries to bribe them into offering an insurance policy that covers just drugs. The companies say they cannot cover just drugs. It will not be affordable, and it will not be available.

Evidently, our Republican colleagues still regret that we passed Medicare. If they had their way, they would design Medicare the way they have this drug plan: use taxpayer dollars to pay insurance companies, and then cross their fingers and hope the insurance companies will provide health care to America's seniors and disabled people.

No guaranteed benefit, differing premiums all over the country, no guarantee of affordability or availability and no accountability. America's seniors would not have wanted that from Medicare, and they will not be fooled by a sham plan for drug coverage now.

What we are seeing here is really about a difference between Democrats and Republicans on Medicare. Democrats know Medicare works. We do not want to throw it out. We want to make it better. We want to add to Medicare a real, defined, guaranteed prescription drug benefit.

We want a benefit that's available wherever you live in this country, whatever your income, whether you're sick or not, whether you're in traditional Medicare or in managed care.

Republicans want to go back to the days before Medicare and tell seniors to depend on private insurance companies.

It they are so sure that's the right way to go, why are they so afraid to let us vote on the plan the Democrats and the President want? Why are they so afraid of adding a real benefit to Medicare for all our senior and disabled citizens?

Mr. BLILEY. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health and Environment of the Committee on Commerce.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of H.R. 4680, the Medicare RX 2000 Act.

The addition of prescription drug coverage to the Medicare program is one of the most important things we can do this year. I am saddened, Mr. Speaker, by the strictly partisan and political debate that has arisen on this vital issue and by the efforts to continuously interrupt these proceedings with nonsensical procedural motions. This conduct reinforces my sincere belief that the Democratic leadership does not want to take real action this year on this issue, just like they failed to address the problem for over 40 years when they controlled the House.

This is a critical concern for seniors throughout the country, and it should not be reduced to merely a political issue or to one of spite. I am reminded of a debate in the 104th Congress when we worked successfully to save Medicare from bankruptcy. At that time the Democratic leadership exploited the crisis facing Medicare by engaging in demagoguery for political gain. The Washington Post editorial board rightly labeled them ''Medagogues.'' Now they are playing politics with seniors in desperate need of prescription drugs. In the words of the Great Communicator, Ronald Reagan, ''There they go again.''

Many of the latest drug and biological therapies are targeted at preventing or curing diseases that affect senior citizens and persons with disabilities. However, the Federal health insurance program serving these individuals, Medicare, currently, as we know, lacks coverage for most prescription drugs and biologicals. As a result, one-third of Medicare beneficiaries have no drug coverage at all. The two-thirds of beneficiaries who have coverage have to obtain it through a variety of sources, often at considerable expense.

Last year, I introduced legislation to help the neediest and sickest seniors now. The bill before us, although not perfect, helps those seniors in greatest need and those who are the sickest and, thus, has my support. There is always room for improvement, but in the meantime, we can help the most vulnerable seniors now.

This bill includes provisions that I introduced with my colleague, the gentleman from Florida (Mr. SHAW), to ensure access to self-injectable drugs. Currently, Medicare part B only covers drugs that are furnished ''incident to a physician's service.'' In August 1997, however, HCFA issued a memorandum to Medicare carriers stating that Medicare part B would not reimburse for any drugs that were administered incident to a physician's service, if the drugs were capable of being self- injected.

This memorandum, which reversed a previous policy of 30 years, does not take into account the health status of each patient. Many beneficiaries, including cancer and MS patients, are not able to self-inject their necessary medications, even if the drug is normally able to be self-administered. The provision included in H.R. 4680 guarantees the Medicare beneficiaries who are receiving lifesaving injectable drugs and biologicals will continue to have access to those therapies under Medicare part B.

It is also important that this reimbursement continue under Medicare part B because the physician's service must also be reimbursed. The bill before us will ensure that patients who cannot self-administer injectable drugs will be able to have those drugs administered by their physician and receive coverage under the Medicare program.

In closing, Mr. Speaker, I want to again emphasize that for 40 years the Democratic leadership, which controlled the House, did nothing to help seniors gain access to prescription drugs. The problem existed then as it does today, and yet they made little or no mention of it. This Congress is working to solve the problem on a bipartisan basis, and I urge Members to demonstrate their concern by voting for a bill which will help beneficiaries in need today.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. WYNN), to join the American Federation of Teachers in opposition to the Republican bill and in support of our bill.

Mr. WYNN. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in strong opposition to this bill. It is a bad product of a bad process. They shut out the Democrats today from introducing the Democratic alternative, and now they have on the floor essentially a bad bill.

There are two ways to approach this. On the Democratic side, we have an expansion of Medicare, a guaranteed affordable benefit for all seniors who need coverage to help with prescription drugs. On the Republican side, we have a premium-driven system that basically is designed to benefit insurance companies.

Now, I will tell my colleagues why this is problematic. The benefit is not guaranteed. They have a higher deductible. They have a higher premium. As a matter of fact, we do not have a deductible. They have a $250 deductible. It is a bad idea.

We should not put this issue of prescription drug coverage in the hands of the private HMOs, and I will tell my colleagues why. We are already down here concerned about HMOs and are trying to pass a Patient's Bill of Rights, trying to get the right to see a specialist, trying to get the right for emergency care. The same people that are denying those fundamental rights are now going to be handling prescription drug coverage. I do not think that makes a great deal of sense.

I believe we ought to opt for the Democratic alternative and reject the Republican proposal and reject the Republican process.

Mr. BLILEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. GREENWOOD), a member of the committee.

Mr. GREENWOOD. Mr. Speaker, I thank the gentleman for yielding me this time.

I would like to read from a letter I received recently from a 70-year-old widow who has been widowed for 14 years. She writes, ''I am in pain daily, and I cannot correct this problem because of financial difficulty. I have stopped taking Prilosec, Zoloft, Lossomax, Zanax, and Zocor. I need these drugs filled monthly and simply cannot afford them. I also am in need of a pain pill, and I have not been able to purchase it. I have cried myself to sleep over this dilemma.''

I think if this lady from my district were here today, she would cry to witness this process. Because over and over again Members from the Republican side of the aisle have stood up and talked about how to solve the problem, and over and over again Members from the Democratic side of the aisle have walked to the microphone with nothing more to offer than blasting away at the plan we have tried to put together in a bipartisan fashion.

We have been criticized for partisanship. Early last year the gentleman from California (Mr. THOMAS) and others put together, extended a wide invitation to Democrats to join Republicans to work out a plan. A few Democrats came over. Some of them have stayed with the bipartisan plan. Most of the others have been driven off by leadership, told not to participate with Republicans in writing a bipartisan bill.

Why? It has been obvious from day one. The plan is that the Democrats want power back, and they think the way to get power back is to stop everything that gets done in this House. And so my colleagues on the other side will say anything and do anything to do it, including denying senior citizens prescription drugs, including my constituent's prescription drugs. And she ought to cry herself to sleep over this process.

□ 1615

There is a heck of a lot more in common between these plans than there is different, and we ought to work on the difference.

What did the AARP say? ''We are pleased that both the House Republican and Democratic bills provide a voluntary prescription drug benefit in Medicare, a benefit to which every Medicare beneficiary is entitled. And while there are differences, both bills describe the core prescription drug benefit in statute.''

The AARP, the most respected seniors' organization in the country, says we ought to work together and stop fighting in a partisan way.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Louisiana (Mr. JOHN) for purposes of debate in support of this legislation, along with the American Association of People with Disabilities, who join in support of the legislation.

Mr. JOHN. Mr. Speaker, I rise today in order to express my frustrations with the consequences of the Republican plan.

Today the last Medicare Choice HMO servicing the seventh district of Louisiana announced they are pulling out. This is not the case unique to Louisiana's seventh district. This is the case all over America, especially in rural America.

In a few short years since inception of this Medicare+Choice, my seniors have been forced to change health services numerous times. The Republican prescription drug proposal would privatize prescription drug coverage in the same manner that Medicare+Choice privatized Medicare health care services. And this plan, too, is doomed to fail.

Why would the Republicans choose to model a failed plan that has failed seniors? A prescription drug benefit is important to all seniors, not just geographically where they are from.

The Democratic plan guarantees all seniors will have equal access to prescription drugs. The Democratic plan guarantees all seniors will pay the same for prescription drugs.

I urge all of my colleagues to join with me in opposing the Republican unrealistic plan and support the Democratic plan.

Mr. BILIRAKIS. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. DEAL).

Mr. DEAL of Georgia. Mr. Speaker, I thank the gentleman for yielding me the time, and I rise in support of this legislation.

Mr. Speaker, most of our lives are regulated by the calendar and the clock. But if my colleagues come to my home and sit at my dinner table, they will soon find that it is the pill box that is both the calendar and the clock.

The reason is that my 93-year-old mother, who had to have one of her legs amputated, lives with us, along with my wife's 86- and 84-year-old father and mother. They have had major surgery, and one suffers from Alzheimer's.

So as my colleagues sit around our table, they will soon see that it is the

pill box that tells us what day of the week it is and what hour of the day, because it is the medication that they must take that keeps them going. So I understand the importance of prescription drugs.

But these three senior citizens who are now members of our family, and we are so pleased to have them, have served over three-quarters of a century as public school teachers in our State of Georgia; and, as such, they earned the right as a part of their retirement to a medical prescription drug program.

One thing that is very important to them is that this Congress not force them to go into a program they do not want. Age and failing health have deprived them of many of their choices, and they want to retain this one to keep what they have.

But, also, one of the things that they are concerned about is that they have lived frugal lives on school teachers' salaries and they do not want catastrophic illness to wipe that out. I am pleased that our plan provides that kind of financial security for them.

So tonight, to Mary, to George, and to Ida Lu, this plan is for them. And do not forget to take your medication, by the way.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from California (Mrs. CAPPS) in support of the legislation. She is joined in support of this legislation by the American Association of University Women.

Mrs. CAPPS. Mr. Speaker, I rise to express my deep disappointment about the bill before us and this process, which does not even allow a vote on an alternative plan.

As a nurse, I would never shortchange seniors out of their prescription drugs. That is what this legislation does. It is an empty bill which will lead to empty pill bottles for seniors across this country. Simply put, this bill sells our seniors short.

Let us pass secure, affordable prescription drug coverage today for all older Americans, not a risky program that subsidizes private insurance companies.

I urge a no vote.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LAZIO) a member of the committee.

Mr. LAZIO. Mr. Speaker, first I would like to congratulate the chairman of the full committee for his leadership in driving us toward a solution. I would like to also thank the gentleman from Texas (Chairman ARCHER) from the Committee on Ways and Mean. I would like to thank all my colleagues on the task force that helped put this together and, in particular, the gentleman from North Carolina (Mr. BURR) who worked so hard on this issue.

Without their leadership and vision, we just simply would not be here today with a bill that will improve the lives of millions of Americans.

Make no mistake about it. We have an opportunity for those who can just lift their eyes up a little bit higher to see to do the fair and right thing for millions of American seniors and disabled.

Mr. Speaker, senior citizens and disabled Americans are being squeezed between fixed incomes and rising drug prices. Every day many of them are forced to maybe a Hobson's choice between a flat line and the bread line, between paying for life-saving medications or next week's trip to the grocery, seniors like 62-year-old Diane, who worry about whether she will be able to keep a roof over her head when she retires in a couple years.

Well, why does she worry? Because Diane has an IRA, a small pension, a number of chronic conditions that include diabetes, high blood pressure, and a degenerative disk disease. Diane's $1,100 per month medication bill will effectively cut her take-home family income in half.

Mr. Speaker, these are the people who are in the fight of their lives to beat chronic and debilitating diseases. It is immoral to add monetary worries to their burden.

Seniors and disabled Americans deserve to live secure lives, to live secure in the knowledge that the drugs that will save them medically do not ruin them financially.

Mr. Speaker, we are now taking action to give them that security. The House bipartisan plan relies on the public-private partnership model that has proven so successful in the past. It is completely voluntary. It provides universal coverage to all Medicare beneficiaries who want it, senior citizens and the disabled alike.

It contains a provision that will prevent financial ruin and will save older and disabled Americans from being thrown into poverty because of unexpected medication costs. It provides incentives to private insurers to offer subsidized drug coverage to the seniors and disabled Medicare beneficiaries. And the block purchasing power created by these new private sector plans will allow discounts of up to 25 percent to be negotiated with drug manufacturers.

Mr. Speaker, for the last 12 years, the State of New York has had its own prescription drug plan. Yet, even a large State like New York cannot implement a program with the same economies of scale and savings that a national plan would provide.

Recent estimates show that between the years 2002 and 2008 this plan could save New York over $1 billion. Mr. Speaker, this is a good plan. It is a plan that helps our seniors and our disabled Americans but in a way that will not spawn bloated bureaucracies, budget-bursting spending, and Government waste.

Let us do the right thing. Let us pass this bill.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Arkansas (Mr. BERRY). He is joined in his opposition to the Republican bill by the National Council of Churches of Christ in America.

Mr. BERRY. Mr. Speaker, I thank the gentleman from Michigan for yielding me the time.

Mr. Speaker, this is a sad day in this House. The reason it is so sad is because the Republicans have presented us with not a bill, not a plan, but a sham that is so bad and so ugly that they do not even want it compared to anything else. We have not been allowed a substitute. We have not been allowed an amendment. And this is a sad thing for the Republicans to do to the good people of this country.

We have real people with real problems and real pain suffering every day because they cannot afford their prescription medicine. The Republican plan is nothing more than an attempt to deceive our senior citizens and protect the outrageous profits of the prescription medicine makers of this country.

It is a shame that we would allow this important debate to take place with no alternatives at all offered. I urge the defeat of the Republican plan.

Mr. BLILEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I thank the gentleman for yielding me the time.

I rise to enter into a colloquy with the gentleman from Florida (Mr. BILIRAKIS) if he is willing.

Mr. Speaker, access to affordable prescription drugs and health care coverage is a pressing issue for seniors in my district, which is why I support the Medicare Prescription Drug Act.

I recently introduced legislation, H.R. 4753, which will create Medicare Consumer Coalition Demonstrate projects under the Medicare+Choice program. These nonprofit, regional coalitions would boost seniors' purchasing clout by allowing large groups of independent beneficiaries to join together and, through market-driven negotiations, drive down costs.

I would ask the gentleman to review this legislation and to work with me to see that the concepts embodied in the Seniors Health Care Empowerment Act are incorporated into this and other Medicare reform initiatives that we consider in the coming months.

Mr. Speaker, I yield to the gentleman from Florida (Mr. BILIRAKIS).

Mr. BILIRAKIS. Mr. Speaker, I appreciate the gentlewoman bringing to my attention and to our attention the innovative legislation which she has recently introduced.

Consumer coalitions could serve a dual purpose by educating the beneficiaries who are negotiating for lower health care costs. I appreciate her comments on the legislation before us and on her legislation, which is an innovative concept. The proposal is certainly worthy of a close review, and I look forward to working with her on this subject in the coming months.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California (Ms. ESHOO) to discuss matters which she was denied an opportunity to discuss in any appropriate proceeding in our committee.

Ms. ESHOO. Mr. Speaker, I thank the distinguished ranking member of the House Committee on Commerce for yielding me the time.

I want to underscore something today that I think at the base of all of this is enormously sad; and that is, for the people that are tuned in and listening, this indeed is the House of Representatives, the Congress of the United States of America, the freest nation in the world. At the heart of our democracy is debate. And yet, the majority of this House will not and did not allow one side to bring their idea to the floor of the house.

What are they afraid of? I can debate their idea. I do not support many parts of their plan. That is my prerogative on behalf of the people that I represent. I do not think insurance companies should be subsidized in order to bring about a Medicare drug prescription coverage for our seniors.

But I think the saddest part of this today is that they are afraid of our idea. Why be afraid of what this side could bring to the floor of the House?

In addition, I want to correct the RECORD. Democrats did do something. They established Medicare for the people of our great Nation.

Mr. BLILEY. Mr. Speaker, I reserve the balance of my time and suggest that the minority use some more of their time.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. STUPAK) to discuss matters that he was denied the opportunity to discuss in this strangled proceeding in our committee.

Mr. STUPAK. Mr. Speaker, I urge my colleagues to reject this Republican non-plan for prescription drug coverage.

The Republican non-plan does not guarantee that seniors will be offered drug coverage. It does not guarantee that seniors in rural areas like I represent will have access to their medications from their local pharmacy or that they will have access to the medications they need.

Instead, the Republican non-plan provides a subsidy to insurance companies so seniors can continue to pay high prices to drug companies for prescription drugs.

Seniors do not want us to give a handout to the insurance and drug companies. They want affordable drugs now.

□ 1630

Let us stand with America's seniors. Let us support a real benefit for our seniors, not a cash benefit to the drug and insurance companies. This has not been a bipartisan day. The GOP majority will not even allow us a Democratic substitute or even a Democratic amendment to their bill. They will not even debate the merits of a prescription drug coverage policy for our seniors. That is why we have a nonplan before us. It does not guarantee us anything. It does not provide a benefit. It provides nothing for our seniors.

The SPEAKER pro tempore. Mr. DINGELL.

Mr. DINGELL. Mr. Speaker, I believe it is customary to refer to a Member as the gentleman from Michigan.

The SPEAKER pro tempore. The gentleman from Michigan.

Mr. DINGELL. Am I incorrect in that, Mr. Speaker?

The SPEAKER pro tempore. The gentleman from Michigan is recognized.

Mr. DINGELL. I thank the Chair for observing the regular order.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. GREEN), since he was denied an opportunity to discuss this matter in our committee.

Mr. GREEN of Texas. Mr. Speaker, I thank my ranking member, the gentleman from Michigan (Mr. DINGELL), for yielding me this time.

Mr. Speaker, I am surprised my Republican colleagues can get up the last couple of hours with a straight face and talk about their bipartisan bill. I rise in opposition to this prescription drug gimmick. It is not bipartisan. They even refused us an option to have a vote on an alternative plan. We should be putting the benefits in the hands of senior citizens and not in the hands of insurance companies. We should be providing a secure and reliable benefit instead of creating a new bureaucratic nightmare, a new Medigap policy for seniors to have to fight with. We should be building Medicare up and not tearing it down.

The Republican bill is flawed. It gives seniors the right to buy an insurance policy. They want prescriptions. They do not want an insurance policy. It allows the insurance companies to limit the number of medications it covers. It restricts them from using their local pharmacy. The Republican bill does nothing but get them past the November elections, but our seniors who built this country, who fought in World War II and the Korean War, they know this is a trick, and they are not going to be fooled by it.

The Republican bill costs seniors more each year and it gives them less. The deductibles can increase leaps and bounds. Our seniors deserve more than a voucher. We know this bill is bad for seniors. That is because it is supported by the pharmaceutical companies who are already charging them millions more than they should.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida (Mr. DEUTSCH), to discuss matters he was denied an opportunity to discuss in our committee.

Mr. DEUTSCH. Mr. Speaker, the Republicans have been calling this the Medicare prescription drug legislation. I think it would be more accurately described as the anti-Medicare prescription drug legislation. Essentially, what this legislation would do is destroy Medicare. That is what it does. It changes the entire concept that Medicare has had for over 30 years in this country of a universal health care system. If one makes more than $12,600, they get nothing. So it is welfare for health. The incredible broad-based political support that we have for Medicare in America would be lost if this plan passes. What it also does is effectively creates a voucher system for anyone above that amount of income.

The author of this bill, the chairman of the Subcommittee on Health, has said that our accusations of saying that this is not part of Medicare are not true. Well, this plan is being created that has nothing to do with Medicare, and calling it Medicare does not make it Medicare. If we put the Transportation Department into Medicare, it still would be the Transportation Department. It would not be Medicare. I urge its defeat.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I would like to thank the gentleman from Michigan (Mr. DINGELL), the ranking member of the Committee on Commerce, for yielding me this time.

Mr. Speaker, I would like to share with my colleagues the position of the Fairness Caucus. The Fairness Caucus is committed to ending the regional disparities that exist with respect to Medicare today. The fact that seniors in some parts of the country are already receiving prescription drugs as a part of Medicare, at no premium cost, while seniors in other parts of the country have to buy prescription drugs with their own dollars, this is fundamentally unfair. People are paying the same amounts in regardless of where they live, but the benefits are different. We must end these regional inequities. The motion to recommit will have language making that commitment in an unambiguous way, and I urge that we support the motion to recommit.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, it is right that this body address the problem of prescription medications. It is far past time. I have worked on this issue since I came to this Congress. But as we do so, we must not make the mistake of perpetuating and exacerbating a fundamental inequity in the Medicare system right now. That inequity is this: although every single American pays into the rate at the same payroll rate, we actually receive differential benefits depending upon where we live, such that small urban, suburban and rural hospitals in my district are closing; people are doing without benefits while beneficiaries elsewhere in the country are receiving prescription drug benefits already.

This is wrong. The Republican bill is a placebo bill. It makes one feel good if they believe in it, but it does nothing of substance. We must redress the inequities in the AAPCC rates.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I urge Members to vote against this bill because this bill indeed does nothing for seniors in general but particularly for those who live in rural areas. There is a differential for those of us who live in rural areas. Already we have lack of access. This does not indeed provide any additional care for them. This puts into the system the differential that is there now. So I object to this bill because it is bad for rural America.

Mr. Speaker, I urge the rejection of this unfair, insensitive and closed Rule.

Under this Rule, the Democratic Substitute is not allowed. The Democratic Substitute would have provided a guaranteed prescription drug benefit, and that guarantee is vital to any prescription drug plan. Indeed, this Rule does not allow any Substitute. It is unfair, undemocratic and should be rejected.

We must make sure that our Seniors, especially those in Rural communities, are able to obtain medicines essential to a comfortable and pain free quality of life. Many Seniors do not have drug coverage, and they also do not have access to the discounts and rebates that insured people receive. Older Americans and people with disabilities, without drug coverage, typically pay 15 percent more for the same prescription drug as those with insurance. And, that gap is growing.

Uncovered Medicare beneficiaries purchase one-third fewer drugs but pay nearly twice as much out-of-pocket. Chronically ill, uninsured Medicare beneficiaries spend over $500 more out-of-pocket than those with coverage. This is true, despite the fact that these ill beneficiaries purchase fewer prescriptions than those with coverage.

Rural beneficiaries are particularly vulnerable. There is a Rural Differential that must be considered and that challenges us to construct a plan that benefits all Seniors. More than half of all Rural elderly live below 200 percent of the Federal poverty level. Rural Medicare beneficiaries are over 50 percent more likely than urban beneficiaries to lack prescription drug coverage for the entire year. Moreover, Rural seniors are less likely to have private Medicare supplemental insurance coverage than their urban counterparts—seventy-five percent to sixty-five percent. Rural seniors are far less likely to have access to Medicare-Choice Plans with drug coverage—seventy-nine percent to sixteen percent. And Rural Seniors will spend more out of pocket for prescription drugs than Urban Seniors—twenty-four percent of Urban seniors will spend more than $500, compared to thirty-two percent of Rural seniors. Therefore, any prescription drug legislation, before it can be said that it helps our Seniors, must contain certain basic benefits.

First and foremost, it must be affordable. The proposed legislation fails that test.

Next, it must be available. The proposed legislation fails this test.

Then, the benefits it provides must be set. There must be continuity in coverage. Again, the legislation fails this test.

And, finally, the plan must provide choice. The proposed legislation also fails this test.

While the proposed legislation fails each of these tests for most of our seniors in this Nation, as I indicated, it is especially brutal in its failure to address the needs of our seniors in Rural America. Proportionately, there are more low income senior citizens in Rural America than in any place else in the Country. The high deductibles, combined with the premium payments and the co-payments will discourage many seniors in Rural America from enrolling in the plan.

Subsidies, under the proposal, are provided to insurers rather than seniors, apparently with the hope that premium costs will be lower. That is false hope. And, that false hope is further found in the premise of the proposal that insurers will participate and that seniors will have access to prescription drug plans. There are insurers who choose not to participate in Medigap, and that is especially true in Rural America.

Mr. Speaker, we have a unique opportunity to help millions of our senior citizens with their critically needed prescription medicine. Far too many of our seniors are having to make a choice between the medication that they critically need and other basics, such as food and shelter.

With the essential elements I have described, we can construct a prescription drug plan that helps rather than hurts our seniors. Reject this rule.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I thank the distinguished gentleman from Michigan (Mr. DINGELL) for yielding me this time.

Mr. Speaker, I oppose this bill because it fails to provide seniors in my district who are crying out for prescription drug relief with comprehensive coverage under Medicare. I favor a drug plan that is voluntary, affordable and reliable, one in which seniors feel secure and know that the Congress has not abandoned them.

I urge my colleagues to vote against this half-hearted effort and stand up for seniors by demanding a comprehensive drug benefit under Medicare now.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank the gentleman from Michigan (Mr. DINGELL) for yielding me this time.

Mr. Speaker, President Harry Truman received the very first honorary card from President Johnson when Medicare was created. We need some Truman honesty about what this bill is about.

Charles Kahn, the president of the Health Insurance Association of America, a group comprised of 294 insurance companies, said this, quote, ''we will withhold judgment on the House Republican bill until we see its details. Nevertheless, we continue to believe that the concept of a so-called drug-only private insurance simply would not work in practice,'' unquote.

I am the first to work in a bipartisan way around here on balancing the budget, reforming welfare, improving education; but a plan has to be given to me that will work.

This will not work. The insurance companies who are getting the subsidy even say it will not work. Mr. Kahn says wait until we see the details.

What is the copay? We do not know. What are the deductibles? We do not know. What are the premiums? We do not know. Let us sit down in a bipartisan way after we reject this plan and work for the senior citizens of this country to get a plan based on Medicare that will work.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. BRYANT).

Mr. BRYANT. Mr. Speaker, I thank the gentleman from Virginia (Mr. BLILEY) for yielding time to me.

Mr. Speaker, I too want to add my appreciation for all the hard work that the chairman has done in coming up with this very fine bill.

As I sat here and listened to some of the debate, I realized that talk is cheap but prescription drugs are not cheap. They are expensive and they are getting more expensive every day. Seniors need our help today, not 4 years from now, 6 years from now.

Some of us in Congress have been working together to develop a truly bipartisan plan because there is no role for politics or partisanship in this debate. There should not be.

The health and financial security of millions of our seniors are at stake. And, yes, we do need to tackle and reduce the cost of medicine, but not with a Washington-based one-size-fits-all program.

Every senior is a different person. Every situation is unique, and we must maintain a health care system that recognizes the sanctity of the personal doctor-patient relationship.

Our plan guarantees that every senior, in a big city or in a small town across America, has access to prescription drug coverage under Medicare.

Now, there are several benefits that are unique to our plan. First, our plan gives citizens the right to choose, the right of choice. Seniors will have a choice of at least two plans. Every senior has different health care needs, and that is why they may need different health care plans to choose from. What is more, our plan is completely voluntary, so if a senior likes the coverage they already have, they can stick with it.

Rather than enforcing government price controls, which some would argue in this body, our plan uses group buying power to reduce the costs of prescription drugs by as much as 25 to 39 percent. Millions of these seniors have benefited from these expanded choices and cheaper prices by banding together in private organizations like AARP.

They get all the benefits of Washington-mandated price controls but without rules and regulations and choice limitations and inefficiency.

Seniors who already have that private coverage should also be able to keep it and not be forced into a big government plan. And our plan has always provided real protection from being wiped or having to file bankruptcy because of high prescription drug costs. Once a beneficiary under our plan spends $6,000 out of pocket, she pays not another dime for prescription medicines that year.

Our plan provides beneficiaries with this security and peace of mind while other proposals fall short. The Democrats tried to respond to this part of our proposal, but they have resorted simply to budget gimmickry. We offer this protection now and not in 6 years.

I invite my congressional Democrats to work with us. This should not be a Republican, should not be a Democrat partisan issue. It is an American issue. It is a senior issue.

I urge my colleagues to support this bill so we can give our seniors and the disabled the prescription drug coverage they need now.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut (Ms. DELAURO). She is joined in her opposition to this outrageous bill by the AFL–CIO and the UAW.

Ms. DELAURO. Mr. Speaker, a month ago the Republican leadership was told by their pollsters that if they did not at least start to sound like they cared about helping seniors with the cost of prescription drugs they would pay a heavy political price. That is why we are here today, saddled with a sham Republican prescription drug bill and a rigged process. The Republican proposal does not provide all seniors with an affordable Medicare prescription drug benefit. It benefits insurance companies. It is complex, takes the very worst from an already failing HMO system. If one needs a medicine that their HMO does not approve, their only recourse is to appeal to the insurance company. My God, we know that that does not work.

Today I was notified by an insurance company that offers Medicare+Choice HMO coverage to seniors in Connecticut that they are no longer going to be able to offer them coverage. Seniors know that they cannot rely on the HMOs, but the Republican leadership is building their plan on this crumbling foundation. The Democratic Medicare prescription drug plan is rooted in the Medicare program that seniors know and trust. It provides affordable, voluntary, dependable coverage, and a guaranteed benefit. It gives seniors security and dignity. Reject the Republican sham bill.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California (Ms. LEE). She is joined in her opposition to this bill by Americans for Democratic Action.

Ms. LEE. Mr. Speaker, let me thank the gentleman from Michigan (Mr. DINGELL) for yielding me this time and just emphasize my very strong opposition to the Republican prescription coverage plan.

Mr. Speaker, this proposal really claims to help seniors, but in actuality all it really does is help insurance companies. This plan will not guarantee access to coverage, and it will limit seniors' choice of drugs and pharmacies. It could even raise costs for some seniors with medical problems. It is really a sham, and it is a disgrace that the Republicans would not allow a debate on a Democratic proposal which includes a full prescription benefits package including $21 billion in assistance to Medicare health providers and a $3.6 billion rural health package.

Why do we want to have our seniors to be subjected to have to deal with the HMOs and the insurance companies for their medications when these for-profit businesses have really been an impediment to quality patient care for our senior citizens? Our seniors do deserve better. Let us go back to the drawing board. Let us allow for a full debate, one that really does make sense, which will help all of our seniors ensure that they live a safe and sound, long, healthy life.

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Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I come to the floor on behalf of the seniors in my district who demand affordable, comprehensive, prescription drug coverage to ask what are you afraid of. Instead of debating this very serious issue, we are playing election-year politics with the health of our parents and grandparents, like my 94-year-old grandmother.

What are my colleagues afraid of? The only plan we will consider today throws money at special interests. It is a plan that subsidizes the very same private insurance companies that have fought our efforts to hold them accountable, and allows for pharmaceutical companies to continue their current price gauging.

What are my colleagues afraid of? My constituents demand an answer.

Mr. BLILEY. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. STEARNS), a member of the committee.

Mr. STEARNS. Mr. Speaker, in response to the last speaker, I hope she has a chance just to listen. I have here a letter from Governor Tommy Thompson who talks about this particular bill, and lauds the bill and says it is very important that Congress pass this bill.

I hope the gentlewoman from Wisconsin (Ms. BALDWIN) will take some time this afternoon and perhaps read what Governor Thompson says about this from her State. I would be glad, if the gentlewoman wants to, the gentlewoman can come up now, if she has an urgent need to read this letter.

Mr. Speaker, I say to the gentleman from Michigan (Mr. DINGELL) who is talking about bipartisanship, we have three times as many people who are going to vote for our bill than voted and supported the gentleman's bill that the gentleman called bipartisan last year dealing with managed care.

I think when we talk about bipartisanship, at least we have three times the weight of power to say it is bipartisan than the gentleman did.

Mr. Speaker, I rise obviously in support of H.R. 4680, the Medicare Prescription Act of 2000. Our plan is market based, this is the key, rather than relying upon a government-run program, like many of the Democrats have proposed time and time again.

My colleagues might ask themselves, why is this so important, because we know that one of the overwhelming components of any plan that we offer that it must provide individuals with choice. Joshua Hammond wrote a great book on the seven cultural forces that define who we are as Americans, and the number one item is choice.

Choice must be the centerpiece of anything we propose, and that is why as Republicans and some of the Democrats on that side who agree have joined us.

Our bill fosters competition by empowering individuals with buying power, and it encourages consumers to spend health care dollars much more efficiently than the Democrat plan.

Here is the key. It guarantees Medicare beneficiaries Nationwide that they would have access to at least two competing prescription drug plans. Let me repeat that, not just one, it is choice, but two competing prescription drug plans. To ensure that rural areas are not underserved, the plan must also offer local pharmacy access, insuring that drugs would be available for seniors in rural areas and not just through the mail.

Recently in the press, the human genome project has been all over the front pages. It has now completed its work. The medications that will come on the market in the future as a result of the scientific breakthroughs that will occur because of the genome project will be prodigious, those will be available to Medicare with the passage of this bill.

The real question my colleagues and our seniors should think about, here is what they are faced with. Who do they trust? That is the key question. Who do they trust with their prescription drug plan? Do they want to make their own choices and control the money that they spend, or do they want the government, the United States Government-run plan that leaves them without any say so on what works best for them?

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, I speak from Florida, and let me just say to my colleague from Florida (Mr. STEARNS), we are being hurt most by this, not one program left in your county in Marion County. This Republican bill is a slap in the face to every senior citizen struggling to pay for a needed medicine.

The leadership of this House does not support this bill, they never have. They do not support Medicaid. In fact, in 1995, they said they hoped it would wither on the vine. A zebra cannot change its stripes, Mr. Speaker, and the American people are not buying this sham.

American seniors deserve a program that works. This is a life-threatening situation. This is a hollow bill, vote no.

Mr. BLILEY. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Virginia (Mr. BLILEY) has 6½ minutes remaining. The gentleman from Michigan (Mr. DINGELL) has 12 minutes remaining. The gentleman from Virginia has the right to close.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), who is joined in her opposition to this outrageous bill by the National Medical Association.

Mrs. CHRISTENSEN. Mr. Speaker, I rise as a family physician who has taken care of seniors on Medicare and worked with them as they tried unsuccessfully to stretch their limited funds to purchase the medications they needed.

H.R. 4680 does not represent prescription coverage for all seniors, at best it is an initial misstep to jeopardizing Medicare completely through privatization.

The leadership of this body is doing a disservice by not even allowing the Democratic alternative to the floor for debate.

I ask my colleagues to reject H.R. 4680, and I ask our colleagues to work with us to give our older citizens the kind of help they deserve and the medication they need and support the Democratic proposal.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, any prescription drug benefit worthy of the name will provide a defined benefit as part of Medicare. It must be available to all seniors who wish to take advantage of it. The Republican plan does not measure up. It simply throws some taxpayers' money at some insurance companies in the hopes they will offer affordable coverage.

It just will not work. The national president of Blue Cross/Blue Shield recently said, ''This idea provides false hope to America's seniors because it is neither workable nor affordable.''

The Republican plan also defies logic. To get $1,000 worth of prescription drug coverage a senior would have to pay $1,070. Who is going to do that? Who wants to pay more to get less? Certainly not my constituents.

The 1.1 million Medicare beneficiaries in North Carolina deserve a real prescription drug benefit, and it is outrageous that through partisan maneuvering we were not even allowed to offer a substitute plan today.

Why are the Republicans scared of a vote? They must know we have a better plan, a real plan, and one that will help seniors get the coverage they need.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, in the dark of night, the Republican Majority's Committee on Rules voted for nothing for American seniors. However, I refuse today to add to their farce by voting again for nothing. I will not vote for this Republican bill that provides no prescription drug benefit for the seniors in my district.

I will not support the continuance of the travesty of seniors having money only to pay for rent and food and dying because they cannot pay for their needed prescription drugs. The Democrats have a plan that has no deductible, a plan that will allow a minimum premium of $25, and cover $2,000 of costs. In my own community, HMOs and health coverage insurance companies have jumped up and run out of town, or simply shut down. I will not condemn my seniors to dialing a phone number to some insurance company and there is a busy signal because that insurance company refuses to cover the costs of the prescription drugs. This Republican bill is a sham, vote it down and get on with the work we should do, provide a guaranteed drug prescription plan for America's Seniors as the Democrats' plan provides.

Mr. Speaker, I rise to respond to this newest attempt by the majority to mislead this nation's seniors into the belief that they are truly concerned about prescription drug coverage.

What the majority is proposing today fails as a legitimate response to the Democrats longstanding position that America's seniors need a comprehensive drug benefit.

Today, the elderly constitute 13 percent of the population, yet account for more than one-third of the nation's annual drug expenditures.

Since 1968, the percentage of seniors' expenditures on prescription drugs has risen from $64 annually to $848 annually which amounts to 4.1 percent of their incomes.

Additionally, despite the fact that 65 percent of the 39 million beneficiaries have some private or public coverage many still do not have adequate supplemental coverage for drug costs.

To address this gap in medical coverage for our nation's elderly, President Clinton proposed a Medicare reform plan, but at that time, the Republicans felt that addressing this issue was not politically expedient.

Yet, in light of the hotly debated Presidential and Congressional races, it appears that the Republicans have suddenly gotten religion!

This latest ''revelation'' by the majority is not even that, in fact, this bill is merely a revelation that the polls indicate it is politically necessary for Republicans to at least address the issue of prescription drug benefits, even if their bill is void of any real relief for this nation's seniors.

Senior and consumer advocates groups alike oppose the majority's Prescription Drug bill because it is fundamentally at odds with any meaningful prescription drug bill.

Groups like the National Council of Senior Citizens, the National Committee to Preserve Social Security and Medicare and Families USA, the National Senior Citizens Law Center, and the American Association of People with Disabilities oppose the majority's plan.

We must pay attention to this nation's seniors when they tell us that the majority's Rx 2000 Act risks the health and well being of not only seniors, but also people with disabilities.

It is particularly enlightening when the head of the Health Insurance Association of America even admits that the Republican's concept of a ''so-called drug-only private insurance simply would not work in practice.''

The seniors living in the 18th Congressional District of Texas located in the City of Houston want real relief from the high price of prescription drugs. They have always told me that you have to watch what someone does, not what they say, in order to know what kind of person you are dealing with.

Let me tell you what you are dealing with under the Republican plan because to hear it from their mouths one would believe that all this nation's seniors and the disabled would be provided with the prescription drug coverage they need . . . however, that is not the case.

The Democratic prescription drug plan is secure because it is part of the Medicare system. However, the Republican scheme relies on private insurance.

The Democratic plan provides comprehensive coverage through the Medicare program while the Republican scheme hopes the private insurers will provide these benefits. Can we really trust such a scheme that is based on the profit of big insurance companies that are in the business to make money without regard to affordability or reliability.

The biggest issue in the debate on a Medicare drug plan is how much will seniors be required to pay out of pocket in order to receive this benefit. Under the Democratic plan there is no deductible, while the Republicans want our nation's elderly to pay $250 a year. If the household were two elderly people than they would be expected to pay $500 a year in medical prescriptions before they earn their benefit to prescription medicines.

Under the Democratic plan, Medicare will pay half the costs of medicines up to $2000 and by the year 2009 Medicare will pay half of all prescription expenses for seniors up to $5000.

The Republican's will only pay half the cost of medicines up to $2100, increasing at the rate of inflation in drug prices. Under the Democratic plan you can see that the real meaning of catastrophic is understood to be a great often, sudden calamity, which ordinary people could not possibly plan to overcome without assistance.

For this reason, the democratic plan has a catastrophic benefit limit of $4,000, after which Medicare pays all costs. Unfortunately, the

Republicans have a total life time limit of $6,000.

I am disappointed that the needs of seniors is not at the top of the House's legislative agenda for consideration of a bill that should have addressed the life and death issue of affordable prescription medication, especially for our nation's elderly poor.

Therefore, I ask that, my Colleagues on both sides of the isle use reason and right mindedness to find the best road to a real prescription for what is ailing our nation's Medicare System, which every American knows is affordable prescription medication for our nation's seniors.

Our nations' elderly have given to this nation the opportunity to successfully compete in today's ever-changing world, which has lead to great economic prosperity for all of us.

Now that our economy and our nation's people are in a position to reap benefits, that are far in a excess of our current needs, we should not hesitate to provide those benefits, which are needed by our nations disabled and senior citizens.

This is a small investment for our nation so that our society can benefit from a healthier senior population, which happens to be a vital and growing sector of our nation's economy.

It is a fact that the baby boomer generation who will be retiring over the next decade will be the wealthiest group of seniors in our nation's history. For this reason their long health and active participation as consumers in our nation's economy makes great economic sense.

I urge my colleagues to oppose this critically flawed semblance of a prescription drug plan offered by the majority and support meaningful prescription drug plans to improve the health of our nation's elderly.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I rise in opposition to this proposal, as I did earlier today, as we have been doing all day long today. What has been happening to the American public is outrageous that, indeed, in fact, that the Republicans will propose today a bill that will actually cost us more in the long run, provide us less with prescription drug coverage and do a disservice to all of our seniors.

I ask all of our Members to vote no on the bill. I ask all of our Members not to even entertain any inkling of an idea that this will be good for our senior citizens, and I hope that all of us will be able to come back with a real bill for prescription drug coverage that will be part of Medicare, not part of a bailout for insurance companies.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. MENENDEZ).

(Mr. MENENDEZ asked and was given permission to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, as Republicans deny us a chance to offer real prescription benefit under Medicare, I think of my mother and the millions of seniors like her across this country who may not understand Washington politics, but know all too well the every day struggle to buy their medications. Like so many seniors, my mother relies solely on her Social Security benefit, and yet her drug costs totals more than half of her monthly income.

Mr. Speaker, very simply stated, the Republican plan is the first step towards privatizing Medicare and denying Democrats the opportunity to provide the only real Medicare benefit.

Mr. WEYGAND. Mr. Speaker, I raise a point of order. I object to the use of this exhibit that is here. Pursuant to clause 6 of rule XVII, I object to the use of this exhibit by the gentleman from New Jersey (Mr. MENENDEZ).

The SPEAKER pro tempore. Under the rule, the Chair will put the question to the House. The question is: Shall the gentleman from New Jersey (Mr. MENENDEZ) be permitted to use the exhibit?

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WEYGAND. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 371, nays 48, not voting 15, as follows:

[Roll No. 352]

YEAS—371

Abercrombie
Ackerman
Aderholt
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldwin
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth-Hage
Clay
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Davis (FL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Engel
Eshoo
Etheridge
Everett
Farr
Fattah
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (NY)
Manzullo
Martinez
Mascara
McCarthy (MO)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (FL)
Miller, George
Minge
Moakley
Mollohan
Moore
Moran (KS)
Morella
Myrick
Nadler
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—48

Allen
Baldacci
Barr
Bentsen
Bonior
Brown (OH)
Capuano
Clayton
Coburn
Cox
Danner
Davis (IL)
Deutsch
Dingell
Emerson
English
Evans
Ewing
Green (TX)
Hefley
Hooley
Hutchinson
Jackson-Lee (TX)
Kanjorski
Kelly
Matsui
McCarthy (NY)
McDermott
Meek (FL)
Mica
Miller, Gary
Mink
Murtha
Neal
Radanovich
Sherwood
Slaughter
Sweeney
Tancredo
Tanner
Taylor (MS)
Terry
Thomas
Tierney
Towns
Weldon (PA)
Weygand
Wu

NOT VOTING—15

Archer
Cook
Crane
Edwards
Filner
Goodling

| | | |
|---|---|---|
| Kasich | McIntosh | Stearns |
| Maloney (CT) | Moran (VA) | Vento |
| Markey | Pelosi | Waxman |

□ 1718

Mrs. EMERSON and Messrs. COBURN, MICA, ENGLISH, BARR of Georgia, and TOWNS changed their vote from ''yea'' to ''nay.''

Ms. LEE, Ms. BROWN of Florida, Ms. ESHOO, and Messrs. GEJDENSON, HOLDEN, MCNULTY, MCGOVERN, PALLONE, DEFAZIO, MENENDEZ, GEORGE MILLER of California, JEFFERSON, RUSH, OWENS, LAHOOD, and PAYNE changed their vote from ''nay'' to ''yea.''

So the gentleman was permitted to use the exhibit in question.

The result of the vote was announced as above recorded.

PERSONAL POINT OF PRIVILEGE

Mrs. EMERSON. Personal point of privilege, Mr. Speaker.

The SPEAKER pro tempore (Mr. LAHOOD). The gentlewoman from Missouri will state it.

Mrs. EMERSON. Mr. Speaker, is that poster eligible to be displayed on the House floor? Can the Speaker answer my question as to whether or not the quote that is in poster form on the other side of the Chamber is going to be allowed in the Chamber here to be shown to everybody? Because if the Speaker is going to allow that, then I would like to make a clarification on one point in that quote.

Mr. KLECZKA. Regular order, Mr. Speaker.

Mr. FRANK of Massachusetts. Regular order.

Mrs. EMERSON. Point of personal privilege, Mr. Speaker.

The SPEAKER pro tempore. The gentlewoman will suspend.

By the previous vote of the House, the exhibit will be allowed for the gentleman from New Jersey (Mr. MENENDEZ) to finish. He has 15 seconds remaining.

Mrs. EMERSON. Point of personal privilege, Mr. Speaker.

The SPEAKER pro tempore. The Chair will recognize the gentlewoman if she is yielded time, but there is no personal privilege involved here. This is a matter of debate.

Mrs. EMERSON. Mr. Speaker, was my name on the poster?

The SPEAKER pro tempore. By the vote of the House, just the previous vote, the House has agreed to allow the poster to be used.

The gentleman from New Jersey (Mr. MENENDEZ) is recognized to finish his statement before he was interrupted by the previous vote. He has 15 seconds remaining.

Mr. MENENDEZ. Mr. Speaker, the Republican plan is a cruel hoax that fails my mother and seniors across the country. We have one of the largest budget surpluses in our Nation's history, and Republicans would prefer to give it away in tax cuts to the wealthy. But that is not going to help my mother, and it is not going to help the millions of other seniors struggling to buy medications with only their Social Security check for income.

Vote against this unwise, unnecessary, and deceptive plan.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from New York (Mr. CROWLEY), in opposition to the bill, in which he is joined by the Service Employees International Union.

Mr. CROWLEY. Mr. Speaker, I rise in strong opposition to the so-called Medicare prescription drug bill of 2000. This legislation will not provide the necessary drug coverage for my constituents, like Don and Gertrude Schwartz of Long Island City. He is 89 and she is 84 years of age. Today they pay almost $400 for 100 tablets of Prilosec.

Mr. Schwartz writes, ''Isn't that an outrageous price for a medication my wife will have to take on a regular basis?'' Yes, Mr. Schwartz, it is. Unfortunately, his concerns will not be addressed by this legislation today. This measure will do nothing to assist middle class seniors like the Schwartzes, but then again, our Republican colleagues have never been fans of the Medicare program.

This legislation subsidizes insurance companies and threatens the stability provided to seniors by Medicare. I urge all Members to oppose this sham of a bill.

Mr. DINGELL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. OLVER), who is joined in his opposition to this outrageous bill by the United Steelworkers of America.

POINT OF ORDER

Mr. WEYGAND. Mr. Speaker, I raise a point of order.

The SPEAKER pro tempore. The gentleman from Rhode Island will state his point of order.

Mr. WEYGAND. I object to the use of this exhibit, Mr. Speaker, pursuant to clause 6 of rule XVII.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 4680, all Members be permitted to use exhibits in debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WEYGAND. I object, Mr. Speaker.

The SPEAKER pro tempore. The Chair did hear an objection.

The question is: Shall the gentleman from Massachusetts (Mr. OLVER) be permitted to use the exhibit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEYGAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 326, noes 92, not voting 16, as follows:

[Roll No. 353]

AYES—326

| | | |
|---|---|---|
| Abercrombie | Fletcher | Manzullo |
| Ackerman | Foley | Martinez |
| Aderholt | Forbes | Mascara |
| Allen | Ford | Matsui |
| Andrews | Fossella | McCarthy (MO) |
| Baca | Frank (MA) | McCollum |
| Bachus | Franks (NJ) | McCrery |
| Baird | Frelinghuysen | McDermott |
| Baldacci | Frost | McGovern |
| Baldwin | Gallegly | McHugh |
| Barcia | Ganske | McInnis |
| Barrett (NE) | Gejdenson | McIntyre |
| Barrett (WI) | Gephardt | McKeon |
| Bartlett | Gibbons | McKinney |
| Barton | Gilchrest | McNulty |
| Becerra | Gillmor | Meehan |
| Bereuter | Gilman | Meek (FL) |
| Berkley | Gonzalez | Meeks (NY) |
| Berman | Goode | Menendez |
| Berry | Goodlatte | Metcalf |
| Bishop | Gordon | Millender-McDonald |
| Blagojevich | Graham | Miller (FL) |
| Bliley | Green (TX) | Miller, Gary |
| Blumenauer | Green (WI) | Miller, George |
| Blunt | Gutierrez | Minge |
| Boehlert | Hall (OH) | Moakley |
| Boehner | Hall (TX) | Mollohan |
| Bonilla | Hansen | Moore |
| Bonior | Hastings (FL) | Morella |
| Bono | Hastings (WA) | Nadler |
| Borski | Hayes | Napolitano |
| Boswell | Herger | Neal |
| Boucher | Hill (IN) | Nethercutt |
| Boyd | Hill (MT) | Northup |
| Brady (PA) | Hilliard | Norwood |
| Brown (FL) | Hinchey | Nussle |
| Brown (OH) | Hinojosa | Oberstar |
| Bryant | Hobson | Obey |
| Burton | Hoeffel | Ortiz |
| Buyer | Hoekstra | Ose |
| Callahan | Holden | Owens |
| Calvert | Holt | Oxley |
| Camp | Hooley | Pallone |
| Campbell | Horn | Pascrell |
| Cannon | Hostettler | Pastor |
| Capps | Houghton | Payne |
| Cardin | Hoyer | Pelosi |
| Carson | Hunter | Peterson (MN) |
| Chabot | Hutchinson | Petri |
| Chambliss | Inslee | Phelps |
| Clay | Istook | Pickett |
| Clayton | Jackson (IL) | Pomeroy |
| Clement | Jackson-Lee (TX) | Portman |
| Clyburn | Jefferson | Price (NC) |
| Coble | Jenkins | Pryce (OH) |
| Coburn | John | Quinn |
| Combest | Johnson (CT) | Rahall |
| Condit | Johnson, E. B. | Ramstad |
| Conyers | Johnson, Sam | Rangel |
| Costello | Jones (NC) | Reyes |
| Coyne | Jones (OH) | Reynolds |
| Cramer | Kaptur | Riley |
| Crowley | Kasich | Rivers |
| Cubin | Kildee | Rodriguez |
| Cummings | Kilpatrick | Roemer |
| Cunningham | Kind (WI) | Rothman |
| Danner | King (NY) | Roybal-Allard |
| Davis (FL) | Kingston | Royce |
| Davis (IL) | Kleczka | Rush |
| Davis (VA) | Klink | Ryan (WI) |
| DeFazio | Knollenberg | Sabo |
| DeGette | Kolbe | Salmon |
| Delahunt | Kucinich | Sanchez |
| DeLauro | Kuykendall | Sanders |
| Deutsch | LaFalce | Sandlin |
| Dickey | LaHood | Sanford |
| Dicks | Lampson | Sawyer |
| Dingell | Lantos | Saxton |
| Dixon | Larson | Scarborough |
| Doggett | Latham | Schakowsky |
| Doolittle | LaTourette | Scott |
| Doyle | Lazio | Serrano |
| Dreier | Leach | Shays |
| Duncan | Lee | Sherman |
| Dunn | Levin | Shows |
| Edwards | Lewis (CA) | Shuster |
| Ehlers | Lewis (GA) | Sisisky |
| Ehrlich | Linder | Skeen |
| Emerson | Lipinski | Skelton |
| Engel | LoBiondo | Slaughter |
| English | Lofgren | Smith (MI) |
| Eshoo | Lowey | Smith (NJ) |
| Etheridge | Lucas (KY) | Smith (TX) |
| Evans | Luther | Smith (WA) |
| Farr | Maloney (NY) | Snyder |
| Fattah | | |

Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Stupak
Sweeney
Talent
Tauscher
Tauzin
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thune
Thurman
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weiner
Weller
Wexler
Wilson
Wise
Wolf
Woolsey
Wynn
Young (FL)

NOES—92

Armey
Baker
Ballenger
Barr
Bass
Bentsen
Biggert
Bilbray
Bilirakis
Brady (TX)
Burr
Canady
Capuano
Castle
Chenoweth-Hage
Collins
Cooksey
Cox
Deal
DeLay
DeMint
Diaz-Balart
Everett
Fowler
Goss
Granger
Greenwood
Gutknecht
Hayworth
Hefley
Hilleary
Hulshof
Hyde
Isakson
Kanjorski
Kelly
Largent
Lewis (KY)
Lucas (OK)
McCarthy (NY)
Mica
Mink
Moran (KS)
Murtha
Myrick
Ney
Olver
Packard
Paul
Pease
Peterson (PA)
Pickering
Pitts
Pombo
Porter
Radanovich
Regula
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Ryun (KS)
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Simpson
Souder
Spence
Stark
Sununu
Tancredo
Tanner
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tierney
Toomey
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weygand
Whitfield
Wicker
Wu

NOT VOTING—16

Archer
Bateman
Cook
Crane
Dooley
Ewing
Filner
Gekas
Goodling
Kennedy
Maloney (CT)
Markey
McIntosh
Moran (VA)
Vento
Young (AK)

□ 1747

Mrs. MYRICK and Mrs. KELLY changed their vote from ''aye'' to ''no.''

Mr. TAYLOR of Mississippi and Mr. GEORGE MILLER of California changed their vote from ''no'' to ''aye.''

So the gentleman was permitted to use the exhibit in question.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair recognizes the gentleman from Massachusetts (Mr. OLVER) for 1 minute.

Mr. OLVER. Mr. Speaker, the Republican plan is designed to fail because it is a little more than a request for insurance companies and HMOs to provide insurance for prescription drugs for senior citizens.

But, in fact, those HMOs and insurance companies that would provide their plan have already made market decisions to abandon their Medicare HMO program and pull out of virtually every rural and semi-rural area all over America.

Why would they provide this plan? They have said that they will not. Republicans claim that their drug plan will provide choices for senior citizens, but their plan guarantees nothing. What would provide choice for seniors is a simple, straight forward, universal, guaranteed prescription medicine benefit that every American eligible for Medicare can choose. That would provide at least one more choice for every single American than they have today. Vote no on this sham plan.

Mr. BILIRAKIS. Mr. Speaker, I reserve the balance of my time for the same reasons I indicated earlier.

Mr. DINGELL. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, the gentleman from Massachusetts (Mr. OLVER) is correct. What happened with this plan that is before us tonight is it will fail. It will fail because insurance companies are not capable of making sure that our seniors will have prescription drugs at the lowest affordable price.

Just 45 minutes ago, Mr. Speaker, I received this letter from United Health Care of Rhode Island that proved that very same point. They are pulling out of Bristol County, Rhode Island, and telling all of their subscribers they will no longer have coverage at the end of the year.

This is what this plan will do for our seniors with regard to prescription drugs. It will fail as soon as it is passed. That is why we should vote no on this bill.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. DINGELL) has 6½ minutes remaining. The gentleman from Florida (Mr. BILIRAKIS) has 6½ minutes.

Mr. DINGELL. Mr. Speaker, I yield to the distinguished gentlewoman from Oregon (Ms. HOOLEY) 1 minute.

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Oregon (Ms. HOOLEY).

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California for his parliamentary inquiry.

Mr. THOMAS. Mr. Speaker, parliamentary inquiry. Is it permissible under the rules for a member of the minority party to present a chart and then a member of the minority party to object to the member of the minority party presenting a chart?

The SPEAKER pro tempore. The gentleman may object to the use of the chart if he likes.

Mr. THOMAS. Mr. Speaker, my understanding is that the Chair has ruled that, under the rules, a member of the minority party may object to another member of the minority party offering a chart.

The SPEAKER pro tempore. Any Member may object under the rule.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that, during consideration of H.R. 4680, all Members be permitted to use exhibits in debate.

Mr. WEYGAND. Mr. Speaker, I object.

Mr. FRANK of Massachusetts. Mr. Speaker, reserving the right to object.

Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. FRANK) is not recognized. There was an objection.

The Chair recognizes the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, I object. I object.

I yield whatever time I may have to the gentleman from Massachusetts (Mr. FRANK).

Mr. Speaker, I reserve the right to object.

Mr. THOMAS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. Objections was heard. The question is: Shall the gentlewoman from Oregon (Ms. HOOLEY) be permitted to use the exhibit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEYGAND. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from California will state his parliamentary inquiry.

Mr. THOMAS. Mr. Speaker, am I permitted under the rules, under parliamentary inquiry, to inform all members of the majority party that the leadership urges a no vote?

The vote was taken by electronic device, and there were—ayes 224, noes 191, answered ''present'' 2, not voting 17, as follows:

[Roll No. 354]

AYES—224

Aderholt
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Barton
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Camp
Capps
Cardin
Carson
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crowley
Cummings
Danner
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Dunn
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Foley
Ford
Frank (MA)
Frost
Gallegly
Ganske
Gejdenson
Gephardt
Gilman
Gonzalez
Goodlatte
Gordon
Green (TX)
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kingston
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lantos
Larson
Lazio
Leach
Lee

Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCrery
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller, George
Minge
Moakley
Mollohan
Moore
Morella
Nadler
Napolitano
Neal
Ney
Nussle
Oberstar
Obey
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Petri
Phelps
Pickett
Pomeroy
Portman
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Scarborough
Schakowsky
Scott
Serrano
Shays
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Talent
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Walden
Waters
Watt (NC)
Waxman
Weiner
Wexler
Wise
Wolf
Woolsey
Wynn

NOES—191

Ackerman
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Bryant
Burr
Burton
Buyer
Calvert
Campbell
Canady
Cannon
Capuano
Castle
Chenoweth-Hage
Coble
Collins
Combest
Cooksey
Crane
Cubin
Cunningham
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Ehlers
Ehrlich
Emerson
English
Everett
Fletcher
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hoekstra
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Knollenberg
Kolbe
Kuykendall
Lampson
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCarthy (NY)
McCollum
McHugh
McInnis
McIntosh
McKeon
Mica
Miller (FL)
Miller, Gary
Mink
Moran (KS)
Murtha
Myrick
Nethercutt
Northup
Norwood
Olver
Ortiz
Ose
Oxley
Packard
Pease
Peterson (MN)
Peterson (PA)
Pickering
Pitts
Pombo
Porter
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanford
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (TX)
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walsh
Wamp
Watkins
Watts (OK)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wu
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—2

Callahan
Wilson

NOT VOTING—17

Abercrombie
Brady (TX)
Coburn
Cook
Davis (FL)
Dooley
Ewing
Filner
Forbes
Gutierrez
Maloney (CT)
Markey
Martinez
Moran (VA)
Souder
Vento
Weldon (FL)

□ 1813

Mr. SAXTON changed his vote from ''aye'' to ''no.''

Messrs. SNYDER, ADERHOLT, GEORGE MILLER of California, MCDERMOTT, GALLEGLY, and CHABOT changed their vote from ''no'' to ''aye.''

□ 1815

So the gentlewoman was permitted to use the exhibit in question.

The result of the vote was announced as above recorded.

Ms. HOOLEY of Oregon. Mr. Speaker, every senior in the United States that needs a prescription should be able to get it filled, no extra paperwork, no hunting around to find a private insurance company that might be so kind as to decide they are a good enough risk and sell them a policy.

Unfortunately, the bill being rammed through Congress today is all smoke and mirrors.

In this bill, who knows what the premium will be? We do not know. Who knows what the benefit will be? We do not know. Who knows what the co-pay will be? We do not know.

We have seen private insurance companies in the Medicare+Choice plan pull out of areas in Oregon. The insurance companies have said they will not be in this plan. Our seniors are demanding coverage through the tried-and-true insurer that has not failed them, and that is Medicare.

I want to make sure we take care of our seniors. I want to do it in a bipartisan way, but it is very hard to be bipartisan when we cannot get an amendment in, and we cannot get an alternative here.

I urge my colleagues to vote no on this sham of a bill and support real drug benefits for our seniors.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I only ask that my Republican colleagues be honest about the substance and the procedure here tonight. They are not giving us a Medicare prescription drug benefit, and they are not willing to work on a bipartisan basis. They have stopped us from bringing the Democratic plan to the floor, no substitute, no amendments.

All the Republicans are doing is throwing some money at the insurance companies hoping they will sell a drug-only insurance policy that the insurance companies have already told us that they will not sell.

Let us look at this from the point of view of the average American senior. That senior will benefit directly from the Democratic plan and they will get absolutely nothing from the Republican plan.

Seniors know what Medicare is. They get their hospitalization under Part A. They pay a monthly premium through Part B and they get their doctors bills paid.

What the Democrats are saying, very simply, is we will give them a prescription drug benefit in the same way. They pay a modest premium and the Government pays for a certain percentage of their drug bills. The Democrats give them the benefit through Medicare if that is what they want, it is voluntary, and it covers all their medicines that are medically necessary as determined by their doctor, not by the insurance company.

What the Republicans tell them is to go out and see if they can find an insurance policy to cover their medicine. If they cannot find it, tough luck. And even if they do find it, there is no guarantee as to what the monthly premiums are going to be or what kind of medicine they are going to get.

Lastly, Mr. Speaker, and just as important, the Republicans leave America's seniors open to continued price discrimination. We know that our seniors have complained to us about the high cost and about the discrimination, about the prices in Canada versus the prices in Mexico, or the prices that they pay for their pet.

The Republicans do nothing to prevent the drug companies from charging them whatever they want.

Mr. BLILEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. UPTON) a member of the committee.

(Mr. UPTON asked and was given permission to revise and extend his remarks.)

Mr. UPTON. Mr. Speaker, I rise in strong support of the bipartisan Medicare prescription drug plan that we are now considering this evening.

No senior citizen should be forced to forego needed medication, take less than the prescribed dose, or go without other necessities of life in order to afford life-saving medication.

I have watched and I have heard stories and seen seniors literally cutting their pills in half so that they can make it last just a little bit longer and at a little bit less cost.

Helping provide this benefit is important. As I have had a whole wave of town meetings across my district earlier this spring, I can remember one man who brought a bag of prescriptions with him and he said, ''Mr. UPTON, I know you are an optimist. Can you get this bill done in 2 weeks, because that is when this prescription is due and when I have to get it renewed?'' And I pledged to him I would work very hard to try to get a bill through this House

this year but, sadly, not within the 2-week time frame that he wanted.

As a member of the House Prescription Drug Task Force, I had several core goals, tests that this bill does indeed meet. First, I wanted to make sure that seniors are not forced into a one-size-fits-all plan run by a distant, faceless, Federal bureaucracy and all that means in rules, regulations, restrictions, and red tape.

Second, I wanted my constituents to have the same type of plan of choice that the President, all of us as Members of Congress, and the rest of the Federal workforce does. I want my constituents to have the ability that I have to select from plans that are competing for premiums on the basis of how well the restraining health care costs, providing access to high quality care.

I urge all Members to support this bipartisan plan.

Mr. DINGELL. Mr. Speaker, I yield the balance of the time to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Michigan for yielding me the time.

Mr. Speaker, I have an idea. What if Congress broke Medicare apart? Congress would tell seniors to look to the private insurance market if they want to piece it back together, the seniors could buy one plan to cover doctors' visits, another plan to cover hospital stays, a third to cover home health services. Perhaps they could purchase an Aetna plan for outpatient care, a Kaiser plan for physical therapy, a Blue Cross plan for medical equipment.

No one in this body, Mr. Speaker, would dare offer a proposal like that because it is simply absurd. But why is it any less absurd to isolate prescription drugs and require Medicare beneficiaries to carry a separate private insurance policy for that benefit?

If the GOP prescription drug plan is a back-door attempt to privatize Medicare, my colleagues should tell us so. If the goal of this Congress truly is to help America's senior citizens, this bill simply is not a real option.

Medicare came into being because half of all seniors could not get coverage. Medicare, a nationwide plan with a risk pool of 39 million strong, is a stable, reliable means of ensuring coverage for our seniors. Medicare works because it guarantees the same basic benefits to all beneficiaries regardless of where they live, regardless of their income, regardless of their social status, regardless of their gender. It is fair.

H.R. 4680 costs $40 billion. Yet, it offers Medicare beneficiaries nothing tangible. Think about the kind of questions seniors might have about this proposal: Will I be able to buy this new coverage? How much will it cost me? How much will the Government contribute on my behalf? Which drugs will my doctor be able to prescribe? Is this new benefit a good deal for me?

Under the Republican proposal, the answer to every one of these questions is ''who knows.'' When we are allegedly addressing the single most important problem for millions of people in this country, that answer, Mr. Speaker, should get them fired.

Vote no on H.R. 4680.

Mr. BLILEY. Mr. Speaker, I yield the balance of the time to the gentleman from North Carolina (Mr. BURR) the distinguished member of the committee who has worked long and hard on this bill.

(Mr. BURR of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. BURR of North Carolina. Mr. Speaker, while we have been here today to debate this bill, many Medicare beneficiaries across this country have taken their medication now for the third time. How long must they wait? The time is right today for us to solve this problem.

Look around us. Look at this Chamber, the power that exists here, the Members before us who have handled the legislation that is so important to the future of this country. I wonder if in the old Statuary Hall just down the hall from here if the words ''sham,'' ''hoax,'' ''dangerous'' were used when they debated legislation that we still look at today that affects our lives.

I do not believe they did. Because there was a spirit then that there were some things that rose above politics. There were some things that were so important for future generations that it bypassed everything.

Thomas Jefferson said, ''I am not an advocate of frequent changes in laws and institutions, but laws and institutions must advance to keep pace with the progress of the human mind.''

It was a message to us. It was a message to America that we have an obligation to revise and update our laws and, importantly, this institution.

This is such an opportunity to take a 35-year-old program and to make an addition that technology has now made possible to be part of that.

Mr. Speaker, it is time for us to see the human face, the seniors, the disabled that qualify for Medicare all across this country that are waiting for us. They are waiting for us to devise a plan. They are waiting for us to create a benefit. I truly believe today that Republicans and Democrats are both trying to supply that benefit. But we have some very stark differences.

The President would like to administer this program through the Health Care Financing Administration. We want to do it through a new entity, not an entity that is bogged down with a system today that they cannot run but with one whose only responsibility it is is to administer and negotiate a drug benefit.

The President wants a one-size-fits-all. We believe that choice is important. Choice is important at HCFA today because they use private-sector insurance companies in Part A and Part B and they have the flexibility in each region to design that benefit to meet the needs of that region.

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Mr. Speaker, my mother deserves the passage of this bill. She is one of those seniors that takes quite a bit of medication. Thank goodness she is able to afford it. But she deserves it because she has reached that golden age; and just as much as she deserves it, my children deserve that whatever we do today they can afford tomorrow, and that is why it is so delicate an issue.

Mr. Speaker, this plan makes drug benefits available. It makes them affordable. They are voluntary. It has the security and predictability that seniors need. It has choice and it does not come from that face we know as government.

It will stand the test of time. It will stand the test of the cost; and more importantly, Mr. Speaker, it will stand the weight of a doubling of the senior population in America.

George Bush stood on the steps of this Capitol in 1988, and he said in his inaugural address, we are not the sum of our possessions. They are not the measure of our lives. In our hearts, we know what matters. We cannot hope only to leave our children a bigger car or a bigger bank account. We must hope to give them a sense of what it means to be a loyal friend, a loving parent, a citizen who leaves his home, his neighborhood and his town better than he found it.

Mr. Speaker, as we close in on July 1, the year 2000, the 35th anniversary of the creation of Medicare, I hope it is this body that passes that date, having passed a prescription drug benefit so for the first time seniors in America will have access to affordable drugs for their well-being.

I thank the gentleman from Virginia (Chairman BLILEY) for his help, the gentleman from Texas (Mr. ARCHER), and all the Members that were involved.

Mr. SANFORD. Mr. Speaker, I rise today, with great regret, to oppose H.R. 4680. It's been said that the road to hell is paved with good intentions. If you follow this debate on prescription drug coverage for Medicare beneficiaries you would understand that adage all too well. Throughout the debate, both Republicans and Democrats have tried to gain a political advantage in this election year by offering competing plans that would provide drug coverage. These plans, in the end, represent a bidding war for votes. So while I am the first to recognize the fact that many people need help with prescription drugs, I am not convinced that adding another element to the Medicare program that the Trustees say is going bankrupt is the way to get there. In particular, Washington's current proposals have two problems: 1. It does little good to add prescription drugs to Medicare if it still goes bankrupt, and 2. Both plans, particularly the President's leaves room for this ''cure'' to get much more expensive.

First, let's identify the problem. Today, one out of every three seniors does not have any prescription drug coverage. Compounding that problem is that prescription drug costs have increased an average of 12.4 percent annually, while overall health care spending has increased by 5 percent. The average senior

spends $500 or less each year on prescription drugs. In looking at the proposals, you can see that they we are using shotgun rather than a rifle in our aim to fix this problem. The plans are designed to offer prescription care to all Medicare beneficiaries—including the millionaire widow living in Palm Beach—rather than just those who truly need it, low-income seniors without prescription drug coverage. It's important to focus because, despite current opinion, dollars are limited in Washington.

The House Republican plan is designed to implement a voluntary, market-oriented approach to prescription drug coverage, added as Medicare part D. The Republicans guarantee that each region of the country will have two competing insurance plans from which to choose. The insurance coverage includes a $250 deductible and require seniors to co-pay 50 percent of costs up to $2,100 each year. If a senior's drug costs go beyond $6,000 then the government and insurance pay all of the costs. The new program is projected to cost $37.5 billion over 5 years and $155 billion over 10. However, that projection includes a couple of unlikely assumptions—that there will be no growth in Medicare and that 80 percent of seniors will participate in this program.

Remember, only 33 percent of seniors have no drug coverage and only 28 percent pay more than $500 a year out of pocket. Under this voluntary plan, only seniors with little or no coverage and high prescription drug costs will sign onto this plan. Such enrollment is known as adverse selection and leads to high premiums. This legislation will, in the long run, force the taxpayers to pick up the cost of the increasing premiums. Taxpayers will also have to guarantee the profitability of the insurance plans. If you include adverse selection into the formula, the costs of this prescription drug legislation could go as high as $600 billion over the next 10 years. The financial risks of this bill are just too great. The prescription drug coverage proposal starts looking like the Medicare private insurance plans set up in the Balanced Budget Act of 1997. Many seniors signed up for those plans in the first year, only to see the plans close out the next year.

The President's plan presented different but equally bad options. His plan is optimistically estimated to cost $35 billion over 5 years and nearly $300 billion over 10 years. The prescription drug program would be a part of the current Medicare system, similar to Medicare part B. Monthly premiums begins at $24 and seniors would co-pay 50 percent of prescription drug costs up to $2,000. Premiums would go up to $51 a month for premiums and the ceiling is lifted to $5,000 a year. Again, the proposal is voluntary, so there would also be adverse selection—making premiums again, much more expensive than now advertised.

The problem with this plan is that, like all other portions of Medicare, the government gets to decide how big the benefit and whether or not you even get it. Seniors today can probably already relate to this. Since I came to Congress in 1995, more and more seniors tell me that they can not longer see their doctor simply because they have retired and joined Medicare. Today, Medicare pays 70 percent of what the private sector pays for the same procedure. Since the creation of Medicare in 1965, payments to providers have been cut 14 times, the net result is less access for patients. One can reasonably believe that the same will happen under a prescription drug program. Imagine Congress, trying to save billions of dollars sometime in the future, cutting prescription payments (cost controls) or taking expensive medications off the list of approved medications. The government should simply not be in the business of making those life or death decisions.

At the end of the day, I maintain that Congress and the President should implement a more comprehensive reform bill that gives seniors the power to design their health care coverage. They could choose the type of insurance plan they want, whether or not to have prescription drug coverage, and how much they are willing to share in the cost burden. Such a proposal was offered by the Bipartisan Medicare Commission Co-Chairs Representative BILL THOMAS and Senator JOHN BREAUX. The proposal would use the market place to make a more financially secure and less expensive plan for seniors. Perhaps when the dusts clears and November has passed, calmer heads will prevail.

Mrs. FOWLER. Mr. Speaker, the Medicare Prescription Act of 2000 is of particular importance to me as I represent hundreds of thousands of senior Floridians who are seeing prescription drug costs skyrocket out of control forcing many to choose between food and medicine.

We now have a tremendous opportunity to help millions of senior Americans afford the prescription drugs they need, without jeopardizing the Medicare benefits many already enjoy.

Our bipartisan effort offers the best prescription for America. We strengthen Medicare while providing prescription drug coverage.

More importantly—it is affordable, available, and voluntary for all.

Under this bipartisan plan—seniors will no longer have sticker-shock when paying for their medicine. For the first time, they will have meaningful bargaining power.

Unlike the Clinton/Gore plan—we give all seniors and the disabled the right to choose an affordable prescription drug benefit that best fits their need. They can choose a ''Cadillac'' plan or opt for a more affordable ''Honda'' plan—which ever they need.

We lower costs of prescription drug coverage through group buying power—not by having politicians or federal bureaucrats set their prices. This will reduce prices by an average 25 percent and up to 39 percent. The CBO even estimates we will save seniors twice as much than the Clinton/Gore plan.

Our plan also includes a cap on catastrophic drug costs. This cap on out of pocket expenses at $6,000 a year gives seniors peace of mind—no longer will they be forced to choose between bankruptcy and the drugs they need.

I urge my colleagues to support this important legislation.

Mr. BENTSEN. Mr. Speaker, I rise in strong opposition to H.R. 4680, the Medicare Rx 2000 Act, legislation purporting to provide a new prescription drug benefit for America's senior citizens. I believe that this bill is fatally flawed and should be defeated.

While Medicare has been a tremendously successful program in providing health care for senior citizens and a better quality of life, the rising use and cost of prescription drugs demands congressional action. Prescription drugs now account for about one-sixth of all out-of-pocket health spending by senior citizens. The percent of beneficiaries without coverage who cannot afford to buy their medicine is about five times higher than those with coverage (10 percent compared to 2 percent). Almost 40 percent of those over age 85 do not have prescription drug coverage. H.R. 4680 not only does nothing to address this crisis in health care but also cruelly raises the hopes of America's senior that this problem will be meaningfully addressed.

Specifically, Mr. Speaker, this plan subsidizes insurance companies and sets us on a path of privatizing Medicare. H.R. 4680 provides premium subsidies to insurers but does nothing to ensure that these premium subsidies are passed on to seniors. Moreover, private insurance plans have said that they will not offer this coverage. Scott Serota, acting president of Blue Cross & Blue Shield put it best when he said ''The idea [a private sector drug benefit] provides false hope to America's seniors because it is neither workable nor affordable.'' Thus, the benefits offered are illusory and unstable, and the Republican majority know it. Moreover, even after these large subsidies, there are no guarantees under the Republican plan that seniors can afford to buy this coverage.

As a senior member of the House Budget Committee, I offered a meaningful prescription drug benefit during the markup of the fiscal year 2001 budget. At the time, Chairman KASICH and others committed this effort to devising a budget that sacrifices everything in the name of giving the largest possible tax cuts without doing anything to address the long-term needs of Social Security or Medicare. H.R. 4680 is the unfortunate offspring of budget language that the House Budget Committee adopted and that, at the time, I characterized as mere lip-service to the public's desire for a prescription drug benefit. The budget provision provided for a ''$40 billion reserve'' that, during the Budget Committee markup, was spent several times on prescriptions, Medicare reform, and debt reduction. Today, The Republicans are married to ''$40 billion,'' an seemingly arbitrary number. However, actually the Republicans are putting tax cuts ahead of the needs of seniors.

Both during the budget process and throughout the 106th Congress, I have witnessed the Republican majority purposefully and effectively provide for tax cuts, particularly for the highest income bracket. When it comes to providing for meaningful relief for our seniors, we see this limp halfhearted political measure that in no way guarantees any prescription drug relief for our seniors.

I also believe that this procedure has not provided adequate debate about a critically important issue to 39 million Americans, our nation's senior citizens. Rather than allow an open and honest debate on how the Congress would provide for a prescription drug benefit for America's seniors citizens, the Republicans has scripted a closed rule limited debate,

predicated on an arbitrary budget resolution, which they have shown a willingness, time and again, to violate when it suits their purposes. Unfortunately, both their flawed insurance subsidy plan and their desire to stifle debate in ''The People's House'' on a question of vital importance to nearly 40 million beneficiaries, indicates, once and for all, that responding to the needs of America's senior citizens does not suit the political purpose of congressional Republicans.

The Republicans have designed a flawed plan that delays implementation and limits catastrophic coverage to only those costs that exceed $6,000. Under their plan, if the government pays an insurer enough to create a plan where the premiums are not set too high by the insurer that someone can afford it, you still only get a benefit of about $1,000 less premiums and after that you are on your own until you reach $6,000. The Republicans know full well that a real, affordable, workable prescription drug plan costs more, but they are opposed to investing in this coverage for America's senior citizens.

During the drafting of the FY 2001 Budget Resolution, the Republican majority found room for $175 billion of tax cuts, primarily for upper-income Americans, but said that ''if and when'' a Medicare prescription drug plan could be developed it would have to be limited to $40 billion. There was no study, no scientific basis, no analysis that resulted in this $40 billion figure, rather it was a back of the envelope calculation to make room for the huge tax cut they wanted to fund.

Furthermore, during the markup of the budget resolution, I offered an amendment to restore funding for teaching hospitals, academic medical centers and other Medicare impatient costs. My amendment was rejected and I was told by the Republican majority that any changes to the Balanced Budget Act (BBA) of 1997 could be addressed out of the $40 billion set aside. I was also told that money could be used for Medicare reform. But, of course that's the same money that was supposedly set aside for prescription drug coverage.

Now we hear that the Republican leadership has promised to push legislation later this year to revise the 1997 BBA as it relates to Medicare providers to the tune of $21 billion. But, if we are to abide by the FY 2001 Budget Resolution and adopt the Republican's prescription drug plan, there will be no money left for a BBA fix. Clearly, the Republicans have no intention of abiding by the FY 2001 Budget Resolution so long as it does not serve their political purposes.

This is not a new phenomenon. History shows that when the Republican majority wants to violate the budget resolution, they do it with finesse.

Under the Balanced Budget Act of 1997, Agriculture programs were to be funded at $11.3 billion in 1999 and $10.7 billion in 2000. But, when the time came for Congress to live by these caps, the Republican majority, recognizing the harsh effects these constraints would have on America's farmers, abandoned them. Agriculture was funded at $23 billion in 1999 and $35 billion, more than double the BBA figure for 1999 and nearly three and half times the BBA level for 2000.

When the Republican leadership decided they wanted to spend more, not less, on highway construction, than provided for under the 1997 BBA, they busted the caps. So far, they have funded the Transportation at $40.6 billion in 1999 and $44.3 billion in 2000, $1.7 billion and $5 billion for each year respectively.

Again, when the Republican leadership wanted to increase funding for the Department of Defense, they did not let arbitrary restrictions, in place since the BBA of 1997, hinder them. They increased outlays over the prescribed BBA level for 1999 by $17.1 billion and, for 2000, by $14.5 billion.

Mr. Speaker, don't get me wrong. I do not dispute the need, at times, to adjust BBA caps when the need is justified. What I do challenge is whether the Republican leadership is really sincere about helping America's senior citizens. They found a way to finesse budget limits for national Defense, for highways and for our struggling farmers. These are all worthy causes, but why won't they work around the budget resolution for America's senior citizens? Why won't they do this for the generation that fought ''The Great War'' and built the nation? Why won't they do this for those we honored this past week, who fought the ''Forgotten War'' in Korea?

If the Republicans were really sincere about helping our seniors, they would not hide behind artificial budgets and stifle debate. They would allow the Democrats, who started this debate in the first place, to bring up our bill which provides for meaningful, voluntary, universal prescription drug coverage under Medicare.

Let us have the debate on what is best for senior citizens, even if it means debating a real drug benefit versus large tax cuts. But, let us have the debate.

I am strongly supporting the Democratic alternative legislation that would provide meaningful, comprehensive prescription drug benefits for our nation's senior citizens. The Democratic plan provides better benefits at a lower cost for the elderly. It includes zero deductible and a premium of $25 per month in 2003. It also includes subsidized premiums for low-income seniors who may have difficulty paying these premiums. The Democratic plan provides immediate coverage for prescription drugs starting in 2003, rather than the delayed implementation included in the Republican plan. The Democratic plan also provides better catastrophic benefits by limiting out-of-pocket expenses to $4,000, a full $2,000 lower than the $6,000 limit included in the Republican plan.

The Democratic plan would also provide $21 billion in relief to rural and urban hospitals, nursing homes, home health agencies, and other health care providers who have faced difficulties due to the reductions included in the Balanced Budget Act of 1997. In my district, many of the teaching hospitals at the Texas Medical Center are facing increased pressures to maintain their teaching mission in a time of lower Medicare reimbursements. This comprehensive plan would provide needed revenues to ensure that our health care system remains the envy of the world.

I am disappointed that the Democratic plan will not be considered today and for all of these reasons, I urge my colleagues to oppose this bill.

Mr. GILMAN. Mr. Speaker, I rise today in qualified support of H.R. 4680, the Medicare Rx 2000 Act. I urge my colleagues to carefully consider this issue in making a final decision.

Mr. Speaker, we are all fully aware of the explosion in costs for prescription drugs in recent years. This phenomenon has in part been linked to the rapid proliferation of the number of new drugs that have become available in the past decade. We are currently enjoying a period of revolutionary advances in the fields of medicine and medical technology. Yet, at the same time, a significant portion of our elderly population is unable to benefit from these new advances, due to the high costs that are associated with them. This is ironic, when one realizes that senior citizens are the primary group that these new advances are targeting.

One fact that has become increasingly apparent is that Medicare is woefully inadequate in meeting the medical needs of today's senior citizens. When Medicare was created in 1965, outpatient prescription drugs were simply not a major component of health care. For this reason, Medicare did not provide coverage for self-administered medicine.

Today's health care environment is vastly different from that of 1965. The majority of care is now provided in an outpatient setting, and dozens of new prescription drugs enter the market every year to treat the common ailments of the elderly, including cancer, heart disease, arthritis, and osteoporosis.

But while the health care environment has made remarkable progress since 1965, Medicare has stood in place. Consequently, most of my colleagues and I have heard from constituents who are now facing the dilemma of paying for these expensive new drugs while living on a fixed income. The individual who is forced to choose between food and medicine is no exaggeration. It is an all too common occurrence across the country. The high cost of prescription drugs have become a threat to the retirement security of our nation's senior citizens.

It is for this reason that I am pleased to see that the Ways and Means Committee has completed its work on a proposal to provide prescription drug coverage for Medicare beneficiaries. What concerns me, however, is the process by which this measure was brought to the full House for consideration.

Mr. Speaker, the decision to add prescription drug coverage will result in the greatest change in the Medicare Program since its creation. This is not something that should be done lightly or in haste. Given that, I have serious reservations about bringing such major policy-changing legislation to the floor for final passage less than 3 weeks after it was introduced.

With that said, I would like to comment on the positive points of the bill as well as to highlight some of my specific concerns with the legislation.

In my view, any proposal to offer prescription drug coverage under Medicare needs to contain the following characteristics to be voluntary, to have universal eligibility under Medicare, contain stop-loss protections to guard against catastrophic expenses, offer choices in the type of coverage provided, and remain a good value over time.

The proposal outlined in H.R. 4680 clearly meets these requirements. It differs from the administration's proposal in that it defines the scope of its stop-loss protections, and ties its benefits to medical inflation and the actual costs of the drugs, rather than the Consumer Price Index, H.R. 4680 also avoids a one-size-fits-all government-imposed solution by offering senior citizens a choice in the types of

plans in which to enroll. In doing this, the government will guarantee that at least two plans will be available in every area of the country. Moreover, the proposal fully funds all costs for those enrollees below 135% of the poverty rate, and partially funds the costs of those up to 150% of the poverty rate.

In addition, this legislation also establishes a new agency, the Medicare Benefit Administration, to oversee the implementation of the plans. It further creates an office of beneficiary assistance and Medicare ombudsman to serve as a patient advocate, and mandates the establishment of a policy advisory board much like those for the IRS and Social Security Administration.

As I mentioned, I do have some reservations about certain aspects of this bill. The first of these is the matter of adverse selection. Simply put, this is the condition whereby most seniors in good health avoid signing up for a plan, leaving the majority of enrollees coming from the sickest segment of the population. If this were to occur, the premium and deductibles would have to be far higher than presently outlined.

The bill's sponsors reply that by covering part or all of the costs of those with incomes up to 150 percent of the poverty level, the proposal would ensure that there would be an adequate base of healthy seniors to offset the portion in greatest need of the benefit. This remains to be seen, and I believe that this particular aspect of the plan needs to be monitored closely.

I am also concerned about the viability of private insurers underwriting plans in areas where it is not profitable for them to do so. Recent experience with Medicare+Choice plans in my district have borne out this concern. In such cases, the government would step in as the ''insurer of last resort,'' assuming a share of the risk as well as subsidizing the cost of offering service in a rural area. My chief concern with this is that it has the potential to become a costly venture for the government, where the private insurers deliberately hold out in order to secure a greater level of government funding.

In spite of these concerns, I firmly believe that this legislation is an important first step in providing a benefit to our senior citizens which is long overdue. The prescription drugs situation will not change on its own in the future. Rather, we will continue to see a flood of new revolutionary products hitting the market. However, there is a price to pay for innovation, as our recent experience has shown. In accepting this, it is important that we do not continue to fall into the trap in which we presently find ourselves—having new products that are too expensive for their target audience.

This bill is the first step towards correcting this problem. For that reason, despite my stated reservations, I intend to give it my qualified support. It is my hope that my concerns will be addressed in a future House-Senate conference on this issue. Should this not be the case, I will reconsider my future support when the final compromise language comes before the House.

Regardless of the final outcome, I will not support any legislation which, under the claim of reducing drug prices, denies doctors the ability to prescribe those medicines which they deem best for their patients simply to save money. This is exactly what has happened to the government-run systems in the United Kingdom and Canada.

The relationship between the doctor and patient is sacred and should not be tread upon—especially by any government bureaucrat. This issue is too serious for party politics, and, as I stated at the outset, I urge my colleagues to give it their careful and thoughtful consideration.

Mr. COYNE. Mr. Speaker, I rise today in opposition to the Republican Prescription Modernization Act and in support of the Democratic Substitutes. The Republican bill before us today does not assure all Medicare recipients access to affordable prescription drugs. Seniors have learned that they cannot rely on private insurance plans.

The Democratic Substitute is a true entitlement for Medicare beneficiaries and it would be administrated by Medicare. Under our bill, all seniors are entitled to defined premiums and defined benefits.

Under the Democratic Substitute, seniors are entitled to a prescription drug benefit with a $25 premium and no deductible. The Republican plan offers no defined premium and no fixed deductible. Both of these factors will vary from region to region and from year to year.

I urge my colleagues to vote against the Republican plan with its entitlements for the drugs and insurance industries. The Democratic substitutes is the only plan that entitles seniors to the benefits they deserve. The Republican plan is not an entitlement for senior citizens but an entitlement for insurance companies and pharmaceutical companies.

Mr. Speaker, for these reasons, I urge my colleagues to vote against this bill.

Mr. KNOLLENBERG. Mr. Speaker, I rise in strong support of H.R. 4680, the Medicare Rx 2000 Act, and urge its adoption.

We all know that American society is growing older and there is a lot of discussion about the best way to prepare for this reality. Despite the fact that older Americans make up only 13 percent of our population, this age group consumes more than one-third of the prescription medicines in our country.

The non-partisan Congressional Budget Office recently found that, in three years, the average senior will spend $2,075 annually on medication. Compare that to 1970, a year when surveys revealed that people over the age of 65 spent an average of $56 on prescription drugs. That equates to $247 in today's dollars, which is a mere fraction of the cost citizens are currently paying. This is a steep increase by any measure.

The bipartisan plan we have before us is eminently fair. It provides reasonable choices for consumers. Every consumer is guaranteed a choice of a least two prescription plans. We should reject the 'one size fits some' solution that some Members advocate. I think a recent New York Times (June 18, 2000) subtitle says it all: ''Democrats' Prescription Plan Calls for 'One Size Fits All'—G.O.P. Offers Choice''. The American people saw through this scheme in 1994 when they rejected the Clinton health plan and they do not want to see a repeat of this mentality.

The bipartisan plan ensures that our nation's neediest seniors receive prescription drug coverage. This vital safety net ensures that no one will be left without coverage.

The bipartisan plan fits within the framework of the budget resolution this Congress adopted. I sit on the Budget Committee and we responsibly set aside $40 billion specifically for a prescription drug benefit. In fact, I would remind my colleagues that substitutes offered by the Ranking Democrat on the committee, Mr. SPRATT, and the Blue Dog Coalition both offered $40 billion—exactly the same figure we are using today.

Some Members advocate busting the budget through a $100 bill scheme. Like every household, we have to live within our means, especially since we are at the dawn of the balanced budget era.

With all of the pomp and bluster of the prescription drug issue it is easy to lose sight of the bigger, more important issue: overall Medicare modernization. The bill we have before us is a nice step but we need to do more to address this critical issue. I look forward to the day when we turn our full attention towards saving and strengthening our Medicare system.

I urge a ''yes'' vote on the bipartisan prescription drug plan.

Mr. KILPATRICK. Mr. Speaker, I rise in opposition to the bill, H.R. 4680, the Medicare Drug 2000 Act. I am outraged and frustrated that my colleagues across the aisle gave us no opportunity to vote or debate our Democratic alternative. That is ironic when you consider the opposition likes to champion itself as the party choice; yet, we are denied the opportunity to vote for a different choice today. It is either the Republican plan or no plan. Can it be that they are afraid to have their bill measured against a more affordable and comprehensive prescription drug proposal that Democratic Members sought to offer but were denied by the majority? The Republican plan cannot stand up to the rigors of a full, fair and honest debate.

I oppose the legislation not only on procedural grounds, but for reasons of substance as well. I believe that a prescription drug benefit under Medicare must adhere to three principles: the benefit must be universal, it must be comprehensive, and it must be affordable. The Republican proposal fails on all three times tests.

This bill lacks universality. I believe a Medicare prescription drug program should be available to eligible senior citizens or disabled persons from Michigan to Maine, from Oregon to Ohio, from Alaska to Alabama. This bill does not guarantee prescription drug coverage for all Medicare beneficiaries at an affordable price. It is restricted to only those who can afford to purchase private market drug plans.

The Republican plan lacks a comprehensive package of benefits. My Republican colleagues point out that their plan is not a ''one size fits all'' plan. That is a cliche without meaning. I would suggest it is important to define by what ''one size fits all'' means. If one size fits all means a comprehensive set of pharmaceutical products, then I am for it. If one size fits all means that new drugs become available to everyone then I am for it. If one size fit all means that the prescription drug program is responsive to the needs of our severely disabled, then I am for that, too. The Republican plan is far from comprehensive.

The Republican bill creates a multi-tiered system of coverage with the lowest beneficiaries limited to bargain basement plans. The Republican plan subsided private health insurance companies to offer ''Medigap-like'' policies providing prescription drug coverage to Medicare beneficiaries. Even the president of the Health Insurance Association of America (HIAA) has said that private insurance

companies will not offer these drug policies because they do not want to assume the financial risks.

Although the bill contains no set deductible or premium, it is guesstimated by members of the Ways and Means Committee that seniors will pay a $250 deductible and a monthly premium of $37 to $40—a total of $700 off the top of modest budget as the price of admission for the benefit. The only way to make an affordable prescription drug coverage for all beneficiaries is to establish a prescription drug benefit administered by the Medicare program—just like benefits under part A and part B of Medicare. We need only look at Medigap insurance premiums costs seniors are charged for prescription drug coverage. Depending on the state, drug coverage can be more than $100 per month for a person 65 years of age and more than $200 per month for a 75-year old. This plan for fails to meet the test of affordability.

Another glaring defect of the Republican plan is that the benefits are not guaranteed. Medicines may be limited by private plans, and pharmacies may also be limited. Private insurers could discourage seniors with high drug costs from enrolling by offering plans that have few up-front costs such as no deductible and low co-payments but leave seniors paying a large amount before the $6,000 catastrophic threshold kicks in. Under the GOP bill, Medicare would not provide a single dollar of direct premium assistance for middle-class beneficiaries whose income is above $12,000 a year. The bill subsidizes the insurers under theory that the private sector offer drug benefit coverage at significant cost savings. Given the meager subsidies, it is very likely that the premiums would still be too expensive for many seniors.

The Republican plan is all bread and no meat, a false promise to our senior citizens. The plan undermines the Medicare program by contracting out the program to private insurers who will repeat corporate subsidies and produce very little for the health security needs of the nation's seniors. What the Republicans are asking us to do today is ''buy a pig in a poke.'' Frankly, that's not good enough for us and it's not good enough for our senior citizens.

We live in a special time in our nation's history. We are experiencing recorded economic growth and generating budget surpluses that are without precedent. The President's Mid-Session Review reported that budget surpluses over the next 10 years will total $4.2 trillion, a $1.3 trillion increase from the 10-year surpluses estimated in the President's budget issued last February.

We have no modern day record to guide us through this period of economic prosperity. Even in era of record budget surpluses and economic growth, I recognize the importance of keeping a watchful eye on the bottom line. At the same time, we have the resources to fund a reasonable prescription drug benefit that is universal, comphrensive and affordable. The Republican plan fails.

I urge my colleagues to joint me in voting against this bill.

Mr. WATTS of Oklahoma. Mr. Speaker, today I rise in support of H.R. 4680, the Medicare Prescription Drug Act of 2000. The Medicare program provides significant health insurance coverage for 39 million aged and disabled beneficiaries. However, the program does not offer protection against the costs of most outpatient prescription drugs. This has created a critical need for a significant drug benefit.

However, the potential cost of adding prescription drug coverage has been the primary impediment to its implementation. In response to this, Republicans have unveiled a plan to strengthen Medicare and provide prescription drug coverage for all senior citizens and disabled Americans, including those in rural areas. It focuses on three key principles: coverage will be affordable for all, available for all and voluntary for all—regardless of income or location.

In Oklahoma and other parts of rural America, health care is a matter of access. The Republican plan offers protections for seniors in rural areas by guaranteeing availability of at least two drug plans in every area of the country and requires convenient access to pharmacies.

The Republican plan utilizes a public-private partnership to let seniors choose the right coverage from several competing prescription drug plans, or to keep their existing coverage. The plan also protects seniors from high out-of-pocket drug costs, without resorting to price-fixing or government price controls.

We want to give individuals the power to decide what is best for them and choose the prescription drug coverage that best meets their needs. Therefore, I urge my colleagues to vote in favor of the Medicare Prescription Drug Act.

Mrs. MALONEY of New York. Mr. Speaker, today I rise in opposition to the Republican prescription drug plan. I want to make very clear that the 2 plans are strikingly different.

As co-chair of the Women's Caucus I want to stress the importance prescription drug coverage to older women throughout the country.

The average income for a woman over the age of 65 is just $14,820. Thus the Republican Leadership's prescription drug plan, which has proposed only a 50 percent decrease in drug costs, is still unaffordable to most older women.

Additionally, the suggested prescription plan's catastrophic coverage is not initiated until the beneficiary's drug costs have reached $6,000. This obviously does not provide seniors with the safety net they deserve given their limited incomes.

Furthermore, prescription drugs are now the largest out-of-pocket health care expense for America's seniors. On average, America's seniors fill 18 prescriptions each year, and nationally, spending on prescription medications increases 15 percent annually.

But even more disturbing is the growing evidence that many of America's major drug companies are engaging in a deliberate pattern of price discrimination.

Many seniors, without drug coverage, are being forced to pay prices that are significantly higher than those charged to other customers, such as large HMOs.

I was so concerned about this problem that I had the staff of one of the committees I serve on work with my staff to study the problem of drug pricing in my own district. And what they found shocked me.

First, they discovered that seniors in Manhattan without prescription drug coverage—and that is about three-quarters of today's seniors—pay two and a half times as much for certain prescription drugs as other consumers, such as members of large HMOs.

The study looked at the five best-selling prescription drugs and found that, in each case, seniors in my district pay more than twice what other consumers pay.

In one instance—the cholesterol medication Zocor—seniors in my district pay four times what consumers in HMOs pay.

In addition, they took a look at the prices American seniors pay and compared them to the prices that seniors in Mexico and Canada pay. In some cases, they pay seven times what consumers in other countries pay.

The conclusions of both studies were clear: drug companies are gouging America's seniors only to increase their own profits.

No senior should ever have to choose between buying needed prescription drugs and putting food on the table, or heating their homes, or having a decent retirement.

But with what drug companies are charging these days, those are the choices many seniors face without prescription drug coverage.

Prescription drugs prolong the lives of thousands of women and men each year. Enough is enough. Congress needs to produce a prescription drug plan that actually help seniors. America's seniors deserve better than this.

Mr. DIXON. Mr. Speaker, today I had hoped to have the opportunity to vote to create an affordable, workable prescription drug benefit for Medicare beneficiaries. Unfortunately, I was not given that opportunity by the House leadership. The only bill before us—the Medicare Rx 2000 Act, H.R. 4680—will not offer seniors the kind of protection against rising drug costs that they deserve.

While both Republicans and Democrats may agree on the need for a Medicare drug benefit, we disagree about important details such as affordability and reliability. I am disappointed that the Republican leadership has chosen to prevent the Democrats from offering our prescription drug plan as an alternative to their own during today's debate. An issue as serious as the availability of prescription drugs for seniors requires an open debate that explores all competing proposals.

I support the Democratic plan, H.R. 4770, which would create a voluntary, affordable prescription drug benefit in Medicare. The plan features inexpensive premiums and catastrophic coverage for drug costs over $4,000 annually. This is the type of plan my constituents have been asking for.

The Republican plan, in contrast, invites private insurance companies to offer drug-only plans to Medicare beneficiaries. There is no guarantee that private insurers would even want to offer these types of plans or that they would be affordable. In fact, the Health Insurance Association of America has said that drug-only plans are unworkable. Under the Republican plan, premiums will vary and catastrophic coverage would not begin until an enrollee reached $6,000 in yearly costs.

I will vote against H.R. 4680 because it does not provide the guaranteed, affordable Medicare drug benefit that my constituents need. I urge my colleagues to vote against this ill-advised bill so we can work together to craft a bipartisan prescription drug proposal that truly works for America's seniors.

Mr. BUYER. Mr. Speaker, I rise in support of the measure to provide prescription drug coverage to our seniors and disabled with Medicare coverage.

When Republicans took control of Congress in 1995, Medicare was going broke. Because

of the bipartisan actions taken in 1997, the Medicare program was preserved. Now, we are in a financial position to enhance Medicare, by adding a prescription drug benefit.

Mr. Speaker, seniors should not have to choose between buying food and buying prescription medicines. This bill, H.R. 4680, will give Medicare beneficiaries access to prescription drug insurance plans that negotiate lower prices and comprehensive coverage, something many seniors now lack.

Fortunately, near two-thirds of seniors have access to prescription drug coverage, most of which is provided as a retiree benefit from a lifetime of working. Seniors who prefer the coverage they have now should not be forced into a government run plan. But this is exactly what the President and the Democrat plan would do. If the President's plan were enacted, between 50 percent to 75 percent of employers would drop their coverage . . . coverage that many seniors like.

This plan, H.R. 4680, guarantees seniors choice on the type of prescription drug coverage that best suits their needs. All seniors will have at least 2 plans to choose from. The measure provides incentives for plans to be offered in rural areas and requires access to a ''bricks and mortar'' pharmacy. As a member who represents a rural constituency, I am pleased that this bill takes special care to see to the needs of seniors in rural America.

It is the senior who will decide what elements in a plan make sense for their situation. The President gives seniors one option, one benefit . . . take it or leave it.

H.R. 4680 provides subsidies for low-income seniors, just like the President's plan, and its also provides assurance that no senior would have to go bankrupt in order to pay high drug costs, unlike the President's original proposal. It guarantees that above $6,000, no senior would pay a penny more out-of-pocket. This catastrophic drug coverage is an extremely important provision.

The Republican plan also begins structural reforms in Medicare. It creates an ombudsman to advocate on behalf of the beneficiary, and not the bureaucracy. The ombudsman would help beneficiaries navigate Medicare's requirements. It reforms Medicare rules regarding appeals to eliminate the endless waits for decisions.

Under the President's plan, the government would become the largest HMO . . . deciding what drugs you can receive, and when you can get it. Like Canada, the President's plan would result in rationing of drug treatments, more hospital stays, and a lower standard of health care of our seniors.

This is a bill that provides access to affordable prescription drugs with a choice of affordable plans to meet the beneficiary's needs. This coverage is delivered in a way to protect the doctor-patient relationship. It does not compromise seniors' access to modern miracle medicines and ensures that research and development into new and improved drugs can continue.

I urge all Members to support this much needed bill.

Mr. BLUMENAUER. Mr. Speaker, I am encouraged that Congress is finally working to provide relief to our nation's seniors; however, the bill under consideration today does not do enough to help them. The only bill the Republicans offer, H.R. 4680, relies too much on private insurers who have already expressed opposition to providing drug coverage and who have already failed to provide adequate health insurance for many areas of the country, particularly rural areas.

Prescription drugs are an increasingly vital part of health care and are the fastest growing component of health care expenditures. Spending on prescription drugs is expected to reach $112 billion this year alone. Seniors, only 13 percent of the total population, account for more than a third of the annual expenditure. The average senior uses 18 prescriptions a year, prescriptions essential to their quality of life.

The rising costs of pharmaceuticals combined with the increasing reliance on drugs for medical treatments have created a serious threat to the financial security of a vulnerable population, seniors on fixed incomes.

The alternative legislation supported by the Administration and Congressional Democrats would do more to alleviate some of the financial burden imposed by prescription medications. The substitute bill, which was, unfortunately, prohibited from consideration today, offers coverage through the Medicare program that uses the purchasing power of the federal government to guarantee affordable prescription drug prices. Our seniors are paying the highest prescription drug prices in the world, not just in comparison with Canada, Mexico and other countries, but also with comparable medications offered to animals in veterinary clinics. The Republican proposal offers no guarantees that seniors who are purchasing drug coverage are being offered the best possible price for their pharmaceuticals.

The debate today on perhaps the most important domestic issue of this Congress has been haphazard and rushed. Consequently, it is likely that even if passed, the Administration will veto H.R. 4680. However, I hope the debate today is the beginning of a truly bi-partisan conversation about how we can focus our efforts beyond election year politics to a proposal that makes a real difference for those who depend on prescription drugs for their quality of life.

Mr. ETHERIDGE. Mr. Speaker, I rise today to announce my opposition to H.R. 4680, the Medicare Rx 2000 Act. This plan will not guarantee affordable prescription medicine coverage for all seniors and it takes the first step towards privatizing Medicare, forcing seniors to deal with private insurance companies instead of having the choice of getting their prescriptions through Medicare. The Republican plan provides huge subsidies to insurance companies and does not provide any direct assistance to our nation's seniors. Even after large subsidies, there is no guarantee that affordable prescription medicine coverage will be offered in every region of the country. In fact, we have heard from several insurance companies that ''the concept of 'dug-only' private insurance simply would not work in practice.''

I strongly support providing our nation's seniors with a real prescription medicine benefit. However, any such plan must be a defined benefit that is administered under Medicare. It must be voluntary, affordable, and available to all seniors regardless of their income level. The benefit must ensure that copayments and premiums are uniform for all seniors in all areas of the country. Finally, any plan enacted by this Congress must include a cap on the cost to seniors in order to protect them from any unexpected catastrophic events.

Mr. Speaker, for too long our nation's seniors have been forced to choose between purchasing prescription medicines and putting food on their tables. Because of this, I rise in support of the Democratic substitute. This plan will provide seniors with a meaningful, affordable, and universal medicine benefit. Under this plan, there is no deductible, there is a low, affordable monthly premium of $25 for all seniors and half of seniors' costs will be covered by Medicare up to $2000. In addition, this legislation includes a catastrophic benefit that will cap seniors' costs at a maximum of $4000. Finally, Mr. Speaker, I rise in support of the Democratic substitute because it will provide much needed relief to rural and urban Medicare hospitals, nursing homes, home health agencies, rural HMOs, and others providers.

Our North Carolina values call on us to provide health care security and retirement security for our senior citizens. The Republican bill utterly fails to meet that test.

Mrs. MEEK of Florida. Mr. Speaker, the American people want and need affordable, voluntary and reliable Medicare prescription drug coverage for all seniors, not this poll-driven attempt to con them. I rise in strong opposition to both the Republican Leadership's bill and to the disgraceful Rule adopted for this bill, a Rule that deprives the Democrats of an opportunity to present their substitute, a substitute that would give America's seniors the option to obtain affordable, reliable prescription drug coverage through Medicare. The procedures adopted by the Republican leadership for consideration of this bill are a travesty. The American people deserve better.

H.R. 4680, the Medicare 2000 Rx Prescription Act, is a prescription for disaster. This bill won't work. It seeks to provide prescription drug coverage to Medicare beneficiaries, not through Medicare, but by creating ''drugs only'' insurance policies through private insurers. It does so even in the face of the continuing massive withdrawals from Medicare by the health insurance industry. If you live on more than $12,525 a year, the Republican plan would not pay one dime toward your premium, while the Democratic plan would provide a 50 percent subsidy for monthly premiums for all seniors.

The bill would pour money into the pocket of wealthy insurance companies even though the insurance companies themselves have called this ''private insurer'' approach unworkable. There is no reason to believe that any legitimate private insurers will step forward and offer this coverage to seniors. A prescription drug benefit surely can and should be offered through the existing regulatory structure, but the Republican leadership simply cannot overcome their longstanding history of hostility to Medicare.

Instead of creating a defined benefit plan that would cover all with the same comprehensive benefits, the Republican bill would create a multi-tiered system of coverage that would relegate low-income beneficiaries to bargain basement plans. Private insurers would be free to define different deductibles, co-payments and benefit limits in different parts of the country.

The Republican plan would provide whatever subsidy might be required to persuade two insurers to offer a prescription drug benefit, but provide no assurance whatsoever that the benefits offered would be comprehensive and affordable. Plans would come in and out

of communities frequently, perhaps even on a yearly basis, and seniors would be left to fend with the fear, confusion, and uncertainty that all too many of them already have experienced when their insurers carrier abandons coverage in their market.

To induce insurance companies to offer this coverage, participating companies would receive a 35 percent subsidy for their operating costs with no requirement that such payments be passed on to the beneficiaries. Reflecting their never-ending devotion to ''trickle-down'' economics, the Republican bill would end up subsidizing insurers, not seniors. Plans also would be able to create restrictive formularies that would maximize the insurer's profits at the expense of seniors by refusing payment for many drugs, even though a beneficiary's doctor had determined that a particular drug is medically necessary.

This is not the approach that we need. What seniors want and deserve is a simple, reliable, affordable prescription drug plan financed through Medicare with no deductibles, universal benefits, guaranteed access to needed drugs and local pharmacies, and guaranteed access to negotiated discounts in drug prices using the purchasing power of the Federal government. Under the Democratic plan, all drug costs would be covered once a senior incurred $4,000 in out-of-pocket drug costs. Simply put, the Democratic plan offers far better coverage than the Republican plan and at a lower cost.

Mr. Speaker, it's no coincidence that the Republican leadership bill came to the Ways and Means Committee for a markup within days of being introduced and that seniors, the disabled, low income and minority populations, most members of the Congress and other citizens did not receive a chance to testify on H.R. 4680 before that markup. Nor is it an accident that this bill is now being rushed to the floor for a vote. There's a simple explanation.

After years of resisting Democratic proposals for a prescription drug benefit, the Leadership's pollsters told them that they could not ignore the issue any longer. They would pay too heavy a price politically. So the challenge then became one of figuring out how to appear to be addressing the issue without involving Medicare; to portray concern for the desperate needs of seniors for prescription drug coverage.

H.R. 4680 is the product of that exercise. 148 pages intended to suggest concern, but fundamentally inadequate to create affordable and reliable voluntary prescription drug coverage. Mr. Speaker, the leadership may have labored mightily to produce this bill, but they brought forth a mouse! As Families USE put it: ''This plan relies on the insurance industry to provide policies they don't want to sell and consumers can't afford to buy. It's impossible to tell what consumers will get or whether it will even be available. This is a false promise to Medicare beneficiaries.''

Mr. Speaker, the nature and extent of a senior's prescription drug benefit should not depend upon the accident of where that senior is located. Beneficiaries should pay the same premium and get the same benefits no matter where they live, just like they do for other Medicare services like doctors' visits and surgery. Seniors should be covered for all drugs that their doctors say are medically necessary. They should not be at the mercy of the insurance company's drug formulary.

Our constituents deserve a benefit that they can count on and understand, a guaranteed and affordable benefit—not the confusion and uncertainty that the Republican leadership's plan will promote.

Medicare has been the cornerstone of health security for the elderly and the disabled for over 30 years. We should build on the existing Medicare program to create a reliable and affordable prescription drug benefit for all beneficiaries who wish to participate. Our constituents need real affordable, reliable voluntary prescription drug coverage, not just election year rhetoric. Reject this sham proposal, adopt a fair process for considering the prescription drug issue, and let's work to adopt the Democratic substitute.

Mr. COSTELLO. Mr. Speaker, I rise today in strong opposition to H.R. 4680. It is outrageous that the Republican leadership blocked all attempts for free and open debate. A vote on the Democratic substitute was ruled out of order. The leadership has stifled consideration of any plan other than their own. It is obvious they are catering to the insurance companies. The ones who stand to gain the most from this legislation are not the seniors that the Republicans would lead you to believe but the multi-million dollar drug companies that only stand to get wealthier as a result of this legislation.

The Republican leadership's prescription drug plan fails miserably to help our nation's seniors. The leadership should be ashamed to submit a plan that forces seniors to shop around for benefits when there is no guarantee that the insurance companies will continue to provide the benefit a year or two down the road, especially when the fees for such a plan can be raised to exorbitant rates.

A better solution is President Clinton's plan which provides guaranteed benefits through Medicare, allows seniors to keep their current prescription drug plan if they choose and provides 100 percent of prescription expenses for low-income seniors. I support the President's plan because the plan provides affordable, voluntary and reliable prescription coverage for all seniors.

Give our nation's seniors what they deserve, prescription drug coverage without all the strings. I urge my colleagues to oppose the Republican prescription drug plan.

Mr. BALLENGER. Mr. Speaker, I rise today in support of H.R. 4680, the Medicare Prescription Drug and Modernization Act, as introduced by Subcommittee Chairman BILL THOMAS and my good friend and colleague from North Carolina Representative RICHARD BURR. I encourage my colleagues on both sides of the aisle to support this legislation which provides senior citizens with a voluntary drug benefit, giving seniors the right of choice.

Seniors comprise 12 percent of the population in the U.S., but consume more than one-third of all prescription drugs. Leaving seniors without a drug benefit is not an option. The time has come to correct this shortfall in Medicare and implement a program that provides a Medicare drug benefit for seniors. H.R. 4680 is a cost effective way to provide this benefit through the efficiency of the private sector.

I believe H.R. 4680 provides the best approach by giving seniors the flexibility of choice. Unlike the Democrats proposed bill, H.R. 4680 greatly diminishes the power of the Health Care Financing Administration (HCFA). Our bill creates a new agency to oversee the prescription drug and Medicare+Choice programs. This is a huge improvement, as the new agency's mission would be to foster innovation and competition in Medicare and ensure coverage in rural areas.

Our new drug benefit would reduce prescription drug costs to seniors by giving them market-based bargaining power. A recent study by the Lewin group found that individuals enrolled in private insurance plans are getting 30 percent to 39 percent discounts on their prescription drugs through their plans' negotiations with pharmaceutical manufacturers. Yet today more than ⅓ of seniors have no prescription coverage and pay the highest price for their medication. H.R. 4680 enables seniors to enroll in prescription drug plans (or Medicare+Choice plans) that will negotiate lower prescription drug prices on their behalf.

And, last by certainly not least, the funding for this bill comes entirely from greater than anticipated savings from the 1997 Balanced Budget Act. Congressional Republicans have committed $40 billion (or about ⅓ of those unanticipated savings) to fund a better and stronger Medicare system. This is an investment which will pay large dividends in the immediate future.

Mr. Speaker, I urge my colleagues to support this common sense legislation that provides maximum coverage and optimum choice for seniors. Simply put, H.R. 4680 is affordable, available, and voluntary for all.

Mr. HOLT. Mr. Speaker, I rise in opposition to the weak and untested legislation we are considering and in support of real voluntary, reliable, affordable, Medicare prescription drug coverage for our seniors.

I strongly support the inclusion of prescription drug coverage under the Medicare plan. Unfortunately, the only bill being considered on the floor of Congress today is not a Medicare prescription drug plan—it's an untested, unreliable, proposal that gives money to private insurance companies instead of seniors. What's worse, it offers no real relief to those in central New Jersey who need it.

Today, more than at any time in our nation's history, prescription medications are helping Americans live longer, healthier lives. It is difficult, however, for many that lack good health care coverage to afford these products. Older Americans—the men and women that won World War II, built our nation, and raised our families—shouldn't be forced to choose between medicine and food. They shouldn't have to worry that an insurance company clerk is going to deny them lifesaving medicine to save a buck.

It is only common sense that Medicare include drugs as an integral part of health care in its benefits package. Medicare is a program that works. Seniors rely on it. All of us should be able to agree on that. We must work together in a bipartisan fashion to include drug coverage under Medicare.

There are too many questions about this hastily-written plan we are voting on today. Insurance companies say they have no interest in writing the prescription drug coverage policies that the bill calls for. In central New Jersey, just a handful of insurance companies dominate the market. In addition, seniors' experience with HMO insurance plans is not good. Service is often unreliable. Premiums have risen by more than 100 percent in some instances. Well . . . health care that you can't

count on is no health care at all. We need to do better than that.

There are several proposals being considered in Congress which are intended to help seniors pay for prescription drugs. While I have opposed policies that put government price controls on medicines, some of the other proposals being discussed are promising. We need to put the politics aside and have a serious discussion about how to help seniors. They deserve it. We must help seniors by passing a voluntary, affordable, reliable Medicare prescription drug benefit that helps seniors and allows us to continue to develop these lifesaving drugs.

The choice we are faced with today is an easy one. We can vote with insurance companies or with senior citizens. Mr. Speaker, I choose to side with the seniors.

Mr. HOBSON. Mr. Speaker: I rise in support, of the important legislation before us today that will help seniors in Ohio's 7th Congressional District with the high cost of prescription drugs.

I first want to acknowledge the efforts of Chairman BLILEY and Chairman THOMAS, as well as the efforts of Representative BURR, Representative GREENWOOD, and Representative MCCRERY. They've worked long hours, and they have written a very good bill that adds a sustainable, fair, and compassionate drug benefit that modernizes the Medicare program so seniors can afford the drugs they depend on to stay healthy.

Our bill puts in place a new benefit in Medicare that allows seniors to receive their prescription drugs through at least two choices—as opposed to the one-size-fits-some approach advocated by the President. It does so in a fair way that lets seniors in my district keep their existing coverage, and in a way that provides assistance to every senior in financial distress or with unusually high drug costs. And every senior will benefit from the power of group discounts that will reduce the out-of-pocket cost of prescription drugs.

One of the truly innovative things this bill does, and which is long overdue in the Medicare program, is to create a new Medicare Benefits Administration outside of the current bureaucracy that will be focused on seniors and their benefits first and foremost.

Let's compare that to the existing agency that runs Medicare and that would run the program proposed by the President.

Seniors and health care providers in my district are very familiar with HCFA, the Health Care Financing Administration which runs Medicare. They also—unfortunately—also are very familiar with the technical answers they can't understand, busy phone lines, a general level of unresponsiveness, and the endless delays at that agency.

You might think that Congress would have a little better luck. Sadly, that is not the case. I want to tell my colleagues today about a letter I sent this week to HCFA that demonstrates the importance of our plan entrusting the administration of a new prescription drug benefit to a new senior-focused agency rather than HCFA.

For example, in 1997, Congress included a simple and straight-forward provision in the Balanced Budget Act of 1997 that would allow seniors that depend on a wheelchair or a similar piece of medical equipment some flexibility in ''upgrading'' an old or deteriorating piece of equipment.

Today, three years after Congress enacted this improvement for seniors, seniors are still waiting for the current bureaucracy to act. The point is, three, four or five years is too long to make seniors wait. And the President's new claim that HCFA could implement a new prescription drug benefit in a year and a half flies in the face of their actual track record.

My colleagues can point to scores of missed deadlines on similar changes approved by Congress. We can't afford to take the same road with a prescription drug plan, and I believe our creation of a new Medicare Benefits Administration is a key improvement over the President's plan.

I also want to address the idea that a prescription drug benefit should follow the Canadian model. Some have advocated the solution is simple—seniors just need to import the drugs from Canada.

However, for those who support importing the Canadian system, let's take a look at prescription drugs in Canada. Since we last had this debate in 1994, Americans have not forgotten that the way Canada keeps costs down is simple—they don't provide the type of quality care we do in the United States, they allow the government instead of doctors make medical decisions, and health care is rationed—and the result is long waiting periods, where months or even years, for medical treatments are the norm.

With respect to drugs, in Canada, it takes an average of one and a half times as long as in the U.S. to approve a new drug. Since Canadians then can only take the drugs their government has approved payment for, they then have to wait even longer to learn if the government will allow that drug in their medicine cabinet.

In comparison, our bill provides the same type of discounts available under the socialist, state-run Canadian health care monopoly but instead relies on the power of the marketplace, group discounts, and competitive pricing to achieve these price reductions for seniors. Let's duplicate the cost savings, but let's not think again about importing a failed Canadian health care plan—which Americans overwhelmingly rejected the last time it was proposed.

Let me conclude by saying that it is time for Congress to act. I am deeply disappointed by reports in the media that opponents of our legislation don't want to support this bill so they can point their fingers and say that this is a ''do-nothing Congress.'' Enough already.

It's time to stop playing politics with this issue and pass this legislation to help the seniors in my Ohio district afford prescription drugs. I urge my colleagues to support the bill.

Mr. MCGOVERN. Mr. Speaker, I rise today in strong opposition to the sham of a prescription drug plan the Republican Majority has forced upon this Chamber. For the past few years, I have joined many members in attempting to create a guaranteed Medicare Prescription Drug Benefit. Today, we are voting on a poll-driven handout to the insurance companies, and not a defined benefit available to all seniors that want such a plan.

Mr. Speaker, the Democratic prescription drug plan, which the Majority is refusing to let us offer today, is a true Medicare benefit. Our plan is simple, common sense. We use the existing and successful Medicare program to administer a guaranteed benefit for every Medicare patient that wants to take part. Our plan has deductible, very low monthly premiums and a catastrophic benefit. The catastrophic benefit is the key part of our plan because thousands of seniors across this country are facing extremely high prescription drug bills that they have trouble paying. There is no reason that in this time of economic prosperity that America's seniors should have to choose between food and medicine. The Democratic bill will provide real relief for seniors so they do not have to make these life-threatening decisions.

The Republican plan is nothing more than a handout to the insurance companies. Their plan is a means-tested, private plan that would provide modest incentives for insurance companies to provide a deficient benefit to a limited number of seniors. But the irony is that the insurance companies have already rejected this handout. Insurance companies are in the business of making profits, and they are not going to enter a market where they cannot make a profit.

Instead of working to provide a comprehensive prescription benefit that every senior can have the option of joining, the Majority devised a poll-driven plant hat furthers their political goal of privatizing Medicare. They have never supported Medicare and have been waiting anxiously for, as former Speaker Gingrich said, Medicare to ''wither on the vine.''

Across my district, seniors consistently approach me, clutching their drug bills, and ask me how they can pay for their expensive bills on their fixed incomes. Unfortunately, there's no help for the seniors across America unless they have access to a Medicare HMO (which thousands of rural patients do not), have a private health insurance plan, or have a costly Medigap plan. The reality is that if Medicare were developed from scratch today, a prescription drug benefit would be one of the first provisions added to the program. We have a responsibility to provide seniors with a guaranteed prescription drug benefit.

Mr. Speaker, this debate today is an exercise in futility. The Majority is attempting to insulate itself from public opinion with a prescription drug plan that is hollow and provides no real relief for America's seniors. They are trying to pull a fast one on the American public. I urge my colleagues to reject this political grandstanding and to work for a real, guaranteed Medicare prescription drug benefit.

Mr. FRELINGHUYSEN. Mr. Speaker, I spent the last two Saturdays in the 11th Congressional District of New Jersey meeting with my constituents in town meetings as I have done on so many other weekends in the past. Through winter, spring and now summer, one of the issues I get asked about is: when will Congress provide a prescription drug benefit for our older Americans?

Our constituents should not have to choose between putting food on the table or paying for their next month's supply of medicine. Our older men and women want, and deserve, the peace of mind that comes with knowing they are covered by a safe, affordable, and easily accessible prescription drug benefit.

The tremendous advances in medical science have produced amazing medical breakthroughs that help older Americans live longer, healthier, more active and independent lives. And so much of this is due to the continued development of new and better medicines that keep people healthy and out of hospitals.

And while 65 percent of older men and women in America already have some form of

prescription medication coverage, there are still too many who do not. Congress, and the President, need to provide a prescription benefit that allows choice, is affordable, available to all, and one that our older Americans can depend on to provide safe, effective therapies now and for the future.

Today's action in the House is a good first step—and it's not the last step, either. But as we take this first step, and each one that will follow, we need to work together, Democrats and Republicans alike. Prescription medication coverage isn't a political issue; it's a health issue. Older Americans need us to work together to keep the Medicare program strong and solvent and to modernize the Medicare program to reflect today's health care needs. Unlike 30 years ago when Medicare was first designed, today medicines are an integral, important part of health care, and without such prescription drug coverage, medical coverage for our seniors is incomplete. So, let's work together and help give our older Americans the health care coverage they need and deserve.

Mr. PORTMAN. Mr. Speaker, when Medicare was created in 1965, prescription drugs were not used as they are today to treat health problems. That's all changed. Advances in pharmaceutical research and development have made it possible to address many complex health problems with a simple trip to the pharmacist.

Unfortunately, as more and more Americans have come to rely on prescription drugs, their costs have escalated, making it difficult for many seniors to make ends meet. Clearly, it is time to offer a prescription drug benefit to all seniors.

Today, about two-thirds of seniors have some kind of prescription drug coverage—either through a private plan they purchased or through a company retirement plan—that helps them to offset the cost of prescription drugs. But the remaining one-third of seniors have no coverage, and everyone feels the pinch of rising drug costs.

Under the plan before us today, Medicare would offer a voluntary prescription drug benefit that would be similar to private drug insurance that many seniors carry today. If you're eligible for Medicare, you'd be given a choice between at least two plans that offer prescription drug coverage. All you would have to do is to go to a local pharmacy to get your prescription filled, show them your Medicare prescription drug card, and pay a pre-determined co-payment. There would be no claims to file or forms to fill out.

To ensure that prescription drugs remain affordable, seniors who choose to enroll in such a Medicare prescription drug program would also be covered for so-called ''catastrophic'' prescription drug expenses. In other words, seniors would have the peace-of-mind to know that they will not be responsible for paying additional costs that might accrue if drug prices rise unexpectedly.

Because of the unprecedented purchasing power that a Medicare-wide prescription drug program will have, it will also help to lower drug prices for all Americans. A recent study concluded that, on average, there would be a 25% discount on the prescription drugs people need so badly. This will really help protect seniors from higher drug prices and rising out-of-pocket expenses. And, because this will be a voluntary program, it will help seniors who need it most while allowing seniors who currently have prescription drug coverage they like to continue to enjoy their existing plan.

Mr. Speaker, despite the heated rhetoric we're hearing on the floor today, Members on both sides of the aisle are very interested in adding a prescription drug benefit to Medicare. Yes, there are legitimate differences of opinion and approach. But we have a real opportunity to pass this bipartisan bill today—and to enact a Medicare prescription drug benefit this year.

I urge my colleagues on both sides of the aisle—let's do the right thing for America's seniors. Let's set aside the attack ads and the ''MediScare'' tactics—and provide Medicare prescription drug coverage for our constituents.

Mr. PASTOR. Mr. Speaker, with prescription drug expenses climbing ever higher, 75% of Medicare beneficiaries do not have dependable, comprehensive prescription drug coverage, and many American seniors are forced to decide between the purchase of medication and other necessities such as food or electricity. This situation is simply not acceptable in a nation as prosperous as ours.

Congress must take action to restore the dignity of American seniors and ease the growing burden on American families. The time has come for an affordable, voluntary, and reliable Medicare prescription coverage plan. The need has never been greater and public support has never been stronger.

I am deeply disappointed that the Republican leadership in Congress seems intent on squandering this opportunity for meaningful action by limiting floor consideration to a single Republican proposal which would do little to provide affordable drug coverage to seniors.

While American seniors need the opportunity to purchase affordable drug coverage no matter where they live, the Republican proposal guarantees opportunities only to the insurance and drug industries it would subsidize, with no guarantee of affordable plans for all seniors.

While American families want the peace of mind that comes from defined and dependable coverage, the Republicans have introduced a sham proposal that even the insurance companies it would rely on say will simply not work.

While Americans seek universal relief from bearing the full burden of devastating prescription drug expenses, regardless of their health or income, the Republicans offer only a divisive political ploy.

There is an alternative. The Democrats today have introduced a plan that offers the security, equity and universality of coverage that our seniors deserve. Rather than private, stand-alone drug coverage that is neither affordable or workable, the Democratic plan builds upon the strengths of the Medicare program, providing voluntary access to basic drug benefits to all Medicare beneficiaries, regardless of their income, health status, or where they live. It is a plan that will truly help the Arizonans I represent, and a plan that I am proud to co-sponsor.

I call on the Republican leadership to move beyond political maneuvering and allow for meaningful and comprehensive debate on this issue which affects all of our constituents. Seniors in my district, and across America, deserve the security of an affordable and defined Medicare drug benefit. It is time that Congress rise to the occasion, listen to what the American people are so clearly calling for, and make it happen.

Mr. CALVERT. Mr. Speaker, I rise in support of H.R. 4680, the Medicare Prescription 2000 Act. The bill is a fiscally sound way to help our seniors with a vital need. As co-chair of the bi-partisan Generic Drug Equity Caucus, I am encouraged by the bill's support for generic drug use.

Currently, generics fill over 40 percent of all prescriptions in the United States, and are extremely affordable at only 10 to 15 cents for every dollar spent on brand name drugs. The Congressional Budget Office reported in 1994 that generic drug competition results in a cost savings to consumers of 8 to 10 billion dollars annually.

Mr. Speaker, I urge my colleagues to vote for this sensible bill. I hope that we can include an even more explicit preference for the use of generic drugs when the bill is conferenced with the Senate. This is a good bill, it's right solution at a critical time. We all should vote aye.

Mr. DAVIS of Virginia. Mr. Speaker, I rise today in support of H.R. 4680, the Medicare Rx 2000 Act. I believe that this important piece of legislation is the best way to address the dire impact the run-away costs of prescription drugs are having on our nation's senior citizens and disabled Americans.

The Medicare program provides significant health insurance coverage for its 39 million aged and disabled beneficiaries. However, the program fails to offer protection against the costs of most outpatient prescription drugs. Even though 65% of beneficiaries have some private or public coverage for these costs, many do not have adequate supplemental coverage for their drug costs.

The absence of a significant drug benefit has concerned me and many of my colleagues for quite a long time. However, the potential cost of adding prescription drug coverage has been the primary impediment to its implementation. This year, Congress has made a serious commitment to providing prescription drugs for seniors by specifically setting aside $40 billion dollars of the budget surplus to create a prescription drug plan and to strengthen the Medicare program.

I commend the Speaker's Task Force on Prescription Drugs, which has worked diligently to create a voluntary prescription drug plan that is accessible, affordable, and will not encroach on seniors who are currently satisfied by their supplemental plan. This private-public sector approach to providing prescription drugs to every interested senior is modeled after the Federal Employees Health Benefit Program (FEHBP), which combines the advantages of a ''defined benefits'' plan and a ''defined contribution'' plan. To those who choose to participate in this plan, the premiums are affordable, averaging just $37 a month. And by allowing seniors to participate in an insurance-based plan at a reduced cost, it will give seniors the benefit of group bargaining power, which will reduce the price tag for prescription drugs. Studies show that Americans with insurance coverage pay 15 to 39 percent less for prescription drugs than those without insurance.

Most importantly, the Medicare Rx plan creates choices for seniors. H.R. 4680 will mandate that at least two prescription drug plans will be available in every area of the United States. A choice of plans will give Medicare beneficiaries the power to determine which high-quality private insurance plan would best

serve their individual healthcare needs. Having more than one plan in every district also spurs competition between plans, creating incentives for plans to create better products.

H.R. 4680 also reaches out to those individuals who are not financially able to afford their prescription medicine needs due to their income level or their escalating drug needs. This bill provides a full subsidy to low-income beneficiaries up to 135% of the poverty level and phases out that subsidy on a sliding scale to 150% of the poverty level. Furthermore, H.R. 4680 caps exorbitant drug costs with catastrophic drug coverage, meaning that Medicare will pay 100% of every seniors' drug costs beyond a certain level.

Mr. Speaker, seniors deserve access to the best medicines available to lead healthy and independent lives and, in many cases, to avoid more expensive treatments such as surgery or hospitalization. We need to expand seniors' access to the same kind of private-sector plans that millions of working Americans benefit from. I urge all my colleagues to vote in support of the Medicare Rx Act of 2000, a fair and responsible prescription drug plan for all of America's seniors.

The SPEAKER pro tempore (Mr. LAHOOD). All time for debate has expired.

Pursuant to House Resolution 539, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STARK

Mr. STARK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. STARK. I am, Mr. Speaker.

Mr. THOMAS. Mr. Speaker, I reserve all points of order against the motion.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STARK moves to recommit the bill H.R. 4680 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—MEDICARE PRESCRIPTION MEDICINE BENEFIT PROGRAM

Sec. 101. Prescription medicine benefit program.

''PART D—PRESCRIPTION MEDICINE BENEFIT FOR THE AGED AND DISABLED

''Sec. 1860. Establishment of defined prescription medicine benefit program for the aged and disabled under the medicare program.
''Sec. 1860A. Scope of defined benefits; coverage of all medically necessary prescription medicines.
''Sec. 1860B. Payment of defined basic and catastrophic benefits.
''Sec. 1860C. Eligibility and enrollment.
''Sec. 1860D. Monthly premium; initial $25 premium.
''Sec. 1860F. Prescription medicine insurance account.
''Sec. 1860G. Administration of benefits .
''Sec. 1860H. Incentive program to encourage employers to continue coverage .
''Sec. 1860I. Appropriations to cover government contributions.
''Sec. 1860J. Definitions.''.

Sec. 102. Medicaid buy-in of medicare prescription drug coverage for certain low-income individuals.
''Sec. 1860E. Special eligibility, enrollment, and copayment rules for low-income individuals.''.

Sec. 103. Offset for catastrophic prescription medicine benefit.

Sec. 104. GAO ongoing studies and reports on program; miscellaneous studies and reports.

TITLE II—IMPROVEMENT IN BENEFICIARY SERVICES

Subtitle A—Improvement of Medicare Coverage and Appeals Process

Sec. 201. Revisions to medicare appeals process.

Sec. 202. Provisions with respect to limitations on liability of beneficiaries.

Sec. 203. Waivers of liability for cost sharing amounts.

Subtitle B—Establishment of Medicare Ombudsman

Sec. 211. Establishment of Medicare Ombudsman for Beneficiary Assistance and Advocacy.

TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT

Subtitle A—Medicare+Choice Reforms

Sec. 301. Increase in national per capita Medicare+Choice growth percentage in 2001 and 2002.

Sec. 302. Permanently removing application of budget neutrality beginning in 2002.

Sec. 303. Increasing minimum payment amount.

Sec. 304. Allowing movement to 50:50 percent blend in 2002.

Sec. 305. Increased update for payment areas with only one or no Medicare+Choice contracts.

Sec. 306. Permitting higher negotiated rates in certain Medicare+Choice payment areas below national average.

Sec. 307. 10-year phase in of risk adjustment based on data from all settings.

Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals

Sec. 311. Preservation of coverage of drugs and biologicals under part B of the medicare program.

Sec. 312. Comprehensive immunosuppressive medicine coverage for transplant patients.

Subtitle C—Improvement of Certain Preventive Benefits

Sec. 321. Coverage of annual screening pap smear and pelvic exams.

TITLE IV—ADJUSTMENTS TO PAYMENT PROVISIONS OF THE BALANCED BUDGET ACT

Subtitle A—Payments for Inpatient Hospital Services

Sec. 401. Eliminating reduction in hospital market basket update for fiscal year 2001.

Sec. 402. Eliminating further reductions in indirect medical education (IME) for fiscal year 2001.

Sec. 403. Eliminating further reductions in disproportionate share hospital (DSH) payments.

Sec. 404. Increase base payment to Puerto Rico hospitals.

Subtitle B—Payments for Skilled Nursing Services

Sec. 411. Eliminating reduction in SNF market basket update for fiscal year 2001.

Sec. 412. Extension of moratorium on therapy caps.

Subtitle C—Payments for Home Health Services

Sec. 421. 1-year additional delay in application of 15 percent reduction on payment limits for home health services.

Sec. 422. Provision of full market basket update for home health services for fiscal year 2001.

Subtitle D—Rural Provider Provisions

Sec. 431. Elimination of reduction in hospital outpatient market basket increase.

Subtitle E—Other Providers

Sec. 441. Update in renal dialysis composite rate.

Subtitle F—Provision for Additional Adjustments

Sec. 451. Guarantee of additional adjustments to payments for providers from budget surplus.

**SEC. 2. FINDINGS.**

Congress makes the following findings:

(1) Prescription medicine coverage was not a standard part of health insurance when the medicare program under title XVIII of the Social Security Act was enacted in 1965. Since 1965, however, medicine coverage has become a key component of most private and public health insurance coverage, except for the medicare program.

(2) At least ⅔ of medicare beneficiaries have unreliable, inadequate, or no medicine coverage at all.

(3) Seniors who do not have medicine coverage typically pay, at a minimum, 15 percent more than people with coverage.

(4) Medicare beneficiaries at all income levels lack prescription medicine coverage, with more than ½ of such beneficiaries having incomes greater than 150 percent of the poverty line.

(5) The number of private firms offering retiree health coverage is declining.

(6) Medigap premiums for medicines are too expensive for most beneficiaries and are highest for older senior citizens, who need prescription medicine coverage the most and typically have the lowest incomes.

(7) While the management of a medicare prescription medicine benefit program should mirror the practices employed by benefit administrators in delivering prescription medicines, the Secretary of Health and Human Services should oversee that program to assure that a guaranteed and defined prescription drug benefit is provided to all medicare beneficiaries.

(8) All medicare beneficiaries should have access to a voluntary, reliable, affordable, dependable, and defined outpatient medicine benefit as part of the medicare program that assists with the high cost of prescription medicines and protects them against excessive out-of-pocket costs.

## TITLE I—MEDICARE PRESCRIPTION MEDICINE BENEFIT PROGRAM

### SEC. 101. ESTABLISHMENT OF THE MEDICARE PRESCRIPTION MEDICINE BENEFIT PROGRAM.

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended—

(1) by redesignating part D as part E; and

(2) by inserting after part C the following new part:

''PART D—PRESCRIPTION MEDICINE BENEFIT FOR THE AGED AND DISABLED

''ESTABLISHMENT OF DEFINED PRESCRIPTION MEDICINE BENEFIT PROGRAM FOR THE AGED AND DISABLED UNDER THE MEDICARE PROGRAM

''SEC. 1860. (a) IN GENERAL.—There is established as a part of the medicare program under this title a voluntary insurance program to provide defined prescription medicine benefits, including pharmacy services, in accordance with the provisions of this part for individuals who are aged or disabled or have end-stage renal disease and who voluntarily elect to enroll under such program, to be financed from premium payments by enrollees together with contributions from funds appropriated by the Federal Government.

''(b) NONINTERFERENCE BY THE SECRETARY.—In administering the prescription medicine benefit program established under this part, the Secretary may not—

''(1) require a particular formulary, institute a price structure for benefits, or in any way ration benefits;

''(2) interfere in any way with negotiations between benefit administrators and medicine manufacturers, or wholesalers; or

''(3) otherwise interfere with the competitive nature of providing a prescription medicine benefit using private benefit administrators, except as is required to guarantee coverage of the defined benefit.

''SCOPE OF DEFINED BENEFITS; COVERAGE OF ALL MEDICALLY NECESSARY PRESCRIPTION MEDICINES

''SEC. 1860A. (a) IN GENERAL.—The benefits provided to an individual enrolled in the insurance program under this part shall consist of—

''(1) payments made, in accordance with the provisions of this part, for covered prescription medicines (as specified in subsection (b)) dispensed by any pharmacy participating in the program under this part (and, in circumstances designated by the benefit administrator, by a nonparticipating pharmacy), including any specifically named medicine prescribed for the individual by a qualified health care professional regardless of whether the medicine is included in a formulary established by the benefit administrator if such medicine is certified as medically necessary by such health care professional (except that to the maximum extent possible the substitution and use of lower-cost generics shall be encouraged); and

''(2) charging by pharmacies of the negotiated discount price—

''(A) for all covered prescription medicines, without regard to such basic benefit limitation; and

''(B) established with respect to any drugs or classes of drugs described in subparagraphs (A), (B), (D), (E), or (F) of section 1927(d)(2) that are available to individuals receiving benefits under this title.

''(b) COVERED PRESCRIPTION MEDICINES.—

''(1) IN GENERAL.—Covered prescription medicines, for purposes of this part, include all prescription medicines (as defined in section 1860J(1)), including smoking cessation agents, except as otherwise provided in this subsection.

''(2) EXCLUSIONS FROM COVERAGE.—Covered prescription medicines shall not include drugs or classes of drugs described in subparagraphs (A) through (D) and (F) through (H) of section 1927(d)(2) unless—

''(A) specifically provided otherwise by the Secretary with respect to a drug in any of such classes; or

''(B) a drug in any of such classes is certified to be medically necessary by a health care professional.

''(3) NONDUPLICATION OF PRESCRIPTION MEDICINES COVERED UNDER PART A OR B.—A medicine prescribed for an individual that would otherwise be a covered prescription medicine under this part shall not be so considered to the extent that payment for such medicine is available under part A or B (including all injectable drugs and biologicals for which payment was made or should have been made by a carrier under section 1861(s)(2) (A) or (B) as of the date of enactment of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000). Medicines otherwise covered under part A or B shall be covered under this part to the extent that benefits under part A or B are exhausted.

''(4) STUDY ON INCLUSION OF HOME INFUSION THERAPY SERVICES.—Not later than one year after the date of the enactment of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000, the Secretary shall submit to Congress a legislative proposal for the delivery of home infusion therapy services under this title and for a system of payment for such a benefit that coordinates items and services furnished under part B and under this part.

''PAYMENT OF DEFINED BASIC AND CATASTROPHIC BENEFITS

''SEC. 1860B. (a) PAYMENT OF BENEFITS.—There shall be paid from the Prescription Medicine Insurance Account within the Supplementary Medical Insurance Trust Fund, in the case of each individual who is enrolled in the insurance program under this part and who purchases covered prescription medicines in a calendar year, the sum of the benefit amounts under subsections (b) and (c).

''(b) BASIC BENEFIT.—

''(1) IN GENERAL.—An amount (not exceeding 50 percent of the annual limitation under paragraph (3)) equal to the applicable government percentage (specified in paragraph (2)) of the negotiated price for each such covered prescription medicine or such higher percentage as is proposed under section 1860G(d)(9).

''(2) APPLICABLE GOVERNMENT PERCENTAGE.—The applicable government percentage specified in this paragraph is 50 percent or such higher percentage as may be proposed under section 1860G(d)(9), if the Secretary finds that such higher percentage will not increase aggregate costs to the Prescription Medicine Insurance Account.

''(3) ANNUAL LIMITATION IN BASIC BENEFIT.—

''(A) FOR 2003 THROUGH 2009.—For purposes of the basic benefit described in paragraph (1), the annual limitation under this paragraph is—

''(i) $2,000 for each of 2003 and 2004;

''(ii) $3,000 for each of 2005 and 2006;

''(iii) $4,000 for each of 2007 and 2008; and

''(iv) $5,000 for 2009.

''(B) FOR 2010 AND SUBSEQUENT YEARS.—For purposes of paragraph (1), the annual limitation under this paragraph for 2010 and each subsequent year is equal to the limitation for the preceding year adjusted by the annual percentage increase in average per capita aggregate expenditures for covered outpatient medicines in the United States for medicare beneficiaries, as estimated by the Secretary. Any amount determined under this subparagraph that is not a multiple of $10 shall be rounded to the nearest multiple of $10.

''(c) CATASTROPHIC BENEFIT.—

''(1) FOR 2003.—In the case of and with respect to out-of-pocket expenditures, the amount of such expenditures that exceeds the catastrophic benefit level established by the Secretary under paragraph (2) and increased in subsequent years by the annual percentage increase under paragraph (3).

''(2) ESTABLISHMENT OF CATASTROPHIC BENEFIT LEVEL.—The Chief Actuary shall estimate, over each five-year period, beginning with 2003, the amount of savings to the program under this title attributable to the operation of section 103 of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000. Based on such estimates, the Secretary shall establish the catastrophic benefit level in a manner so that the aggregate amount of expenditures under this paragraph does not exceed the aggregate amount of such savings, except that in 2003 and each year thereafter, the catastrophic benefit level may not be greater than $4,000, as adjusted under paragraph (3).

''(3) INDEXING FOR OUTYEARS.—For a year beginning after 2003, the catastrophic benefit level shall be increased by annual percentage increase determined for the year involved under subsection (b)(3)(B).

''ELIGIBILITY AND ENROLLMENT

''SEC. 1860C. (a) ELIGIBILITY.—Every individual who, in or after 2003, is entitled to hospital insurance benefits under part A or enrolled in the medical insurance program under part B is eligible to enroll in the insurance program under this part, during an enrollment period prescribed in or under this section, in such manner and form as may be prescribed by regulations.

''(b) ENROLLMENT.—

''(1) IN GENERAL.—Each individual who satisfies subsection (a) shall be enrolled (or eligible to enroll) in the program under this part in accordance with the provisions of section 1837, as if that section applied to this part, except as otherwise explicitly provided in this part.

''(2) SINGLE ENROLLMENT PERIOD.—Except as provided in section 1837(i) (as such section applies to this part), 1860E (relating to loss of coverage under the medicaid program), or 1860H(e) (relating to loss of employer or union coverage), or as otherwise explicitly provided, no individual shall be entitled to enroll in the program under this part at any time after the initial enrollment period without penalty, and in the case of all other late enrollments, the Secretary shall develop a late enrollment penalty for the individual that fully recovers the additional actuarial risk involved in providing coverage for the individual.

''(3) SPECIAL ENROLLMENT PERIOD IN 2003.—

''(A) IN GENERAL.—An individual who first satisfies subsection (a) in 2003 may, at any time on or before December 31, 2003—

''(i) enroll in the program under this part; and

''(ii) enroll or reenroll in such program after having previously declined or terminated enrollment in such program.

''(B) EFFECTIVE DATE OF COVERAGE.—An individual who enrolls under the program under this part pursuant to subparagraph (A) shall be entitled to benefits under this part beginning on the first day of the month following the month in which such enrollment occurs.

''(c) PERIOD OF COVERAGE.—

''(1) IN GENERAL.—Except as otherwise provided in this part, an individual's coverage under the program under this part shall be effective for the period provided in section 1838, as if that section applied to the program under this part.

''(2) PART D COVERAGE TERMINATED BY TERMINATION OF COVERAGE UNDER PARTS A AND B.—In addition to the causes of termination specified in section 1838, an individual's coverage under this part shall be terminated when the individual retains coverage under neither the program under part A nor the program under part B, effective on the effective date of termination of coverage under part A or (if later) under part B.

''MONTHLY PREMIUM; INITIAL $25 PREMIUM

''SEC. 1860D. (a) ANNUAL ESTABLISHMENT OF GUARANTEED SINGLE RATE FOR ALL PARTICIPATING BENEFICIARIES.—

''(1) $25 MONTHLY PREMIUM RATE IN 2003.—The monthly premium rate in 2003 for prescription medicine benefits under this part is $25.

''(2) PREMIUM RATES IN SUBSEQUENT YEARS.—

''(A) IN GENERAL.—The Secretary shall, during September of 2003 and of each succeeding year, determine and promulgate a monthly premium rate for the succeeding year in accordance with the provisions of this paragraph.

''(B) DETERMINATION OF ANNUAL BENEFIT COSTS.—The Secretary shall estimate annually for the succeeding year the amount equal to the total of the benefits (but not including catastrophic benefits under section 1860B(c)) that will be payable from the Prescription Medicine Insurance Account for prescription medicines dispensed in such calendar year with respect to enrollees in the program under this part. In calculating such amount, the Secretary shall include an appropriate amount for a contingency margin.

''(C) DETERMINATION OF MONTHLY PREMIUM RATES.—

''(i) IN GENERAL.—The Secretary shall determine the monthly premium rate with respect to such enrollees for such succeeding year, which shall be 1/12 of the share specified in clause (ii) of the amount determined under subparagraph (B), divided by the total number of such enrollees, and rounded (if such rate is not a multiple of 10 cents) to the nearest multiple of 10 cents.

''(ii) ENROLLEE AND EMPLOYER PERCENTAGE SHARES.—The share specified in this clause, for purposes of clause (i), shall be—

''(I) one-half, in the case of premiums paid by an individual enrolled in the program under this part; and

''(II) two-thirds, in the case of premiums paid for such an individual by a former employer (as defined in section 1860H(f)(2)).

''(D) PUBLICATION OF ASSUMPTIONS.—The Secretary shall publish, together with the promulgation of the monthly premium rates for the succeeding year, a statement setting forth the actuarial assumptions and bases employed in arriving at the amounts and rates determined under this paragraph.

''(b) PAYMENT OF PREMIUMS.—

''(1) GENERALLY THROUGH DEDUCTION FROM SOCIAL SECURITY, RAILROAD RETIREMENT BENEFITS, OR BENEFITS ADMINISTERED BY OPM.—

''(A) IN GENERAL.—In the case of an individual who is entitled to or receiving benefits as described in subsection (a), (b), or (d) of section 1840, premiums payable under this part shall be collected by deduction from such benefits at the same time and in the same manner as premiums payable under part B are collected pursuant to section 1840.

''(B) TRANSFERS OF DEDUCTION TO ACCOUNT.—The Secretary of the Treasury shall, from time to time, but not less often than quarterly, transfer premiums collected pursuant to subparagraph (A) to the Prescription Medicine Insurance Account from the appropriate funds and accounts described in subsections (a)(2), (b)(2), and (d)(2) of section 1840, on the basis of the certifications described in such subsections. The amounts of such transfers shall be appropriately adjusted to the extent that prior transfers were too great or too small.

''(2) OTHERWISE THROUGH DIRECT PAYMENTS BY ENROLLEE TO SECRETARY.—

''(A) IN THE CASE OF INADEQUATE DEDUCTION.—An individual to whom paragraph (1) applies (other than an individual receiving benefits as described in section 1840(d)) and who estimates that the amount that will be available for deduction under such paragraph for any premium payment period will be less than the amount of the monthly premiums for such period may (under regulations) pay to the Secretary the estimated balance, or such greater portion of the monthly premium as the individual chooses.

''(B) OTHER CASES.—An individual enrolled in the insurance program under this part with respect to whom none of the preceding provisions of this subsection applies (or to whom section 1840(c) applies) shall pay premiums to the Secretary at such times and in such manner as the Secretary shall by regulations prescribe.

''(C) DEPOSIT OF PREMIUMS IN ACCOUNT.—Amounts paid to the Secretary under this paragraph shall be deposited in the Treasury to the credit of the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund.

''(c) CERTAIN LOW-INCOME INDIVIDUALS.—For rules concerning premiums for certain low-income individuals, see section 1860E.

''PRESCRIPTION MEDICINE INSURANCE ACCOUNT

''SEC. 1860F. (a) ESTABLISHMENT.—There is created within the Federal Supplemental Medical Insurance Trust Fund established by section 1841 an account to be known as the 'Prescription Medicine Insurance Account' (in this section referred to as the 'Account').

''(b) AMOUNTS IN ACCOUNT.—

''(1) IN GENERAL.—The Account shall consist of—

''(A) such amounts as may be deposited in, or appropriated to, such fund as provided in this part; and

''(B) such gifts and bequests as may be made as provided in section 201(i)(1).

''(2) SEPARATION OF FUNDS.—Funds provided under this part to the Account shall be kept separate from all other funds within the Federal Supplemental Medical Insurance Trust Fund.

''(c) PAYMENTS FROM ACCOUNT.—

''(1) IN GENERAL.—The Managing Trustee shall pay from time to time from the Account such amounts, subject to appropriations, as the Secretary certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g).

''(2) TREATMENT IN RELATION TO PART B PREMIUM.—Amounts payable from the Account shall not be taken into account in computing actuarial rates or premium amounts under section 1839.

''ADMINISTRATION OF BENEFITS

''SEC. 1860G. (a) ADMINISTRATION.—

''(1) USE OF PRIVATE BENEFIT ADMINISTRATORS AS PROVIDED FOR UNDER PARTS A AND B.—The Secretary shall provide for administration of the benefits under this part through a contract with a private benefit administrator designated in accordance with subsection (c), for enrolled individuals residing in each service area designated pursuant to subsection (b) (other than such individuals enrolled in a Medicare+Choice program under part C), in accordance with the provisions of this section.

''(2) GUARANTEE OF PROGRAM ADMINISTRATION.—In the case of a service area in which no private benefit administrator has entered into a contract with the Secretary under paragraph (1) for the administration of this part, the Secretary shall seek to enter into a contract with a fiscal intermediary under part A (with a contract under section 1816) or a carrier under part B (with a contract under section 1842) to administer this part in that service area in accordance with the provisions of subsection (d). If the Secretary is unable to enter into such a contract for that service area, the Secretary shall provide for the administration of this part in that service area in accordance with the provisions of subsection (d) through another benefit administrator.

''(b) DESIGNATION OF GEOGRAPHIC SERVICE AREAS.—

''(1) IN GENERAL.—The Secretary shall divide the total geographic area served by the programs under this title into an appropriate number of service areas for purposes of administration of benefits under this part.

''(2) CONSIDERATIONS IN DETERMINING SERVICE AREAS.—In determining or adjusting the number and boundaries of service areas under this subsection, the Secretary shall seek to ensure that—

''(A) there is a reasonable level of competition among entities eligible to contract to administer the benefit program under this section for each area; and

''(B) the designation of areas is consistent with the goal of securing contracts under this section that use the volume purchasing power of enrollees to obtain the same or similar type of prescription medicine discounts as are afforded favored, large purchasers.

''(c) DESIGNATION OF BENEFIT ADMINISTRATOR.—

''(1) AWARD AND DURATION OF CONTRACT.—

''(A) COMPETITIVE AWARD.—Each contract for a service area shall be awarded competitively in accordance with section 5 of title 41, United States Code, for a period (subject to subparagraph (B)) of not less than 2 nor more than 5 years.

''(B) REVIEW.—A contract for a service area shall be subject to an evaluation after a year and termination for cause.

''(2) ELIGIBLE BENEFIT ADMINISTRATORS.—An entity shall not be eligible for consideration as a benefit administrator responsible for administering the prescription medicine benefit program under this part in a service area unless it meets at least the following criteria:

''(A) TYPE OF ENTITY.—The entity shall be capable of administering a prescription medicine benefit program, and may be a prescription medicine vendor, wholesale and retail pharmacy delivery system, health care provider or insurer, any other type of entity as the Secretary may specify, or a consortium of such entities.

''(B) PERFORMANCE CAPABILITY.—The entity shall have sufficient expertise, personnel, and resources to perform effectively the benefit administration functions for such area.

''(C) FINANCIAL INTEGRITY.—The entity and its officers, directors, agents, and managing employees shall have a satisfactory record of professional competence and professional and financial integrity, and the entity shall have adequate financial resources to perform services under the contract without risk of insolvency.

''(3) PROPOSAL REQUIREMENTS.—

''(A) IN GENERAL.—An entity's proposal for award or renewal of a contract under this section shall include such material and information as the Secretary may require.

''(B) SPECIFIC INFORMATION.—A proposal described in subparagraph (A) shall—

''(i) include a detailed description of—

''(I) the schedule of negotiated prices that will be charged to enrollees;

''(II) how the entity will deter medical errors that are related to prescription medicines; and

''(III) proposed contracts with local pharmacy providers designed to ensure access, including compensation for local pharmacists' services;

''(ii) be accompanied by such information as the Secretary may require on the entity's past performance; and

''(iii) disclose ownership and shared financial interests with other entities involved in the delivery of the benefit as proposed.

''(4) CRITERIA FOR COMPETITIVE SELECTION.—In awarding a contract competitively, the Secretary shall consider the comparative merits of each of the applications by eligible entities, as determined on the basis of the entities' past performance and other relevant factors, with respect to the following:

''(A) the estimated total cost of the contract, taking into consideration the entity's proposed fees and price and cost estimates, as evaluated and adjusted by the Secretary in accordance with the provisions of the Federal Acquisition Regulation concerning contracting by negotiation;

''(B) prior experience in administering a type of health insurance program;

''(C) effectiveness in containing costs through obtaining discounts from manufacturers, pricing incentives, utilization management, and drug utilization review;

''(D) the quality and efficiency of benefit management services with respect to such matters as claims processing and benefits coordination; record-keeping and reporting; maintenance of medical records confidentiality; and drug utilization review, patient information, customer satisfaction, and other activities supporting quality of care; and

''(E) such other factors as the Secretary deems necessary to evaluate the merits of each application.

''(5) FLEXIBILITY IN SECURING BEST BENEFIT ADMINISTRATOR.—In awarding contracts under this subsection, the Secretary may waive conflict of interest rules generally applicable to Federal acquisitions (subject to such safeguards as the Secretary may find necessary to impose) in circumstances where the Secretary finds that such waiver—

''(A) is not inconsistent with the purposes of the programs under this title and the best interests of enrolled individuals; and

''(B) will permit a sufficient level of competition for such contracts, promote efficiency of benefits administration, or otherwise serve the objectives of the program under this part.

If the Secretary waives such rules, the Secretary shall establish a special monitoring program to ensure that beneficiaries served by the benefit administrator have access to all necessary pharmaceuticals as prescribed.

''(6) MAXIMIZING COMPETITION AND SAVINGS.—In awarding contracts under this section, the Secretary shall give consideration to the need to maintain sufficient numbers of entities eligible and willing to administer benefits under this part to ensure vigorous competition for such contracts, while also giving consideration to the need for a benefit administrator to have sufficient purchasing power to obtain appropriate cost savings.

''(d) FUNCTIONS OF BENEFIT ADMINISTRATOR.—A benefit administrator for a service area shall (or in the case of the function described in paragraph (9), may) perform the following functions:

''(1) PARTICIPATION AGREEMENTS, PRICES, AND FEES.—

''(A) PRIVATELY NEGOTIATED PRICES.—Each benefit administrator shall establish, through negotiations with medicine manufacturers and wholesalers and pharmacies, a schedule of prices for covered prescription medicines.

''(B) AGREEMENTS WITH ANY WILLING PHARMACY.—Each benefit administrator shall enter into participation agreements under subsection (e) with any willing pharmacy, that include terms that—

''(i) secure the participation of sufficient numbers of pharmacies to ensure convenient access (including adequate emergency access);

''(ii) permit the participation of any willing pharmacy in the service area that meets the participation requirements described in subsection (e); and

''(iii) allow for reasonable dispensing and consultation fees for pharmacies.

''(C) LISTS OF PRICES AND PARTICIPATING PHARMACIES.—Each benefit administrator shall ensure that the negotiated prices established under subparagraph (A) and the list of pharmacies with agreements under subsection (e) are regularly updated and readily available in the service area to health care professionals authorized to prescribe medicines, participating pharmacies, and enrolled individuals.

''(2) TRACKING OF COVERED ENROLLED INDIVIDUALS.—In coordination with the Secretary, each benefit administrator shall maintain accurate, updated records of all enrolled individuals residing in the service area (other than individuals enrolled in a plan under part C).

''(3) PAYMENT AND COORDINATION OF BENEFITS.—

''(A) PAYMENT.—Each benefit administrator shall—

''(i) administer claims for payment of benefits under this part and encourage, to the maximum extent possible, use of electronic means for the submissions of claims;

''(ii) determine amounts of benefit payments to be made; and

''(iii) receive, disburse, and account for funds used in making such payments, including through the activities specified in the provisions of this paragraph.

''(B) COORDINATION.—Each benefit administrator shall coordinate with the Secretary, other benefit administrators, pharmacies, and other relevant entities as necessary to ensure appropriate coordination of benefits with respect to enrolled individuals, including coordination of access to and payment for covered prescription medicines according to an individual's in-service area plan provisions, when such individual is traveling outside the home service area, and under such other circumstances as the Secretary may specify.

''(C) EXPLANATION OF BENEFITS.—Each benefit administrator shall furnish to enrolled individuals an explanation of benefits in accordance with section 1806(a), and a notice of the balance of benefits remaining for the current year, whenever prescription medicine benefits are provided under this part (except that such notice need not be provided more often than monthly).

''(4) REQUIREMENTS WITH RESPECT TO FORMULARIES.—If a benefit administrator uses a formulary to contain costs under this part, the benefit administrator shall—

''(A) use a pharmacy and therapeutics committee comprised of licensed practicing physicians, pharmacists, and other health care practitioners to develop and manage the formulary;

''(B) include in the formulary at least 1 medicine from each therapeutic class and, if available, a generic equivalent thereof; and

''(C) disclose to current and prospective enrollees and to participating providers and pharmacies in the service area, the nature of the formulary restrictions, including information regarding the medicines included in the formulary and any difference in cost-sharing amounts.

''(5) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE.—Each benefit administrator shall have in place effective cost and utilization management, drug utilization review, quality assurance measures, and systems to reduce medical errors, including at least the following, together with such additional measures as the Secretary may specify:

''(A) DRUG UTILIZATION REVIEW.—A drug utilization review program conforming to the standards provided in section 1927(g)(2) (with such modifications as the Secretary finds appropriate).

''(B) FRAUD AND ABUSE CONTROL.—Activities to control fraud, abuse, and waste, including prevention of diversion of pharmaceuticals to the illegal market.

''(C) MEDICATION THERAPY MANAGEMENT.—

''(i) IN GENERAL.—A program of medicine therapy management and medication administration that is designed to assure that covered outpatient medicines are appropriately used to achieve therapeutic goals and reduce the risk of adverse events, including adverse drug interactions.

''(ii) ELEMENTS OF MEDICATION THERAPY MANAGEMENT.—Such program may include—

''(I) enhanced beneficiary understanding of such appropriate use through beneficiary education, counseling, and other appropriate means; and

''(II) increased beneficiary adherence with prescription medication regimens through medication refill reminders, special packaging, and other appropriate means.

''(iii) DEVELOPMENT OF PROGRAM IN COOPERATION WITH LICENSED PHARMACISTS.—The program shall be developed in cooperation with licensed pharmacists and physicians.

''(iv) CONSIDERATIONS IN PHARMACY FEES.—The benefit administrators shall take into account, in establishing fees for pharmacists and others providing services under the medication therapy management program, the resources and time used in implementing the program.

''(6) EDUCATION AND INFORMATION ACTIVITIES.—Each benefit administrator shall have in place mechanisms for disseminating educational and informational materials to enrolled individuals and health care providers designed to encourage effective and cost-effective use of prescription medicine benefits and to ensure that enrolled individuals understand their rights and obligations under the program.

''(7) BENEFICIARY PROTECTIONS.—

''(A) CONFIDENTIALITY OF HEALTH INFORMATION.—Each benefit administrator shall have in effect systems to safeguard the confidentiality of health care information on enrolled individuals, which comply with section 1106 and with section 552a of title 5, United States Code, and meet such additional standards as the Secretary may prescribe.

''(B) GRIEVANCE AND APPEAL PROCEDURES.—Each benefit administrator shall have in place such procedures as the Secretary may specify for hearing and resolving grievances and appeals, including expedited appeals, brought by enrolled individuals against the benefit administrator or a pharmacy concerning benefits under this part, which shall include procedures equivalent to those specified in subsections (f) and (g) of section 1852.

''(8) RECORDS, REPORTS, AND AUDITS OF BENEFIT ADMINISTRATORS.—

''(A) RECORDS AND AUDITS.—Each benefit administrator shall maintain adequate records, and afford the Secretary access to such records (including for audit purposes).

''(B) REPORTS.—Each benefit administrator shall make such reports and submissions of financial and utilization data as the Secretary may require taking into account standard commercial practices.

''(9) PROPOSAL FOR ALTERNATIVE COINSURANCE AMOUNT.—

''(A) SUBMISSION.—Each benefit administrator may submit a proposal for decreased beneficiary cost-sharing for generic prescription medicines, prescription medicines on the benefit administrator's formulary, or prescription medicines obtained through mail order pharmacies.

''(B) CONTENTS.—The proposal submitted under subparagraph (A) shall contain evidence that such decreased cost-sharing would not result in an increase in aggregate costs to the Account, including an analysis of differences in projected drug utilization patterns by beneficiaries whose cost-sharing would be reduced under the proposal and those making the cost-sharing payments that would otherwise apply.

''(10) OTHER REQUIREMENTS.—Each benefit administrator shall meet such other requirements as the Secretary may specify.

''(e) PHARMACY PARTICIPATION AGREEMENTS.—

''(1) IN GENERAL.—A pharmacy that meets the requirements of this subsection shall be eligible to enter an agreement with a benefit administrator to furnish covered prescription medicines and pharmacists' services to enrolled individuals residing in the service area.

''(2) TERMS OF AGREEMENT.—An agreement under this subsection shall include the following terms and requirements:

''(A) LICENSING.—The pharmacy and pharmacists shall meet (and throughout the contract period will continue to meet) all applicable State and local licensing requirements.

''(B) LIMITATION ON CHARGES.—Pharmacies participating under this part shall not charge an enrolled individual more than the negotiated price for an individual medicine as established under subsection (d)(1), regardless of whether such individual has attained the basic benefit limitation under section 1860B(b)(3), and shall not charge an enrolled individual more than the individual's share of the negotiated price as determined under the provisions of this part.

''(C) PERFORMANCE STANDARDS.—The pharmacy and the pharmacist shall comply with performance standards relating to—

''(i) measures for quality assurance, reduction of medical errors, and participation in the drug utilization review program described in subsection (d)(3)(A);

''(ii) systems to ensure compliance with the confidentiality standards applicable under subsection (d)(5)(A); and

''(iii) other requirements as the Secretary may impose to ensure integrity, efficiency, and the quality of the program.

''(D) DISCLOSURE OF PRICE OF GENERIC MEDICINE.—A pharmacy participating under this part that dispenses a prescription medicine to a medicare beneficiary enrolled under this part shall inform the beneficiary at the time of purchase of the drug of any differential between the price of the prescribed drug to the enrollee and the price of the lowest cost generic drug that is therapeutically and pharmaceutically equivalent and bioequivalent.

''(f) FLEXIBILITY IN ASSIGNING WORKLOAD AMONG BENEFIT ADMINISTRATORS.—During the period after the Secretary has given notice of intent to terminate a contract with a benefit administrator, the Secretary may transfer responsibilities of the benefit administrator under such contract to another benefit administrator.

''(g) GUARANTEED ACCESS TO MEDICINES IN RURAL AND HARD-TO-SERVE AREAS.—

''(1) IN GENERAL.—The Secretary shall ensure that all beneficiaries have guaranteed access to the full range of pharmaceuticals under this part, and shall give special attention to access, pharmacist counseling, and delivery in rural and hard-to-serve areas, including through the use of incentives such as bonus payments to retail pharmacists in rural areas and extra payments to the benefit administrator for the cost of rapid delivery of pharmaceuticals, and any other actions necessary.

''(2) GAO REPORT.—Not later than 2 years after the implementation of this part the Comptroller General of the United States shall submit to Congress a report on the access of medicare beneficiaries to pharmaceuticals and pharmacists' services in rural and hard-to-serve areas under this part together with any recommendations of the Comptroller General regarding any additional steps the Secretary may need to take to ensure the access of medicare beneficiaries to pharmaceuticals and pharmacists' services in such areas under this part.

''(h) INCENTIVES FOR COST AND UTILIZATION MANAGEMENT AND QUALITY IMPROVEMENT.—The Secretary is authorized to include in a contract awarded under subsection (c) such incentives for cost and utilization management and quality improvement as the Secretary may deem appropriate, including—

''(1) bonus and penalty incentives to encourage administrative efficiency;

''(2) incentives under which benefit administrators share in any benefit savings achieved;

''(3) financial incentives under which savings derived from the substitution of generic medicines in lieu of non-generic medicines are made available to beneficiaries enrolled under this part, benefit administrators, pharmacies, and the Prescription Medicine Insurance Account; and

''(4) any other incentive that the Secretary deems appropriate and likely to be effective in managing costs or utilization.

''INCENTIVE PROGRAM TO ENCOURAGE EMPLOYERS TO CONTINUE COVERAGE

''SEC. 1860H. (a) PROGRAM AUTHORITY.—The Secretary shall develop and implement a program under this section called the 'Employer Incentive Program' that encourages employers and other sponsors of employment-based health care coverage to provide adequate prescription medicine benefits to retired individuals and to maintain such existing benefit programs, by subsidizing, in part, the cost of providing coverage under qualifying plans.

''(b) SPONSOR REQUIREMENTS.—In order to be eligible to receive an incentive payment under this section with respect to coverage of an individual under a qualified retiree prescription medicine plan (as defined in subsection (f)(3)), a sponsor shall meet the following requirements:

''(1) ASSURANCES.—The sponsor shall—

''(A) annually attest, and provide such assurances as the Secretary may require, that the coverage offered by the sponsor is a qualified retiree prescription medicine plan, and will remain such a plan for the duration of the sponsor's participation in the program under this section; and

''(B) guarantee that it will give notice to the Secretary and covered retirees—

''(i) at least 120 days before terminating its plan; and

''(ii) immediately upon determining that the actuarial value of the prescription medicine benefit under the plan falls below the actuarial value of the insurance benefit under this part.

''(2) OTHER REQUIREMENTS.—The sponsor shall provide such information, and comply with such requirements, including information requirements to ensure the integrity of the program, as the Secretary may find necessary to administer the program under this section.

''(c) INCENTIVE PAYMENT.—

''(1) IN GENERAL.—A sponsor that meets the requirements of subsection (b) with respect to a quarter in a calendar year shall have payment made by the Secretary on a quarterly basis to the appropriate employment-based health plan of an incentive payment, in the amount determined as described in paragraph (2), for each retired individual (or spouse) who—

''(A) was covered under the sponsor's qualified retiree prescription medicine plan during such quarter; and

''(B) was eligible for but was not enrolled in the insurance program under this part.

''(2) AMOUNT OF INCENTIVE.—The payment under this section with respect to each individual described in paragraph (1) for a month shall be equal to ⅔ of the monthly premium amount payable from the Prescription Medicine Insurance Account for an enrolled individual, as set for the calendar year pursuant to section 1860D(a)(2).

''(3) PAYMENT DATE.—The incentive under this section with respect to a calendar quarter shall be payable as of the end of the next succeeding calendar quarter.

''(d) CIVIL MONEY PENALTIES.—A sponsor, health plan, or other entity that the Secretary determines has, directly or through its agent, provided information in connection with a request for an incentive payment under this section that the entity knew or should have known to be false shall be subject to a civil monetary penalty in an amount up to 3 times the total incentive amounts under subsection (c) that were paid (or would have been payable) on the basis of such information.

''(e) PART D ENROLLMENT FOR INDIVIDUALS WHOSE EMPLOYMENT-BASED RETIREE HEALTH COVERAGE ENDS.—

''(1) ELIGIBLE INDIVIDUALS.—An individual shall be given the opportunity to enroll in the program under this part during the period specified in paragraph (2) if—

''(A) the individual declined enrollment in the program under this part at the time the individual first satisfied section 1860C(a);

''(B) at that time, the individual was covered under a qualified retiree prescription medicine plan for which an incentive payment was paid under this section; and

''(C)(i) the sponsor subsequently ceased to offer such plan; or

''(ii) the value of prescription medicine coverage under such plan became less than the value of the coverage under the program under this part.

''(2) SPECIAL ENROLLMENT PERIOD.—An individual described in paragraph (1) shall be eligible to enroll in the program under this part during the 6-month period beginning on the first day of the month in which—

''(A) the individual receives a notice that coverage under such plan has terminated (in the circumstance described in paragraph (1)(C)(i)) or notice that a claim has been denied because of such a termination; or

''(B) the individual received notice of the change in benefits (in the circumstance described in paragraph (1)(C)(ii)).

''(f) DEFINITIONS.—In this section:

''(1) EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.—The term 'employment-based retiree health coverage' means health insurance or other coverage of health care costs for retired individuals (or for such individuals and their spouses and dependents) based on their status as former employees or labor union members.

''(2) EMPLOYER.—The term 'employer' has the meaning given to such term by section 3(5) of the Employee Retirement Income Security Act of 1974 (except that such term shall include only employers of 2 or more employees).

''(3) QUALIFIED RETIREE PRESCRIPTION MEDICINE PLAN.—The term 'qualified retiree prescription medicine plan' means health insurance coverage included in employment-based retiree health coverage that—

''(A) provides coverage of the cost of prescription medicines whose actuarial value to each retired beneficiary equals or exceeds the actuarial value of the benefits provided to an individual enrolled in the program under this part; and

''(B) does not deny, limit, or condition the coverage or provision of prescription medicine benefits for retired individuals based on age or any health status-related factor described in section 2702(a)(1) of the Public Health Service Act.

''(4) SPONSOR.—The term 'sponsor' has the meaning given the term 'plan sponsor' by section 3(16)(B) of the Employee Retirement Income Security Act of 1974.

''APPROPRIATIONS TO COVER GOVERNMENT CONTRIBUTIONS

''SEC. 1860I. (a) IN GENERAL.—There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Prescription Medicine Insurance Account, a Government contribution equal to—

''(1) the aggregate premiums payable for a month pursuant to section 1860D(a)(2) by individuals enrolled in the program under this part; plus

''(2) one-half the aggregate premiums payable for a month pursuant to such section for such individuals by former employers; plus

''(3) the benefits payable by reason of the application of section 1860B(c) (relating to catastrophic benefits).

''(b) APPROPRIATIONS TO COVER INCENTIVES FOR EMPLOYMENT-BASED RETIREE MEDICINE COVERAGE.—There are authorized to be appropriated to the Prescription Medicine Insurance Account from time to time, out of any moneys in the Treasury not otherwise appropriated such sums as may be necessary for payment of incentive payments under section 1860H(c).

''DEFINITIONS

''SEC. 1860J. As used in this part—

''(1) the term 'prescription medicine' means—

''(A) a drug that may be dispensed only upon a prescription, and that is described in subparagraph (A)(i), (A)(ii), or (B) of section 1927(k)(2); and

''(B) insulin certified under section 506 of the Federal Food, Drug, and Cosmetic Act, and needles, syringes, and disposable pumps for the administration of such insulin; and

''(2) the term 'benefit administrator' means an entity which is providing for the administration of benefits under this part pursuant to 1860G.''.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO FEDERAL SUPPLEMENTARY HEALTH INSURANCE TRUST FUND.—Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—

(A) in the last sentence of subsection (a)—

(i) by striking ''and'' after ''section 201(i)(1)''; and

(ii) by inserting before the period the following: '', and such amounts as may be deposited in, or appropriated to, the Prescription Medicine Insurance Account established by section 1860F'';

(B) in subsection (g), by inserting after ''by this part,'' the following: ''the payments provided for under part D (in which case the payments shall come from the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund),'';

(C) in the first sentence of subsection (h), by inserting before the period the following: ''and section 1860D(b)(4) (in which case the payments shall come from the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund)''; and

(D) in the first sentence of subsection (i)—

(i) by striking ''and'' after ''section 1840(b)(1)''; and

(ii) by inserting before the period the following: '', section 1860D(b)(2) (in which case the payments shall come from the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund)''.

(2) PRESCRIPTION MEDICINE OPTION UNDER MEDICARE+CHOICE PLANS.—

(A) ELIGIBILITY, ELECTION, AND ENROLLMENT.—Section 1851 of the Social Security Act (42 U.S.C. 1395w–21) is amended—

(i) in subsection (a)(1)(A), by striking ''parts A and B'' inserting ''parts A, B, and D''; and

(ii) in subsection (i)(1), by striking ''parts A and B'' and inserting ''parts A, B, and D''.

(B) VOLUNTARY BENEFICIARY ENROLLMENT FOR MEDICINE COVERAGE.—Section 1852(a)(1)(A) of such Act (42 U.S.C. 1395w–22(a)(1)(A)) is amended by inserting ''(and under part D to individuals also enrolled under that part)'' after ''parts A and B''.

(C) ACCESS TO SERVICES.—Section 1852(d)(1) of such Act (42 U.S.C. 1395w–22(d)(1)) is amended—

(i) in subparagraph (D), by striking ''and'' at the end;

(ii) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(F) the plan for prescription medicine benefits under part D guarantees coverage of any specifically named covered prescription medicine for an enrollee, when prescribed by a physician in accordance with the provisions of such part, regardless of whether such medicine would otherwise be covered under an applicable formulary or discount arrangement.''.

(D) PAYMENTS TO ORGANIZATIONS.—Section 1853(a)(1)(A) of such Act (42 U.S.C. 1395w–23(a)(1)(A)) is amended—

(i) by inserting ''determined separately for benefits under parts A and B and under part D (for individuals enrolled under that part)'' after ''as calculated under subsection (c)'';

(ii) by striking ''that area, adjusted for such risk factors'' and inserting ''that area. In the case of payment for benefits under parts A and B, such payment shall be adjusted for such risk factors as''; and

(iii) by inserting before the last sentence the following: ''In the case of the payments for benefits under part D, such payment shall initially be adjusted for the risk factors of each enrollee as the Secretary determines to be feasible and appropriate. By 2006, the adjustments would be for the same risk factors applicable for benefits under parts A and B.''.

(E) CALCULATION OF ANNUAL MEDICARE +CHOICE CAPITATION RATES.—Section 1853(c) of such Act (42 U.S.C. 1395w–23(c)) is amended—

(i) in paragraph (1), in the matter preceding subparagraph (A), by inserting ''for benefits under parts A and B'' after ''capitation rate'';

(ii) in paragraph (6)(A), by striking ''rate of growth in expenditures under this title'' and inserting ''rate of growth in expenditures for benefits available under parts A and B''; and

(iii) by adding at the end the following new paragraph:

''(8) PAYMENT FOR PRESCRIPTION MEDICINES.—The Secretary shall determine a capitation rate for prescription medicines—

''(A) dispensed in 2003, which is based on the projected national per capita costs for prescription medicine benefits under part D and associated claims processing costs for beneficiaries under the original medicare fee-for-service program; and

''(B) dispensed in each subsequent year, which shall be equal to the rate for the previous year updated by the Secretary's estimate of the projected per capita rate of growth in expenditures under this title for prescription medicines for an individual enrolled under part D.''.

(F) LIMITATION ON ENROLLEE LIABILITY.—Section 1854(e) of such Act (42 U.S.C. 1395w–24(e)) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR PROVISION OF PART D BENEFITS.—In no event may a Medicare+Choice organization include as part of a plan for prescription medicine benefits under part D the following requirements:

''(A) NO DEDUCTIBLE; NO COINSURANCE GREATER THAN 50 PERCENT.—A requirement that an enrollee pay a deductible, or a coinsurance percentage that exceeds 50 percent.

''(B) MANDATORY INCLUSION OF CATASTROPHIC BENEFIT.—A requirement that the catastrophic benefit level under the plan be greater than such level established under section 1860B(c).''.

(G) REQUIREMENT FOR ADDITIONAL BENEFITS.—Section 1854(f)(1) of such Act (42 U.S.C. 1395w–24(f)(1)) is amended by adding at the end the following new sentence: ''Such determination shall be made separately for benefits under parts A and B and for prescription medicine benefits under part D.''.

(H) PROTECTIONS AGAINST FRAUD AND BENEFICIARY PROTECTIONS.—Section 1857(d) of such Act (42 U.S.C. 1395w–27(d)) is amended by adding at the end the following new paragraph:

''(6) AVAILABILITY OF NEGOTIATED PRICES.—Each contract under this section shall provide that enrollees who exhaust prescription medicine benefits under the plan will continue to have access to prescription medicines at negotiated prices equivalent to the total combined cost of such medicines to the plan and the enrollee prior to such exhaustion of benefits.''.

(3) EXCLUSIONS FROM COVERAGE.—

(A) APPLICATION TO PART D.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended in the matter preceding paragraph (1) by striking ''part A or part B'' and inserting ''part A, B, or D''.

(B) PRESCRIPTION MEDICINES NOT EXCLUDED FROM COVERAGE IF APPROPRIATELY PRESCRIBED.—Section 1862(a)(1) of such Act (42 U.S.C. 1395y(a)(1)) is amended—

(i) in subparagraph (H), by striking ''and'' at the end;

(ii) in subparagraph (I), by striking the semicolon at the end and inserting '', and''; and

(iii) by adding at the end the following new subparagraph:

''(J) in the case of prescription medicines covered under part D, which are not prescribed in accordance with such part;''.

**SEC. 102. MEDICAID BUY-IN OF MEDICARE PRESCRIPTION MEDICINE COVERAGE FOR CERTAIN LOW-INCOME INDIVIDUALS.**

(a) STATE OPTION TO BUY-IN DUALLY ELIGIBLE INDIVIDUALS.—

(1) COVERAGE OF PREMIUMS AS MEDICAL ASSISTANCE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d) is amended in the second sentence of the flush matter at the end by striking ''premiums under part B'' the first place it appears and inserting ''premiums under parts B and D''.

(2) STATE COMMITMENT TO CONTINUE PARTICIPATION IN PART D AFTER BENEFIT LIMIT EXCEEDED.—Section 1902(a) of such Act (42 U.S.C. 1396a) is amended—

(A) by striking ''and'' at the end of paragraph (64);

(B) by striking the period at the end of paragraph (65)(B) and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(66) provide that in the case of any individual whose eligibility for medical assistance is not limited to medicare or medicare medicine cost-sharing and for whom the State elects to pay premiums under part D of title XVIII pursuant to section 1860E, the State will purchase all prescription medicines for such individual in accordance with the provisions of such part D, without regard to whether the basic benefit limitation for such individual under section 1860B(b)(3) has been reached.''.

(b) GOVERNMENT PAYMENT OF MEDICARE MEDICINE COST-SHARING REQUIRED FOR QUALIFIED MEDICARE BENEFICIARIES.—Section 1905(p)(3) of the Social Security Act (42 U.S.C. 1396d(p)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking ''and'' at the end;

(B) in clause (ii), by inserting ''and'' at the end; and

(C) by adding at the end the following new clause:

''(iii) premiums under section 1860D.''; and

(2) in subparagraph (D)—

(A) by inserting ''(i)'' after ''(D)''; and

(B) by adding at the end the following:

''(ii) PART D COST-SHARING.—The difference between the amount that is paid under section 1860B and the amount that would be paid under such section if any reference to '50 percent' therein were deemed a reference to '100 percent' (or, if the Secretary approves a higher percentage under such section, if such percentage were deemed to be 100 percent).''.

(c) GOVERNMENT PAYMENT OF MEDICARE MEDICINE COST-SHARING REQUIRED FOR MEDICARE BENEFICIARIES WITH INCOMES BETWEEN 100 AND 150 PERCENT OF POVERTY LINE.—

(1) STATE PLAN REQUIREMENT.—Section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)) is amended—

(A) in clause (iii), by striking ''and'' at the end; and

(B) by adding at the end the following new clause:

''(v) for making medical assistance available for medicare medicine cost-sharing (as defined in section 1905(x)(2)) for qualified medicare medicine beneficiaries described in section 1905(x)(1); and''.

(2) 100 PERCENT FEDERAL MATCHING OF STATE MEDICAL ASSISTANCE COSTS FOR MEDICARE MEDICINE COST-SHARING.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

''(7) except in the case of amounts expended for an individual whose eligibility for medical assistance is not limited to medicare or medicare medicine cost-sharing, an amount equal to 100 percent of amounts as expended as medicare medicine cost-sharing for qualified medicare medicine beneficiaries (as defined in section 1905(x)); plus''.

(3) ADDITIONAL FUNDS FOR MEDICARE MEDICINE COST-SHARING IN TERRITORIES.—Section 1108 of the Social Security Act (42 U.S.C. 1308) is amended—

(A) in subsection (f), by striking ''subsection (g),'' and inserting ''subsections (g) and (h)''; and

(B) by adding at the end the following new subsection:

''(h) ADDITIONAL MEDICAID PAYMENTS TO TERRITORIES FOR MEDICARE MEDICINE COST-SHARING.—.

''(1) IN GENERAL.—In the case of a territory that develops and implements a plan described in paragraph (2) (for providing medical assistance with respect to the provision of prescription drugs to medicare beneficiaries), the amount otherwise determined under subsection (f) (as increased under subsection (g)) for the State shall be increased by the amount specified in paragraph (3).

''(2) PLAN.—The plan described in this paragraph is a plan that—

''(A) provides medical assistance with respect to the provision of some or all medicare medicine cost sharing (as defined in section 1905(x)(2)) to low-income medicare beneficiaries; and

''(B) assures that additional amounts received by the State that are attributable to the operation of this subsection are used only for such assistance.

''(3) INCREASED AMOUNT.—

''(A) IN GENERAL.—The amount specified in this paragraph for a State for a year is equal to the product of—

''(i) the aggregate amount specified in subparagraph (B); and

''(ii) the amount specified in subsection (g)(1) for that State, divided by the sum of the amounts specified in such section for all such States.

''(B) AGGREGATE AMOUNT.—The aggregate amount specified in this subparagraph for—

''(i) 2003, is equal to $25,000,000; or

''(ii) a subsequent year, is equal to the aggregate amount specified in this subparagraph for the previous year increased by annual percentage increase specified in section 1860B(b)(3)(B) for the year involved.''.

(4) DEFINITIONS OF ELIGIBLE BENEFICIARIES AND COVERAGE.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

''(x)(1) The term 'qualified medicare medicine beneficiary' means an individual—

''(A) who is enrolled or enrolling under part D of title XVIII;

''(B) whose income (as determined under section 1612 for purposes of the supplemental security income program, except as provided in subsection (p)(2)(D)) is above 100 percent but below 150 percent of the official poverty line (as referred to in subsection (p)(2)) applicable to a family of the size involved; and

''(C) whose resources (as determined under section 1613 for purposes of the supplemental security income program) do not exceed twice the maximum amount of resources that an individual may have and obtain benefits under that program.

''(2) The term 'medicare medicine cost-sharing' means the following costs incurred with respect to a qualified medicare medicine beneficiary, without regard to whether the costs incurred were for items and services for which medical assistance is otherwise available under the plan:

''(A) In the case of a qualified medicare medicine beneficiary whose income (as determined under paragraph (1)) is less than 135 percent of the official poverty line—

''(i) premiums under section 1860D; and

''(ii) the difference between the amount that is paid under section 1860B and the amount that would be paid under such section if any reference to '50 percent' therein were deemed a reference to '100 percent' (or, if the Secretary approves a higher percentage under such section, if such percentage were deemed to be 100 percent).

''(B) In the case of a qualified medicare medicine beneficiary whose income (as determined under paragraph (1)) is at least 135 percent but less than 150 percent of the official poverty line, a percentage of premiums under section 1860D, determined on a linear sliding scale ranging from 100 percent for individuals with incomes at 135 percent of such line to 0 percent for individuals with incomes at 150 percent of such line.

''(3) In the case of any State which is providing medical assistance to its residents under a waiver granted under section 1115, the Secretary shall require the State to meet the requirement of section 1902(a)(10)(E) in the same manner as the State would be required to meet such requirement if the State had in effect a plan approved under this title.''.

(d) MEDICAID MEDICINE PRICE REBATES UNAVAILABLE WITH RESPECT TO MEDICINES PURCHASED THROUGH MEDICARE BUY-IN.—Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended by adding at the end the following new subsection:

''(l) MEDICINES PURCHASED THROUGH MEDICARE BUY-IN.—The provisions of this section shall not apply to prescription medicines purchased under part D of title XVIII pursuant to an agreement with the Secretary under section 1860E (including any medicines so purchased after the limit under section 1860B(b)(3) has been exceeded).''.

(e) AMENDMENTS TO MEDICARE PART D.—Part D of title XVIII of the Social Security Act (as added by section 2) is amended by inserting after section 1860D the following new section:

''SPECIAL ELIGIBILITY, ENROLLMENT, AND CO-PAYMENT RULES FOR LOW-INCOME INDIVIDUALS

''SEC. 1860E. (a) STATE OPTIONS FOR COVERAGE: CONTINUATION OF MEDICAID COVERAGE OR ENROLLMENT UNDER THIS PART.—

''(1) IN GENERAL.—The Secretary shall, at the request of a State, enter into an agreement with the State under which all individuals described in paragraph (2) are enrolled in the program under this part, without regard to whether any such individual has previously declined the opportunity to enroll in such program.

''(2) ELIGIBILITY GROUPS.—The individuals described in this paragraph, for purposes of paragraph (1), are individuals who satisfy section 1860C(a) and who are—

''(A) in a coverage group or groups permitted under section 1843 (as selected by the State and specified in the agreement); or

''(B) qualified medicare medicine beneficiaries (as defined in section 1905(x)(1)).

''(3) COVERAGE PERIOD.—The period of coverage under this part of an individual enrolled under an agreement under this subsection shall be as follows:

''(A) INDIVIDUALS ELIGIBLE (AT STATE OPTION) FOR PART B BUY-IN.—In the case of an individual described in subsection (a)(2)(A), the coverage period shall be the same period that applies (or would apply) pursuant to section 1843(d).

''(B) QUALIFIED MEDICARE MEDICINE BENEFICIARIES.—In the case of an individual described in subsection (a)(2)(B)—

''(i) the coverage period shall begin on the latest of—

''(I) January 1, 2003;

''(II) the first day of the third month following the month in which the State agreement is entered into; or

''(III) the first day of the first month following the month in which the individual satisfies section 1860C(a); and

''(ii) the coverage period shall end on the last day of the month in which the individual is determined by the State to have become ineligible for medicare medicine cost-sharing.

''(4) ENROLLMENT FOR LOW-INCOME SUBSIDY THROUGH OTHER MEANS.—

''(A) FLEXIBILITY IN ENROLLMENT PROCESS.—With respect to low-income individuals residing in a State enrolling under this part on or after January 1, 2003, the Secretary shall provide for determinations of whether the individual is eligible for a subsidy and the amount of such individual's income to be

made under arrangements with appropriate entities other than State medicaid agencies.

''(B) USE OF CERTAIN INFORMATION.—Arrangements with entities under subparagraph (A) shall provide for —

''(i) the use of existing Federal government databases to identify eligibility; and

''(ii) the use of information obtained under section 154 of the Social Security Act Amendments of 1994 for newly eligible medicare beneficiaries, and the application of such information with respect to other medicare beneficiaries.

''(b) SPECIAL PART D ENROLLMENT OPPORTUNITY FOR INDIVIDUALS LOSING MEDICAID ELIGIBILITY.—In the case of an individual who—

''(1) satisfies section 1860C(a); and

''(2) loses eligibility for benefits under the State plan under title XIX after having been enrolled under such plan or having been determined eligible for such benefits;

the Secretary shall provide an opportunity for enrollment under the program under this part during the period that begins on the date that such individual loses such eligibility and ends on the date specified by the Secretary.

''(c) DEFINITION.—For purposes of this section, the term 'State' has the meaning given such term under section 1101(a) for purposes of title XIX.''.

(f) REMOVAL OF SUNSET DATE FOR COST-SHARING IN MEDICARE PART B PREMIUMS FOR CERTAIN QUALIFYING INDIVIDUALS.—

(1) IN GENERAL.—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv))is amended to read as follows—

''(iv) subject to section 1905(p)(4), for making medical assistance available for medicare cost-sharing described in section 1905(p)(3)(A)(ii) for individuals who would be qualified medicare beneficiaries described in section 1905(p)(1) but for the fact that their income exceeds the income level established by the State under section 1905(p)(2) and is at least 120 percent, but less than 135 percent, of the official poverty line (referred to in such section) for a family of the size involved and who are not otherwise eligible for medical assistance under the State plan;''.

(2) RELOCATION OF PROVISION REQUIRING 100 PERCENT FEDERAL MATCHING OF STATE MEDICAL ASSISTANCE COSTS FOR CERTAIN QUALIFYING INDIVIDUALS.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)), as amended by subsection (c)(3), is amended—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following new paragraph:

''(8) an amount equal to 100 percent of amounts expended as medicare cost-sharing described in section 1903(a)(10)(E)(iv) for individuals described in such section; plus''.

(3) REPEAL OF SECTION 1933.—Section 1933 is repealed.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2003.

**SEC. 103. OFFSET FOR CATASTROPHIC PRESCRIPTION MEDICINE BENEFIT.**

If the mid-summer 2000 budget estimate prepared by the Director of the Congressional Budget Office results in a higher level of projected on-budget surplus over the ten fiscal year period beginning with fiscal year 2001 than the projected on-budget surplus in the estimate prepared by the Director in March, 2000, there shall be transferred out of any moneys in the Treasury not otherwise appropriated in a fiscal year (beginning with fiscal year 2003) to the Prescription Medicine Insurance Account (created in the Federal Supplemental Medical Insurance Trust Fund established by section 1841 of the Social Security Act (42 U.S.C. 1395t)) such sums as are necessary to offset the costs attributable to the operation of section 1860B(a)(2) of the Social Security Act (as added by section 3) (relating to catastrophic benefit payment amounts) in that fiscal year.

**SEC. 104. GAO ONGOING STUDIES AND REPORTS ON PROGRAM; MISCELLANEOUS REPORTS.**

(a) ONGOING STUDY.—The Comptroller General of the United States shall conduct an ongoing study and analysis of the prescription medicine benefit program under part D of the Medicare program under title XVIII of the Social Security Act (as added by section 3 of this Act), including an analysis of each of the following:

(1) The extent to which the administering entities have –achieved volume-based discounts similar to the favored –price paid by other large purchasers.

(2) Whether access to the benefits under such program are in fact available to all beneficiaries, with special attention given to access for beneficiaries living in rural and hard-to-serve areas.

(3) The success of such program in reducing medication error and adverse medicine reactions and improving quality of care, and whether it is probable that the program has resulted in savings through reduced hospitalizations and morbidity due to medication errors and adverse medicine reactions.

(4) Whether patient medical record confidentiality is being maintained and safeguarded.

(5) Such other issues as the Comptroller General may consider.

(b) REPORTS.—The Comptroller General shall issue such reports on the results of the ongoing study described in (a) as the Comptroller General shall deem appropriate and shall notify Congress on a timely basis of significant problems in the operation of the part D prescription medicine program and the need for legislative adjustments and improvements.

(c) MISCELLANEOUS STUDIES AND REPORTS.—

(1) STUDY ON METHODS TO ENCOURAGE ADDITIONAL RESEARCH ON BREAKTHROUGH PHARMACEUTICALS.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall seek the advice of the Secretary of the Treasury on possible tax and trade law changes to encourage increased original research on new pharmaceutical breakthrough products designed to address disease and illness.

(B) REPORT.—Not later than January 1, 2003, the Secretary shall submit to Congress a report on such study. The report shall include recommended methods to encourage the pharmaceutical industry to devote more resources to research and development of new covered products than it devotes to overhead expenses.

(2) STUDY ON PHARMACEUTICAL SALES PRACTICES AND IMPACT ON COSTS AND QUALITY OF CARE.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study on the methods used by the pharmaceutical industry to advertise and sell to consumers and educate and sell to providers.

(B) REPORT.—Not later than January 1, 2003, the Secretary shall submit to Congress a report on such study. The report shall include the estimated direct and indirect costs of the sales methods used, the quality of the information conveyed, and whether such sales efforts leads (or could lead) to inappropriate prescribing. Such report may include legislative and regulatory recommendations to encourage more appropriate education and prescribing practices.

(3) STUDY ON COST OF PHARMACEUTICAL RESEARCH.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study on the costs of, and needs for, the pharmaceutical research and the role that the taxpayer provides in encouraging such research.

(B) REPORT.—Not later than January 1, 2003, the Secretary shall submit to Congress a report on such study. The report shall include a description of the full-range of taxpayer-assisted programs impacting pharmaceutical research, including tax, trade, government research, and regulatory assistance. The report may also include legislative and regulatory recommendations that are designed to ensure that the taxpayer's investment in pharmaceutical research results in the availability of pharmaceuticals at reasonable prices.

(4) REPORT ON PHARMACEUTICAL PRICES IN MAJOR FOREIGN NATIONS.—Not later than January 1, 2003, the Secretary of Health and Human Services shall submit to Congress a report on the retail price of major pharmaceutical products in various developed nations, compared to prices for the same or similar products in the United States. The report shall include a description of the principal reasons for any price differences that may exist.

## TITLE II—IMPROVEMENT IN BENEFICIARY SERVICES

### Subtitle A—Improvement of Medicare Coverage and Appeals Process

**SEC. 201. REVISIONS TO MEDICARE APPEALS PROCESS.**

(a) CONDUCT OF RECONSIDERATIONS OF DETERMINATIONS BY INDEPENDENT CONTRACTORS.—Section 1869 of the Social Security Act (42 U.S.C. 1395ff) is amended to read as follows:

''DETERMINATIONS; APPEALS

''SEC. 1869. (a) INITIAL DETERMINATIONS.—The Secretary shall promulgate regulations and make initial determinations with respect to benefits under part A or part B in accordance with those regulations for the following:

''(1) The initial determination of whether an individual is entitled to benefits under such parts.

''(2) The initial determination of the amount of benefits available to the individual under such parts.

''(3) Any other initial determination with respect to a claim for benefits under such parts, including an initial determination by the Secretary that payment may not be made, or may no longer be made, for an item or service under such parts, an initial determination made by a utilization and quality control peer review organization under section 1154(a)(2), and an initial determination made by an entity pursuant to a contract with the Secretary to administer provisions of this title or title XI.

''(b) APPEAL RIGHTS.—

''(1) IN GENERAL.—

''(A) RECONSIDERATION OF INITIAL DETERMINATION.—Subject to subparagraph (D), any individual dissatisfied with any initial determination under subsection (a) shall be entitled to reconsideration of the determination, and, subject to subparagraphs (D) and (E), a hearing thereon by the Secretary to the same extent as is provided in section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

''(B) REPRESENTATION BY PROVIDER OR SUPPLIER.—

''(i) IN GENERAL.—Sections 206(a), 1102, and 1871 shall not be construed as authorizing the Secretary to prohibit an individual from being represented under this section by a person that furnishes or supplies the individual, directly or indirectly, with services

or items, solely on the basis that the person furnishes or supplies the individual with such a service or item.

''(ii) MANDATORY WAIVER OF RIGHT TO PAYMENT FROM BENEFICIARY.—Any person that furnishes services or items to an individual may not represent an individual under this section with respect to the issue described in section 1879(a)(2) unless the person has waived any rights for payment from the beneficiary with respect to the services or items involved in the appeal.

''(iii) PROHIBITION ON PAYMENT FOR REPRESENTATION.—If a person furnishes services or items to an individual and represents the individual under this section, the person may not impose any financial liability on such individual in connection with such representation.

''(iv) REQUIREMENTS FOR REPRESENTATIVES OF A BENEFICIARY.—The provisions of section 205(j) and section 206 (regarding representation of claimants) shall apply to representation of an individual with respect to appeals under this section in the same manner as they apply to representation of an individual under those sections.

''(C) SUCCESSION OF RIGHTS IN CASES OF ASSIGNMENT.—The right of an individual to an appeal under this section with respect to an item or service may be assigned to the provider of services or supplier of the item or service upon the written consent of such individual using a standard form established by the Secretary for such an assignment.

''(D) TIME LIMITS FOR APPEALS.—

''(i) RECONSIDERATIONS.—Reconsideration under subparagraph (A) shall be available only if the individual described subparagraph (A) files notice with the Secretary to request reconsideration by not later than 180 days after the individual receives notice of the initial determination under subsection (a) or within such additional time as the Secretary may allow.

''(ii) HEARINGS CONDUCTED BY THE SECRETARY.—The Secretary shall establish in regulations time limits for the filing of a request for a hearing by the Secretary in accordance with provisions in sections 205 and 206.

''(E) AMOUNTS IN CONTROVERSY.—

''(i) IN GENERAL.—A hearing (by the Secretary) shall not be available to an individual under this section if the amount in controversy is less than $100, and judicial review shall not be available to the individual if the amount in controversy is less than $1,000.

''(ii) AGGREGATION OF CLAIMS.—In determining the amount in controversy, the Secretary, under regulations, shall allow 2 or more appeals to be aggregated if the appeals involve—

''(I) the delivery of similar or related services to the same individual by one or more providers of services or suppliers, or

''(II) common issues of law and fact arising from services furnished to 2 or more individuals by one or more providers of services or suppliers.

''(F) EXPEDITED PROCEEDINGS.—

''(i) EXPEDITED DETERMINATION.—In the case of an individual who—

''(I) has received notice by a provider of services that the provider of services plans to terminate services provided to an individual and a physician certifies that failure to continue the provision of such services is likely to place the individual's health at significant risk, or

''(II) has received notice by a provider of services that the provider of services plans to discharge the individual from the provider of services,

the individual may request, in writing or orally, an expedited determination or an expedited reconsideration of an initial determination made under subsection (a), as the case may be, and the Secretary shall provide such expedited determination or expedited reconsideration.

''(ii) EXPEDITED HEARING.—In a hearing by the Secretary under this section, in which the moving party alleges that no material issues of fact are in dispute, the Secretary shall make an expedited determination as to whether any such facts are in dispute and, if not, shall render a decision expeditiously.

''(G) REOPENING AND REVISION OF DETERMINATIONS.—The Secretary may reopen or revise any initial determination or reconsidered determination described in this subsection under guidelines established by the Secretary in regulations.

''(2) REVIEW OF COVERAGE DETERMINATIONS.—

''(A) NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—Review of any national coverage determination shall be subject to the following limitations:

''(I) Such a determination shall not be reviewed by any administrative law judge.

''(II) Such a determination shall not be held unlawful or set aside on the ground that a requirement of section 553 of title 5, United States Code, or section 1871(b) of this title, relating to publication in the Federal Register or opportunity for public comment, was not satisfied.

''(III) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by the Departmental Appeals Board of the Department of Health and Human Services. In conducting such a review, the Departmental Appeals Board shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the Departmental Appeals Board shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(IV) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(ii) DEFINITION OF NATIONAL COVERAGE DETERMINATION.—For purposes of this section, the term 'national coverage determination' means a determination by the Secretary respecting whether or not a particular item or service is covered nationally under this title, including such a determination under 1862(a)(1).

''(B) LOCAL COVERAGE DETERMINATION.—In the case of a local coverage determination made by a fiscal intermediary or a carrier under part A or part B respecting whether a particular type or class of items or services is covered under such parts, the following limitations apply:

''(i) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by an administrative law judge of the Social Security Administration. The administrative law judge shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the administrative law judge shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(ii) Such a determination may be reviewed by the Departmental Appeals Board of the Department of Health and Human Services.

''(iii) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(C) NO MATERIAL ISSUES OF FACT IN DISPUTE.—In the case of review of a determination under subparagraph (A)(i)(III) or (B)(i) where the moving party alleges that there are no material issues of fact in dispute, and alleges that the only issue is the constitutionality of a provision of this title, or that a regulation, determination, or ruling by the Secretary is invalid, the moving party may seek review by a court of competent jurisdiction.

''(D) PENDING NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—In the event the Secretary has not issued a national coverage or noncoverage determination with respect to a particular type or class of items or services, an affected party may submit to the Secretary a request to make such a determination with respect to such items or services. By not later than the end of the 90-day period beginning on the date the Secretary receives such a request, the Secretary shall take one of the following actions:

''(I) Issue a national coverage determination, with or without limitations.

''(II) Issue a national noncoverage determination.

''(III) Issue a determination that no national coverage or noncoverage determination is appropriate as of the end of such 90-day period with respect to national coverage of such items or services.

''(IV) Issue a notice that states that the Secretary has not completed a review of the request for a national coverage determination and that includes an identification of the remaining steps in the Secretary's review process and a deadline by which the Secretary will complete the review and take an action described in subclause (I), (II), or (III).

''(ii) In the case of an action described in clause (i)(IV), if the Secretary fails to take an action referred to in such clause by the deadline specified by the Secretary under such clause, then the Secretary is deemed to have taken an action described in clause (i)(III) as of the deadline.

''(iii) When issuing a determination under clause (i), the Secretary shall include an explanation of the basis for the determination. An action taken under clause (i) (other than subclause (IV)) is deemed to be a national coverage determination for purposes of review under subparagraph (A).

''(E) ANNUAL REPORT ON NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—Not later than December 1 of each year, beginning in 2001, the Secretary shall submit to Congress a report that sets forth a detailed compilation of the actual time periods that were necessary to complete and fully implement national coverage determinations that were made in the previous fiscal year for items, services, or medical devices not previously covered as a benefit under this title, including, with respect to each new item, service, or medical device, a statement of the time taken by the Secretary to make the necessary coverage, coding, and payment determinations, including the time taken to complete each significant step in the process of making such determinations.

''(ii) PUBLICATION OF REPORTS ON THE INTERNET.—The Secretary shall publish each report submitted under clause (i) on the medicare Internet site of the Department of Health and Human Services.

''(3) PUBLICATION ON THE INTERNET OF DECISIONS OF HEARINGS OF THE SECRETARY.—Each decision of a hearing by the Secretary shall be made public, and the Secretary shall publish each decision on the Medicare Internet site of the Department of Health and Human Services. The Secretary shall remove from such decision any information that would identify any individual, provider of services, or supplier.

''(4) LIMITATION ON REVIEW OF CERTAIN REGULATIONS.—A regulation or instruction which relates to a method for determining the amount of payment under part B and which was initially issued before January 1, 1981, shall not be subject to judicial review.

''(5) STANDING.—An action under this section seeking review of a coverage determination (with respect to items and services under this title) may be initiated only by one (or more) of the following aggrieved persons, or classes of persons:

''(A) Individuals entitled to benefits under part A, or enrolled under part B, or both, who are in need of the items or services that are the subject of the coverage determination.

''(B) Persons, or classes of persons, who make, manufacture, offer, supply, make available, or provide such items and services.

''(c) CONDUCT OF RECONSIDERATIONS BY INDEPENDENT CONTRACTORS.—

''(1) IN GENERAL.—The Secretary shall enter into contracts with qualified independent contractors to conduct reconsiderations of initial determinations made under paragraphs (2) and (3) of subsection (a). Contracts shall be for an initial term of three years and shall be renewable on a triennial basis thereafter.

''(2) QUALIFIED INDEPENDENT CONTRACTOR.—For purposes of this subsection, the term 'qualified independent contractor' means an entity or organization that is independent of any organization under contract with the Secretary that makes initial determinations under subsection (a), and that meets the requirements established by the Secretary consistent with paragraph (3).

''(3) REQUIREMENTS.—Any qualified independent contractor entering into a contract with the Secretary under this subsection shall meet the following requirements:

''(A) IN GENERAL.—The qualified independent contractor shall perform such duties and functions and assume such responsibilities as may be required under regulations of the Secretary promulgated to carry out the provisions of this subsection, and such additional duties, functions, and responsibilities as provided under the contract.

''(B) DETERMINATIONS.—The qualified independent contractor shall determine, on the basis of such criteria, guidelines, and policies established by the Secretary and published under subsection (d)(2)(D), whether payment shall be made for items or services under part A or part B and the amount of such payment. Such determination shall constitute the conclusive determination on those issues for purposes of payment under such parts for fiscal intermediaries, carriers, and other entities whose determinations are subject to review by the contractor; except that payment may be made if—

''(i) such payment is allowed by reason of section 1879;

''(ii) in the case of inpatient hospital services or extended care services, the qualified independent contractor determines that additional time is required in order to arrange for postdischarge care, but payment may be continued under this clause for not more than 2 days, and only in the case in which the provider of such services did not know and could not reasonably have been expected to know (as determined under section 1879) that payment would not otherwise be made for such services under part A or part B prior to notification by the qualified independent contractor under this subsection;

''(iii) such determination is changed as the result of any hearing by the Secretary or judicial review of the decision under this section; or

''(iv) such payment is authorized under section 1861(v)(1)(G).

''(C) DEADLINES FOR DECISIONS.—

''(i) DETERMINATIONS.—The qualified independent contractor shall conduct and conclude a determination under subparagraph (B) or an appeal of an initial determination, and mail the notice of the decision by not later than the end of the 45-day period beginning on the date a request for reconsideration has been timely filed.

''(ii) CONSEQUENCES OF FAILURE TO MEET DEADLINE.—In the case of a failure by the qualified independent contractor to mail the notice of the decision by the end of the period described in clause (i), the party requesting the reconsideration or appeal may request a hearing before an administrative law judge, notwithstanding any requirements for a reconsidered determination for purposes of the party's right to such hearing.

''(iii) EXPEDITED RECONSIDERATIONS.—The qualified independent contractor shall perform an expedited reconsideration under subsection (b)(1)(F) of a notice from a provider of services or supplier that payment may not be made for an item or service furnished by the provider of services or supplier, of a decision by a provider of services to terminate services furnished to an individual, or in accordance with the following:

''(I) DEADLINE FOR DECISION.—Notwithstanding section 216(j), not later than 1 day after the date the qualified independent contractor has received a request for such reconsideration and has received such medical or other records needed for such reconsideration, the qualified independent contractor shall provide notice (by telephone and in writing) to the individual and the provider of services and attending physician of the individual of the results of the reconsideration. Such reconsideration shall be conducted regardless of whether the provider of services or supplier will charge the individual for continued services or whether the individual will be liable for payment for such continued services.

''(II) CONSULTATION WITH BENEFICIARY.—In such reconsideration, the qualified independent contractor shall solicit the views of the individual involved.

''(D) LIMITATION ON INDIVIDUAL REVIEWING DETERMINATIONS.—

''(i) PHYSICIANS.—No physician under the employ of a qualified independent contractor may review—

''(I) determinations regarding health care services furnished to a patient if the physician was directly responsible for furnishing such services; or

''(II) determinations regarding health care services provided in or by an institution, organization, or agency, if the physician or any member of the physician's family has, directly or indirectly, a significant financial interest in such institution, organization, or agency.

''(ii) PHYSICIAN'S FAMILY DESCRIBED.—For purposes of this paragraph, a physician's family includes the physician's spouse (other than a spouse who is legally separated from the physician under a decree of divorce or separate maintenance), children (including stepchildren and legally adopted children), grandchildren, parents, and grandparents.

''(E) EXPLANATION OF DETERMINATIONS.—Any determination of a qualified independent contractor shall be in writing, and shall include a detailed explanation of the determination as well as a discussion of the pertinent facts and applicable regulations applied in making such determination.

''(F) NOTICE REQUIREMENTS.—Whenever a qualified independent contractor makes a determination under this subsection, the qualified independent contractor shall promptly notify such individual and the entity responsible for the payment of claims under part A or part B of such determination.

''(G) DISSEMINATION OF INFORMATION.—Each qualified independent contractor shall, using the methodology established by the Secretary under subsection (d)(4), make available all determinations of such qualified independent contractors to fiscal intermediaries (under section 1816), carriers (under section 1842), peer review organizations (under part B of title XI), Medicare+Choice organizations offering Medicare+Choice plans under part C, and other entities under contract with the Secretary to make initial determinations under part A or part B or title XI.

''(H) ENSURING CONSISTENCY IN DETERMINATIONS.—Each qualified independent contractor shall monitor its determinations to ensure the consistency of its determinations with respect to requests for reconsideration of similar or related matters.

''(I) DATA COLLECTION.—

''(i) IN GENERAL.—Consistent with the requirements of clause (ii), a qualified independent contractor shall collect such information relevant to its functions, and keep and maintain such records in such form and manner as the Secretary may require to carry out the purposes of this section and shall permit access to and use of any such information and records as the Secretary may require for such purposes.

''(ii) TYPE OF DATA COLLECTED.—Each qualified independent contractor shall keep accurate records of each decision made, consistent with standards established by the Secretary for such purpose. Such records shall be maintained in an electronic database in a manner that provides for identification of the following:

''(I) Specific claims that give rise to appeals.

''(II) Situations suggesting the need for increased education for providers of services, physicians, or suppliers.

''(III) Situations suggesting the need for changes in national or local coverage policy.

''(IV) Situations suggesting the need for changes in local medical review policies.

''(iii) ANNUAL REPORTING.—Each qualified independent contractor shall submit annually to the Secretary (or otherwise as the Secretary may request) records maintained under this paragraph for the previous year.

''(J) HEARINGS BY THE SECRETARY.—The qualified independent contractor shall (i) prepare such information as is required for an appeal of its reconsidered determination to the Secretary for a hearing, including as necessary, explanations of issues involved in the determination and relevant policies, and (ii) participate in such hearings as required by the Secretary.

''(4) NUMBER OF QUALIFIED INDEPENDENT CONTRACTORS.—The Secretary shall enter into contracts with not fewer than 12 qualified independent contractors under this subsection.

''(5) LIMITATION ON QUALIFIED INDEPENDENT CONTRACTOR LIABILITY.—No qualified independent contractor having a contract with the Secretary under this subsection and no person who is employed by, or who has a fiduciary relationship with, any such qualified independent contractor or who furnishes professional services to such qualified independent contractor, shall be held by reason of the performance of any duty, function, or activity required or authorized pursuant to this subsection or to a valid contract entered into under this subsection, to have violated any criminal law, or to be civilly liable under any law of the United States or of any State (or political subdivision thereof) provided due care was exercised in the performance of such duty, function, or activity.

''(d) ADMINISTRATIVE PROVISIONS.—

''(1) OUTREACH.—The Secretary shall perform such outreach activities as are necessary to inform individuals entitled to benefits under this title and providers of services and suppliers with respect to their rights of, and the process for, appeals made under this section. The Secretary shall use the toll-free telephone number maintained by the Secretary (1–800–MEDICAR(E)) (1–800–633–4227) to provide information regarding appeal rights and respond to inquiries regarding the status of appeals.

''(2) GUIDANCE FOR RECONSIDERATIONS AND HEARINGS.—

''(A) REGULATIONS.—Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations governing the processes of reconsiderations of determinations by the Secretary and qualified independent contractors and of hearings by the Secretary. Such regulations shall include such specific criteria and provide such guidance as required to ensure the adequate functioning of the reconsiderations and hearings processes and to ensure consistency in such processes.

''(B) DEADLINES FOR ADMINISTRATIVE ACTION.—

''(i) HEARING BY ADMINISTRATIVE LAW JUDGE.—

''(II) IN GENERAL.—Except as provided in subclause (II), an administrative law judge shall conduct and conclude a hearing on a decision of a qualified independent contractor under subsection (c) and render a decision on such hearing by not later than the end of the 90-day period beginning on the date a request for hearing has been timely filed.

''(II) WAIVER OF DEADLINE BY PARTY SEEKING HEARING.—The 90-day period under subclause (i) shall not apply in the case of a motion or stipulation by the party requesting the hearing to waive such period.

''(ii) DEPARTMENTAL APPEALS BOARD REVIEW.—The Departmental Appeals Board of the Department of Health and Human Services shall conduct and conclude a review of the decision on a hearing described in subparagraph (B) and make a decision or remand the case to the administrative law judge for reconsideration by not later than the end of the 90-day period beginning on the date a request for review has been timely filed.

''(iii) CONSEQUENCES OF FAILURE TO MEET DEADLINES.—In the case of a failure by an administrative law judge to render a decision by the end of the period described in clause (ii), the party requesting the hearing may request a review by the Departmental Appeals Board of the Department of Health and Human Services, notwithstanding any requirements for a hearing for purposes of the party's right to such a review.

''(iv) DAB HEARING PROCEDURE.—In the case of a request described in clause (iii), the Departmental Appeals Board shall review the case de novo.

''(C) POLICIES.—The Secretary shall provide such specific criteria and guidance, including all applicable national and local coverage policies and rationale for such policies, as is necessary to assist the qualified independent contractors to make informed decisions in considering appeals under this section. The Secretary shall furnish to the qualified independent contractors the criteria and guidance described in this paragraph in a published format, which may be an electronic format.

''(D) PUBLICATION OF MEDICARE COVERAGE POLICIES ON THE INTERNET.—The Secretary shall publish national and local coverage policies under this title on an Internet site maintained by the Secretary.

''(E) EFFECT OF FAILURE TO PUBLISH POLICIES.—

''(i) NATIONAL AND LOCAL COVERAGE POLICIES.—Qualified independent contractors shall not be bound by any national or local medicare coverage policy established by the Secretary that is not published on the Internet site under subparagraph (D).

''(ii) OTHER POLICIES.—With respect to policies established by the Secretary other than the policies described in clause (i), qualified independent contractors shall not be bound by such policies if the Secretary does not furnish to the qualified independent contractor the policies in a published format consistent with subparagraph (C).

''(3) CONTINUING EDUCATION REQUIREMENT FOR QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—

''(A) IN GENERAL.—The Secretary shall provide to each qualified independent contractor, and, in consultation with the Commissioner of Social Security, to administrative law judges that decide appeals of reconsiderations of initial determinations or other decisions or determinations under this section, such continuing education with respect to policies of the Secretary under this title or part B of title XI as is necessary for such qualified independent contractors and administrative law judges to make informed decisions with respect to appeals.

''(B) MONITORING OF DECISIONS BY QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—The Secretary shall monitor determinations made by all qualified independent contractors and administrative law judges under this section and shall provide continuing education and training to such qualified independent contractors and administrative law judges to ensure consistency of determinations with respect to appeals on similar or related matters. To ensure such consistency, the Secretary shall provide for administration and oversight of qualified independent contractors and, in consultation with the Commissioner of Social Security, administrative law judges through a central office of the Department of Health and Human Services. Such administration and oversight may not be delegated to regional offices of the Department.

''(4) DISSEMINATION OF DETERMINATIONS.—The Secretary shall establish a methodology under which qualified independent contractors shall carry out subsection (c)(3)(G).

''(5) SURVEY.—Not less frequently than every 5 years, the Secretary shall conduct a survey of a valid sample of individuals entitled to benefits under this title, providers of services, and suppliers to determine the satisfaction of such individuals or entities with the process for appeals of determinations provided for under this section and education and training provided by the Secretary with respect to that process. The Secretary shall submit to Congress a report describing the results of the survey, and shall include any recommendations for administrative or legislative actions that the Secretary determines appropriate.

''(6) REPORT TO CONGRESS.—The Secretary shall submit to Congress an annual report describing the number of appeals for the previous year, identifying issues that require administrative or legislative actions, and including any recommendations of the Secretary with respect to such actions. The Secretary shall include in such report an analysis of determinations by qualified independent contractors with respect to inconsistent decisions and an analysis of the causes of any such inconsistencies.''.

(b) APPLICABILITY OF REQUIREMENTS AND LIMITATIONS ON LIABILITY OF QUALIFIED INDEPENDENT CONTRACTORS TO MEDICARE+CHOICE INDEPENDENT APPEALS CONTRACTORS.—Section 1852(g)(4) of the Social Security Act (42 U.S.C. 1395w–22(e)(3)) is amended by adding at the end the following: ''The provisions of section 1869(c)(5) shall apply to independent outside entities under contract with the Secretary under this paragraph.''.

(c) CONFORMING AMENDMENT TO REVIEW BY THE PROVIDER REIMBURSEMENT REVIEW BOARD.—Section 1878(g) of the Social Security Act (42 U.S.C. 1395oo(g)) is amended by adding at the end the following new paragraph:

''(3) Findings described in paragraph (1) and determinations and other decisions described in paragraph (2) may be reviewed or appealed under section 1869.''.

**SEC. 202. PROVISIONS WITH RESPECT TO LIMITATIONS ON LIABILITY OF BENEFICIARIES.**

(a) EXPANSION OF LIMITATION OF LIABILITY PROTECTION FOR BENEFICIARIES WITH RESPECT TO MEDICARE CLAIMS NOT PAID OR PAID INCORRECTLY.—

(1) IN GENERAL.—Section 1879 of the Social Security Act (42 U.S.C. 1395pp) is amended by adding at the end the following new subsections:

''(i) Notwithstanding any other provision of this Act, an individual who is entitled to benefits under this title and is furnished a service or item is not liable for repayment to the Secretary of amounts with respect to such benefits—

''(1) subject to paragraph (2), in the case of a claim for such item or service that is incorrectly paid by the Secretary; and

''(2) in the case of payments made to the individual by the Secretary with respect to any claim under paragraph (1), the individual shall be liable for repayment of such amount only up to the amount of payment received by the individual from the Secretary.

''(j)(1) An individual who is entitled to benefits under this title and is furnished a service or item is not liable for payment of amounts with respect to such benefits in the following cases:

''(A) In the case of a benefit for which an initial determination has not been made by the Secretary under subsection (a) whether payment may be made under this title for such benefit.

''(B) In the case of a claim for such item or service that is—

''(i) improperly submitted by the provider of services or supplier; or

''(ii) rejected by an entity under contract with the Secretary to review or pay claims for services and items furnished under this title, including an entity under contract with the Secretary under section 1857.

''(2) The limitation on liability under paragraph (1) shall not apply if the individual signs a waiver provided by the Secretary under subsection (l) of protections under this paragraph, except that any such waiver shall not apply in the case of a denial of a claim for noncompliance with applicable regulations or procedures under this title or title XI.

''(k) An individual who is entitled to benefits under this title and is furnished services by a provider of services is not liable for payment of amounts with respect to such services prior to noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), unless the following conditions are met:

''(1) The provider of services shall furnish a notice of discharge and appeal rights established by the Secretary under subsection (l) to each individual entitled to benefits under this title to whom such provider of services furnishes services, upon admission of the individual to the provider of services and upon notice of determination to discharge the individual from the provider of services, of the individual's limitations of liability under this section and rights of appeal under section 1869.

''(2) If the individual, prior to discharge from the provider of services, appeals the determination to discharge under section 1869 not later than noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), the provider of services shall, by the close of business of such first working day, provide to the Secretary (or qualified independent contractor under section 1869, as determined by the Secretary) the records required to review the determination.

''(l) The Secretary shall develop appropriate standard forms for individuals entitled to benefits under this title to waive limitation of liability protections under subsection (j) and to receive notice of discharge and appeal rights under subsection (k). The forms developed by the Secretary under this subsection shall clearly and in plain language inform such individuals of their limitations on liability, their rights under section 1869(a) to obtain an initial determination by the Secretary of whether payment may be made under part A or part B for such benefit, and their rights of appeal under section 1869(b), and shall inform such individuals that they may obtain further information or file an appeal of the determination by use of the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) maintained by the Secretary. The forms developed by the Secretary under this subsection shall be the only manner in which such individuals may waive such protections under this title or title XI.

''(m) An individual who is entitled to benefits under this title and is furnished an item or service is not liable for payment of cost sharing amounts of more than $50 with respect to such benefits unless the individual has been informed in advance of being furnished the item or service of the estimated amount of the cost sharing for the item or service using a standard form established by the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 1870(a) of the Social Security Act (42 U.S.C. 1395gg(a)) is amended by striking ''Any payment under this title'' and inserting ''Except as provided in section 1879(i), any payment under this title''.

(b) INCLUSION OF BENEFICIARY LIABILITY INFORMATION IN EXPLANATION OF MEDICARE BENEFITS.—Section 1806(a) of the Social Security Act (42 U.S.C. 1395b–7(a)) is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

''(2) lists with respect to each item or service furnished the amount of the individual's liability for payment;'';

(4) in paragraph (3), as so redesignated, by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following new paragraph:

''(4) includes the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) for information and questions concerning the statement, liability of the individual for payment, and appeal rights.''.

**SEC. 203. WAIVERS OF LIABILITY FOR COST SHARING AMOUNTS.**

(a) IN GENERAL.—Section 1128A(i)(6)(A) of the Social Security Act (42 U.S.C. 1320a–7a(i)(6)(A)) is amended by striking clauses (i) through (iii) and inserting the following:

''(i) the waiver is offered as a part of a supplemental insurance policy or retiree health plan;

''(ii) the waiver is not offered as part of any advertisement or solicitation, other than in conjunction with a policy or plan described in clause (i);

''(iii) the person waives the coinsurance and deductible amount after the beneficiary informs the person that payment of the coinsurance or deductible amount would pose a financial hardship for the individual; or

''(iv) the person determines that the coinsurance and deductible amount would not justify the costs of collection.''.

(b) CONFORMING AMENDMENT.—Section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) is amended by adding at the end the following new paragraph:

''(4) In this section, the term 'remuneration' includes the meaning given such term in section 1128A(i)(6).''.

## Subtitle B—Establishment of Medicare Ombudsman

**SEC. 211. Establishment of Medicare Ombudsman for Beneficiary Assistance and Advocacy.**

(a) IN GENERAL.—Within the Health Care Financing Administration of the Department of Health and Human Services, there shall be a Medicare Ombudsman, appointed by the Secretary of Health and Human Services from among individuals with expertise and experience in the fields of health care and advocacy, to carry out the duties described in subsection (b).

(b) DUTIES.—The Medicare Ombudsman shall—

(1) receive complaints, grievances, and requests for information submitted by a medicare beneficiary, with respect to any aspect of the medicare program;

(2) provide assistance with respect to complaints, grievances, and requests referred to in clause (i), including—

(A) assistance in collecting relevant information for such beneficiaries, to seek an appeal of a decision or determination made by a fiscal intermediary, carrier, Medicare+Choice organization, a benefit administrator responsible for administering the prescription medicine benefit program under part D of title XVIII of the Social Security Act, or the Secretary;

(B) assistance to such beneficiaries with any problems arising from disenrollment from a Medicare+Choice plan under part C of title XVIII of such Act or a benefit administrator responsible for administering such prescription medicine benefit program; and

(C) submit annual reports to Congress and the Secretary, and include in such reports recommendations for improvement in the administration of this title as the Medicare Ombudsman determines appropriate.

(c) COORDINATION WITH STATE OMBUDSMAN PROGRAMS AND CONSUMER ORGANIZATIONS.—The Medicare Ombudsman shall, to the extent appropriate, coordinate with State medical Ombudsman programs, and with State- and community-based consumer organizations, to—

(1) provide information about the medicare program; and

(2) conduct outreach to educate medicare beneficiaries with respect to manners in which problems under the medicare program may be resolved or avoided.

(d) DEFINITIONS.—In this section:

(1) The term ''medicare beneficiary'' means an individual entitled to benefits under part A of title XVIII of the Social Security Act, or enrolled under part B of such title, or both.

(2) The term ''medicare program'' means the insurance program established under title XVIII of the Social Security Act.

(3) The term ''fiscal intermediary'' has the meaning given such term under section 1816(a) of the Social Security Act (42 U.S.C. 1395h(a)).

(4) The term ''carrier'' has the meaning given such term under section 1842(f) of the Social Security Act (42 U.S.C. 1395u(f)).

(5) The term ''Medicare+Choice organization'' has the meaning given such term under section 1859(a)(1) of the Social Security Act (42 U.S.C. 1395w–29(a)(1)).

(6) The term ''Secretary'' means the Secretary of Health and Human Services.

# TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT

## Subtitle A—Medicare+Choice Reforms

**SEC. 301. INCREASE IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE IN 2001 AND 2002.**

Section 1853(c)(6)(B) of the Social Security Act (42 U.S.C. 1395w–23(c)(6)(B)) is amended—

(1) in clause (iv), by striking ''for 2001, 0.5 percentage points'' and inserting ''for 2001, 0 percentage points''; and

(2) in clause (v), by striking ''for 2002, 0.3 percentage points'' and inserting ''for 2002, 0 percentage points''.

**SEC. 302. PERMANENTLY REMOVING APPLICATION OF BUDGET NEUTRALITY BEGINNING IN 2002.**

Section 1853(c) of the Social Security Act (42 U.S.C. 1395w–23(c)) is amended—

(1) in paragraph (1)(A), in the matter following clause (ii), by inserting ''(for years before 2002)'' after ''multiplied''; and

(2) in paragraph (5), by inserting ''(before 2002)'' after ''for each year''.

**SEC. 303. INCREASING MINIMUM PAYMENT AMOUNT.**

(a) IN GENERAL.—Section 1853(c)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(B)(ii)) is amended—

(1) by striking ''(ii) For a succeeding year'' and inserting ''(ii)(I) Subject to subclause (II), for a succeeding year''; and

(2) by adding at the end the following new subclause:

''(II) For 2002 for any of the 50 States and the District of Columbia, $450.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to years beginning with 2002.

**SEC. 304. ALLOWING MOVEMENT TO 50:50 PERCENT BLEND IN 2002.**

Section 1853(c)(2) of the Social Security Act (42 U.S.C. 1395w–23(c)(2)) is amended—

(1) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(2) by adding after and below subparagraph (F) the following:

''except that a Medicare+Choice organization may elect to apply subparagraph (F) (rather than subparagraph (E)) for 2002.''.

**SEC. 305. INCREASED UPDATE FOR PAYMENT AREAS WITH ONLY ONE OR NO MEDICARE+CHOICE CONTRACTS.**

(a) IN GENERAL.—Section 1853(c)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

(1) by striking ''(ii) For a subsequent year'' and inserting ''(ii)(I) Subject to subclause (II), for a subsequent year''; and

(2) by adding at the end the following new subclause:

''(II) During 2002, 2003, 2004, and 2005, in the case of a Medicare+Choice payment area in which there is no more than 1 contract entered into under this part as of July 1 before the beginning of the year, 102.5 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.''.

(b) CONSTRUCTION.—The amendments made by subsection (a) do not affect the payment of a first time bonus under section 1853(i) of the Social Security Act (42 U.S.C. 1395w–23(i)).

**SEC. 306. PERMITTING HIGHER NEGOTIATED RATES IN CERTAIN MEDICARE+CHOICE PAYMENT AREAS BELOW NATIONAL AVERAGE.**

Section 1853(c)(1) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)) is amended—

(1) in the matter before subparagraph (A), by striking ''or (C)'' and inserting ''(C), or (D)''; and

(2) by adding at the end the following new subparagraph:

''(D) PERMITTING HIGHER RATES THROUGH NEGOTIATION.—

''(i) IN GENERAL.—For each year beginning with 2004, in the case of a Medicare+Choice payment area for which the Medicare+Choice capitation rate under this paragraph would otherwise be less than the United States per capita cost (USPCC), as calculated by the Secretary, a Medicare+Choice organization may negotiate with the Medicare Benefits Administrator an annual per capita rate that—

''(I) reflects an annual rate of increase up to the rate of increase specified in clause (ii);

''(II) takes into account audited current data supplied by the organization on its adjusted community rate (as defined in section 1854(f)(3)); and

''(III) does not exceed the United States per capita cost, as projected by the Secretary for the year involved.

''(ii) MAXIMUM RATE DESCRIBED.—The rate of increase specified in this clause for a year is the rate of inflation in private health insurance for the year involved, as projected by the Medicare Benefits Administrator, and includes such adjustments as may be necessary—

''(I) to reflect the demographic characteristics in the population under this title; and

''(II) to eliminate the costs of prescription drugs.

''(iii) ADJUSTMENTS FOR OVER OR UNDER PROJECTIONS.—If subparagraph is applied to an organization and payment area for a year, in applying this subparagraph for a subsequent year the provisions of paragraph (6)(C) shall apply in the same manner as such provisions apply under this paragraph.''.

**SEC. 307. 10-YEAR PHASE IN OF RISK ADJUSTMENT BASED ON DATA FROM ALL SETTINGS.**

Section 1853(a)(3)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

(1) by striking the period at the end of subclause (II) and inserting a semicolon; and

(2) by adding after and below subclause (II) the following:

''and, beginning in 2004, insofar as such risk adjustment is based on data from all settings, the methodology shall be phased in equal increments over a 10 year period, beginning with 2004 or (if later) the first year in which such data is used.''.

## Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals

**SEC. 311. PRESERVATION OF COVERAGE OF DRUGS AND BIOLOGICALS UNDER PART B OF THE MEDICARE PROGRAM.**

(a) IN GENERAL.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended, in each of subparagraphs (A) and (B), by striking ''(including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered)'' and inserting ''(including injectable and infusable drugs and biologicals which are not usually self-administered by the patient)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to drugs and biologicals administered on or after October 1, 2000.

**SEC. 312. COMPREHENSIVE IMMUNOSUPPRESSIVE DRUG COVERAGE FOR TRANSPLANT PATIENTS.**

(a) REVISION OF MEDICARE COVERAGE FOR IMMUNOSUPPRESSIVE DRUGS.—

(1) IN GENERAL.—Section 1861(s)(2)(J) of the Social Security Act (42 U.S.C. 1395x(s)(2)(J)) (as amended by section 227(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–354), as enacted into law by section 1000(a)(6) of Public Law 106–113) is amended by striking '', to an individual who receives'' and all that follows before the semicolon at the end and inserting ''to an individual who has received an organ transplant''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1832 of the Social Security Act (42 U.S.C. 1395k) (as amended by section 227(b) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–354), as enacted into law by section 1000(a)(6) of Public Law 106–113) is amended—

(i) by striking subsection (b); and

(ii) by redesignating subsection (c) as subsection (b).

(B) Subsections (c) and (d) of section 227 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–355), as enacted into law by section 1000(a)(6) of Public Law 106–113, are repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to drugs furnished on or after the date of enactment of this Act.

(b) EXTENSION OF CERTAIN SECONDARY PAYER REQUIREMENTS.—Section 1862(b)(1)(C) of the Social Security Act (42 U.S.C. 1395y(b)(1)(C)) is amended by adding at the end the following: ''With regard to immunosuppressive drugs furnished on or after the date of enactment of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000, this subparagraph shall be applied without regard to any time limitation.''.

(c) ESTABLISHMENT OF PART D CATASTROPHIC LIMIT ON PART B COPAYMENTS FOR IMMUNOSUPPRESSIVE DRUGS.—Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended by inserting after subsection (o) the following new subsection:

''(p) LIMITATION ON AMOUNT OF DEDUCTIBLES AND COINSURANCE FOR IMMUNOSUPPRESSIVE DRUGS FOR CERTAIN BENEFICIARIES.—With respect to 2003 and each subsequent year, no deductibles and coinsurance applicable to immunosuppresive drugs (as described in section 1861(s)(2)(J)) in a year under this part shall be imposed to the extent that the individual has incurred expenditures in that year for out-of-pocket expenditures for immunosuppressive drugs in excess of the catastrophic benefit level provided for under section 1860B(c).''.

## Subtitle C—Improvement of Certain Preventive Benefits

**SEC. 321. COVERAGE OF ANNUAL SCREENING PAP SMEAR AND PELVIC EXAMS.**

(a) IN GENERAL.—

(1) ANNUAL SCREENING PAP SMEAR.—Section 1861(nn)(1) of the Social Security Act (42 U.S.C. 1395x(nn)(1)) is amended by striking ''if the individual involved has not had such a test during the preceding 3 years, or during the preceding year in the case of a woman described in paragraph (3).'' and inserting ''if the woman involved has not had such a test during the preceding year.''.

(2) ANNUAL SCREENING PELVIC EXAM.—Section 1861(nn)(2) of such Act (42 U.S.C. 1395x(nn)(2)) is amended by striking ''during the preceding 3 years, or during the preceding year in the case of a woman described in paragraph (3),'' and inserting ''during the preceding year,''.

(3) CONFORMING AMENDMENT.—Section 1861(nn) of such Act (42 U.S.C. 1395x(nn)) is amended by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to items and services furnished on or after January 1, 2001.

# TITLE IV—ADJUSTMENTS TO PAYMENT PROVISIONS OF THE BALANCED BUDGET ACT

## Subtitle A—Payments for Inpatient Hospital Services

**SEC. 401. ELIMINATING REDUCTION IN HOSPITAL MARKET BASKET UPDATE FOR FISCAL YEAR 2001.**

Section 1886(b)(3)(B)(i)(XVI) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XVI)) is amended by striking ''minus 1.1 percentage points for hospitals (other than sole community hospitals) in all areas, and the market basket percentage increase for sole community hospitals,'' and inserting ''for hospitals in all areas,''.

**SEC. 402. ELIMINATING FURTHER REDUCTIONS IN INDIRECT MEDICAL EDUCATION (IME) FOR FISCAL YEAR 2001.**

Section 1886(d)(5)(B)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(ii)(V)) is amended—

(1) in subclause (IV)—

(A) by striking ''fiscal year 2000'' and inserting ''each of fiscal years 2000 and 2001''; and

(B) by adding ''and'' at the end;

(2) by striking subclause (V); and

(3) by redesignating subclause (VI) as subclause (V).

**SEC. 403. ELIMINATING FURTHER REDUCTIONS IN DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS.**

(a) MEDICARE PAYMENTS.—Section 1886(d)(5)(F)(ix) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(ix)) is amended—

(1) in subclause (III), by striking ''and 2001'';

(2) by redesignating subclauses (IV) and (V) as subclauses (V) and (VI), respectively; and

(3) by inserting after subclause (III) the following new subclause:

''(IV) during fiscal year 2001, such additional payment amount shall be reduced by 0 percent;''.

(b) FREEZE IN MEDICAID DSH ALLOTMENTS FOR FISCAL YEAR 2001.—Notwithstanding section 1923(f)(2) of the Social Security Act (42 U.S.C. 1396r–4(f)(2)), the DSH allotment under such section for a State for fiscal year 2001 shall be the same as the DSH allotment under such section for fiscal year 2000.

**SEC. 404. INCREASE BASE PAYMENT TO PUERTO RICO HOSPITALS.**

Section 1886(d)(9)(A) of the Social Security Act (42 U.S.C. 1395ww(d)(9)(A)) is amended—

(1) in clause (i), by striking ''October 1, 1997, 50 percent ('' and inserting ''October 1, 2000, 25 percent (for discharges between October 1, 1997 and September 30, 2000, 50 percent,''; and

(2) in clause (ii), in the matter preceding subclause (I), by striking ''after October 1, 1997, 50 percent ('' and inserting ''after October 1, 2000, 75 percent (for discharges between October 1, 1997, and September 30, 2000, 50 percent,''.

## Subtitle B—Payments for Skilled Nursing Services

**SEC. 411. ELIMINATING REDUCTION IN SNF MARKET BASKET UPDATE FOR FISCAL YEAR 2001.**

Section 1888(e)(4)(E) of the Social Security Act (42 U.S.C. 1395yy(e)(4)(E)) is amended—

(1) by redesignating subclauses (II) and (III) as subclauses (III) and (IV) respectively;

(2) in subclause (III) as redesignated, by striking ''for each of fiscal years 2001 and 2002,'' and inserting ''for fiscal year 2002,''; and

(3) by inserting after subclause (I) the following new subclause:

''(II) for fiscal year 2001, the rate computed for fiscal year 2000 increased by the skilled nursing facility market basket percentage increase for fiscal year 2000.''.

**SEC. 412. EXTENSION OF MORATORIUM ON THERAPY CAPS.**

Section 1833(g) of the Social Security Act (42 U.S.C. 1395l(g)) is amended in paragraph (4) by striking ''2000 and 2001.'' and inserting ''2000 through 2002.''.

**Subtitle C—Payments for Home Health Services**

**SEC. 421. 1-YEAR ADDITIONAL DELAY IN APPLICATION OF 15 PERCENT REDUCTION ON PAYMENT LIMITS FOR HOME HEALTH SERVICES.**

Section 1895(b)(3)(A)(i) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(A)(i)) is amended—

(1) by redesignating subparagraph (II) as subparagraph (III);

(2) by inserting in subparagraph (III), as redesignated, ''24 months'' following ''periods beginning''; and

(3) by inserting after subclause (I) the following new subclause:

''(II) For the 12-month period beginning after the period described in subclause (I), such amount (or amounts) shall be equal to the amount (or amounts) determined under subclause (I), updated under subparagraph (B).''.

**SEC. 422. PROVISION OF FULL MARKET BASKET UPDATE FOR HOME HEALTH SERVICES FOR FISCAL YEAR 2001.**

Section 1861(v)(1)(L)(x) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(x)) is amended—

(1) by striking ''2001,''; and

(2) by adding at the end the following: ''With respect to cost reporting periods beginning during fiscal year 2001, the update to any limit under this subparagraph shall be the home health market basket.''.

**Subtitle D—Rural Provider Provisions**

**SEC. 431. ELIMINATION OF REDUCTION IN HOSPITAL OUTPATIENT MARKET BASKET INCREASE.**

Section 1833(t)(3)(C)(iii) of the Social Security Act (42 U.S.C. 1395l(t)(3)(C)(iii)) is amended by striking ''reduced by 1 percentage point for such factor for services furnished in each of 2000, 2001, and 2002'' and inserting ''reduced by 1 percentage point for such factor for services furnished in 2000 and reduced (except in the case of hospitals located in a rural area, as defined for purposes of section 1886(d)) by 1 percentage point for such factor for services furnished in each of 2001 and 2002.''

**Subtitle E—Other Providers**

**SEC. 441. UPDATE IN RENAL DIALYSIS COMPOSITE RATE.**

The last sentence of section 1881(b)(7) of the Social Security Act (42 U.S.C. 1395rr(b)(7)) is amended by striking ''for such services furnished on or after January 1, 2001, by 1.2 percent'' and inserting ''for such services furnished on or after January 1, 2001, by 2.4 percent''.

**Subtitle F—Provision for Additional Adjustments**

**SEC. 451. GUARANTEE OF ADDITIONAL ADJUSTMENTS TO PAYMENTS FOR PROVIDERS FROM BUDGET SURPLUS.**

Notwithstanding any other provision of law, from amounts estimated to be in excess social security surpluses estimated under the Balanced Budget and Emergency Deficit Control Act of 1985 for the 5 fiscal year and 10 fiscal year periods beginning in fiscal year 2001, there shall be made available for further adjustments to payment policies established by the Balanced Budget Act of 1997, amounts that would provide for additional improvements to the medicare and medicaid programs carried out under titles XVIII and XIX of the Social Security Act and payments to providers of services and suppliers furnishing items and services for which payments is made under those programs in the aggregate amounts over such 5 fiscal year and 10 fiscal year periods of $11,000,000, and $21,000,000, respectively.

PARLIAMENTARY INQUIRY

Mr. THOMAS (during the reading). Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) will state his parliamentary inquiry.

Mr. THOMAS. Mr. Speaker, under the rules, is the majority allowed a copy of the motion that the Clerk is reading? We do not have a motion, a copy of the motion.

The SPEAKER pro tempore. The Clerk will try and make copies available, but it is not a prerequisite.

The Clerk may proceed.

The Clerk continued reading the motion to recommit.

Mr. THOMAS (during the reading). Mr. Speaker, we have received a copy of the bill. We are familiar with it, and I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. DOGGETT. Mr. Speaker, reserving the right to object, on my reservation I believe that this is the same bill that was submitted to the Committee on Rules last night and the night before and that they rejected last night, or perhaps it was 2:30 or 3:00 this morning. It is the only genuine Medicare plan that is before us. We have been denied an opportunity to see it other than at this point. She is really in the reading just getting to the good part, which is the plan itself that will provide real benefit.

Mr. Speaker, I would object to suspending the reading.

Mr. THOMAS. Mr. Speaker, I withdraw my request.

The SPEAKER pro tempore. The Clerk will continue to read.

The Clerk continued reading the motion to recommit.

□ 1845

Mr. KLECZKA (during the reading) Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Wisconsin?

Mr. DOGGETT. Mr. Speaker, reserving the right to object, subject to my reservation, I believe the part that was being read regards the ability of any citizen under the Medicare program to be able to go out to their own pharmacy. There will be, under this plan, the right for a guaranteed benefit instead of the ploy that we have heard about all day that is really the product of the public relations firm.

Mr. THOMAS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will read.

The Clerk continued reading the motion to recommit.

PARLIAMENTARY INQUIRY

Mr. JACKSON of Illinois (during the reading). Mr. Speaker, may I make a parliamentary inquiry?

The SPEAKER pro tempore. The gentleman may state his parliamentary inquiry.

Mr. JACKSON of Illinois. Mr. Speaker, do the rules of the House provide an opportunity for the reader to have relief over the next hour?

The SPEAKER pro tempore. The Clerk's office takes care of people very well.

Mr. JACKSON of Illinois. Mr. Speaker, then I would like to make a motion that the reading be dispensed with.

The SPEAKER pro tempore. That is not in order.

The Clerk will proceed.

The Clerk continued reading the motion to recommit.

□ 1945

Mr. STARK (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. STARK) for 5 minutes.

Mr. STARK. Mr. Speaker, this plan does what should be done for our seniors. It provides that there will be benefits far in excess of the Republican plan. There is no deductible that pays half the cost.

POINT OF ORDER

The SPEAKER pro tempore. The gentleman from California (Mr. STARK) will suspend.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I had reserved points of order against the measure.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) has reserved the point of order and is recognized on his point of order.

Mr. THOMAS. Mr. Speaker, I raise a point of order against the motion on the grounds that it violates section 302(f) of the Budget Act which prohibits consideration of legislation that would exceed the Committee on Ways and Means allocation of New Budget Authority for the period of 2001 to 2005.

The SPEAKER pro tempore. It is proper for the gentleman from California to insist on his point of order.

Mr. STARK. Mr. Speaker, may I be heard on the point of order?

The SPEAKER pro tempore. The gentleman may be heard.

Mr. STARK. Mr. Speaker, I ask the Speaker's brief indulgence as this is a complex issue, but it is important to the seniors in our country.

Mr. Speaker, this Republican resolution has all points of order waived, and we have none. The budget resolution which the Republicans have created

that makes our hundred billion dollar bill out of order does not comport with what the Republicans have done to provide tax cuts for the wealthiest.

For example, there is $661,000 each for the wealthiest Americans under a tax cut, and yet only $460 a year for senior citizens in prescription drugs. That basically gets to the heart of why I would object to the gentleman's point of order against our bill.

There is a doctrine. It is clearly not fair. We have no points of order waived, and they do.

I think it was Asher Hinds' for Speaker Jubilation Cornpone in 1867 on a cold Thanksgiving evening who ruled on an issue of fairness, and I think it was Speaker Cornpone's statement, that goose again. What is sauce for the goose is sauce for the gander. Parliamentarian Cannon-Deschler Precedents have carried this fairness doctrine down to today.

So, Mr. Speaker, I would like to object to the point of order on the grounds of fairness that has been established in this House for over 100 years and urge that the Speaker rule to allow the Democrats to present a plan which is arguably better than the Republican plan. Based on fairness, I do urge that the point of order is overridden.

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, am I allowed to speak on the point of order, or would it be appropriate for others to speak?

The SPEAKER pro tempore. The gentleman from California may proceed.

Mr. THOMAS. Mr. Speaker, I am tempted to use the statement of the gentleman from California (Mr. STARK) who conceded that it was, in fact, in violation of the Budget Act, but I believe the Chair is in possession of a statement from the chairman on the Committee of the Budget which, in fact, supports the point of order that has been presented. Therefore, I would insist on my point of order.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Rhode Island (Mr. WEYGAND).

Mr. WEYGAND. Mr. Speaker, may I be heard on the point of order?

The SPEAKER pro tempore. The gentleman from Rhode Island may proceed.

Mr. WEYGAND. Mr. Speaker, as a member of the Committee on the Budget, I know that the Committee on the Budget went through much frustration with regard to the concept that the Republicans are floating before us till now with regard to a prescription drug plan.

They had allocated, in a very unusual way, about $40 billion based upon CBO estimates for anticipated surpluses and monies that would be available for such expenditures. The fact of the matter is that, over the last week and half, if we are talking about fairness, is the amount of surplus has been more than doubled even by CBO.

So the basic premise for which the budget resolution and the Committee on the Budget deliberated is no longer valid because the amount of money that has been realized for the surplus is far more than what we realized when we first had those budget deliberations.

In true fairness, if we are to look at this particular legislation that we are proposing, one should look at the fairness of the amount of surplus that is presently available to the Committee on the Budget. If indeed we are going to be fair, the chairman of the Committee on the Budget should reconvene the whole committee to take a look at exactly what truly is a surplus and, therefore, what could be spent on various other items, including a prescription drug benefit.

We seek only to provide our seniors with a cost-effective way of providing for prescription drugs. I believe many of the people on the other side also want to do that. But what we propose is a system that will clearly work, will not be putting it into an insurance company program, but into a Medicare universal program that will be available to all seniors.

I ask them to consider not raising this point of order, and I hope that we will dismiss with this point of order.

Mr. RANGEL. Mr. Speaker, may I be heard on the point of order?

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York.

Mr. RANGEL. Mr. Speaker, it just seems to me that, whether one is Republican or Democrat, that we all have at least the same concern for our older Americans who, as they get older, more susceptible to illness and pain, we have done a pretty good job with Medicare and giving older people access to doctors and to hospitals. Even initially those people who did not like the program would have to admit that it has really removed a lot of pain for some deserving Americans.

Now, we reach the point in saying, what good is access to health care if after the doctors prescribed the medicine to keep one well, that one cannot afford to do it.

Well, it was easy for us to say that we had to establish priorities. We always had the Communist threat. We always had to invest in defense. But now when everybody agrees that, no matter who takes the credit for it, we have an opportunity really, not to pick and choose which are the winners and losers among the older people, but to be able to say we thank them for the investments that they have made in this great Republic. They are aged, but they are not forgotten; and that we trust them enough that we will take some of this surplus and make them whole so that they will never have to worry about not paying their rent or their mortgage or getting the foods that they need because they had to pay for their medicine.

It seems to me that it may be that the majority, from a technical point of view, may be correct. But I think the American people would know or should know that the majority holds in its hands this evening the ability to waive that point of order and to say that they are prepared to do what is right, what is moral, and what is in their power to do.

I just hope that the gentleman from California (Mr. THOMAS) would be sensitive enough to at least consider at this point in time waiving the point of order so that we can give a better deal to those older people who deserve it.

□ 2000

The SPEAKER pro tempore (Mr. LAHOOD). The Chair is prepared to rule.

The gentleman from California (Mr. THOMAS) makes a point of order that the amendment proposed by the instructions in the motion to recommit offered by the gentleman from California (Mr. STARK) violates section 302(f) of the Congressional Budget Act of 1974.

Section 302(f) of the Budget Act prescribes a point of order against consideration of an amendment providing new budget authority if the adoption of the amendment and enactment of the bill, as amended, would cause the pertinent allocation of new budget authority for the relevant fiscal years under section 302(a) of the Act to be exceeded.

The Chair is authoritatively guided by estimates provided by the Committee on the Budget indicating that (1) any amendment that proposes to provide new budget authority in excess of $2.964 billion over the amount provided by the underlying bill for the period of fiscal years 2001 through 2005 would exceed the section 302(a) allocation of the Committee on Ways and Means, as adjusted under section 214 of House Concurrent Resolution 290, in violation of section 302(f) of the Congressional Budget Act of 1974; and

(2) the bill, as it is proposed to be changed by the amendment, would so cause the new budget authority provided by the bill to exceed that level.

The Chair therefore holds that the amendment violates section 302(f) of the Budget Act. Accordingly, the point of order is sustained and the motion to recommit is not in order.

Mr. WEYGAND. Mr. Speaker, I respectfully disagree with the Chair's ruling and appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the House?

MOTION TO TABLE OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, I move to table the motion to appeal the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. THOMAS) to lay on the table the appeal of the ruling of the Chair.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STARK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 224, nays 202, not voting 8, as follows:

[Roll No. 355]

YEAS—224

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NAYS—202

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—8

Cook
Filner
Fowler
Hinojosa
Jefferson
Markey
Serrano
Vento

□ 2021

Messrs. UDALL of Colorado, WYNN, SNYDER, and SPRATT changed their vote from ''yea'' to ''nay.''

Mr. BALLENGER and Mrs. BIGGERT changed their vote from ''nay'' to ''yea.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION TO RECOMMIT OFFERED BY MR. STARK

Mr. STARK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. LAHOOD). Is the gentleman opposed to the bill?

Mr. STARK. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STARK of California moves to recommit the bill H.R. 4680 to the Committee on Ways and Means with instructions to report the same back to the House promptly with a Medicare prescription medicine plan that accomplishes the following by, among other things, the amendment-in-the-nature-of-a-substitute specified below:

(1) Provide a benefit which is available to all medicare beneficiaries, including those in rural areas.

(2) Provide equal treatment for all medicare beneficiaries, without disparities in coverage between rural, urban, and suburban regions, and without compounding current disparities in coverage.

(3) Ensure that medicare beneficiaries receive a price substantially similar to the best prices paid by preferred customers for their prescription medications.

(4) Help low and middle-income medicare beneficiaries afford prescription medicine costs.

(5) Allow participation by local pharmacists, not just mail order pharmacies.

(6) Be consistent with medicare modernization.

The amendment-in-the-nature-of-a-substitute is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—MEDICARE PRESCRIPTION MEDICINE BENEFIT PROGRAM

Sec. 101. Prescription medicine benefit program.

''PART D—PRESCRIPTION MEDICINE BENEFIT FOR THE AGED AND DISABLED

''Sec. 1860. Establishment of defined prescription medicine benefit program for the aged and disabled under the medicare program.
''Sec. 1860A. Scope of defined benefits; coverage of all medically necessary prescription medicines.
''Sec. 1860B. Payment of defined basic and catastrophic benefits.
''Sec. 1860C. Eligibility and enrollment.
''Sec. 1860D. Monthly premium; initial $25 premium.
''Sec. 1860F. Prescription medicine insurance account.
''Sec. 1860G. Administration of benefits .
''Sec. 1860H. Incentive program to encourage employers to continue coverage .
''Sec. 1860I. Appropriations to cover government contributions.
''Sec. 1860J. Definitions.''.

Sec. 102. Medicaid buy-in of medicare prescription medicine coverage for certain low-income individuals.
''Sec. 1860E. Special eligibility, enrollment, and copayment rules for low-income individuals.

Sec. 103. GAO ongoing studies and reports on program; miscellaneous reports.

TITLE II—IMPROVEMENT IN BENEFICIARY SERVICES

Subtitle A—Improvement of Medicare Coverage and Appeals Process

Sec. 201. Revisions to medicare appeals process.

Sec. 202. Provisions with respect to limitations on liability of beneficiaries.

Sec. 203. Waivers of liability for cost sharing amounts.

Subtitle B—Establishment of Medicare Ombudsman

Sec. 211. Establishment of Medicare Ombudsman for Beneficiary Assistance and Advocacy.

TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT

Subtitle A—Medicare+Choice Reforms

Sec. 301. Increase in national per capita Medicare+Choice growth percentage in 2001 and 2002.

Sec. 302. Permanently removing application of budget neutrality beginning in 2002.

Sec. 303. Increasing minimum payment amount.

Sec. 304. Allowing movement to 50:50 percent blend in 2002.

Sec. 305. Increased update for payment areas with only one or no Medicare+Choice contracts.

Sec. 306. Permitting higher negotiated rates in certain Medicare+Choice payment areas below national average.

Sec. 307. 10-year phase in of risk adjustment based on data from all settings.

Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals

Sec. 311. Preservation of coverage of drugs and biologicals under part B of the medicare program.

Sec. 312. Comprehensive immunosuppressive medicine coverage for transplant patients.

Subtitle C—Improvement of Certain Preventive Benefits

Sec. 321. Coverage of annual screening pap smear and pelvic exams.

TITLE IV—ADJUSTMENTS TO PAYMENT PROVISIONS OF THE BALANCED BUDGET ACT

Subtitle A—Payments for Inpatient Hospital Services

Sec. 401. Eliminating reduction in hospital market basket update for fiscal year 2001.

Sec. 402. Eliminating further reductions in indirect medical education (IME) for fiscal year 2001.

Sec. 403. Eliminating further reductions in disproportionate share hospital (DSH) payments.

Sec. 404. Increase base payment to Puerto Rico hospitals.

Subtitle B—Payments for Skilled Nursing Services

Sec. 411. Eliminating reduction in SNF market basket update for fiscal year 2001.

Sec. 412. Extension of moratorium on therapy caps.

Subtitle C—Payments for Home Health Services

Sec. 421. 1-year additional delay in application of 15 percent reduction on payment limits for home health services.

Sec. 422. Provision of full market basket update for home health services for fiscal year 2001.

Subtitle D—Rural Provider Provisions

Sec. 431. Elimination of reduction in hospital outpatient market basket increase.

Subtitle E—Other Providers

Sec. 441. Update in renal dialysis composite rate.

Subtitle F—Provision for Additional Adjustments

Sec. 451. Guarantee of additional adjustments to payments for providers from budget surplus.

TITLE V—IMPLEMENTATION OF CERTAIN PROVISIONS CONTINGENT ON GUARANTEE OF CERTIFICATION OF TRUST FUND SURPLUSES

Sec. 501. Implementation of certain provisions before 2006 contingent on ensuring debt retirement and integrity of the Social Security and Medicare Trust Fund surpluses.

**SEC. 2. FINDINGS.**

Congress makes the following findings:

(1) Prescription medicine coverage was not a standard part of health insurance when the medicare program under title XVIII of the Social Security Act was enacted in 1965. Since 1965, however, medicine coverage has become a key component of most private and public health insurance coverage, except for the medicare program.

(2) At least ⅔ of medicare beneficiaries have unreliable, inadequate, or no medicine coverage at all.

(3) Seniors who do not have medicine coverage typically pay, at a minimum, 15 percent more than people with coverage.

(4) Medicare beneficiaries at all income levels lack prescription medicine coverage, with more than ½ of such beneficiaries having incomes greater than 150 percent of the poverty line.

(5) The number of private firms offering retiree health coverage is declining.

(6) Medigap premiums for medicines are too expensive for most beneficiaries and are highest for older senior citizens, who need prescription medicine coverage the most and typically have the lowest incomes.

(7) While the management of a medicare prescription medicine benefit program should mirror the practices employed by benefit administrators in delivering prescription medicines, the Secretary of Health and Human Services should oversee that program to assure that a guaranteed and defined prescription drug benefit is provided to all medicare beneficiaries.

(8) All medicare beneficiaries should have access to a voluntary, reliable, affordable, dependable, and defined outpatient medicine benefit as part of the medicare program that assists with the high cost of prescription medicines and protects them against excessive out-of-pocket costs.

## TITLE I—MEDICARE PRESCRIPTION MEDICINE BENEFIT PROGRAM

**SEC. 101. PRESCRIPTION MEDICINE BENEFIT PROGRAM.**

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended—

(1) by redesignating part D as part E; and

(2) by inserting after part C the following new part:

''PART D—PRESCRIPTION MEDICINE BENEFIT FOR THE AGED AND DISABLED

''ESTABLISHMENT OF DEFINED PRESCRIPTION MEDICINE BENEFIT PROGRAM FOR THE AGED AND DISABLED UNDER THE MEDICARE PROGRAM

''SEC. 1860. (a) IN GENERAL.—There is established as a part of the medicare program under this title a voluntary insurance program to provide defined prescription medicine benefits, including pharmacy services, in accordance with the provisions of this part for individuals who are aged or disabled or have end-stage renal disease and who voluntarily elect to enroll under such program, to be financed from premium payments by enrollees together with contributions from funds appropriated by the Federal Government.

''(b) NONINTERFERENCE BY THE SECRETARY.—In administering the prescription medicine benefit program established under this part, the Secretary may not—

''(1) require a particular formulary, institute a price structure for benefits, or in any way ration benefits;

''(2) interfere in any way with negotiations between benefit administrators and medicine manufacturers, or wholesalers; or

''(3) otherwise interfere with the competitive nature of providing a prescription medicine benefit using private benefit administrators, except as is required to guarantee coverage of the defined benefit.

''SCOPE OF DEFINED BENEFITS; COVERAGE OF ALL MEDICALLY NECESSARY PRESCRIPTION MEDICINES

''SEC. 1860A. (a) IN GENERAL.—The benefits provided to an individual enrolled in the insurance program under this part shall consist of—

''(1) payments made, in accordance with the provisions of this part, for covered prescription medicines (as specified in subsection (b)) dispensed by any pharmacy participating in the program under this part (and, in circumstances designated by the benefit administrator, by a nonparticipating pharmacy); and

''(2) charging by pharmacies of the negotiated discount price—

''(A) for all covered prescription medicines, without regard to basic benefit limitation specified in section 1860B(b)(3); and

''(B) established with respect to any drugs or classes of drugs described in subparagraphs (A), (B), (D), (E), or (F) of section 1927(d)(2) that are available to individuals receiving benefits under this title.

''(b) COVERED PRESCRIPTION MEDICINES.—

''(1) IN GENERAL.—Covered prescription medicines, for purposes of this part, include all prescription medicines (as defined in section 1860J(1)), including smoking cessation agents, except as otherwise provided in this subsection.

''(2) EXCLUSIONS FROM COVERAGE.—Covered prescription medicines shall not include drugs or classes of drugs described in subparagraphs (A) through (D) and (F) through (H) of section 1927(d)(2) unless specifically provided otherwise by the Secretary with respect to a drug in any of such classes.

''(3) NONDUPLICATION OF PRESCRIPTION MEDICINES COVERED UNDER PART A OR B.—A medicine prescribed for an individual that would otherwise be a covered prescription medicine under this part shall not be so considered to the extent that payment for such medicine is available under part A or B (including all injectable drugs and biologicals for which payment was made or should have been made by a carrier under section 1861(s)(2) (A) or (B) as of the date of enactment of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000). Medicines otherwise covered under part A or B shall be covered under this part to the extent that benefits under part A or B are exhausted.

''(4) STUDY ON INCLUSION OF HOME INFUSION THERAPY SERVICES.—Not later than one year after the date of the enactment of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000, the Secretary shall submit to Congress a legislative proposal for the delivery of home infusion therapy services under this title and for a system of payment for such a benefit that coordinates items and services furnished under part B and under this part.

''PAYMENT OF DEFINED BASIC AND CATASTROPHIC BENEFITS

''SEC. 1860B. (a) PAYMENT OF BENEFITS.—There shall be paid from the Prescription Medicine Insurance Account within the Supplementary Medical Insurance Trust Fund, in the case of each individual who is enrolled in the insurance program under this part and who purchases covered prescription medicines in a calendar year, the sum of the benefit amounts under subsections (b) and (c).

''(b) BASIC BENEFIT.—

''(1) IN GENERAL.—An amount (not exceeding 50 percent of the annual limitation under paragraph (3)) equal to the applicable government percentage (specified in paragraph (2)) of the negotiated price for each such covered prescription medicine or such higher percentage as is proposed under section 1860G(d)(9).

''(2) APPLICABLE GOVERNMENT PERCENTAGE.—The applicable government percentage specified in this paragraph is 50 percent or such higher percentage as may be proposed under section 1860G(d)(9), if the Secretary finds that such higher percentage will not increase aggregate costs to the Prescription Medicine Insurance Account.

''(3) ANNUAL LIMITATION IN BASIC BENEFIT.—

''(A) FOR 2003 THROUGH 2009.—For purposes of the basic benefit described in paragraph (1), the annual limitation under this paragraph is—

''(i) $2,000 for each of 2003, 2004, and 2005;

''(ii) $3,000 for 2006;

''(iii) $4,000 for each of 2007 and 2008; and

''(iv) $5,000 for 2009.

''(B) FOR 2010 AND SUBSEQUENT YEARS.—For purposes of paragraph (1), the annual limitation under this paragraph for 2010 and each subsequent year is equal to the limitation for the preceding year adjusted by the annual percentage increase in average per capita aggregate expenditures for covered outpatient medicines in the United States for medicare beneficiaries, as estimated by the Secretary. Any amount determined under this subparagraph that is not a multiple of $10 shall be rounded to the nearest multiple of $10.

''(c) CATASTROPHIC BENEFIT.—

''(1) IN GENERAL.—With respect to out-of-pocket expenditures incurred by a beneficiary enrolled under this part in a year specified in paragraph (2), the amount of such expenditures that exceeds the catastrophic benefit level specified in paragraph (3).

''(2) APPLICATION IN A YEAR.—A year specified in this paragraph is—

''(A) any year (during the period beginning with 2003 and ending with 2005) for which the certification described in section 501 of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000 has been made; and

''(B) 2006 and any subsequent year.

''(3) CATASTROPHIC BENEFIT LIMIT.—

''(A) FOR 2003.—The catastrophic benefit level specified in this paragraph for 2003 is $4,000.

''(B) INDEXING FOR SUBSEQUENT YEARS.—For a year after 2003, the catastrophic benefit level specified in this paragraph is the catastrophic benefit level specified in this paragraph for the previous year increased by annual percentage increase determined for the year involved under subsection (b)(3)(B). Any such amount which is not a multiple of $10 shall be rounded to the nearest multiple of $10.

''ELIGIBILITY AND ENROLLMENT

''SEC. 1860C. (a) ELIGIBILITY.—Every individual who, in or after 2003, is entitled to hospital insurance benefits under part A or enrolled in the medical insurance program under part B is eligible to enroll in the insurance program under this part, during an enrollment period prescribed in or under this section, in such manner and form as may be prescribed by regulations.

''(b) ENROLLMENT.—

''(1) IN GENERAL.—Each individual who satisfies subsection (a) shall be enrolled (or eligible to enroll) in the program under this part in accordance with the provisions of section 1837, as if that section applied to this part, except as otherwise explicitly provided in this part.

''(2) SINGLE ENROLLMENT PERIOD.—Except as provided in section 1837(i) (as such section applies to this part), 1860E (relating to loss of coverage under the medicaid program), or 1860H(e) (relating to loss of employer or union coverage), or as otherwise explicitly provided, no individual shall be entitled to enroll in the program under this part at any time after the initial enrollment period without penalty, and in the case of all other late enrollments, the Secretary shall develop a late enrollment penalty for the individual that fully recovers the additional actuarial risk involved in providing coverage for the individual.

''(3) SPECIAL ENROLLMENT PERIOD IN 2003.—

''(A) IN GENERAL.—An individual who first satisfies subsection (a) in 2003 may, at any time on or before December 31, 2003—

''(i) enroll in the program under this part; and

''(ii) enroll or reenroll in such program after having previously declined or terminated enrollment in such program.

''(B) EFFECTIVE DATE OF COVERAGE.—An individual who enrolls under the program under this part pursuant to subparagraph (A) shall be entitled to benefits under this part beginning on the first day of the month following the month in which such enrollment occurs.

''(c) PERIOD OF COVERAGE.—

''(1) IN GENERAL.—Except as otherwise provided in this part, an individual's coverage under the program under this part shall be effective for the period provided in section 1838, as if that section applied to the program under this part.

''(2) PART D COVERAGE TERMINATED BY TERMINATION OF COVERAGE UNDER PARTS A AND B.—In addition to the causes of termination specified in section 1838, an individual's coverage under this part shall be terminated when the individual retains coverage under neither the program under part A nor the program under part B, effective on the effective date of termination of coverage under part A or (if later) under part B.

''MONTHLY PREMIUM; INITIAL $25 PREMIUM

''SEC. 1860D. (a) ANNUAL ESTABLISHMENT OF GUARANTEED SINGLE RATE FOR ALL PARTICIPATING BENEFICIARIES.—

''(1) $25 MONTHLY PREMIUM RATE IN 2003.—The monthly premium rate in 2003 for prescription medicine benefits under this part is $25.

''(2) PREMIUM RATES IN SUBSEQUENT YEARS.—

''(A) IN GENERAL.—The Secretary shall, during September of 2003 and of each succeeding year, determine and promulgate a monthly premium rate for the succeeding year in accordance with the provisions of this paragraph.

''(B) DETERMINATION OF ANNUAL BENEFIT COSTS.—The Secretary shall estimate annually for the succeeding year the amount equal to the total of the benefits (but not including catastrophic benefits under section 1860B(c)) that will be payable from the Prescription Medicine Insurance Account for prescription medicines dispensed in such calendar year with respect to enrollees in the program under this part. In calculating such amount, the Secretary shall include an appropriate amount for a contingency margin.

''(C) DETERMINATION OF MONTHLY PREMIUM RATES.—

''(i) IN GENERAL.—The Secretary shall determine the monthly premium rate with respect to such enrollees for such succeeding year, which shall be 1/12 of the share specified in clause (ii) of the amount determined under subparagraph (B), divided by the total number of such enrollees, and rounded (if such rate is not a multiple of 10 cents) to the nearest multiple of 10 cents.

''(ii) ENROLLEE AND EMPLOYER PERCENTAGE SHARES.—The share specified in this clause, for purposes of clause (i), shall be—

''(I) one-half, in the case of premiums paid by an individual enrolled in the program under this part; and

''(II) two-thirds, in the case of premiums paid for such an individual by a former employer (as defined in section 1860H(f)(2)).

''(D) PUBLICATION OF ASSUMPTIONS.—The Secretary shall publish, together with the promulgation of the monthly premium rates for the succeeding year, a statement setting forth the actuarial assumptions and bases employed in arriving at the amounts and rates determined under this paragraph.

''(b) PAYMENT OF PREMIUMS.—

''(1) GENERALLY THROUGH DEDUCTION FROM SOCIAL SECURITY, RAILROAD RETIREMENT BENEFITS, OR BENEFITS ADMINISTERED BY OPM.—

''(A) IN GENERAL.—In the case of an individual who is entitled to or receiving benefits as described in subsection (a), (b), or (d) of section 1840, premiums payable under this part shall be collected by deduction from such benefits at the same time and in the same manner as premiums payable under part B are collected pursuant to section 1840.

''(B) TRANSFERS OF DEDUCTION TO ACCOUNT.—The Secretary of the Treasury shall, from time to time, but not less often than quarterly, transfer premiums collected pursuant to subparagraph (A) to the Prescription Medicine Insurance Account from the appropriate funds and accounts described in subsections (a)(2), (b)(2), and (d)(2) of section 1840, on the basis of the certifications described in such subsections. The amounts of such transfers shall be appropriately adjusted to the extent that prior transfers were too great or too small.

''(2) OTHERWISE THROUGH DIRECT PAYMENTS BY ENROLLEE TO SECRETARY.—

''(A) IN THE CASE OF INADEQUATE DEDUCTION.—An individual to whom paragraph (1) applies (other than an individual receiving benefits as described in section 1840(d)) and who estimates that the amount that will be available for deduction under such paragraph for any premium payment period will be less than the amount of the monthly premiums for such period may (under regulations) pay to the Secretary the estimated balance, or such greater portion of the monthly premium as the individual chooses.

''(B) OTHER CASES.—An individual enrolled in the insurance program under this part with respect to whom none of the preceding provisions of this subsection applies (or to whom section 1840(c) applies) shall pay premiums to the Secretary at such times and in such manner as the Secretary shall by regulations prescribe.

''(C) DEPOSIT OF PREMIUMS IN ACCOUNT.—Amounts paid to the Secretary under this paragraph shall be deposited in the Treasury to the credit of the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund.

''(c) CERTAIN LOW-INCOME INDIVIDUALS.—For rules concerning premiums for certain low-income individuals, see section 1860E.

''PRESCRIPTION MEDICINE INSURANCE ACCOUNT

''SEC. 1860F. (a) ESTABLISHMENT.—There is created within the Federal Supplemental Medical Insurance Trust Fund established by

section 1841 an account to be known as the 'Prescription Medicine Insurance Account' (in this section referred to as the 'Account').

''(b) AMOUNTS IN ACCOUNT.—

''(1) IN GENERAL.—The Account shall consist of—

''(A) such amounts as may be deposited in, or appropriated to, such fund as provided in this part; and

''(B) such gifts and bequests as may be made as provided in section 201(i)(1).

''(2) SEPARATION OF FUNDS.—Funds provided under this part to the Account shall be kept separate from all other funds within the Federal Supplemental Medical Insurance Trust Fund.

''(c) PAYMENTS FROM ACCOUNT.—

''(1) IN GENERAL.—The Managing Trustee shall pay from time to time from the Account such amounts, subject to appropriations, as the Secretary certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g).

''(2) TREATMENT IN RELATION TO PART B PREMIUM.—Amounts payable from the Account shall not be taken into account in computing actuarial rates or premium amounts under section 1839.

''ADMINISTRATION OF BENEFITS

''SEC. 1860G. (a) ADMINISTRATION.—

''(1) USE OF PRIVATE BENEFIT ADMINISTRATORS AS PROVIDED FOR UNDER PARTS A AND B.—The Secretary shall provide for administration of the benefits under this part through a contract with a private benefit administrator designated in accordance with subsection (c), for enrolled individuals residing in each service area designated pursuant to subsection (b) (other than such individuals enrolled in a Medicare+Choice program under part C), in accordance with the provisions of this section.

''(2) GUARANTEE OF PROGRAM ADMINISTRATION.—In the case of a service area in which no private benefit administrator has entered into a contract with the Secretary under paragraph (1) for the administration of this part, the Secretary shall seek to enter into a contract with a fiscal intermediary under part A (with a contract under section 1816) or a carrier under part B (with a contract under section 1842) to administer this part in that service area in accordance with the provisions of subsection (d). If the Secretary is unable to enter into such a contract for that service area, the Secretary shall provide for the administration of this part in that service area in accordance with the provisions of subsection (d) through another benefit administrator.

''(b) DESIGNATION OF GEOGRAPHIC SERVICE AREAS.—

''(1) IN GENERAL.—The Secretary shall divide the total geographic area served by the programs under this title into an appropriate number of service areas for purposes of administration of benefits under this part.

''(2) CONSIDERATIONS IN DETERMINING SERVICE AREAS.—In determining or adjusting the number and boundaries of service areas under this subsection, the Secretary shall seek to ensure that—

''(A) there is a reasonable level of competition among entities eligible to contract to administer the benefit program under this section for each area; and

''(B) the designation of areas is consistent with the goal of securing contracts under this section that use the volume purchasing power of enrollees to obtain the same or similar type of prescription medicine discounts as are afforded favored, large purchasers.

''(c) DESIGNATION OF BENEFIT ADMINISTRATOR.—

''(1) AWARD AND DURATION OF CONTRACT.—

''(A) COMPETITIVE AWARD.—Each contract for a service area shall be awarded competitively in accordance with section 5 of title 41, United States Code, for a period (subject to subparagraph (B)) of not less than 2 nor more than 5 years.

''(B) REVIEW.—A contract for a service area shall be subject to an evaluation after a year and termination for cause.

''(2) ELIGIBLE BENEFIT ADMINISTRATORS.—An entity shall not be eligible for consideration as a benefit administrator responsible for administering the prescription medicine benefit program under this part in a service area unless it meets at least the following criteria:

''(A) TYPE OF ENTITY.—The entity shall be capable of administering a prescription medicine benefit program, and may be a prescription medicine vendor, wholesale and retail pharmacy delivery system, health care provider or insurer, any other type of entity as the Secretary may specify, or a consortium of such entities.

''(B) PERFORMANCE CAPABILITY.—The entity shall have sufficient expertise, personnel, and resources to perform effectively the benefit administration functions for such area.

''(C) FINANCIAL INTEGRITY.—The entity and its officers, directors, agents, and managing employees shall have a satisfactory record of professional competence and professional and financial integrity, and the entity shall have adequate financial resources to perform services under the contract without risk of insolvency.

''(3) PROPOSAL REQUIREMENTS.—

''(A) IN GENERAL.—An entity's proposal for award or renewal of a contract under this section shall include such material and information as the Secretary may require.

''(B) SPECIFIC INFORMATION.—A proposal described in subparagraph (A) shall—

''(i) include a detailed description of—

''(I) the schedule of negotiated prices that will be charged to enrollees;

''(II) how the entity will deter medical errors that are related to prescription medicines; and

''(III) proposed contracts with local pharmacy providers designed to ensure access, including compensation for local pharmacists' services;

''(ii) be accompanied by such information as the Secretary may require on the entity's past performance; and

''(iii) disclose ownership and shared financial interests with other entities involved in the delivery of the benefit as proposed.

''(4) CRITERIA FOR COMPETITIVE SELECTION.—In awarding a contract competitively, the Secretary shall consider the comparative merits of each of the applications by eligible entities, as determined on the basis of the entities' past performance and other relevant factors, with respect to the following:

''(A) the estimated total cost of the contract, taking into consideration the entity's proposed fees and price and cost estimates, as evaluated and adjusted by the Secretary in accordance with the provisions of the Federal Acquisition Regulation concerning contracting by negotiation;

''(B) prior experience in administering a type of health insurance program;

''(C) effectiveness in containing costs through obtaining discounts from manufacturers, pricing incentives, utilization management, and drug utilization review;

''(D) the quality and efficiency of benefit management services with respect to such matters as claims processing and benefits coordination; record-keeping and reporting; maintenance of medical records confidentiality; and drug utilization review, patient information, customer satisfaction, and other activities supporting quality of care; and

''(E) such other factors as the Secretary deems necessary to evaluate the merits of each application.

''(5) FLEXIBILITY IN SECURING BEST BENEFIT ADMINISTRATOR.—In awarding contracts under this subsection, the Secretary may waive conflict of interest rules generally applicable to Federal acquisitions (subject to such safeguards as the Secretary may find necessary to impose) in circumstances where the Secretary finds that such waiver—

''(A) is not inconsistent with the purposes of the programs under this title and the best interests of enrolled individuals; and

''(B) will permit a sufficient level of competition for such contracts, promote efficiency of benefits administration, or otherwise serve the objectives of the program under this part.

If the Secretary waives such rules, the Secretary shall establish a special monitoring program to ensure that beneficiaries served by the benefit administrator have access to all necessary pharmaceuticals as prescribed.

''(6) MAXIMIZING COMPETITION AND SAVINGS.—In awarding contracts under this section, the Secretary shall give consideration to the need to maintain sufficient numbers of entities eligible and willing to administer benefits under this part to ensure vigorous competition for such contracts, while also giving consideration to the need for a benefit administrator to have sufficient purchasing power to obtain appropriate cost savings.

''(d) FUNCTIONS OF BENEFIT ADMINISTRATOR.—A benefit administrator for a service area shall (or in the case of the function described in paragraph (9), may) perform the following functions:

''(1) PARTICIPATION AGREEMENTS, PRICES, AND FEES.—

''(A) PRIVATELY NEGOTIATED PRICES.—Each benefit administrator shall establish, through negotiations with medicine manufacturers and wholesalers and pharmacies, a schedule of prices for covered prescription medicines.

''(B) AGREEMENTS WITH ANY WILLING PHARMACY.—Each benefit administrator shall enter into participation agreements under subsection (e) with any willing pharmacy, that include terms that—

''(i) secure the participation of sufficient numbers of pharmacies to ensure convenient access (including adequate emergency access);

''(ii) permit the participation of any willing pharmacy in the service area that meets the participation requirements described in subsection (e); and

''(iii) allow for reasonable dispensing and consultation fees for pharmacies.

''(C) LISTS OF PRICES AND PARTICIPATING PHARMACIES.—Each benefit administrator shall ensure that the negotiated prices established under subparagraph (A) and the list of pharmacies with agreements under subsection (e) are regularly updated and readily available in the service area to health care professionals authorized to prescribe medicines, participating pharmacies, and enrolled individuals.

''(2) TRACKING OF COVERED ENROLLED INDIVIDUALS.—In coordination with the Secretary, each benefit administrator shall maintain accurate, updated records of all enrolled individuals residing in the service area (other than individuals enrolled in a plan under part C).

''(3) PAYMENT AND COORDINATION OF BENEFITS.—

''(A) PAYMENT.—Each benefit administrator shall—

''(i) administer claims for payment of benefits under this part and encourage, to the

maximum extent possible, use of electronic means for the submissions of claims;

''(ii) determine amounts of benefit payments to be made; and

''(iii) receive, disburse, and account for funds used in making such payments, including through the activities specified in the provisions of this paragraph.

''(B) COORDINATION.—Each benefit administrator shall coordinate with the Secretary, other benefit administrators, pharmacies, and other relevant entities as necessary to ensure appropriate coordination of benefits with respect to enrolled individuals, including coordination of access to and payment for covered prescription medicines according to an individual's in-service area plan provisions, when such individual is traveling outside the home service area, and under such other circumstances as the Secretary may specify.

''(C) EXPLANATION OF BENEFITS.—Each benefit administrator shall furnish to enrolled individuals an explanation of benefits in accordance with section 1806(a), and a notice of the balance of benefits remaining for the current year, whenever prescription medicine benefits are provided under this part (except that such notice need not be provided more often than monthly).

''(4) REQUIREMENTS WITH RESPECT TO FORMULARIES.—If a benefit administrator uses a formulary to contain costs under this part, the benefit administrator shall—

''(A) use a pharmacy and therapeutics committee comprised of licensed practicing physicians, pharmacists, and other health care practitioners to develop and manage the formulary;

''(B) include in the formulary at least 1 medicine from each therapeutic class and, if available, a generic equivalent thereof; and

''(C) disclose to current and prospective enrollees and to participating providers and pharmacies in the service area, the nature of the formulary restrictions, including information regarding the medicines included in the formulary and any difference in cost-sharing amounts.

''(5) COST AND UTILIZATION MANAGEMENT; QUALITY ASSURANCE.—Each benefit administrator shall have in place effective cost and utilization management, drug utilization review, quality assurance measures, and systems to reduce medical errors, including at least the following, together with such additional measures as the Secretary may specify:

''(A) DRUG UTILIZATION REVIEW.—A drug utilization review program conforming to the standards provided in section 1927(g)(2) (with such modifications as the Secretary finds appropriate).

''(B) FRAUD AND ABUSE CONTROL.—Activities to control fraud, abuse, and waste, including prevention of diversion of pharmaceuticals to the illegal market.

''(C) MEDICATION THERAPY MANAGEMENT.—

''(i) IN GENERAL.—A program of medicine therapy management and medication administration that is designed to assure that covered outpatient medicines are appropriately used to achieve therapeutic goals and reduce the risk of adverse events, including adverse drug interactions.

''(ii) ELEMENTS OF MEDICATION THERAPY MANAGEMENT.—Such program may include—

''(I) enhanced beneficiary understanding of such appropriate use through beneficiary education, counseling, and other appropriate means; and

''(II) increased beneficiary adherence with prescription medication regimens through medication refill reminders, special packaging, and other appropriate means.

''(iii) DEVELOPMENT OF PROGRAM IN COOPERATION WITH LICENSED PHARMACISTS.—The program shall be developed in cooperation with licensed pharmacists and physicians.

''(iv) CONSIDERATIONS IN PHARMACY FEES.—The benefit administrators shall take into account, in establishing fees for pharmacists and others providing services under the medication therapy management program, the resources and time used in implementing the program.

''(6) EDUCATION AND INFORMATION ACTIVITIES.—Each benefit administrator shall have in place mechanisms for disseminating educational and informational materials to enrolled individuals and health care providers designed to encourage effective and cost-effective use of prescription medicine benefits and to ensure that enrolled individuals understand their rights and obligations under the program.

''(7) BENEFICIARY PROTECTIONS.—

''(A) CONFIDENTIALITY OF HEALTH INFORMATION.—Each benefit administrator shall have in effect systems to safeguard the confidentiality of health care information on enrolled individuals, which comply with section 1106 and with section 552a of title 5, United States Code, and meet such additional standards as the Secretary may prescribe.

''(B) GRIEVANCE AND APPEAL PROCEDURES.—Each benefit administrator shall have in place such procedures as the Secretary may specify for hearing and resolving grievances and appeals, including expedited appeals, brought by enrolled individuals against the benefit administrator or a pharmacy concerning benefits under this part, which shall include procedures equivalent to those specified in subsections (f) and (g) of section 1852.

''(8) RECORDS, REPORTS, AND AUDITS OF BENEFIT ADMINISTRATORS.—

''(A) RECORDS AND AUDITS.—Each benefit administrator shall maintain adequate records, and afford the Secretary access to such records (including for audit purposes).

''(B) REPORTS.—Each benefit administrator shall make such reports and submissions of financial and utilization data as the Secretary may require taking into account standard commercial practices.

''(9) PROPOSAL FOR ALTERNATIVE COINSURANCE AMOUNT.—

''(A) SUBMISSION.—Each benefit administrator may submit a proposal for decreased beneficiary cost-sharing for generic prescription medicines, prescription medicines on the benefit administrator's formulary, or prescription medicines obtained through mail order pharmacies.

''(B) CONTENTS.—The proposal submitted under subparagraph (A) shall contain evidence that such decreased cost-sharing would not result in an increase in aggregate costs to the Account, including an analysis of differences in projected drug utilization patterns by beneficiaries whose cost-sharing would be reduced under the proposal and those making the cost-sharing payments that would otherwise apply.

''(10) OTHER REQUIREMENTS.—Each benefit administrator shall meet such other requirements as the Secretary may specify.

''(e) PHARMACY PARTICIPATION AGREEMENTS.—

''(1) IN GENERAL.—A pharmacy that meets the requirements of this subsection shall be eligible to enter an agreement with a benefit administrator to furnish covered prescription medicines and pharmacists' services to enrolled individuals residing in the service area.

''(2) TERMS OF AGREEMENT.—An agreement under this subsection shall include the following terms and requirements:

''(A) LICENSING.—The pharmacy and pharmacists shall meet (and throughout the contract period will continue to meet) all applicable State and local licensing requirements.

''(B) LIMITATION ON CHARGES.—Pharmacies participating under this part shall not charge an enrolled individual more than the negotiated price for an individual medicine as established under subsection (d)(1), regardless of whether such individual has attained the basic benefit limitation under section 1860B(b)(3), and shall not charge an enrolled individual more than the individual's share of the negotiated price as determined under the provisions of this part.

''(C) PERFORMANCE STANDARDS.—The pharmacy and the pharmacist shall comply with performance standards relating to—

''(i) measures for quality assurance, reduction of medical errors, and participation in the drug utilization review program described in subsection (d)(3)(A);

''(ii) systems to ensure compliance with the confidentiality standards applicable under subsection (d)(5)(A); and

''(iii) other requirements as the Secretary may impose to ensure integrity, efficiency, and the quality of the program.

''(D) DISCLOSURE OF PRICE OF GENERIC MEDICINE.—A pharmacy participating under this part that dispenses a prescription medicine to a medicare beneficiary enrolled under this part shall inform the beneficiary at the time of purchase of the drug of any differential between the price of the prescribed drug to the enrollee and the price of the lowest cost generic drug that is therapeutically and pharmaceutically equivalent and bioequivalent.

''(f) FLEXIBILITY IN ASSIGNING WORKLOAD AMONG BENEFIT ADMINISTRATORS.—During the period after the Secretary has given notice of intent to terminate a contract with a benefit administrator, the Secretary may transfer responsibilities of the benefit administrator under such contract to another benefit administrator.

''(g) GUARANTEED ACCESS TO MEDICINES IN RURAL AND HARD-TO-SERVE AREAS.—

''(1) IN GENERAL.—The Secretary shall ensure that all beneficiaries have guaranteed access to the full range of pharmaceuticals under this part, and shall give special attention to access, pharmacist counseling, and delivery in rural and hard-to-serve areas, including through the use of incentives such as bonus payments to retail pharmacists in rural areas and extra payments to the benefit administrator for the cost of rapid delivery of pharmaceuticals, and any other actions necessary.

''(2) GAO REPORT.—Not later than 2 years after the implementation of this part the Comptroller General of the United States shall submit to Congress a report on the access of medicare beneficiaries to pharmaceuticals and pharmacists' services in rural and hard-to-serve areas under this part together with any recommendations of the Comptroller General regarding any additional steps the Secretary may need to take to ensure the access of medicare beneficiaries to pharmaceuticals and pharmacists' services in such areas under this part.

''(h) INCENTIVES FOR COST AND UTILIZATION MANAGEMENT AND QUALITY IMPROVEMENT.—The Secretary is authorized to include in a contract awarded under subsection (c) such incentives for cost and utilization management and quality improvement as the Secretary may deem appropriate, including—

''(1) bonus and penalty incentives to encourage administrative efficiency;

''(2) incentives under which benefit administrators share in any benefit savings achieved;

''(3) financial incentives under which savings derived from the substitution of generic medicines in lieu of non-generic medicines are made available to beneficiaries enrolled under this part, benefit administrators,

pharmacies, and the Prescription Medicine Insurance Account; and

''(4) any other incentive that the Secretary deems appropriate and likely to be effective in managing costs or utilization.

''INCENTIVE PROGRAM TO ENCOURAGE EMPLOYERS TO CONTINUE COVERAGE

''SEC. 1860H. (a) PROGRAM AUTHORITY.—The Secretary shall develop and implement a program under this section called the 'Employer Incentive Program' that encourages employers and other sponsors of employment-based health care coverage to provide adequate prescription medicine benefits to retired individuals and to maintain such existing benefit programs, by subsidizing, in part, the cost of providing coverage under qualifying plans.

''(b) SPONSOR REQUIREMENTS.—In order to be eligible to receive an incentive payment under this section with respect to coverage of an individual under a qualified retiree prescription medicine plan (as defined in subsection (f)(3)), a sponsor shall meet the following requirements:

''(1) ASSURANCES.—The sponsor shall—

''(A) annually attest, and provide such assurances as the Secretary may require, that the coverage offered by the sponsor is a qualified retiree prescription medicine plan, and will remain such a plan for the duration of the sponsor's participation in the program under this section; and

''(B) guarantee that it will give notice to the Secretary and covered retirees—

''(i) at least 120 days before terminating its plan; and

''(ii) immediately upon determining that the actuarial value of the prescription medicine benefit under the plan falls below the actuarial value of the insurance benefit under this part.

''(2) OTHER REQUIREMENTS.—The sponsor shall provide such information, and comply with such requirements, including information requirements to ensure the integrity of the program, as the Secretary may find necessary to administer the program under this section.

''(c) INCENTIVE PAYMENT.—

''(1) IN GENERAL.—A sponsor that meets the requirements of subsection (b) with respect to a quarter in a calendar year shall have payment made by the Secretary on a quarterly basis to the appropriate employment-based health plan of an incentive payment, in the amount determined as described in paragraph (2), for each retired individual (or spouse) who—

''(A) was covered under the sponsor's qualified retiree prescription medicine plan during such quarter; and

''(B) was eligible for but was not enrolled in the insurance program under this part.

''(2) AMOUNT OF INCENTIVE.—The payment under this section with respect to each individual described in paragraph (1) for a month shall be equal to ⅔ of the monthly premium amount payable from the Prescription Medicine Insurance Account for an enrolled individual, as set for the calendar year pursuant to section 1860D(a)(2).

''(3) PAYMENT DATE.—The incentive under this section with respect to a calendar quarter shall be payable as of the end of the next succeeding calendar quarter.

''(d) CIVIL MONEY PENALTIES.—A sponsor, health plan, or other entity that the Secretary determines has, directly or through its agent, provided information in connection with a request for an incentive payment under this section that the entity knew or should have known to be false shall be subject to a civil monetary penalty in an amount up to 3 times the total incentive amounts under subsection (c) that were paid (or would have been payable) on the basis of such information.

''(e) PART D ENROLLMENT FOR INDIVIDUALS WHOSE EMPLOYMENT-BASED RETIREE HEALTH COVERAGE ENDS.—

''(1) ELIGIBLE INDIVIDUALS.—An individual shall be given the opportunity to enroll in the program under this part during the period specified in paragraph (2) if—

''(A) the individual declined enrollment in the program under this part at the time the individual first satisfied section 1860C(a);

''(B) at that time, the individual was covered under a qualified retiree prescription medicine plan for which an incentive payment was paid under this section; and

''(C)(i) the sponsor subsequently ceased to offer such plan; or

''(ii) the value of prescription medicine coverage under such plan became less than the value of the coverage under the program under this part.

''(2) SPECIAL ENROLLMENT PERIOD.—An individual described in paragraph (1) shall be eligible to enroll in the program under this part during the 6-month period beginning on the first day of the month in which—

''(A) the individual receives a notice that coverage under such plan has terminated (in the circumstance described in paragraph (1)(C)(i)) or notice that a claim has been denied because of such a termination; or

''(B) the individual received notice of the change in benefits (in the circumstance described in paragraph (1)(C)(ii)).

''(f) DEFINITIONS.—In this section:

''(1) EMPLOYMENT-BASED RETIREE HEALTH COVERAGE.—The term 'employment-based retiree health coverage' means health insurance or other coverage of health care costs for retired individuals (or for such individuals and their spouses and dependents) based on their status as former employees or labor union members.

''(2) EMPLOYER.—The term 'employer' has the meaning given to such term by section 3(5) of the Employee Retirement Income Security Act of 1974 (except that such term shall include only employers of 2 or more employees).

''(3) QUALIFIED RETIREE PRESCRIPTION MEDICINE PLAN.—The term 'qualified retiree prescription medicine plan' means health insurance coverage included in employment-based retiree health coverage that—

''(A) provides coverage of the cost of prescription medicines whose actuarial value to each retired beneficiary equals or exceeds the actuarial value of the benefits provided to an individual enrolled in the program under this part; and

''(B) does not deny, limit, or condition the coverage or provision of prescription medicine benefits for retired individuals based on age or any health status-related factor described in section 2702(a)(1) of the Public Health Service Act.

''(4) SPONSOR.—The term 'sponsor' has the meaning given the term 'plan sponsor' by section 3(16)(B) of the Employee Retirement Income Security Act of 1974.

''APPROPRIATIONS TO COVER GOVERNMENT CONTRIBUTIONS

''SEC. 1860I. (a) IN GENERAL.—There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Prescription Medicine Insurance Account, a Government contribution equal to—

''(1) the aggregate premiums payable for a month pursuant to section 1860D(a)(2) by individuals enrolled in the program under this part; plus

''(2) one-half the aggregate premiums payable for a month pursuant to such section for such individuals by former employers; plus

''(3) the benefits payable by reason of the application of section 1860B(c) (relating to catastrophic benefits).

''(b) APPROPRIATIONS TO COVER INCENTIVES FOR EMPLOYMENT-BASED RETIREE MEDICINE COVERAGE.—There are authorized to be appropriated to the Prescription Medicine Insurance Account from time to time, out of any moneys in the Treasury not otherwise appropriated such sums as may be necessary for payment of incentive payments under section 1860H(c).

''DEFINITIONS

''SEC. 1860J. As used in this part—

''(1) the term 'prescription medicine' means—

''(A) a drug that may be dispensed only upon a prescription, and that is described in subparagraph (A)(i), (A)(ii), or (B) of section 1927(k)(2); and

''(B) insulin certified under section 506 of the Federal Food, Drug, and Cosmetic Act, and needles, syringes, and disposable pumps for the administration of such insulin; and

''(2) the term 'benefit administrator' means an entity which is providing for the administration of benefits under this part pursuant to 1860G.''.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO FEDERAL SUPPLEMENTARY HEALTH INSURANCE TRUST FUND.—Section 1841 of the Social Security Act (42 U.S.C. 1395t) is amended—

(A) in the last sentence of subsection (a)—

(i) by striking ''and'' after ''section 201(i)(1)''; and

(ii) by inserting before the period the following: '', and such amounts as may be deposited in, or appropriated to, the Prescription Medicine Insurance Account established by section 1860F'';

(B) in subsection (g), by inserting after ''by this part,'' the following: ''the payments provided for under part D (in which case the payments shall come from the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund),'';

(C) in the first sentence of subsection (h), by inserting before the period the following: ''and section 1860D(b)(4) (in which case the payments shall come from the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund)''; and

(D) in the first sentence of subsection (i)—

(i) by striking ''and'' after ''section 1840(b)(1)''; and

(ii) by inserting before the period the following: '', section 1860D(b)(2) (in which case the payments shall come from the Prescription Medicine Insurance Account in the Supplementary Medical Insurance Trust Fund)''.

(2) PRESCRIPTION MEDICINE OPTION UNDER MEDICARE+CHOICE PLANS.—

(A) ELIGIBILITY, ELECTION, AND ENROLLMENT.—Section 1851 of the Social Security Act (42 U.S.C. 1395w–21) is amended—

(i) in subsection (a)(1)(A), by striking ''parts A and B'' inserting ''parts A, B, and D''; and

(ii) in subsection (i)(1), by striking ''parts A and B'' and inserting ''parts A, B, and D''.

(B) VOLUNTARY BENEFICIARY ENROLLMENT FOR MEDICINE COVERAGE.—Section 1852(a)(1)(A) of such Act (42 U.S.C. 1395w–22(a)(1)(A)) is amended by inserting ''(and under part D to individuals also enrolled under that part)'' after ''parts A and B''.

(C) ACCESS TO SERVICES.—Section 1852(d)(1) of such Act (42 U.S.C. 1395w–22(d)(1)) is amended—

(i) in subparagraph (D), by striking ''and'' at the end;

(ii) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following new subparagraph:

''(F) the plan for prescription medicine benefits under part D guarantees coverage of any specifically named covered prescription

medicine for an enrollee, when prescribed by a physician in accordance with the provisions of such part, regardless of whether such medicine would otherwise be covered under an applicable formulary or discount arrangement.''.

(D) PAYMENTS TO ORGANIZATIONS.—Section 1853(a)(1)(A) of such Act (42 U.S.C. 1395w–23(a)(1)(A)) is amended—

(i) by inserting ''determined separately for benefits under parts A and B and under part D (for individuals enrolled under that part)'' after ''as calculated under subsection (c)'';

(ii) by striking ''that area, adjusted for such risk factors'' and inserting ''that area. In the case of payment for benefits under parts A and B, such payment shall be adjusted for such risk factors as''; and

(iii) by inserting before the last sentence the following: ''In the case of the payments for benefits under part D, such payment shall initially be adjusted for the risk factors of each enrollee as the Secretary determines to be feasible and appropriate. By 2006, the adjustments would be for the same risk factors applicable for benefits under parts A and B.''.

(E) CALCULATION OF ANNUAL MEDICARE +CHOICE CAPITATION RATES.—Section 1853(c) of such Act (42 U.S.C. 1395w–23(c)) is amended—

(i) in paragraph (1), in the matter preceding subparagraph (A), by inserting ''for benefits under parts A and B'' after ''capitation rate'';

(ii) in paragraph (6)(A), by striking ''rate of growth in expenditures under this title'' and inserting ''rate of growth in expenditures for benefits available under parts A and B''; and

(iii) by adding at the end the following new paragraph:

''(8) PAYMENT FOR PRESCRIPTION MEDICINES.—The Secretary shall determine a capitation rate for prescription medicines—

''(A) dispensed in 2003, which is based on the projected national per capita costs for prescription medicine benefits under part D and associated claims processing costs for beneficiaries under the original medicare fee-for-service program; and

''(B) dispensed in each subsequent year, which shall be equal to the rate for the previous year updated by the Secretary's estimate of the projected per capita rate of growth in expenditures under this title for prescription medicines for an individual enrolled under part D.''.

(F) LIMITATION ON ENROLLEE LIABILITY.—Section 1854(e) of such Act (42 U.S.C. 1395w–24(e)) is amended by adding at the end the following new paragraph:

''(5) SPECIAL RULE FOR PROVISION OF PART D BENEFITS.—In no event may a Medicare+Choice organization include as part of a plan for prescription medicine benefits under part D the following requirements:

''(A) NO DEDUCTIBLE; NO COINSURANCE GREATER THAN 50 PERCENT.—A requirement that an enrollee pay a deductible, or a coinsurance percentage that exceeds 50 percent.

''(B) MANDATORY INCLUSION OF CATASTROPHIC BENEFIT.—A requirement that the catastrophic benefit level under the plan be greater than such level established under section 1860B(c).''.

(G) REQUIREMENT FOR ADDITIONAL BENEFITS.—Section 1854(f)(1) of such Act (42 U.S.C. 1395w–24(f)(1)) is amended by adding at the end the following new sentence: ''Such determination shall be made separately for benefits under parts A and B and for prescription medicine benefits under part D.''.

(H) PROTECTIONS AGAINST FRAUD AND BENEFICIARY PROTECTIONS.—Section 1857(d) of such Act (42 U.S.C. 1395w–27(d)) is amended by adding at the end the following new paragraph:

''(6) AVAILABILITY OF NEGOTIATED PRICES.—Each contract under this section shall provide that enrollees who exhaust prescription medicine benefits under the plan will continue to have access to prescription medicines at negotiated prices equivalent to the total combined cost of such medicines to the plan and the enrollee prior to such exhaustion of benefits.''.

(3) EXCLUSIONS FROM COVERAGE.—

(A) APPLICATION TO PART D.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended in the matter preceding paragraph (1) by striking ''part A or part B'' and inserting ''part A, B, or D''.

(B) PRESCRIPTION MEDICINES NOT EXCLUDED FROM COVERAGE IF APPROPRIATELY PRESCRIBED.—Section 1862(a)(1) of such Act (42 U.S.C. 1395y(a)(1)) is amended—

(i) in subparagraph (H), by striking ''and'' at the end;

(ii) in subparagraph (I), by striking the semicolon at the end and inserting '', and''; and

(iii) by adding at the end the following new subparagraph:

''(J) in the case of prescription medicines covered under part D, which are not prescribed in accordance with such part;''.

**SEC. 102. MEDICAID BUY-IN OF MEDICARE PRESCRIPTION MEDICINE COVERAGE FOR CERTAIN LOW-INCOME INDIVIDUALS.**

(a) STATE OPTION TO BUY-IN DUALLY ELIGIBLE INDIVIDUALS.—

(1) COVERAGE OF PREMIUMS AS MEDICAL ASSISTANCE.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d) is amended in the second sentence of the flush matter at the end by striking ''premiums under part B'' the first place it appears and inserting ''premiums under parts B and D''.

(2) STATE COMMITMENT TO CONTINUE PARTICIPATION IN PART D AFTER BENEFIT LIMIT EXCEEDED.—Section 1902(a) of such Act (42 U.S.C. 1396a) is amended—

(A) by striking ''and'' at the end of paragraph (64);

(B) by striking the period at the end of paragraph (65)(B) and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(66) provide that in the case of any individual whose eligibility for medical assistance is not limited to medicare or medicare medicine cost-sharing and for whom the State elects to pay premiums under part D of title XVIII pursuant to section 1860E, the State will purchase all prescription medicines for such individual in accordance with the provisions of such part D, without regard to whether the basic benefit limitation for such individual under section 1860B(b)(3) has been reached.''.

(b) GOVERNMENT PAYMENT OF MEDICARE MEDICINE COST-SHARING REQUIRED FOR QUALIFIED MEDICARE BENEFICIARIES.—Section 1905(p)(3) of the Social Security Act (42 U.S.C. 1396d(p)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking ''and'' at the end;

(B) in clause (ii), by inserting ''and'' at the end; and

(C) by adding at the end the following new clause:

''(iii) premiums under section 1860D.''; and

(2) in subparagraph (D)—

(A) by inserting ''(i)'' after ''(D)''; and

(B) by adding at the end the following:

''(ii) PART D COST-SHARING.—The difference between the amount that is paid under section 1860B and the amount that would be paid under such section if any reference to '50 percent' therein were deemed a reference to '100 percent' (or, if the Secretary approves a higher percentage under such section, if such percentage were deemed to be 100 percent).''.

(c) GOVERNMENT PAYMENT OF MEDICARE MEDICINE COST-SHARING REQUIRED FOR MEDICARE BENEFICIARIES WITH INCOMES BETWEEN 100 AND 150 PERCENT OF POVERTY LINE.—

(1) STATE PLAN REQUIREMENT.—Section 1902(a)(10)(E) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)) is amended—

(A) in clause (iii), by striking ''and'' at the end; and

(B) by adding at the end the following new clause:

''(v) for making medical assistance available for medicare medicine cost-sharing (as defined in section 1905(x)(2)) for qualified medicare medicine beneficiaries described in section 1905(x)(1); and''.

(2) 100 PERCENT FEDERAL MATCHING OF STATE MEDICAL ASSISTANCE COSTS FOR MEDICARE MEDICINE COST-SHARING.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph:

''(7) except in the case of amounts expended for an individual whose eligibility for medical assistance is not limited to medicare or medicare medicine cost-sharing, an amount equal to 100 percent of amounts as expended as medicare medicine cost-sharing for qualified medicare medicine beneficiaries (as defined in section 1905(x)); plus''.

(3) ADDITIONAL FUNDS FOR MEDICARE MEDICINE COST-SHARING IN TERRITORIES.—Section 1108 of the Social Security Act (42 U.S.C. 1308) is amended—

(A) in subsection (f), by striking ''subsection (g),'' and inserting ''subsections (g) and (h)''; and

(B) by adding at the end the following new subsection:

''(h) ADDITIONAL MEDICAID PAYMENTS TO TERRITORIES FOR MEDICARE MEDICINE COST-SHARING.—

''(1) IN GENERAL.—In the case of a territory that develops and implements a plan described in paragraph (2) (for providing medical assistance with respect to the provision of prescription drugs to medicare beneficiaries), the amount otherwise determined under subsection (f) (as increased under subsection (g)) for the State shall be increased by the amount specified in paragraph (3).

''(2) PLAN.—The plan described in this paragraph is a plan that—

''(A) provides medical assistance with respect to the provision of some or all medicare medicine cost sharing (as defined in section 1905(x)(2)) to low-income medicare beneficiaries; and

''(B) assures that additional amounts received by the State that are attributable to the operation of this subsection are used only for such assistance.

''(3) INCREASED AMOUNT.—

''(A) IN GENERAL.—The amount specified in this paragraph for a State for a year is equal to the product of—

''(i) the aggregate amount specified in subparagraph (B); and

''(ii) the amount specified in subsection (g)(1) for that State, divided by the sum of the amounts specified in such section for all such States.

''(B) AGGREGATE AMOUNT.—The aggregate amount specified in this subparagraph for—

''(i) 2003, is equal to $25,000,000; or

''(ii) a subsequent year, is equal to the aggregate amount specified in this subparagraph for the previous year increased by annual percentage increase specified in section 1860B(b)(3)(B) for the year involved.''.

(4) DEFINITIONS OF ELIGIBLE BENEFICIARIES AND COVERAGE.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended by

adding at the end the following new subsection:

''(x)(1) The term 'qualified medicare medicine beneficiary' means an individual—

''(A) who is enrolled or enrolling under part D of title XVIII;

''(B) whose income (as determined under section 1612 for purposes of the supplemental security income program, except as provided in subsection (p)(2)(D)) is above 100 percent but below 150 percent of the official poverty line (as referred to in subsection (p)(2)) applicable to a family of the size involved; and

''(C) whose resources (as determined under section 1613 for purposes of the supplemental security income program) do not exceed twice the maximum amount of resources that an individual may have and obtain benefits under that program.

''(2) The term 'medicare medicine cost-sharing' means the following costs incurred with respect to a qualified medicare medicine beneficiary, without regard to whether the costs incurred were for items and services for which medical assistance is otherwise available under the plan:

''(A) In the case of a qualified medicare medicine beneficiary whose income (as determined under paragraph (1)) is less than 135 percent of the official poverty line—

''(i) premiums under section 1860D; and

''(ii) the difference between the amount that is paid under section 1860B and the amount that would be paid under such section if any reference to '50 percent' therein were deemed a reference to '100 percent' (or, if the Secretary approves a higher percentage under such section, if such percentage were deemed to be 100 percent).

''(B) In the case of a qualified medicare medicine beneficiary whose income (as determined under paragraph (1)) is at least 135 percent but less than 150 percent of the official poverty line, a percentage of premiums under section 1860D, determined on a linear sliding scale ranging from 100 percent for individuals with incomes at 135 percent of such line to 0 percent for individuals with incomes at 150 percent of such line.

''(3) In the case of any State which is providing medical assistance to its residents under a waiver granted under section 1115, the Secretary shall require the State to meet the requirement of section 1902(a)(10)(E) in the same manner as the State would be required to meet such requirement if the State had in effect a plan approved under this title.''.

(d) MEDICAID MEDICINE PRICE REBATES UNAVAILABLE WITH RESPECT TO MEDICINES PURCHASED THROUGH MEDICARE BUY-IN.—Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended by adding at the end the following new subsection:

''(l) MEDICINES PURCHASED THROUGH MEDICARE BUY-IN.—The provisions of this section shall not apply to prescription medicines purchased under part D of title XVIII pursuant to an agreement with the Secretary under section 1860E (including any medicines so purchased after the limit under section 1860B(b)(3) has been exceeded).''.

(e) AMENDMENTS TO MEDICARE PART D.—Part D of title XVIII of the Social Security Act (as added by section 2) is amended by inserting after section 1860D the following new section:

''SPECIAL ELIGIBILITY, ENROLLMENT, AND CO-PAYMENT RULES FOR LOW-INCOME INDIVIDUALS

''SEC. 1860E. (a) STATE OPTIONS FOR COVERAGE: CONTINUATION OF MEDICAID COVERAGE OR ENROLLMENT UNDER THIS PART.—

''(1) IN GENERAL.—The Secretary shall, at the request of a State, enter into an agreement with the State under which all individuals described in paragraph (2) are enrolled in the program under this part, without regard to whether any such individual has previously declined the opportunity to enroll in such program.

''(2) ELIGIBILITY GROUPS.—The individuals described in this paragraph, for purposes of paragraph (1), are individuals who satisfy section 1860C(a) and who are—

''(A) in a coverage group or groups permitted under section 1843 (as selected by the State and specified in the agreement); or

''(B) qualified medicare medicine beneficiaries (as defined in section 1905(x)(1)).

''(3) COVERAGE PERIOD.—The period of coverage under this part of an individual enrolled under an agreement under this subsection shall be as follows:

''(A) INDIVIDUALS ELIGIBLE (AT STATE OPTION) FOR PART B BUY-IN.—In the case of an individual described in subsection (a)(2)(A), the coverage period shall be the same period that applies (or would apply) pursuant to section 1843(d).

''(B) QUALIFIED MEDICARE MEDICINE BENEFICIARIES.—In the case of an individual described in subsection (a)(2)(B)—

''(i) the coverage period shall begin on the latest of—

''(I) January 1, 2003;

''(II) the first day of the third month following the month in which the State agreement is entered into; or

''(III) the first day of the first month following the month in which the individual satisfies section 1860C(a); and

''(ii) the coverage period shall end on the last day of the month in which the individual is determined by the State to have become ineligible for medicare medicine cost-sharing.

''(4) ENROLLMENT FOR LOW-INCOME SUBSIDY THROUGH OTHER MEANS.—

''(A) FLEXIBILITY IN ENROLLMENT PROCESS.—With respect to low-income individuals residing in a State enrolling under this part on or after January 1, 2006, the Secretary shall provide for determinations of whether the individual is eligible for a subsidy and the amount of such individual's income to be made under arrangements with appropriate entities other than State medicaid agencies.

''(B) USE OF CERTAIN INFORMATION.—Arrangements with entities under subparagraph (A) shall provide for —

''(i) the use of existing Federal government databases to identify eligibility; and

''(ii) the use of information obtained under section 154 of the Social Security Act Amendments of 1994 for newly eligible medicare beneficiaries, and the application of such information with respect to other medicare beneficiaries.

''(b) SPECIAL PART D ENROLLMENT OPPORTUNITY FOR INDIVIDUALS LOSING MEDICAID ELIGIBILITY.—In the case of an individual who—

''(1) satisfies section 1860C(a); and

''(2) loses eligibility for benefits under the State plan under title XIX after having been enrolled under such plan or having been determined eligible for such benefits;

the Secretary shall provide an opportunity for enrollment under the program under this part during the period that begins on the date that such individual loses such eligibility and ends on the date specified by the Secretary.

''(c) DEFINITION.—For purposes of this section, the term 'State' has the meaning given such term under section 1101(a) for purposes of title XIX.''.

(f) REMOVAL OF SUNSET DATE FOR COST-SHARING IN MEDICARE PART B PREMIUMS FOR CERTAIN QUALIFYING INDIVIDUALS.—

(1) IN GENERAL.—Section 1902(a)(10)(E)(iv) of the Social Security Act (42 U.S.C. 1396a(a)(10)(E)(iv))is amended to read as follows—

''(iv) subject to section 1905(p)(4), for making medical assistance available for medicare cost-sharing described in section 1905(p)(3)(A)(ii) for individuals who would be qualified medicare beneficiaries described in section 1905(p)(1) but for the fact that their income exceeds the income level established by the State under section 1905(p)(2) and is at least 120 percent, but less than 135 percent, of the official poverty line (referred to in such section) for a family of the size involved and who are not otherwise eligible for medical assistance under the State plan;''.

(2) RELOCATION OF PROVISION REQUIRING 100 PERCENT FEDERAL MATCHING OF STATE MEDICAL ASSISTANCE COSTS FOR CERTAIN QUALIFYING INDIVIDUALS.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)), as amended by subsection (c)(3), is amended—

(A) by redesignating paragraph (8) as paragraph (9); and

(B) by inserting after paragraph (7) the following new paragraph:

''(8) an amount equal to 100 percent of amounts expended as medicare cost-sharing described in section 1903(a)(10)(E)(iv) for individuals described in such section; plus''.

(3) REPEAL OF SECTION 1933.—Section 1933 is repealed.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on January 1, 2003.

**SEC. 103. GAO ONGOING STUDIES AND REPORTS ON PROGRAM; MISCELLANEOUS REPORTS.**

(a) ONGOING STUDY.—The Comptroller General of the United States shall conduct an ongoing study and analysis of the prescription medicine benefit program under part D of the Medicare program under title XVIII of the Social Security Act (as added by section 3 of this Act), including an analysis of each of the following:

(1) The extent to which the administering entities have –achieved volume-based discounts similar to the favored –price paid by other large purchasers.

(2) Whether access to the benefits under such program are in fact available to all beneficiaries, with special attention given to access for beneficiaries living in rural and hard-to-serve areas.

(3) The success of such program in reducing medication error and adverse medicine reactions and improving quality of care, and whether it is probable that the program has resulted in savings through reduced hospitalizations and morbidity due to medication errors and adverse medicine reactions.

(4) Whether patient medical record confidentiality is being maintained and safeguarded.

(5) Such other issues as the Comptroller General may consider.

(b) REPORTS.—The Comptroller General shall issue such reports on the results of the ongoing study described in (a) as the Comptroller General shall deem appropriate and shall notify Congress on a timely basis of significant problems in the operation of the part D prescription medicine program and the need for legislative adjustments and improvements.

(c) MISCELLANEOUS STUDIES AND REPORTS.—

(1) STUDY ON METHODS TO ENCOURAGE ADDITIONAL RESEARCH ON BREAKTHROUGH PHARMACEUTICALS.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall seek the advice of the Secretary of the Treasury on possible tax and trade law changes to encourage increased original research on new pharmaceutical breakthrough products designed to address disease and illness.

(B) REPORT.—Not later than January 1, 2003, the Secretary shall submit to Congress

a report on such study. The report shall include recommended methods to encourage the pharmaceutical industry to devote more resources to research and development of new covered products than it devotes to overhead expenses.

(2) STUDY ON PHARMACEUTICAL SALES PRACTICES AND IMPACT ON COSTS AND QUALITY OF CARE.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study on the methods used by the pharmaceutical industry to advertise and sell to consumers and educate and sell to providers.

(B) REPORT.—Not later than January 1, 2003, the Secretary shall submit to Congress a report on such study. The report shall include the estimated direct and indirect costs of the sales methods used, the quality of the information conveyed, and whether such sales efforts leads (or could lead) to inappropriate prescribing. Such report may include legislative and regulatory recommendations to encourage more appropriate education and prescribing practices.

(3) STUDY ON COST OF PHARMACEUTICAL RESEARCH.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study on the costs of, and needs for, the pharmaceutical research and the role that the taxpayer provides in encouraging such research.

(B) REPORT.—Not later than January 1, 2003, the Secretary shall submit to Congress a report on such study. The report shall include a description of the full-range of taxpayer-assisted programs impacting pharmaceutical research, including tax, trade, government research, and regulatory assistance. The report may also include legislative and regulatory recommendations that are designed to ensure that the taxpayer's investment in pharmaceutical research results in the availability of pharmaceuticals at reasonable prices.

(4) REPORT ON PHARMACEUTICAL PRICES IN MAJOR FOREIGN NATIONS.—Not later than January 1, 2003, the Secretary of Health and Human Services shall submit to Congress a report on the retail price of major pharmaceutical products in various developed nations, compared to prices for the same or similar products in the United States. The report shall include a description of the principal reasons for any price differences that may exist.

## TITLE II—IMPROVEMENT IN BENEFICIARY SERVICES

### Subtitle A—Improvement of Medicare Coverage and Appeals Process

#### SEC. 201. REVISIONS TO MEDICARE APPEALS PROCESS.

(a) CONDUCT OF RECONSIDERATIONS OF DETERMINATIONS BY INDEPENDENT CONTRACTORS.—Section 1869 of the Social Security Act (42 U.S.C. 1395ff) is amended to read as follows:

''DETERMINATIONS; APPEALS

''SEC. 1869. (a) INITIAL DETERMINATIONS.—The Secretary shall promulgate regulations and make initial determinations with respect to benefits under part A or part B in accordance with those regulations for the following:

''(1) The initial determination of whether an individual is entitled to benefits under such parts.

''(2) The initial determination of the amount of benefits available to the individual under such parts.

''(3) Any other initial determination with respect to a claim for benefits under such parts, including an initial determination by the Secretary that payment may not be made, or may no longer be made, for an item or service under such parts, an initial determination made by a utilization and quality control peer review organization under section 1154(a)(2), and an initial determination made by an entity pursuant to a contract with the Secretary to administer provisions of this title or title XI.

''(b) APPEAL RIGHTS.—

''(1) IN GENERAL.—

''(A) RECONSIDERATION OF INITIAL DETERMINATION.—Subject to subparagraph (D), any individual dissatisfied with any initial determination under subsection (a) shall be entitled to reconsideration of the determination, and, subject to subparagraphs (D) and (E), a hearing thereon by the Secretary to the same extent as is provided in section 205(b) and to judicial review of the Secretary's final decision after such hearing as is provided in section 205(g).

''(B) REPRESENTATION BY PROVIDER OR SUPPLIER.—

''(i) IN GENERAL.—Sections 206(a), 1102, and 1871 shall not be construed as authorizing the Secretary to prohibit an individual from being represented under this section by a person that furnishes or supplies the individual, directly or indirectly, with services or items, solely on the basis that the person furnishes or supplies the individual with such a service or item.

''(ii) MANDATORY WAIVER OF RIGHT TO PAYMENT FROM BENEFICIARY.—Any person that furnishes services or items to an individual may not represent an individual under this section with respect to the issue described in section 1879(a)(2) unless the person has waived any rights for payment from the beneficiary with respect to the services or items involved in the appeal.

''(iii) PROHIBITION ON PAYMENT FOR REPRESENTATION.—If a person furnishes services or items to an individual and represents the individual under this section, the person may not impose any financial liability on such individual in connection with such representation.

''(iv) REQUIREMENTS FOR REPRESENTATIVES OF A BENEFICIARY.—The provisions of section 205(j) and section 206 (regarding representation of claimants) shall apply to representation of an individual with respect to appeals under this section in the same manner as they apply to representation of an individual under those sections.

''(C) SUCCESSION OF RIGHTS IN CASES OF ASSIGNMENT.—The right of an individual to an appeal under this section with respect to an item or service may be assigned to the provider of services or supplier of the item or service upon the written consent of such individual using a standard form established by the Secretary for such an assignment.

''(D) TIME LIMITS FOR APPEALS.—

''(i) RECONSIDERATIONS.—Reconsideration under subparagraph (A) shall be available only if the individual described subparagraph (A) files notice with the Secretary to request reconsideration by not later than 180 days after the individual receives notice of the initial determination under subsection (a) or within such additional time as the Secretary may allow.

''(ii) HEARINGS CONDUCTED BY THE SECRETARY.—The Secretary shall establish in regulations time limits for the filing of a request for a hearing by the Secretary in accordance with provisions in sections 205 and 206.

''(E) AMOUNTS IN CONTROVERSY.—

''(i) IN GENERAL.—A hearing (by the Secretary) shall not be available to an individual under this section if the amount in controversy is less than $100, and judicial review shall not be available to the individual if the amount in controversy is less than $1,000.

''(ii) AGGREGATION OF CLAIMS.—In determining the amount in controversy, the Secretary, under regulations, shall allow 2 or more appeals to be aggregated if the appeals involve—

''(I) the delivery of similar or related services to the same individual by one or more providers of services or suppliers, or

''(II) common issues of law and fact arising from services furnished to 2 or more individuals by one or more providers of services or suppliers.

''(F) EXPEDITED PROCEEDINGS.—

''(i) EXPEDITED DETERMINATION.—In the case of an individual who—

''(I) has received notice by a provider of services that the provider of services plans to terminate services provided to an individual and a physician certifies that failure to continue the provision of such services is likely to place the individual's health at significant risk, or

''(II) has received notice by a provider of services that the provider of services plans to discharge the individual from the provider of services,

the individual may request, in writing or orally, an expedited determination or an expedited reconsideration of an initial determination made under subsection (a), as the case may be, and the Secretary shall provide such expedited determination or expedited reconsideration.

''(ii) EXPEDITED HEARING.—In a hearing by the Secretary under this section, in which the moving party alleges that no material issues of fact are in dispute, the Secretary shall make an expedited determination as to whether any such facts are in dispute and, if not, shall render a decision expeditiously.

''(G) REOPENING AND REVISION OF DETERMINATIONS.—The Secretary may reopen or revise any initial determination or reconsidered determination described in this subsection under guidelines established by the Secretary in regulations.

''(2) REVIEW OF COVERAGE DETERMINATIONS.—

''(A) NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—Review of any national coverage determination shall be subject to the following limitations:

''(I) Such a determination shall not be reviewed by any administrative law judge.

''(II) Such a determination shall not be held unlawful or set aside on the ground that a requirement of section 553 of title 5, United States Code, or section 1871(b) of this title, relating to publication in the Federal Register or opportunity for public comment, was not satisfied.

''(III) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by the Departmental Appeals Board of the Department of Health and Human Services. In conducting such a review, the Departmental Appeals Board shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the Departmental Appeals Board shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(IV) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(ii) DEFINITION OF NATIONAL COVERAGE DETERMINATION.—For purposes of this section, the term 'national coverage determination' means a determination by the Secretary respecting whether or not a particular item or service is covered nationally under this title, including such a determination under 1862(a)(1).

''(B) LOCAL COVERAGE DETERMINATION.—In the case of a local coverage determination made by a fiscal intermediary or a carrier

under part A or part B respecting whether a particular type or class of items or services is covered under such parts, the following limitations apply:

''(i) Upon the filing of a complaint by an aggrieved party, such a determination shall be reviewed by an administrative law judge of the Social Security Administration. The administrative law judge shall review the record and shall permit discovery and the taking of evidence to evaluate the reasonableness of the determination. In reviewing such a determination, the administrative law judge shall defer only to the reasonable findings of fact, reasonable interpretations of law, and reasonable applications of fact to law by the Secretary.

''(ii) Such a determination may be reviewed by the Departmental Appeals Board of the Department of Health and Human Services.

''(iii) A decision of the Departmental Appeals Board constitutes a final agency action and is subject to judicial review.

''(C) NO MATERIAL ISSUES OF FACT IN DISPUTE.—In the case of review of a determination under subparagraph (A)(i)(III) or (B)(i) where the moving party alleges that there are no material issues of fact in dispute, and alleges that the only issue is the constitutionality of a provision of this title, or that a regulation, determination, or ruling by the Secretary is invalid, the moving party may seek review by a court of competent jurisdiction.

''(D) PENDING NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—In the event the Secretary has not issued a national coverage or noncoverage determination with respect to a particular type or class of items or services, an affected party may submit to the Secretary a request to make such a determination with respect to such items or services. By not later than the end of the 90-day period beginning on the date the Secretary receives such a request, the Secretary shall take one of the following actions:

''(I) Issue a national coverage determination, with or without limitations.

''(II) Issue a national noncoverage determination.

''(III) Issue a determination that no national coverage or noncoverage determination is appropriate as of the end of such 90-day period with respect to national coverage of such items or services.

''(IV) Issue a notice that states that the Secretary has not completed a review of the request for a national coverage determination and that includes an identification of the remaining steps in the Secretary's review process and a deadline by which the Secretary will complete the review and take an action described in subclause (I), (II), or (III).

''(ii) In the case of an action described in clause (i)(IV), if the Secretary fails to take an action referred to in such clause by the deadline specified by the Secretary under such clause, then the Secretary is deemed to have taken an action described in clause (i)(III) as of the deadline.

''(iii) When issuing a determination under clause (i), the Secretary shall include an explanation of the basis for the determination. An action taken under clause (i) (other than subclause (IV)) is deemed to be a national coverage determination for purposes of review under subparagraph (A).

''(E) ANNUAL REPORT ON NATIONAL COVERAGE DETERMINATIONS.—

''(i) IN GENERAL.—Not later than December 1 of each year, beginning in 2001, the Secretary shall submit to Congress a report that sets forth a detailed compilation of the actual time periods that were necessary to complete and fully implement national coverage determinations that were made in the previous fiscal year for items, services, or medical devices not previously covered as a benefit under this title, including, with respect to each new item, service, or medical device, a statement of the time taken by the Secretary to make the necessary coverage, coding, and payment determinations, including the time taken to complete each significant step in the process of making such determinations.

''(ii) PUBLICATION OF REPORTS ON THE INTERNET.—The Secretary shall publish each report submitted under clause (i) on the medicare Internet site of the Department of Health and Human Services.

''(3) PUBLICATION ON THE INTERNET OF DECISIONS OF HEARINGS OF THE SECRETARY.—Each decision of a hearing by the Secretary shall be made public, and the Secretary shall publish each decision on the Medicare Internet site of the Department of Health and Human Services. The Secretary shall remove from such decision any information that would identify any individual, provider of services, or supplier.

''(4) LIMITATION ON REVIEW OF CERTAIN REGULATIONS.—A regulation or instruction which relates to a method for determining the amount of payment under part B and which was initially issued before January 1, 1981, shall not be subject to judicial review.

''(5) STANDING.—An action under this section seeking review of a coverage determination (with respect to items and services under this title) may be initiated only by one (or more) of the following aggrieved persons, or classes of persons:

''(A) Individuals entitled to benefits under part A, or enrolled under part B, or both, who are in need of the items or services that are the subject of the coverage determination.

''(B) Persons, or classes of persons, who make, manufacture, offer, supply, make available, or provide such items and services.

''(c) CONDUCT OF RECONSIDERATIONS BY INDEPENDENT CONTRACTORS.—

''(1) IN GENERAL.—The Secretary shall enter into contracts with qualified independent contractors to conduct reconsiderations of initial determinations made under paragraphs (2) and (3) of subsection (a). Contracts shall be for an initial term of three years and shall be renewable on a triennial basis thereafter.

''(2) QUALIFIED INDEPENDENT CONTRACTOR.—For purposes of this subsection, the term 'qualified independent contractor' means an entity or organization that is independent of any organization under contract with the Secretary that makes initial determinations under subsection (a), and that meets the requirements established by the Secretary consistent with paragraph (3).

''(3) REQUIREMENTS.—Any qualified independent contractor entering into a contract with the Secretary under this subsection shall meet the following requirements:

''(A) IN GENERAL.—The qualified independent contractor shall perform such duties and functions and assume such responsibilities as may be required under regulations of the Secretary promulgated to carry out the provisions of this subsection, and such additional duties, functions, and responsibilities as provided under the contract.

''(B) DETERMINATIONS.—The qualified independent contractor shall determine, on the basis of such criteria, guidelines, and policies established by the Secretary and published under subsection (d)(2)(D), whether payment shall be made for items or services under part A or part B and the amount of such payment. Such determination shall constitute the conclusive determination on those issues for purposes of payment under such parts for fiscal intermediaries, carriers, and other entities whose determinations are subject to review by the contractor; except that payment may be made if—

''(i) such payment is allowed by reason of section 1879;

''(ii) in the case of inpatient hospital services or extended care services, the qualified independent contractor determines that additional time is required in order to arrange for postdischarge care, but payment may be continued under this clause for not more than 2 days, and only in the case in which the provider of such services did not know and could not reasonably have been expected to know (as determined under section 1879) that payment would not otherwise be made for such services under part A or part B prior to notification by the qualified independent contractor under this subsection;

''(iii) such determination is changed as the result of any hearing by the Secretary or judicial review of the decision under this section; or

''(iv) such payment is authorized under section 1861(v)(1)(G).

''(C) DEADLINES FOR DECISIONS.—

''(i) DETERMINATIONS.—The qualified independent contractor shall conduct and conclude a determination under subparagraph (B) or an appeal of an initial determination, and mail the notice of the decision by not later than the end of the 45-day period beginning on the date a request for reconsideration has been timely filed.

''(ii) CONSEQUENCES OF FAILURE TO MEET DEADLINE.—In the case of a failure by the qualified independent contractor to mail the notice of the decision by the end of the period described in clause (i), the party requesting the reconsideration or appeal may request a hearing before an administrative law judge, notwithstanding any requirements for a reconsidered determination for purposes of the party's right to such hearing.

''(iii) EXPEDITED RECONSIDERATIONS.—The qualified independent contractor shall perform an expedited reconsideration under subsection (b)(1)(F) of a notice from a provider of services or supplier that payment may not be made for an item or service furnished by the provider of services or supplier, of a decision by a provider of services to terminate services furnished to an individual, or in accordance with the following:

''(I) DEADLINE FOR DECISION.—Notwithstanding section 216(j), not later than 1 day after the date the qualified independent contractor has received a request for such reconsideration and has received such medical or other records needed for such reconsideration, the qualified independent contractor shall provide notice (by telephone and in writing) to the individual and the provider of services and attending physician of the individual of the results of the reconsideration. Such reconsideration shall be conducted regardless of whether the provider of services or supplier will charge the individual for continued services or whether the individual will be liable for payment for such continued services.

''(II) CONSULTATION WITH BENEFICIARY.—In such reconsideration, the qualified independent contractor shall solicit the views of the individual involved.

''(D) LIMITATION ON INDIVIDUAL REVIEWING DETERMINATIONS.—

''(i) PHYSICIANS.—No physician under the employ of a qualified independent contractor may review—

''(I) determinations regarding health care services furnished to a patient if the physician was directly responsible for furnishing such services; or

''(II) determinations regarding health care services provided in or by an institution, organization, or agency, if the physician or any member of the physician's family has,

directly or indirectly, a significant financial interest in such institution, organization, or agency.

''(ii) PHYSICIAN'S FAMILY DESCRIBED.—For purposes of this paragraph, a physician's family includes the physician's spouse (other than a spouse who is legally separated from the physician under a decree of divorce or separate maintenance), children (including stepchildren and legally adopted children), grandchildren, parents, and grandparents.

''(E) EXPLANATION OF DETERMINATIONS.—Any determination of a qualified independent contractor shall be in writing, and shall include a detailed explanation of the determination as well as a discussion of the pertinent facts and applicable regulations applied in making such determination.

''(F) NOTICE REQUIREMENTS.—Whenever a qualified independent contractor makes a determination under this subsection, the qualified independent contractor shall promptly notify such individual and the entity responsible for the payment of claims under part A or part B of such determination.

''(G) DISSEMINATION OF INFORMATION.—Each qualified independent contractor shall, using the methodology established by the Secretary under subsection (d)(4), make available all determinations of such qualified independent contractors to fiscal intermediaries (under section 1816), carriers (under section 1842), peer review organizations (under part B of title XI), Medicare+Choice organizations offering Medicare+Choice plans under part C, and other entities under contract with the Secretary to make initial determinations under part A or part B or title XI.

''(H) ENSURING CONSISTENCY IN DETERMINATIONS.—Each qualified independent contractor shall monitor its determinations to ensure the consistency of its determinations with respect to requests for reconsideration of similar or related matters.

''(I) DATA COLLECTION.—

''(i) IN GENERAL.—Consistent with the requirements of clause (ii), a qualified independent contractor shall collect such information relevant to its functions, and keep and maintain such records in such form and manner as the Secretary may require to carry out the purposes of this section and shall permit access to and use of any such information and records as the Secretary may require for such purposes.

''(ii) TYPE OF DATA COLLECTED.—Each qualified independent contractor shall keep accurate records of each decision made, consistent with standards established by the Secretary for such purpose. Such records shall be maintained in an electronic database in a manner that provides for identification of the following:

''(I) Specific claims that give rise to appeals.

''(II) Situations suggesting the need for increased education for providers of services, physicians, or suppliers.

''(III) Situations suggesting the need for changes in national or local coverage policy.

''(IV) Situations suggesting the need for changes in local medical review policies.

''(iii) ANNUAL REPORTING.—Each qualified independent contractor shall submit annually to the Secretary (or otherwise as the Secretary may request) records maintained under this paragraph for the previous year.

''(J) HEARINGS BY THE SECRETARY.—The qualified independent contractor shall (i) prepare such information as is required for an appeal of its reconsidered determination to the Secretary for a hearing, including as necessary, explanations of issues involved in the determination and relevant policies, and (ii) participate in such hearings as required by the Secretary.

''(4) NUMBER OF QUALIFIED INDEPENDENT CONTRACTORS.—The Secretary shall enter into contracts with not fewer than 12 qualified independent contractors under this subsection.

''(5) LIMITATION ON QUALIFIED INDEPENDENT CONTRACTOR LIABILITY.—No qualified independent contractor having a contract with the Secretary under this subsection and no person who is employed by, or who has a fiduciary relationship with, any such qualified independent contractor or who furnishes professional services to such qualified independent contractor, shall be held by reason of the performance of any duty, function, or activity required or authorized pursuant to this subsection or to a valid contract entered into under this subsection, to have violated any criminal law, or to be civilly liable under any law of the United States or of any State (or political subdivision thereof) provided due care was exercised in the performance of such duty, function, or activity.

''(d) ADMINISTRATIVE PROVISIONS.—

''(1) OUTREACH.—The Secretary shall perform such outreach activities as are necessary to inform individuals entitled to benefits under this title and providers of services and suppliers with respect to their rights of, and the process for, appeals made under this section. The Secretary shall use the toll-free telephone number maintained by the Secretary (1–800–MEDICAR(E)) (1–800–633–4227) to provide information regarding appeal rights and respond to inquiries regarding the status of appeals.

''(2) GUIDANCE FOR RECONSIDERATIONS AND HEARINGS.—

''(A) REGULATIONS.—Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations governing the processes of reconsiderations of determinations by the Secretary and qualified independent contractors and of hearings by the Secretary. Such regulations shall include such specific criteria and provide such guidance as required to ensure the adequate functioning of the reconsiderations and hearings processes and to ensure consistency in such processes.

''(B) DEADLINES FOR ADMINISTRATIVE ACTION.—

''(i) HEARING BY ADMINISTRATIVE LAW JUDGE.—

''(I) IN GENERAL.—Except as provided in subclause (II), an administrative law judge shall conduct and conclude a hearing on a decision of a qualified independent contractor under subsection (c) and render a decision on such hearing by not later than the end of the 90-day period beginning on the date a request for hearing has been timely filed.

''(II) WAIVER OF DEADLINE BY PARTY SEEKING HEARING.—The 90-day period under subclause (i) shall not apply in the case of a motion or stipulation by the party requesting the hearing to waive such period.

''(ii) DEPARTMENTAL APPEALS BOARD REVIEW.—The Departmental Appeals Board of the Department of Health and Human Services shall conduct and conclude a review of the decision on a hearing described in subparagraph (B) and make a decision or remand the case to the administrative law judge for reconsideration by not later than the end of the 90-day period beginning on the date a request for review has been timely filed.

''(iii) CONSEQUENCES OF FAILURE TO MEET DEADLINES.—In the case of a failure by an administrative law judge to render a decision by the end of the period described in clause (ii), the party requesting the hearing may request a review by the Departmental Appeals Board of the Department of Health and Human Services, notwithstanding any requirements for a hearing for purposes of the party's right to such a review.

''(iv) DAB HEARING PROCEDURE.—In the case of a request described in clause (iii), the Departmental Appeals Board shall review the case de novo.

''(C) POLICIES.—The Secretary shall provide such specific criteria and guidance, including all applicable national and local coverage policies and rationale for such policies, as is necessary to assist the qualified independent contractors to make informed decisions in considering appeals under this section. The Secretary shall furnish to the qualified independent contractors the criteria and guidance described in this paragraph in a published format, which may be an electronic format.

''(D) PUBLICATION OF MEDICARE COVERAGE POLICIES ON THE INTERNET.—The Secretary shall publish national and local coverage policies under this title on an Internet site maintained by the Secretary.

''(E) EFFECT OF FAILURE TO PUBLISH POLICIES.—

''(i) NATIONAL AND LOCAL COVERAGE POLICIES.—Qualified independent contractors shall not be bound by any national or local medicare coverage policy established by the Secretary that is not published on the Internet site under subparagraph (D).

''(ii) OTHER POLICIES.—With respect to policies established by the Secretary other than the policies described in clause (i), qualified independent contractors shall not be bound by such policies if the Secretary does not furnish to the qualified independent contractor the policies in a published format consistent with subparagraph (C).

''(3) CONTINUING EDUCATION REQUIREMENT FOR QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—

''(A) IN GENERAL.—The Secretary shall provide to each qualified independent contractor, and, in consultation with the Commissioner of Social Security, to administrative law judges that decide appeals of reconsiderations of initial determinations or other decisions or determinations under this section, such continuing education with respect to policies of the Secretary under this title or part B of title XI as is necessary for such qualified independent contractors and administrative law judges to make informed decisions with respect to appeals.

''(B) MONITORING OF DECISIONS BY QUALIFIED INDEPENDENT CONTRACTORS AND ADMINISTRATIVE LAW JUDGES.—The Secretary shall monitor determinations made by all qualified independent contractors and administrative law judges under this section and shall provide continuing education and training to such qualified independent contractors and administrative law judges to ensure consistency of determinations with respect to appeals on similar or related matters. To ensure such consistency, the Secretary shall provide for administration and oversight of qualified independent contractors and, in consultation with the Commissioner of Social Security, administrative law judges through a central office of the Department of Health and Human Services. Such administration and oversight may not be delegated to regional offices of the Department.

''(4) DISSEMINATION OF DETERMINATIONS.—The Secretary shall establish a methodology under which qualified independent contractors shall carry out subsection (c)(3)(G).

''(5) SURVEY.—Not less frequently than every 5 years, the Secretary shall conduct a survey of a valid sample of individuals entitled to benefits under this title, providers of services, and suppliers to determine the satisfaction of such individuals or entities with the process for appeals of determinations provided for under this section and education and training provided by the Secretary with

respect to that process. The Secretary shall submit to Congress a report describing the results of the survey, and shall include any recommendations for administrative or legislative actions that the Secretary determines appropriate.

''(6) REPORT TO CONGRESS.—The Secretary shall submit to Congress an annual report describing the number of appeals for the previous year, identifying issues that require administrative or legislative actions, and including any recommendations of the Secretary with respect to such actions. The Secretary shall include in such report an analysis of determinations by qualified independent contractors with respect to inconsistent decisions and an analysis of the causes of any such inconsistencies.''.

(b) APPLICABILITY OF REQUIREMENTS AND LIMITATIONS ON LIABILITY OF QUALIFIED INDEPENDENT CONTRACTORS TO MEDICARE+CHOICE INDEPENDENT APPEALS CONTRACTORS.—Section 1852(g)(4) of the Social Security Act (42 U.S.C. 1395w–22(e)(3)) is amended by adding at the end the following: ''The provisions of section 1869(c)(5) shall apply to independent outside entities under contract with the Secretary under this paragraph.''.

(c) CONFORMING AMENDMENT TO REVIEW BY THE PROVIDER REIMBURSEMENT REVIEW BOARD.—Section 1878(g) of the Social Security Act (42 U.S.C. 1395oo(g)) is amended by adding at the end the following new paragraph:

''(3) Findings described in paragraph (1) and determinations and other decisions described in paragraph (2) may be reviewed or appealed under section 1869.''.

**SEC. 202. PROVISIONS WITH RESPECT TO LIMITATIONS ON LIABILITY OF BENEFICIARIES.**

(a) EXPANSION OF LIMITATION OF LIABILITY PROTECTION FOR BENEFICIARIES WITH RESPECT TO MEDICARE CLAIMS NOT PAID OR PAID INCORRECTLY.—

(1) IN GENERAL.—Section 1879 of the Social Security Act (42 U.S.C. 1395pp) is amended by adding at the end the following new subsections:

''(i) Notwithstanding any other provision of this Act, an individual who is entitled to benefits under this title and is furnished a service or item is not liable for repayment to the Secretary of amounts with respect to such benefits—

''(1) subject to paragraph (2), in the case of a claim for such item or service that is incorrectly paid by the Secretary; and

''(2) in the case of payments made to the individual by the Secretary with respect to any claim under paragraph (1), the individual shall be liable for repayment of such amount only up to the amount of payment received by the individual from the Secretary.

''(j)(1) An individual who is entitled to benefits under this title and is furnished a service or item is not liable for payment of amounts with respect to such benefits in the following cases:

''(A) In the case of a benefit for which an initial determination has not been made by the Secretary under subsection (a) whether payment may be made under this title for such benefit.

''(B) In the case of a claim for such item or service that is—

''(i) improperly submitted by the provider of services or supplier; or

''(ii) rejected by an entity under contract with the Secretary to review or pay claims for services and items furnished under this title, including an entity under contract with the Secretary under section 1857.

''(2) The limitation on liability under paragraph (1) shall not apply if the individual signs a waiver provided by the Secretary under subsection (l) of protections under this paragraph, except that any such waiver shall not apply in the case of a denial of a claim for noncompliance with applicable regulations or procedures under this title or title XI.

''(k) An individual who is entitled to benefits under this title and is furnished services by a provider of services is not liable for payment of amounts with respect to such services prior to noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), unless the following conditions are met:

''(1) The provider of services shall furnish a notice of discharge and appeal rights established by the Secretary under subsection (l) to each individual entitled to benefits under this title to whom such provider of services furnishes services, upon admission of the individual to the provider of services and upon notice of determination to discharge the individual from the provider of services, of the individual's limitations of liability under this section and rights of appeal under section 1869.

''(2) If the individual, prior to discharge from the provider of services, appeals the determination to discharge under section 1869 not later than noon of the first working day after the date the individual receives the notice of determination to discharge and notice of appeal rights under paragraph (1), the provider of services shall, by the close of business of such first working day, provide to the Secretary (or qualified independent contractor under section 1869, as determined by the Secretary) the records required to review the determination.

''(l) The Secretary shall develop appropriate standard forms for individuals entitled to benefits under this title to waive limitation of liability protections under subsection (j) and to receive notice of discharge and appeal rights under subsection (k). The forms developed by the Secretary under this subsection shall clearly and in plain language inform such individuals of their limitations on liability, their rights under section 1869(a) to obtain an initial determination by the Secretary of whether payment may be made under part A or part B for such benefit, and their rights of appeal under section 1869(b), and shall inform such individuals that they may obtain further information or file an appeal of the determination by use of the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) maintained by the Secretary. The forms developed by the Secretary under this subsection shall be the only manner in which such individuals may waive such protections under this title or title XI.

''(m) An individual who is entitled to benefits under this title and is furnished an item or service is not liable for payment of cost sharing amounts of more than $50 with respect to such benefits unless the individual has been informed in advance of being furnished the item or service of the estimated amount of the cost sharing for the item or service using a standard form established by the Secretary.''.

(2) CONFORMING AMENDMENT.—Section 1870(a) of the Social Security Act (42 U.S.C. 1395gg(a)) is amended by striking ''Any payment under this title'' and inserting ''Except as provided in section 1879(i), any payment under this title''.

(b) INCLUSION OF BENEFICIARY LIABILITY INFORMATION IN EXPLANATION OF MEDICARE BENEFITS.—Section 1806(a) of the Social Security Act (42 U.S.C. 1395b–7(a)) is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

''(2) lists with respect to each item or service furnished the amount of the individual's liability for payment;'';

(4) in paragraph (3), as so redesignated, by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following new paragraph:

''(4) includes the toll-free telephone number (1–800–MEDICAR(E)) (1–800–633–4227) for information and questions concerning the statement, liability of the individual for payment, and appeal rights.''.

**SEC. 203. WAIVERS OF LIABILITY FOR COST SHARING AMOUNTS.**

(a) IN GENERAL.—Section 1128A(i)(6)(A) of the Social Security Act (42 U.S.C. 1320a–7a(i)(6)(A)) is amended by striking clauses (i) through (iii) and inserting the following:

''(i) the waiver is offered as a part of a supplemental insurance policy or retiree health plan;

''(ii) the waiver is not offered as part of any advertisement or solicitation, other than in conjunction with a policy or plan described in clause (i);

''(iii) the person waives the coinsurance and deductible amount after the beneficiary informs the person that payment of the coinsurance or deductible amount would pose a financial hardship for the individual; or

''(iv) the person determines that the coinsurance and deductible amount would not justify the costs of collection.''.

(b) CONFORMING AMENDMENT.—Section 1128B(b) of the Social Security Act (42 U.S.C. 1320a–7b(b)) is amended by adding at the end the following new paragraph:

''(4) In this section, the term 'remuneration' includes the meaning given such term in section 1128A(i)(6).''.

## Subtitle B—Establishment of Medicare Ombudsman

**SEC. 211. Establishment of Medicare Ombudsman for Beneficiary Assistance and Advocacy.**

(a) IN GENERAL.—Within the Health Care Financing Administration of the Department of Health and Human Services, there shall be a Medicare Ombudsman, appointed by the Secretary of Health and Human Services from among individuals with expertise and experience in the fields of health care and advocacy, to carry out the duties described in subsection (b).

(b) DUTIES.—The Medicare Ombudsman shall—

(1) receive complaints, grievances, and requests for information submitted by a medicare beneficiary, with respect to any aspect of the medicare program;

(2) provide assistance with respect to complaints, grievances, and requests referred to in clause (i), including—

(A) assistance in collecting relevant information for such beneficiaries, to seek an appeal of a decision or determination made by a fiscal intermediary, carrier, Medicare+Choice organization, a benefit administrator responsible for administering the prescription medicine benefit program under part D of title XVIII of the Social Security Act, or the Secretary;

(B) assistance to such beneficiaries with any problems arising from disenrollment from a Medicare+Choice plan under part C of title XVIII of such Act or a benefit administrator responsible for administering such prescription medicine benefit program; and

(C) submit annual reports to Congress and the Secretary, and include in such reports recommendations for improvement in the administration of this title as the Medicare Ombudsman determines appropriate.

(c) COORDINATION WITH STATE OMBUDSMAN PROGRAMS AND CONSUMER ORGANIZATIONS.—The Medicare Ombudsman shall, to the extent appropriate, coordinate with State medical Ombudsman programs, and with State-

and community-based consumer organizations, to—

(1) provide information about the medicare program; and

(2) conduct outreach to educate medicare beneficiaries with respect to manners in which problems under the medicare program may be resolved or avoided.

(d) DEFINITIONS.—In this section:

(1) The term ''medicare beneficiary'' means an individual entitled to benefits under part A of title XVIII of the Social Security Act, or enrolled under part B of such title, or both.

(2) The term ''medicare program'' means the insurance program established under title XVIII of the Social Security Act.

(3) The term ''fiscal intermediary'' has the meaning given such term under section 1816(a) of the Social Security Act (42 U.S.C. 1395h(a)).

(4) The term ''carrier'' has the meaning given such term under section 1842(f) of the Social Security Act (42 U.S.C. 1395u(f)).

(5) The term ''Medicare+Choice organization'' has the meaning given such term under section 1859(a)(1) of the Social Security Act (42 U.S.C. 1395w–29(a)(1)).

(6) The term ''Secretary'' means the Secretary of Health and Human Services.

## TITLE III—MEDICARE+CHOICE REFORMS; PRESERVATION OF MEDICARE PART B DRUG BENEFIT

### Subtitle A—Medicare+Choice Reforms

**SEC. 301. INCREASE IN NATIONAL PER CAPITA MEDICARE+CHOICE GROWTH PERCENTAGE IN 2001 AND 2002.**

Section 1853(c)(6)(B) of the Social Security Act (42 U.S.C. 1395w–23(c)(6)(B)) is amended—

(1) in clause (iv), by striking ''for 2001, 0.5 percentage points'' and inserting ''for 2001, 0 percentage points''; and

(2) in clause (v), by striking ''for 2002, 0.3 percentage points'' and inserting ''for 2002, 0 percentage points''.

**SEC. 302. PERMANENTLY REMOVING APPLICATION OF BUDGET NEUTRALITY BEGINNING IN 2002.**

Section 1853(c) of the Social Security Act (42 U.S.C. 1395w–23(c)) is amended—

(1) in paragraph (1)(A), in the matter following clause (ii), by inserting ''(for years before 2002)'' after ''multiplied''; and

(2) in paragraph (5), by inserting ''(before 2002)'' after ''for each year''.

**SEC. 303. INCREASING MINIMUM PAYMENT AMOUNT.**

(a) IN GENERAL.—Section 1853(c)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(B)(ii)) is amended—

(1) by striking ''(ii) For a succeeding year'' and inserting ''(ii)(I) Subject to subclause (II), for a succeeding year''; and

(2) by adding at the end the following new subclause:

''(II) For 2002 for any of the 50 States and the District of Columbia, $450.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to years beginning with 2002.

**SEC. 304. ALLOWING MOVEMENT TO 50:50 PERCENT BLEND IN 2002.**

Section 1853(c)(2) of the Social Security Act (42 U.S.C. 1395w–23(c)(2)) is amended—

(1) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(2) by adding after and below subparagraph (F) the following:

''except that a Medicare+Choice organization may elect to apply subparagraph (F) (rather than subparagraph (E)) for 2002.''.

**SEC. 305. INCREASED UPDATE FOR PAYMENT AREAS WITH ONLY ONE OR NO MEDICARE+CHOICE CONTRACTS.**

(a) IN GENERAL.—Section 1853(c)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

(1) by striking ''(ii) For a subsequent year'' and inserting ''(ii)(I) Subject to subclause (II), for a subsequent year''; and

(2) by adding at the end the following new subclause:

''(II) During 2002, 2003, 2004, and 2005, in the case of a Medicare+Choice payment area in which there is no more than 1 contract entered into under this part as of July 1 before the beginning of the year, 102.5 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.''.

(b) CONSTRUCTION.—The amendments made by subsection (a) do not affect the payment of a first time bonus under section 1853(i) of the Social Security Act (42 U.S.C. 1395w–23(i)).

**SEC. 306. PERMITTING HIGHER NEGOTIATED RATES IN CERTAIN MEDICARE+CHOICE PAYMENT AREAS BELOW NATIONAL AVERAGE.**

Section 1853(c)(1) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)) is amended—

(1) in the matter before subparagraph (A), by striking ''or (C)'' and inserting ''(C), or (D)''; and

(2) by adding at the end the following new subparagraph:

''(D) PERMITTING HIGHER RATES THROUGH NEGOTIATION.—

''(i) IN GENERAL.—For each year beginning with 2004, in the case of a Medicare+Choice payment area for which the Medicare+Choice capitation rate under this paragraph would otherwise be less than the United States per capita cost (USPCC), as calculated by the Secretary, a Medicare+Choice organization may negotiate with the Medicare Benefits Administrator an annual per capita rate that—

''(I) reflects an annual rate of increase up to the rate of increase specified in clause (ii);

''(II) takes into account audited current data supplied by the organization on its adjusted community rate (as defined in section 1854(f)(3)); and

''(III) does not exceed the United States per capita cost, as projected by the Secretary for the year involved.

''(ii) MAXIMUM RATE DESCRIBED.—The rate of increase specified in this clause for a year is the rate of inflation in private health insurance for the year involved, as projected by the Medicare Benefits Administrator, and includes such adjustments as may be necessary—

''(I) to reflect the demographic characteristics in the population under this title; and

''(II) to eliminate the costs of prescription drugs.

''(iii) ADJUSTMENTS FOR OVER OR UNDER PROJECTIONS.—If subparagraph is applied to an organization and payment area for a year, in applying this subparagraph for a subsequent year the provisions of paragraph (6)(C) shall apply in the same manner as such provisions apply under this paragraph.''.

**SEC. 307. 10-YEAR PHASE IN OF RISK ADJUSTMENT BASED ON DATA FROM ALL SETTINGS.**

Section 1853(a)(3)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

(1) by striking the period at the end of subclause (II) and inserting a semicolon; and

(2) by adding after and below subclause (II) the following:

''and, beginning in 2004, insofar as such risk adjustment is based on data from all settings, the methodology shall be phased in equal increments over a 10 year period, beginning with 2004 or (if later) the first year in which such data is used.''.

### Subtitle B—Preservation of Medicare Coverage of Drugs and Biologicals

**SEC. 311. PRESERVATION OF COVERAGE OF DRUGS AND BIOLOGICALS UNDER PART B OF THE MEDICARE PROGRAM.**

(a) IN GENERAL.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended, in each of subparagraphs (A) and (B), by striking ''(including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered)'' and inserting ''(including injectable and infusable drugs and biologicals which are not usually self-administered by the patient)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to drugs and biologicals administered on or after October 1, 2000.

**SEC. 312. COMPREHENSIVE IMMUNOSUPPRESSIVE DRUG COVERAGE FOR TRANSPLANT PATIENTS.**

(a) REVISION OF MEDICARE COVERAGE FOR IMMUNOSUPPRESSIVE DRUGS.—

(1) IN GENERAL.—Section 1861(s)(2)(J) of the Social Security Act (42 U.S.C. 1395x(s)(2)(J)) (as amended by section 227(a) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–354), as enacted into law by section 1000(a)(6) of Public Law 106–113) is amended by striking '', to an individual who receives'' and all that follows before the semicolon at the end and inserting ''to an individual who has received an organ transplant''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1832 of the Social Security Act (42 U.S.C. 1395k) (as amended by section 227(b) of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–354), as enacted into law by section 1000(a)(6) of Public Law 106–113) is amended—

(i) by striking subsection (b); and

(ii) by redesignating subsection (c) as subsection (b).

(B) Subsections (c) and (d) of section 227 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–355), as enacted into law by section 1000(a)(6) of Public Law 106–113, are repealed.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to drugs furnished on or after October 1, 2001.

(b) EXTENSION OF CERTAIN SECONDARY PAYER REQUIREMENTS.—Section 1862(b)(1)(C) of the Social Security Act (42 U.S.C. 1395y(b)(1)(C)) is amended by adding at the end the following: ''With regard to immunosuppressive drugs furnished on or after October 1, 2001, this subparagraph shall be applied without regard to any time limitation.''.

(c) ESTABLISHMENT OF PART D CATASTROPHIC LIMIT ON PART B COPAYMENTS FOR IMMUNOSUPPRESSIVE DRUGS.—

(1) IN GENERAL.—Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended by inserting after subsection (o) the following new subsection:

''(p) LIMITATION ON AMOUNT OF DEDUCTIBLES AND COINSURANCE FOR IMMUNOSUPPRESSIVE DRUGS FOR CERTAIN BENEFICIARIES.—With respect to 2006 and each subsequent year, no deductibles and coinsurance applicable to immunosuppressive drugs (as described in section 1861(s)(2)(J)) in a year under this part shall be imposed to the extent that the individual has incurred expenditures in that year for out-of-pocket expenditures for such immunosuppressive drugs in excess of the catastrophic benefit level specified in section 1860B(c).''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to drugs furnished on or after October 1, 2001.

### Subtitle C—Improvement of Certain Preventive Benefits

**SEC. 321. COVERAGE OF ANNUAL SCREENING PAP SMEAR AND PELVIC EXAMS.**

(a) IN GENERAL.—

(1) ANNUAL SCREENING PAP SMEAR.—Section 1861(nn)(1) of the Social Security Act (42 U.S.C. 1395x(nn)(1)) is amended by striking ''if the individual involved has not had such a test during the preceding 3 years, or during the preceding year in the case of a woman described in paragraph (3).'' and inserting ''if the woman involved has not had such a test during the preceding year.''.

(2) ANNUAL SCREENING PELVIC EXAM.—Section 1861(nn)(2) of such Act (42 U.S.C. 1395x(nn)(2)) is amended by striking ''during the preceding 3 years, or during the preceding year in the case of a woman described in paragraph (3),'' and inserting ''during the preceding year,''.

(3) CONFORMING AMENDMENT.—Section 1861(nn) of such Act (42 U.S.C. 1395x(nn)) is amended by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to items and services furnished on or after January 1, 2006.

Amend the title so as to read: ''A Bill to amend title XVIII of the Social Security Act to provide a prescription medicine benefit under the medicare program, to enhance the preventive benefits covered under such program, and for other purposes.''

## TITLE IV—ADJUSTMENTS TO PAYMENT PROVISIONS OF THE BALANCED BUDGET ACT

### Subtitle A—Payments for Inpatient Hospital Services

**SEC. 401. ELIMINATING REDUCTION IN HOSPITAL MARKET BASKET UPDATE FOR FISCAL YEAR 2001.**

Section 1886(b)(3)(B)(i)(XVI) of the Social Security Act (42 U.S.C. 1395ww(b)(3)(B)(i)(XVI)) is amended by striking ''minus 1.1 percentage points for hospitals (other than sole community hospitals) in all areas, and the market basket percentage increase for sole community hospitals,'' and inserting ''for hospitals in all areas,''.

**SEC. 402. ELIMINATING FURTHER REDUCTIONS IN INDIRECT MEDICAL EDUCATION (IME) FOR FISCAL YEAR 2001.**

Section 1886(d)(5)(B)(ii) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(ii)(V)) is amended—

(1) in subclause (IV)—

(A) by striking ''fiscal year 2000'' and inserting ''each of fiscal years 2000 and 2001''; and

(B) by adding ''and'' at the end;

(2) by striking subclause (V); and

(3) by redesignating subclause (VI) as subclause (V).

**SEC. 403. ELIMINATING FURTHER REDUCTIONS IN DISPROPORTIONATE SHARE HOSPITAL (DSH) PAYMENTS.**

(a) MEDICARE PAYMENTS.—Section 1886(d)(5)(F)(ix) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(ix)) is amended—

(1) in subclause (III), by striking ''and 2001'';

(2) by redesignating subclauses (IV) and (V) as subclauses (V) and (VI), respectively; and

(3) by inserting after subclause (III) the following new subclause:

''(IV) during fiscal year 2001, such additional payment amount shall be reduced by 0 percent;''.

(b) FREEZE IN MEDICAID DSH ALLOTMENTS FOR FISCAL YEAR 2001.—Notwithstanding section 1923(f)(2) of the Social Security Act (42 U.S.C. 1396r–4(f)(2)), the DSH allotment under such section for a State for fiscal year 2001 shall be the same as the DSH allotment under such section for fiscal year 2000.

**SEC. 404. INCREASE BASE PAYMENT TO PUERTO RICO HOSPITALS.**

Section 1886(d)(9)(A) of the Social Security Act (42 U.S.C. 1395ww(d)(9)(A)) is amended—

(1) in clause (i), by striking ''October 1, 1997, 50 percent ('' and inserting ''October 1, 2000, 25 percent (for discharges between October 1, 1997 and September 30, 2000, 50 percent,''; and

(2) in clause (ii), in the matter preceding subclause (I), by striking ''after October 1, 1997, 50 percent ('' and inserting ''after October 1, 2000, 75 percent (for discharges between October 1, 1997, and September 30, 2000, 50 percent,''.

### Subtitle B—Payments for Skilled Nursing Services

**SEC. 411. ELIMINATING REDUCTION IN SNF MARKET BASKET UPDATE FOR FISCAL YEAR 2001.**

Section 1888(e)(4)(E) of the Social Security Act (42 U.S.C. 1395yy(e)(4)(E)) is amended—

(1) by redesignating subclauses (II) and (III) as subclauses (III) and (IV) respectively;

(2) in subclause (III) as redesignated, by striking ''for each of fiscal years 2001 and 2002,'' and inserting ''for fiscal year 2002,''; and

(3) by inserting after subclause (I) the following new subclause:

''(II) for fiscal year 2001, the rate computed for fiscal year 2000 increased by the skilled nursing facility market basket percentage increase for fiscal year 2000.''.

**SEC. 412. EXTENSION OF MORATORIUM ON THERAPY CAPS.**

Section 1833(g) of the Social Security Act (42 U.S.C. 1395l(g)) is amended in paragraph (4) by striking ''2000 and 2001.'' and inserting ''2000 through 2002.''.

### Subtitle C—Payments for Home Health Services

**SEC. 421. 1-YEAR ADDITIONAL DELAY IN APPLICATION OF 15 PERCENT REDUCTION ON PAYMENT LIMITS FOR HOME HEALTH SERVICES.**

Section 1895(b)(3)(A)(i) of the Social Security Act (42 U.S.C. 1395fff(b)(3)(A)(i)) is amended—

(1) by redesignating subparagraph (II) as subparagraph (III);

(2) by inserting in subparagraph (III), as redesignated, ''24 months'' following ''periods beginning''; and

(3) by inserting after subclause (I) the following new subclause:

''(II) For the 12-month period beginning after the period described in subclause (I), such amount (or amounts) shall be equal to the amount (or amounts) determined under subclause (I), updated under subparagraph (B).''.

**SEC. 422. PROVISION OF FULL MARKET BASKET UPDATE FOR HOME HEALTH SERVICES FOR FISCAL YEAR 2001.**

Section 1861(v)(1)(L)(x) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(x)) is amended—

(1) by striking ''2001,''; and

(2) by adding at the end the following: ''With respect to cost reporting periods beginning during fiscal year 2001, the update to any limit under this subparagraph shall be the home health market basket.''.

### Subtitle D—Rural Provider Provisions

**SEC. 431. ELIMINATION OF REDUCTION IN HOSPITAL OUTPATIENT MARKET BASKET INCREASE.**

Section 1833(t)(3)(C)(iii) of the Social Security Act (42 U.S.C. 1395l(t)(3)(C)(iii)) is amended by striking ''reduced by 1 percentage point for such factor for services furnished in each of 2000, 2001, and 2002'' and inserting ''reduced by 1 percentage point for such factor for services furnished in 2000 and reduced (except in the case of hospitals located in a rural area, as defined for purposes of section 1886(d)) by 1 percentage point for such factor for services furnished in each of 2001 and 2002.''

### Subtitle E—Other Providers

**SEC. 441. UPDATE IN RENAL DIALYSIS COMPOSITE RATE.**

The last sentence of section 1881(b)(7) of the Social Security Act (42 U.S.C. 1395rr(b)(7)) is amended by striking ''for such services furnished on or after January 1, 2001, by 1.2 percent'' and inserting ''for such services furnished on or after January 1, 2001, by 2.4 percent''.

### Subtitle F—Provision for Additional Adjustments

**SEC. 451. GUARANTEE OF ADDITIONAL ADJUSTMENTS TO PAYMENTS FOR PROVIDERS FROM BUDGET SURPLUS.**

Notwithstanding any other provision of law, from amounts estimated to be in excess social security surpluses estimated under the Balanced Budget and Emergency Deficit Control Act of 1985 for the 5 fiscal year and 10 fiscal year periods beginning in fiscal year 2001, there shall be made available for further adjustments to payment policies established by the Balanced Budget Act of 1997, amounts that would provide for additional improvements to the medicare and medicaid programs carried out under titles XVIII and XIX of the Social Security Act and payments to providers of services and suppliers furnishing items and services for which payments is made under those programs in the aggregate amounts over such 5 fiscal year and 10 fiscal year periods of $11,000,000, and $21,000,000, respectively.

## TITLE V—IMPLEMENTATION OF CERTAIN PROVISIONS CONTINGENT ON GUARANTEE OF CERTIFICATION OF TRUST FUND SURPLUSES

**SEC. 501. IMPLEMENTATION OF CERTAIN PROVISIONS BEFORE 2005 CONTINGENT ON ENSURING DEBT RETIREMENT AND INTEGRITY OF THE SOCIAL SECURITY AND MEDICARE TRUST FUND SURPLUSES.**

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the amendments made by title IV (and catastrophic benefits under section 1860B(c) of the Social Security Act, as inserted by section 101(a)(2)) shall not take apply for a year before 2006 (or, in the case of title IV, a fiscal year before fiscal year 2006), unless the certifications specified by subsection (b) for the fiscal year (or the fiscal year in which the calendar year involved begins) are made before the beginning of such fiscal year.

(b) CERTIFICATIONS SPECIFIED.—The certifications specified in this subsection are the following:

(1) The Director of Office of Management and Budget has certified that a law has been enacted which—

(A) ensures that a sufficient portion of the on-budget surplus is reserved for debt retirement to put the Government on a path to eliminate the publicly held debt by fiscal year 2012 under current economic and technical projections; and

(B) ensures that, under current economic and technical projections, the unified budget surplus for the fiscal year in which such calendar year begins shall not be less than the surplus of the Federal Old-Age and Survivors Insurance Trust Fund and Federal Hospital Insurance Trust Fund for such fiscal year.

(2) The Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund has certified either—

(A) that outlays from such trust funds are not anticipated to exceed the revenues to such trust funds during such fiscal year and any of the next 5 fiscal years; or

(B) that legislation has been enacted extending the solvency of such trust funds for 75 years.

(3) The Board of Trustees of the Federal Hospital Insurance Trust Fund has certified—

(A) that the outlays from such trust fund are not anticipated to exceed the revenues to such trust fund during such fiscal year and any of the next 5 fiscal years; and

(B) that legislation has been enacted which strengthens and modernizes the medicare program and extends the solvency of such trust fund beyond 2030.

Mr. STARK (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the man from California?

There was no objection.

Mr. STARK. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. HOEFFEL).

Mr. HOEFFEL. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, what is this House going to say to Earl and Irene Baker, who came to my town hall meeting and told me about the 21 pills that Earl takes every day and how Irene cannot fill her prescription drugs because she figures her husband is sicker than she is and they cannot afford to fill both sets of prescriptions?

I say, do not put them at the mercy of private insurance companies, do not make them write a $39 check each month to pay their premium and keep their coverage. Give them a guaranteed, defined benefit, reliable Medicare prescription drug coverage. They deserve it and they need it.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to explain that this Democratic motion to recommit would give the American people a true Medicare benefit and start us on the road to providing meaningful, adequate protection for seniors.

Mr. Speaker, this is the same bill as was just ruled out of order with some changes to make the benefit to extend the benefits in time so that it fits within the budget requirements. It covers half of all spending on medicines up to $5,000. It has a $25 a month premium and that is deductible.

It will not require our seniors to mail a check for $39 a month to some private insurance company, as would be required under the Republican bill. It has an out-of-pocket limit of $4,000. After the beneficiaries have spent $4,000, all funds above that spent for pharmaceutical prescriptions will be covered.

Our package, in essence, provides twice as much help for our seniors as does the Republican bill.

Mr. Speaker, in our motion to recommit, we use a budget determination safety device. It would provide up to $21 billion over 5 years and $40 billion over 10 years to help health care providers, hospitals, nursing homes, home health agencies, rural hospitals, and others to deal with the unexpected tough cuts in the balanced budget amendment.

It would provide these where there is certification by OMB and we are on a path to retiring the publicly held national public debt by 2012, that Social Security is safe, and that Medicare is solvent past 2030.

Mr. Speaker, our proposal is not the Republicans' let-us-help-you-buy-a-Medigap scheme, it is a benefit in Medicare as to Part A. They go to the doctor, any doctor, Medicare pays the bill. They pay 20 percent of that bill unless they have supplemental insurance or a union plan or they are in a managed care plan, in which case they pay nothing. That is what we do with pharmaceuticals.

□ 2030

They do not shop around from insurance company to insurance company. They can, in our plan, stay with their company plan. They can stay with their HMO. They can stay with whatever they are happy with, or they can voluntarily join the Medicare plan for a premium of $25 a month, $14 a month less than the Republican premium for twice the benefits.

The plan will cover all Medicare beneficiaries, and it will cover 5½ million more beneficiaries, according to the Congressional Budget Office, than the Republican plan.

It helps low-income seniors, and it contains the same relief for rural HMOs as does the Republican bill.

This is a bill that will help the American people, not the drug industry or the insurers. Quite contrarily, it will do nothing for the drug industry or the insurers. It will do something for our seniors who need the help.

This should say, if one likes high-priced pills, support the Republican bill, which is supported by the drug makers' lobby. If they like hassles of HMOs, support the Republican bill. It would force everyone into a drug HMO program where they will be hassled over every pill their doctor prescribes, and they will be forced to drive miles and miles to some distant pharmacy. Under our bill, any pharmacy, any provider, would be able to provide their prescription if they chose to.

If one wants a true, dependable, reliable benefit that covers all Americans who need help, support the Democratic bill and support the motion to recommit.

The SPEAKER pro tempore (Mr. LAHOOD). Does the gentleman from California (Mr. THOMAS) seek the time in opposition?

Mr. THOMAS. I do, Mr. Speaker.

Mr. Speaker, this was an important debate, although at some point the seniors are tired of waiting for Congress to act to put prescription drugs in Medicare. I want all Members to understand the significance of this vote on the motion to recommit. Although it may not seem important, the motion to recommit of the gentleman from California (Mr. STARK) is not forthwith. If the motion were forthwith, the legislation the gentleman described would be substituted for the bipartisan plan, and it would come back in front of the House to be voted upon.

The motion the gentleman offered on the motion to recommit was to report promptly. That means, in reality, that any prescription drug benefit for seniors this year is gone.

I would sober everyone up by saying that if they vote for this motion to recommit, they will have denied the seniors the opportunity that all of us want to provide them with.

The reason there is no point of order against this motion, although over the 10-year period it spends $295 billion, is because, as the gentleman from California said, there is a trigger.

One really ought to examine the trigger that is in this legislation. First of all, it says that there has to be a law that says we are going to retire the entire Federal debt by 2012. We are for that, but this bill adds $300 billion to the job of doing that.

Secondly, it says that there has to be legislation that has been passed guaranteeing the solvency of Social Security for 75 years. We could have already done that.

The chairman of the Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), and the chairman of the subcommittee, the gentleman from Florida (Mr. SHAW), have legislation ready to go that will not worry about the 75-year provision because it resolves the solvency of Social Security for all time.

If the President had been willing to address that problem, this would not have been in their bill. We would have guaranteed the solvency of Social Security.

There is another trigger that says solvency has to be guaranteed, under law, for the hospital trust fund, Medicare, beyond 2030.

The bipartisan commission that this Congress created could have provided a plan had the President been willing to cooperate with the public and private Members of the House and the Senate, the Democrats and the Republicans who all came together and provided 10 votes for that plan, but not one of the President's appointees agreed with that plan. That would have been met had the President been willing to work with the bipartisan commission.

So what do we have in front of us? A bill that gives no choice, limits choices of drugs. Basic benefits are flat, not just for 2003, 2004 but 2005 as well, and provides no out-of-pocket protection for seniors until the year 2006. Two presidential elections have to go by before seniors are guaranteed that their exposure to drug costs are limited.

The bipartisan plan has freedom to choose. There are a number of drugs in the various classes. The benefits are increased by the drug inflation rate, and one gets immediate pocketbook protection when they vote for H.R. 4680.

I would ask everyone here to make sure that seniors get prescription drugs this year. Vote no on the motion to recommit, and vote yes on the bipartisan H.R. 4680.

Mr. STENHOLM. Mr. Speaker, I rise in strong support of a Medicare prescription drug benefit that is available, affordable, dependable and voluntary for all seniors and against the bill the leadership has brought to the floor today.

The Democratic plan will provide a meaningful prescription benefit that is available to all seniors, including those in rural areas. Unlike H.R. 4680, it will provide equal treatment for all seniors, without disparities in coverage between rural, urban and suburban regions. It will use market power of seniors to reduce costs through competition, and it will help low and middle-income seniors afford prescription medicine.

I am particularly pleased that the Democratic plan contains an amendment I suggested which will ensure that the Medicare prescription drug benefit will fit within a fiscally responsible budget. Specifically, the Democratic plan requires that we stay on a course to take the Medicaid trust fund off budget and eliminate the debt held by the public by 2012. In addition, despite what some of my colleagues on the other side have stated, the Democratic plan would provide a catastrophic benefit in 2003 if Congress and the President work together to enact reforms to strengthen and modernize Medicare. Several supporters of H.R. 4860 have said we need to reform Medicare, but unlike the Democratic plan, H.R. 4860 does not call for action on Medicare reform.

Relying on private sector plans to deliver prescription drug coverage as H.R. 4860 would do will not provide a meaningful benefit which is available to all seniors, including those in rural areas. It will not be cost effective for private plans to offer coverage in rural areas, which will result in expensive government subsidies to attract plans to rural areas. Rural seniors should not be forced to pay higher premiums or have less generous benefits, simply because they live in areas that are not financially attractive to private insurance companies.

I am not hostile to private sector solutions. But we understand the role of the private sector is to make a profit. Meanwhile, the role of the government is to provide benefits in situations of great need that go unanswered by business.

Over the past decade, crop insurance for farmers has shown not only that private insurance sometimes fails to provide a guaranteed safety net in necessary situations, but also that it can become enormously costly. Even though the Republican's prescription drug bill is tallied at $40 billion today, I have no doubt that, just like crop insurance, its costs would multiply many, many time as we have to come back to provide higher and higher subsidies over the coming years, and still seniors would be left without the guarantee of prescription drug coverage.

Seniors deserve certainty about getting help with their prescription drugs. They deserve to be treated equally, regardless of whether they live in rural communities like my District or big cities like Dallas. They deserve to have their government supporting them with their most basic life needs. They deserve to have a Medicare program which is modernized in a way that reassures them the program will be strong for their grandkids. That is what the Democratic motion to recommit would do and what the bill before us fails to do.

Mr. EVANS. Mr. Speaker, over the past few weeks, the Republican leadership in Congress has been scrambling to score political points by pushing a flawed prescription drug bill. But to millions of America's seniors, this is not a political game, but a matter of life or death.

The Republican prescription drug plan is barely a plan at all. It is a sham that favors insurance companies over older Americans and profits over quality care. It fails to provide affordable prescription coverage for all seniors and limits the choices of essential medications and pharmacies.

The so-called plan doesn't even lay out a defined benefits package. Private insurers will be able to establish restrictive formularies and exclude coverage of drugs that they deem too expensive.

The Republicans are offering a benefits package that offers no benefits at all. If we pass this plan, our seniors would be left no better off then they are today. Let's give our seniors the health care they need and deserve. Please support the motion to recommit.

Mr. EVANS. Mr. Speaker, over the past few weeks, the Republican leadership in Congress has been scrambling to score political points by pushing a flawed prescription drug bill. But to millions of America's seniors, this is not a political game, but a matter of life and death.

The Republican prescription drug plan is barely a plan at all. It is a sham that favors insurance companies over older Americans and profits over quality care. It fails to provide affordable prescription coverage for all seniors and limits the choices of essential medications and pharmacies.

The so-called plan doesn't even lay out a defined benefits package. Private insurers will be able to establish restrictive formularies and exclude coverage of drugs that they deem too expensive.

The Republicans are offering a benefits package that offers no benefits at all. If we pass this plan, our seniors would be left no better off than they are today. Let's give our seniors the health care they need and deserve. Please support the motion to recommit.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today in support of the Democratic Alternative to the Republican proposal for a prescription drug benefit for seniors.

As we know, the Medicare program provides significant health insurance coverage for more than 39 million seniors and disabled beneficiaries. However, the program fails to offer protection against the costs of most outpatient prescription drugs. In the 7th District of Illinois, there are 57,353 seniors (65 years and older) who need quality, affordable drug coverage. Patricia Conyers, William Danne, Cassandra Moore, and many others from my district deserve this.

Life-saving and sustaining drugs are just as important to seniors today as surgery and clinical evaluation. For example, cardiovascular disease is the leading cause of death in America. Patients with severe heart failure must take at least 3, often 5, medicines at a time.

Prescription drug prices continue to rise and the percentage of Americans over age 65 is sharply on the rise—as technology improves, it prolongs life. Last year alone, our nation spent $105 billion on prescription drugs. Accordingly to one study, we will spend 15–18% more in the next five years, more than $200 billion each year. This year, more than one-third of seniors on Medicare will spend over $1,000 on prescription medication.

Even worse still are the seniors in our communities who have no drug coverage at all. They are forced to make life-threatening decisions between prescription drugs or food and clothing. These decisions are unfair and un-Democratic. Twenty-seven percent of urban beneficiaries, and 43% of rural beneficiaries lack prescription drug coverage for the entire year (1996).

Clearly, neither Medicare nor the private insurance industry are addressing the problem adequately. Medicare is therefore in need of modernization and the addition of a drug benefit that is accessible and affordable to all beneficiaries, regardless of income level or location. The Democratic Plan would provide a voluntary prescription drug benefit accessible and affordable to all Medicare beneficiaries. This is not a new entitlement program as some Republican colleagues claim; it's simply a long-needed modernization of Medicare.

Regarding accessibility. Our plan guarantees a prescription benefit for all Medicare beneficiaries, whether or not they are rich or poor, enrolled in traditional fee-for-service or Medicare+Choice plans. In our plan, low-income beneficiaries—below 150% poverty level ($17,000 for a couple)—would receive extra help with the cost of premiums; those below 135% would have no cost-sharing.

And regarding affordability: Under the Democratic plan, beneficiaries who join the program receive a high quality, defined benefit. It is affordable to all beneficiaries. Premiums would be $25 per month in 2003. Seniors would pay no yearly deductible. Also, the plan offers catastrophic protection (over $4000 out-of-pocket costs) for beneficiaries. This plan, therefore, protects against the risk of industry ''cherry picking'' and negative selection of seniors with the greatest need.

Finally, the Democratic prescription drug benefit is consistent with broader reform to strengthen and modernize Medicare. This plan includes greater access to the wide array of prescription drugs available in our marketplace by providing affordable premiums to all Medicare beneficiaries. Therefore, I urge all my colleagues to support the Democratic Plan for prescription drug coverage for seniors. This is true reform.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. STARK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 204, nays 222, not voting 9, as follows:

[Roll No. 356]

YEAS—204

| | | |
|---|---|---|
| Abercrombie | Andrews | Baldacci |
| Ackerman | Baca | Baldwin |
| Allen | Baird | Barcia |

Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Forbes
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NAYS—222

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Bass
Cook
DeGette
Filner
Hooley
Knollenberg
Markey
Serrano
Vento

□ 2052

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. SERRANO. Mr. Speaker, I was unfortunately detained during rollcall No. 356, and I want the RECORD to reflect that if I had been present, my vote would have been ''yea.''

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. STARK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 217, nays 214, not voting 4, as follows:

[Roll No. 357]

YEAS—217

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Saxton
Scarborough
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—214

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson
Chenoweth-Hage
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Forbes
Ford
Frank (MA)
Frost
Ganske
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hostettler
Hoyer
Inslee
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott

McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schaffer
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Slaughter
Smith (MI)
Smith (WA)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu
Wynn

NOT VOTING—4

Cook
Filner
Markey
Vento

□ 2109

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 2115

## PROVIDING FOR CONSIDERATION OF H.R. 4461, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

Mr. DIAZ-BALART. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 538 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 538

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4461) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. When the reading for amendment reaches title VIII, that title shall be considered as read. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived except as follows: page 74, line 19, through page 75, line 4; page 84, line 21, through page 96, line 4. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. House Resolution 513 is laid on the table.

Mr. DIAZ-BALART. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, House Resolution 538 is an open rule providing for the consideration of H.R. 4461, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001.

The rule provides for 1 hour of general debate, equally divided between the chairman and ranking minority member of the Committee on Appropriations. The rule waives all points of order against consideration of the bill. Further, the rule waives points of order against provisions of the bill for failure to comply with clause 2 of rule XXI, except as specified in the rule.

The rule allows the Chairman of the Committee of the Whole to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, and further, it allows the Chairman to postpone votes during consideration of the bill, and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote. The rule provides 1 motion to recommit, with or without instructions.

Finally, the rule provides that House Resolution 513 is laid on the table.

Mr. Speaker, I am pleased to support this open rule which provides for the consideration of the agriculture appropriations bill for fiscal year 2001. The primary difference between this rule and the one reported by our committee last month, House Resolution 513, is the removal of the amendment which would have offset funds provided for relief to apple and potato farmers. Due to the reallocation of funds by the Committee on Appropriations, which now keeps this funding within the subcommittee's budget limits, the offset amendment is no longer necessary.

A substantive legislative provision which constitutes a change in current law has been exposed to a point of order by this rule, title VIII of the bill, a provision which would, in my view, undermine U.S. foreign policy goals with regard to terrorist states by eliminating restrictions on the sale of agricultural commodities to the terrorist states, Iran, Libya, Iraq, Cuba, and North Korea.

Mr. Speaker, the reason why the House rules preclude major changes in substantive legislative policy on appropriations bills is that the appropriations process has hearings and is set up for deliberation on appropriations issues, while the authorizing process, the authorizing committees, have hearings on major legislative policy changes, and they are set up to concentrate on and improve major, substantive legislative policy proposals.

I think that an example of why the House has this rule is in fact before us today. My friend, the gentleman from Washington (Mr. NETHERCUTT), included an amendment in the appropriations bill, as I mentioned, to end restrictions on the sale of agricultural commodities to rogue regimes. The legislation allegedly precluded exports from the terrorist states to the United States, and prohibited Federal financing of sales to those States.

After reviewing the legislation carefully, however, the Congressional Research Service, for example, informed my office that that is not necessarily correct. It was not clear, for example, that exports to the United States from the terrorist states would be precluded, and secondly, with regard to Federal financing, at least one significant credit program would have become available to any of those rogue regimes if the administration simply deleted them from the State Department terrorist list; something, by the way, Mr. Speaker, that the administration has admitted it is considering doing with a number of terrorist states, despite the fact that some of these States have recently carried out the murders of United States citizens.

In fact, only last week Secretary of State Albright tinkered with the terminology by declaring that the terrorist states are no longer rogue states, but rather, states of concern. It is obvious that various or all of these terrorist regimes will soon be taken off the terrorist list by the current administration.

I informed my friend, the gentleman from Washington (Mr. NETHERCUTT), of these concerns. But in the appropriations process, we simply cannot amend this legislation pursuant to and after the necessary study to make certain that we are not doing what even the legislation's proponents do not wish to do.

In addition, in my view, the timing of the legislation offered by the gentleman from Washington (Mr. NETHERCUTT) has been unfortunate. We are dealing here with states that have engaged in acts of terrorism against Americans in recent years. We are

dealing with states against which American victims of terrorism, their surviving family members, have obtained judgments in the Federal courts under the Antiterrorism Act of 1996 for the murders of their family members by those terrorist regimes.

We are dealing with regimes which harbor murderers, terrorists, drug dealers, and other fugitives from United States justice. We are dealing with the terrible message that we would be sending, for example, to the regime in Iran if we were to pass the legislation as is, the legislation which is left exposed to a point of order by this rule.

In a letter just a few days ago by, for example, the American-Israel Public Affairs Committee, the timing of this legislative language, the unfortunate timing of the language, was made clear.

The letter reads, ''We have serious concerns regarding the Nethercutt language. Our concerns center on the changes in U.S. export policy towards Iran that the legislation would require, changes which we believe are unjustified. Such changes would be particularly untimely, coming at the very time that the government of Iran is engaged in a major show trial of 13 Iranian Jews. We are deeply troubled by the direction that trial is taking. Any action taken to help Iran at this moment would send exactly the wrong message to the Iranian regime, particularly coming on the heels of the outrageous decision last month by the World Bank to proceed with new loans to Iran. Now is the wrong time to be seen as helping Iran.''

Mr. Speaker, this issue is much more serious than simply the purported attempt to open some markets for American food products. We must remember that the ingredients, for example, in the deadly car bombs which killed hundreds of our brave troops in Beirut, or the Oklahoma City car bombing, ingredients from fertilizers to other chemicals, also in the opinion of experts may fall within the definition of ''agricultural commodities'' which would become available to terrorist states.

If the language were to become law as it passed out of the Committee on Appropriations, the only option available to a United States president to counter the development of chemical or biological weapons by a terrorist state in effect would be military action. In other words, Mr. Speaker, this issue is much more complicated and serious than it seems at first glance.

The Committee on Rules did its duty pursuant to House rules in exposing the language to a point of order in this rule. The issue will, under the rule, certainly be open for resolution in conference. I am pleased that we have been able to reach a compromise on the Nethercutt language which I believe contains some improvements over current law.

However, in this particular bill today, the agriculture appropriations bill, that original language is subject to a point of order. I support wholeheartedly including the compromise language in either the conference report on this bill or another legislative vehicle to get it to the President's desk as soon as possible, but to get to that stage, Mr. Speaker, we must first pass the open rule that is before the House this evening.

This is a fair rule, and I ask for all of my colleagues' support for it today.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill has come to the floor through such a convoluted, twisted process I am surprised that it is here at all.

Mr. Speaker, this all started 2 months ago when an amendment to lift the American embargo on food and medicine to five countries passed the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, and later the full Committee on Appropriations as part of the agriculture appropriations bill. That amendment would have ended the horrible United States policy of denying people food and medicine just because we disagree with that country's leaders.

□ 2130

This was a great step forward, Mr. Speaker. Not only for American farmers, but also for the residents of Cuba, North Korea, Libya, Sudan, and Iran.

But evidently, the Miami Cuban community got wind of it and started their powerful lobbying wheels turning; and by the time the bill came to the Committee on Rules, the embargo-lifting amendment that was approved by the majority of the committee had been exposed to points of order which meant it was essentially dead on arrival.

When word got out, the American people were horrified to learn that the decision of the majority of the Committee on Appropriations had been subverted and the Congress was forced to continue its ill-advised debacle. So the rule sat around for weeks and weeks waiting for some sort of resolution.

Late yesterday, Mr. Speaker, it became official. The Miami community is more powerful than the American farmers. The Miami community is more powerful than the majority of the Congress. At 2 a.m. this morning, the Committee on Rules met to do a new agricultural appropriations rule. This one delivered a fatal blow to the amendment lifting the embargo.

Apparently, some supporters of the bill were bought off with the promise that the food and medicine amendment would come up later in a different form, in a milder form that makes it nearly impossible for American farmers to sell even one kernel of corn to the hungry Cuban families. But at this point, we have not even seen the new amendment, so we really cannot be sure.

Mr. Speaker, when the amendment is finally unveiled, if the rumors are true, American farmers will be able to sell to Libya, the 15 million people at risk of starving in Sudan, and the 25 million starving people in North Korea. However, that will not be tonight, thanks to this rule which takes the embargo out of the agriculture bill.

So the House, Mr. Speaker, will not have the chance to vote up or down on the momentous issue of ending the embargo. Instead, the end of the embargo will probably be rolled into another bill, and the House once again will be denied a separate vote.

Mr. Speaker, there should be a separate vote on ending the embargo. I think that vote should be on this bill. I have been to Cuba. I have seen the suffering to which our embargo has contributed. Three years ago, I met a little boy in a pediatric hospital. I will never forget that sight as he lay in his hospital bed in Cuba. The 3-year-old had a respiratory disorder that is widely treated here in the United States with a simple plastic shunt. But because the shunt was made in the United States, it was prohibited from entering Cuba.

Mr. Speaker, that little boy spent 86 days in intensive care, lost a lung, nearly died. By the time we met him, he was lying in a hospital bed covered with tubes and barely breathing. And all he needed, Mr. Speaker, was a little piece of plastic, very available, just 90 miles away in Miami. I carry that image of the boy to this day because politics kept him in that bed when he should have been outside playing ball.

Mr. Speaker, I can tell my colleagues that despite what people say, Castro will always have the best steaks. Castro will always have the best wines. Castro will always have whatever he wants, no matter what we do here today or tomorrow. But for the rest of the Cuban people, it is a very different story.

My Republican colleagues have erected a number of hurdles making it close to impossible for children in Cuba to get their food and medicine in a straightforward fashion. See, people view these situations very differently, Mr. Speaker. When some people think of lifting the embargo, they see Castro's face. When I think of lifting the embargo, I see that little boy's face in that pediatric hospital.

We are not arguing for normal trade with these countries. We are not trying to send them sneakers or CDs or VCRs or television sets. We are arguing for simple human decency, and I should think that all of my colleagues would want to support that with no strings attached.

Mr. Speaker, the embargo may have been right 40 years ago, 39 years ago, 38 years ago, or whatever. But it just did not work, and all it does is hurt people. It hurts children. I think we should end it with this bill. So I hope that this rule is defeated.

Mr. Speaker, I reserve the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, before yielding to the distinguished gentleman from Washington (Mr. NETHERCUTT), I yield myself such time as I may consume.

Mr. Speaker, I vigorously, obviously, disagree with the merits of what the gentleman from Massachusetts (Mr. MOAKLEY) has just said. The gentleman from Massachusetts has a number of others who are here ready to speak and consistently come forth with subterfuges to hide their support for a brutal regime that has maintained itself for 40 years.

He has a right, and they have a right, to admire and to support that regime. But I will not accept from the gentleman . . . There is no community in this United States, sir, that would accept a Member of Congress getting up and saying, like you have said, ''the Miami community got word of it.'' No community. No community in the United States. No ethnic community in the United States would accept that, whether it is the Boston Irish community or any community in any city, and I do not accept it.

And you owe, sir—you can have all the views you wish, but you owe an apology to that community in South Florida . . .

Mr. OBEY. Mr. Speaker, I demand that the words of the gentleman from Florida (Mr. DIAZ-BALART) be taken down. The gentleman has accused the gentleman from Massachusetts of making an ethnic slur.

The gentleman referred to a city. The gentleman, to my knowledge, made no ethnic slur, whatsoever; and I think it is the gentleman from Florida who owes the gentleman from Massachusetts an apology.

The SPEAKER pro tempore (Mr. PEASE). The gentleman will be seated, the Clerk will report the words and then the Chair will be prepared to rule.

□ 2145

Mr. OBEY. Mr. Speaker, parliamentary inquiry. Do we have an opportunity to be heard before the Chair makes a decision?

The SPEAKER pro tempore (Mr. PEASE). Perhaps at a later point.

Mr. DIAZ-BALART. Mr. Speaker, I ask unanimous consent to withdraw my words with regard to the attribution of ethnic slur.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. DIAZ-BALART. Mr. Speaker, I yield 6 minutes to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Speaker, I thank the gentleman from Florida for yielding to me.

I rise tonight, Mr. Speaker, with some concern about this rule, but with a commitment to vote for it. I will vote for it, not because I am happy that the provision that I had worked so hard to get into the appropriations bill will not be protected, but because of the very strong commitment I have received from the House leadership to make certain that the agreement that has been reached between the gentleman from Florida, (Mr. DIAZ-BALART) and the gentlewoman from Florida (Ms. ROS-LEHTINEN) is one that I believe is in the best interest of the country and I believe is in the best interest of moving the agriculture appropriations bill forward and completing our appropriations process.

I have been working on this issue of lifting sanctions on food and medicine to the countries that our Nation unilaterally sanctions for 3 years. It is a turnaround in my thinking, because I came to Congress in 1995 thinking that unilateral embargoes on food and medicine are in the best interest of our Nation. But I have changed my view.

I have changed my view because I do not believe that food and medicine should be used as weapons in foreign policy against governments or people, I should say, that we disagree with around the world. We disagree with the leadership of Fidel Castro. We disagree with the leadership of other countries that are terrorist in nature. But we must have some compassion and some feeling for the people that reside within those countries.

That is what my amendment was designed to accomplish was to yield our sanctions policy such that we help people and still oppose dictator governments around the world.

I wanted to say here that I have great respect for the passion with which my friends from Florida expressed their views on this issue. I know they care deeply about this policy. We disagree on policy. We are friends. I have great personal respect for them and anybody else who disagrees with me on this policy. But I feel this is the right policy for agriculture. It is the right humanitarian policy for our Nation.

So faced again this year with the potential for having no relief on the policy of sanctions that have been imposed unilaterally by this country on food and medicine, I felt we had to sit down and negotiate some agreement that may not be perfect. And believe me, Mr. Speaker, I do not believe this is a perfect agreement; but I believe it is a workable and valid and helpful agreement as we seek to lift sanctions on food and medicine for people of the world and give Congress a chance to be a part of that sanctions relief. Not just the President imposing it, but having the Congress have some help as well in trying to implement this policy.

It was my expectation, and is, that this measure, this agreement that has been reached, and it is a commitment by our leadership, by the gentleman from New Mexico (Mr. SKEEN), chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, and the leadership of the House that it would be put on the military construction supplemental bill today or tomorrow, that is still my hope, so that we can have a chance to vote for this.

But in lieu of that, I have the commitment that it will go on the Agriculture Appropriations bill in conference, and I will be a conferee, and there will be other conferees as well who feel that this agreement is a fair one.

It is not a perfect one. But if we do not implement this agreement, then I fear that we have no agreement, and the policy to lift sanctions on food and medicine will die for another year, and that is wrong. That is wrong for the people of the world who need food and medicine.

So I would just say to my friends on the other side, and they are my friends in this fight, the gentlewoman from Connecticut (Ms. DELAURO), the gentleman from New York (Mr. HINCHEY), the gentleman from Massachusetts (Mr. MCGOVERN), the gentleman from California (Mr. FARR), the gentleman from Wisconsin (Mr. OBEY), many, many Democrats who worked with us on this issue, it is not what we want completely, but it is an open door, a change in policy for the first time in 38 years, and more with respect to our policy of unilaterally sanctioning people of the world on food and medicine.

It is not perfect, but it is evolving. I think, if we do nothing, we implement and keep that policy as it has always been. I think that is wrong for the world. It is wrong for American farmers. It is wrong for American humanitarian groups.

So I just conclude my remarks, Mr. Speaker, by saying that I know that there is criticism of this agreement, but it is workable. It is going to accomplish the objective that all of us who feel that sanctions imposition is wrong. It will lift them. It is a start, and I think it is in the best interest of the Nation.

So I am going to vote for this rule, and I am going to vote for the bill. I am going to fight my heart out along with my colleagues who feel strongly as I do that this is the right policy to lift these sanctions on food and medicine to make sure that it becomes law.

The President mentioned it today in his press conference. I think we are very, very close to getting the White House to agree to this. It is not perfect, but we are working hard to get to this result.

So I know there are Members who want to vote no, and that is their right. But I am going to vote yes because I have faith that the commitment that has been made to me on this issue and this subject will be met.

Mr. MOAKLEY. Mr. Speaker, I yield 7 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, I think it is fitting that, at the end of a daffy day we should be discussing a daffy deal on a daffy rule that will bring a daffy bill to the floor.

Let me first say that I am mystified by the way the leadership of the House is proceeding on this. My understanding of the way one is supposed to use the legislative body is that the committees are supposed to make their recommendations to the full House. Then the leadership is supposed to use the House as the vehicle that makes decisions by determining what the majority view is.

That is the way we work out most of our differences out here. We bring our differences to the floor. We have an honest debate about them, and then we vote, and we see who wins and who loses.

The problem that we are running into in this session is that, time and time again, when committees make recommendations that the leadership worries about, they then proceed to try to twist the rules to prevent the House from working out our differences by preventing us from even voting on them. This is another such case tonight.

What is happening tonight is that the gentleman from Washington (Mr. NETHERCUTT) offered a proposal which I and many others supported on both sides of the aisle which would not make American farmers who are suffering record low prices the first victims of foreign policy decisions. That is a controversial action taken by the gentleman and taken by us. But now we are told that a deal has been struck.

□ 2200

Well, let me describe what that deal is, because I think what the gentleman from Washington (Mr. NETHERCUTT) is buying to take home to his farmers is a bushel basket with no bottom. It is empty.

What has happened is that the language which was adopted by a majority in the committee was not protected by the Committee on Rules, and so that language is now going to be stricken on a point of order on this bill in return for a promise that maybe it will be attached to the supplemental bill. The problem is that at this point all four major conferees, Senator STEVENS, myself, Senator BYRD, and the gentleman from Florida (Mr. YOUNG), have been made to understand that it is going to be almost impossible to attach that provision to the supplemental because of Senate rules.

As I understand it, if that proposal is attached to a supplemental, it then becomes subject to a point of order under Senate rules. And Senator DODD has already promised that if that language is attached to the supplemental, he will force the Senate to read word by word the entire bill, and that takes us to about next Wednesday. So we can be celebrating July 4th here in the Capitol. That is what happens if this is transferred to the supplemental bill.

So what we have is the gentleman from Washington buying a deal that allows him to possibly transfer this debate to a bill which will go nowhere if this provision is attached to it. That is not going to help a single farmer in America. So I think he bought a very bad deal.

I also think that it puts in jeopardy the passage of the supplemental. Now, I have opposed most of the items in the supplemental. I am deeply opposed to what that supplemental provides for aid to Colombia, for instance. I agree with Senator STEVENS that that is likely to get us into a protracted war. I hope I am wrong. I have been wrong many times before; I hope this is another time. But the problem is that if we attach this provision to that bill, we will have instant controversy; and it will mean that we put at risk the passage of that supplemental. And if we put at risk the passage of that supplemental, the U.S. Army begins to have some real problems because of their drawdowns.

So I do not understand why on earth the House is proceeding this way. If I were the House leadership, I would not even be bringing up this rule tonight because I would not want to put myself in a box foreclosing the possible use of this vehicle for the Nethercutt language. By adopting this rule tonight, we lock the House into a position where they have to either attach this to the supplemental or not. And if we attach it to the supplemental, we create a 50–50 chance that the supplemental is dead as the Dodo bird.

Now, I do not think that moves legislation forward; and it confuses me, as someone who is trying to cooperate to help pass that supplemental, because I have lost at battles, but it is still my duty to try to help the House complete its business in conference.

So in addition to that, there are a number of other problems with this rule, and there are a lot of problems with the underlying bill which I do not have time to get into, including the fact that it shortchanges antitrust, shortchanges food safety, shortchanges the budget for pest and disease control and for agriculture conservation practices. So at this point I am forced to declare my opposition to the bill, to the underlying bill, and to the rule itself.

I would urge the leadership of the House not to put at risk the passage of the supplemental, because the Pentagon needs that too badly, and they are going to have to begin to do a lot of things which are going to embarrass the Congress as an institution if that supplemental cannot pass.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume, before yielding to my distinguished friend from Missouri. I think that we, in the words of the gentleman from Wisconsin, saw an example of where we have significant disagreements, but the disagreements have been stated in a respectful way and not in a way that, certainly as before, I considered personally offensive. So I want to thank the gentleman from Wisconsin for that.

As the gentleman from Washington stated previously, a number of us have had very significant and strong disagreements, but I think in a frank and respectful way we have been able to come to an agreement that improves on current law and that is in the national interest of the United States, protecting this country from business transactions which may accrue to the benefit of terrorist states. And I think that in the agreement that we have achieved that is accomplished.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri (Mrs. EMERSON), an individual who has been a formidable negotiator, who has been very strong in her views and has demonstrated great leadership in bringing forth what she believes in, and who I have had disagreements with. I wish to publicly recognize the seriousness and the forthrightness with which she addresses issues such as this.

Mrs. EMERSON. Mr. Speaker, I thank the gentleman for yielding me this time and for those kind words.

I want to say for the record that I hate this rule. I hate the fact that all of us have worked so hard and passed something that would mean a great deal to the American farmer, and still will mean a great deal to the farmer; but I have to say, too, that it is important to move to process forward.

Let me just digress for a minute here. This evening the Faith & Politics Institute held the first-ever Bill Emerson-Walter Capps Civility Lecture Series, and we asked George Mitchell to come and address the group tonight to talk about the peace process in Ireland. He was incredible and so eloquent, and he talked about how it took a year and a half, a year and a half, before he got any movement at all. He sat in a room that long.

Now, the gentleman from Washington (Mr. NETHERCUTT) has done a magnificent job talking and working hard on this issue, as have the gentleman from Florida (Mr. DIAZ-BALART) and the gentlewoman from Florida (Ms. ROS-LEHTINEN), as well as all of our Democratic friends. There is so much passion about this, as there was so much passion with the British and the Irish in those rooms with Senator Mitchell. And he got them to move forward, as they did. Not in a perfect sense whatsoever, because it took a year and a half.

We have spent maybe tens of hours talking, and we have gotten a compromise that gives something to the gentlewoman from Florida (Ms. ROS-LEHTINEN) and to the gentleman from Florida (Mr. DIAZ-BALART), and it gives an awful lot to our American farmers. It is not perfect, but it cracks the door open. And if we can just crack the door open a little bit, other things will follow.

So as much as I would love to vote against this rule, I am not going to do that because I think it is more important to not only follow through on our commitment, that when we give our

word, as the Speaker and the leadership have given their word to us, we will in turn give our word to them that that is the most important thing and that this will happen.

I would ask my colleagues who are not as happy about this to remember that little baby steps make a big difference in the long run, and that while we cannot get everything we want today, it does not mean that we will not tomorrow.

Mr. MOAKLEY. Mr. Speaker, I yield 3¼ minutes to the gentlewoman from Ohio (Ms. KAPTUR), the ranking member of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies.

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong opposition to this rule.

I do not think I have ever risen in opposition to a rule for an agriculture appropriations measure coming out of our subcommittee, but indeed I must do so this evening, mainly because we have to look at this bill in the broader context of what is happening in rural America. The only chances we have to help are this bill and the related supplemental bill, which was to have had funding in it for agriculture.

Unfortunately, the members of our committee have essentially been defanged. We have not been allowed to participate in conference committees occurring on the supplemental bill. This particular bill is $400 million below what was spent in the year of 2000. It is $1.6 billion below what the administration asked for to meet these historic low prices that our farmers are struggling with, the drought problems we are having and the disaster problems. In my part of America, farmers cannot even get tractors into the field because of the water. So the bill is not adequate.

We had pinned our hopes on the supplemental. We had proposed to try to level the playing field of the $400 million that is short in this bill compared to last year's spending and put it in the supplemental. This evening we find out that the conferees, who did not include anybody on the committee but essentially four people negotiating, the leaders in both Houses, absolutely did not consult with any of the other conferees that were supposedly appointed.

My colleagues might remember that last year the leadership decided that they were going to appoint conferees, and then the conferees met and they were dismissed. Well, this year they appointed conferees and we never met. And so now we face this bill which so underfund our programs.

In fact, we will not have enough people in the field, technical assistance for natural resource and conservation service to give farmers to apply for the programs to keep their noses above water. Our rural development programs will be $200 million under. Our pest and disease programs $40 million under for citrus canker for tree replacement in States like Florida, all of the different plum pox problems in Pennsylvania, and so forth. The FDA lab in Los Angeles is canceled in the supplemental; the renovations to the building here in Washington; the money that we need to move people into the new FDA facility in College Park.

This bill is absolutely linked to the supplemental, and this evening we learned that that supplemental is completely inadequate and we have absolutely been divested of our authority as duly elected Members of this House. So I would have to say to the Members to vote ''no'' on this rule. It is our only way to send a message to the leadership of this Chamber that the Members need to be involved at the table.

I would just urge the membership on both sides of the aisle to restore the powers to the subcommittees. No subcommittee likes to be treated in this way. No committee likes to be treated in this way. Vote ''no'' on this rule and allow us to bring a bill to the floor that reflects the will of the majority of the members of the committee.

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN), the chairman of the Subcommittee on International Economic Policy and Trade of the Committee on International Relations.

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman for yielding me this time.

I would hope that our colleagues would support the rule tonight. The compromise that has been discussed previously on the floor, I believe, represents a well-balanced approach to a very difficult and thorny and delicate issue that I know is very important to everyone here.

I think it is a well-crafted compromise. Certainly not a perfect vehicle, like many negotiations that end up with a document that is not perfect for either side. But I want to thank tonight the individuals who participated in the many hours of difficult negotiations, starting with our good friend, the gentleman from Washington (Mr. NETHERCUTT); the gentlewoman from Missouri (Mrs. EMERSON); the gentleman from Florida (Mr. Young), the chairman of the Committee on Appropriations; and the gentleman from Missouri (Mr. BLUNT), who was really the person who helped us reach this compromise.

The gentleman from Florida (Mr. DIAZ-BALART) and I have been working, as all of my colleagues know, for many years on the issue of freedom for Cuba. We were both born in Cuba, came here to the United States young. We know what it is like to live under a Communist regime, and the districts that we represent, although not homogeneous, certainly heterogeneous districts, but the people, many of whom we represent, are in similar situations.

□ 2215

They lost what little they had in Cuba. And I am not talking about material possessions. I am talking about freedom, democracy, liberty, justice. And so, when we hear in this Chamber and we talk about negotiations with a communist regime, the political is the personal and the personal is the political for us. We thank the Republican leadership for their help in getting us to this point.

A credible case perhaps could be made that in other dictatorships throughout the world there has been a semblance of reform and a semblance of change, and perhaps that is why this body has in other bills voted to have trading relations with those dictatorships. I have not been on that list, but a credible case could be made for some market reforms in other countries.

But what reforms have taken place in Castro's Cuba in these 41 years of tyranny and dictatorship? They are no closer to freer elections. There have not been any free elections in Castro's Cuba for 41 years. The violations of human rights continue to this very day. While we are here discussing this issue, dissidents are being rounded up and thrown in jail, opposition leaders are persecuted and prosecuted, people of religious faith who want to practice their religion are also rounded up and thrown in jail on bogus charges, child prostitution continues to be the order of the day. And we wink and nod and continue to believe that we could have faith in such a regime.

In fact, foreign firms who go to Cuba to do business, by law, are not allowed to pay the worker directly. They must pay Fidel Castro in dollars, and Castro then pays the worker in actually worthless pesos. The Cuban worker is a slave. And those who deal with business with the Castro dictatorship, they are here to talk against slavery. In the United States, of course we would abhor that. But yet, slavery is the norm of the day in Cuba, and we are supposed to accept that because we have a global marketplace and everything is all right.

Everything is not all right in Castro's Cuba, and that is why my family came to the United States. That is why so many hundreds and thousands of Cubans die trying to come to the United States. And thank God that there is this wonderful country where people with very dissimilar views can come together and fashion a compromise because we have democracy, because we have discussions, and because we have an open system.

So I hope that, in celebration of that open system, our colleagues would accept the compromise. I thank the Republican leadership and so many on the other side who have helped us to get to this point. I hope that we adopt the rule tonight, Mr. Speaker.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I rise in opposition to this rule.

I believe the original provision authored by the gentleman from Washington (Mr. NETHERCUTT) to lift sanctions on food and medicine deserves a real debate and should not be stripped out of this bill on a point of order.

This language, which is so far past the test of democratic debate, is going to disappear. It will be replaced by language worked out in back rooms by a handful of people. That deal will come before the House attached to some conference report or another in a way that denies amendment and debate.

Why? Because a small group of Members has, in my opinion, a counterproductive obsession with Cuba. They appear to be determined to smother all debate, choke off free speech, undermine our democratic legislative process so that no measure that might affect U.S.-Cuba policy, even one as modest and as reasonable as the original provision of the gentleman from Washington (Mr. NETHERCUTT), will ever see the light of day.

They are afraid of what might happen should the House be allowed to work its will. They are afraid of the democratic process of free, fair, and open debate.

Ironically, what we are witnessing today on the floor of this House is something we would expect to see in Cuba and not in the United States of America. No one knows what the outcome might be if there was a fair vote to limit sanctions on food and medicine to Cuba and these other countries. It might win or it might lose. But I do know we should not be afraid to find out. I do know it deserves a debate and a vote. I should add, that is what makes our country so wonderfully unique.

I would like to commend the gentleman from Washington (Mr. NETHERCUTT) for his leadership and the bravery that he has shown on this issue. He has forced his leadership to take a step in the right direction. I know he has agitated them to no end, so I respect him very much.

But I cannot accept this deal. It is full of ugly and gratuitous measures that continue to put a wall between Americans and the people of Cuba. The financing of sales of food and medicine and medical devices to Cuba is far more restrictive than the other countries.

And who does it hurt? It hurts small- and medium-size American farmers, American pharmaceutical companies and manufacturers of medical devices by making sales of food and medicine to Cuba as difficult as possible.

It also shuts down the possibility of increased travel by American citizens to Cuba, which is something that dissidents of Cuba have urged more of.

Mr. Speaker, we in the House will not be allowed to debate this back-room deal. We will not be allowed to amendment it or vote on it. We will not be able to exercise our democratic rights.

If my colleagues care about freedom and democracy not only in Cuba but in the United States House of Representatives, I urge my colleagues to oppose this rule.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with regard to the statement made by the gentleman from Massachusetts (Mr. MCGOVERN) who just spoke, no, there is no comparison between what is going on here this evening and what goes on in Castro's Cuba.

I wish that I could show the gentleman a card that I carry with me from a political prisoner. He snuck it out of prison and sent it to me. I wish I could show it to him. I will not because making public his name would cost him, in all likelihood, his life.

That political prisoner is in a gulag because of an opinion, a belief. No, there is no comparison between what is going on this evening here and what goes on in Castro's Cuba.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. RANGEL), the ranking member of the Committee on Ways and Means, a gentleman who has been in Cuba many times.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, young Elian Gonzalez finally got back home to Cuba with his dad. I really think that this young man has, more than any one thing in recent history, caused the American people to focus on Cuba.

I think the worst indictment that I can make about the deals that are being cut in the Committee on Appropriations is that most Americans really do not care, they do not care about Cuba, and anybody that wants to cut a deal, cut a deal, if it does not pass in the House, it will pass in the conference. What arrogance, our foreign policy, our trade policy is going to be because half a dozen people got together and decided what makes them feel good. They are going to determine who the dictators are and how foreign nationals are being treated.

What happened to the old-fashioned way where we used to have hearings, we used to have witnesses, we used to have votes on the floor? I have never heard a deal being bragged about so openly. But, fortunately, this little Elian has been able to show America that some people are more concerned by the passionate dislike of who runs Cuba than what is in the best interest of the United States of America, what is in the best interest of our farmers, what is in the best interest of our trade, and they can cut a deal.

If I had known this, why would I work so hard on permanent trade relations with China? I would have gone to the Committee on Appropriations and picked half a dozen people. The way to do these things is go to the Committee on Appropriations and say, hey, can we cut a deal? Let us send some food and technology to these Communist Chinese, forgetting what kind of government they have, and run it out to conference if they do not like what happens in the House.

We cannot say that we have such passion in our heart that we distort what this institution is about. Today if we do it for Cuba, who is going to pick the next country that we have a dislike for?

And it is insulting to say that Americans cannot travel to Cuba. Americans should be able to travel any place that we want because we are the best ambassadors ever for this great country. And I refuse to believe that Castro and those little Communists can influence us. The truth of the matter is we should be influencing them with our American flag, with our know-how, with our productivity and being able to say we are not afraid of their incompetent government.

But if my colleagues think the way to do it is to cut a deal and say, do not talk to anybody, do not trade with anybody, use food, use medicine as a tool to show how much we dislike their form of government, how many forms of government do we dislike where deals are cut? The Communists in North Korea? The Communists in Vietnam? The Communists in Red China? No deals are being cut for those Communists. But we have to have a special deal, our farmers have to suffer, our exporters have to suffer, our tourism has to suffer, and Americans have the indignation to know that they are not trusted because a handful of people want to cut a deal and restrict the President of the United States from being able to determine who visits what.

Well, I hope this deal thing is not that contagious. I hope it is contained. I hope that maybe the other House does not allow this thing to spread over there to say that we will vote on this rule because we know ahead of time what the law is going to be.

Shame.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish that once, just once, the colleagues who get up and with such passion, and the word ''passion'' has been used so often this evening, talk about their objection to financing and credits and trade with that brutal dictatorship that has oppressed a noble people, our closest neighbors, for 41 years. Just once I wish, Mr. Speaker, that they would come and demand and ask for free elections, the rule of law, the liberation of the political prisoners, including the political prisoner who had the courage to sneak out a card to send me.

What is wrong about demanding, just once the liberation of those people in a gulag rotting away because of their belief and support for the rule of law and for democracy?

Why not ask for the legalization of political parties and labor unions and

the press, the press that has the freedom in this country and in so many other countries in the world to cover what we say without censorship?

Never, Mr. Speaker, never do we hear any of these colleagues who come and defend with such passion that dictatorship 41 years in power. Not even when I was away, not even once have we heard them come and demand the rule of law in elections.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. SERRANO).

(Mr. SERRANO asked and was given permission to revise and extend his remarks.)

Mr. SERRANO. Mr. Speaker, for as long as I have been in Congress, I have worked to lift sanctions against Cuba. One hundred, sixty-seven Members from both sides have cosponsored H.R. 1644, my legislation, to lift the embargo on the sale of food and medicine without restrictions.

I and many others of my colleagues applauded the efforts of the gentleman from Washington (Mr. NETHERCUTT) to include other countries in the removal of sanctions on food and medicine.

Unfortunately, this agreement is the result of negotiations that took place without the participation of many of the people deeply involved in this issue over a long period of time. However, the good news is that a door has been opened that will never, ever close again.

□ 2230

Elian Gonzalez, who left today, helped us to put aside some of the hate in Miami and to move forward. We will keep pushing that door and that door until it falls and it opens forever. When Juan Miguel Gonzalez stood at the airport today and looked at the American people and in both English and Spanish said thank you for giving my child back to me, thank you for having your system work on my behalf, and try to work with each other so that we can have better relations in the future, Juan Miguel had no understanding, I am sure, the legacy that he and his little boy have left behind.

This door is open, and it will never, ever close again. We will trade with Cuba as much as we can now, and we will lift the embargo soon. People can stand here and accuse people of being bad Americans and supporters of the Castro regime. I am a supporter of Juan Miguel Gonzalez. I am a supporter of Elian Gonzalez. I am a supporter of children in Cuba who have never harmed my child; and their father, this Congressman, should not harm them at all.

The bad news is that this was a back room deal that is going to be hard in some cases to enforce. The good news is that we have 170 people over here that are going to stay on the State Department, Treasury Department, the administration, joining Members from the other side, to make sure that every possible opening in that door works to our advantage and to the advantage of the Cuban people.

It is over. It is over. Mark it on the calendar. The day Elian left, he took with him the sickness of the embargo and he threw it away at sea. Elian's tragedy is going to be our sanity, because starting today we will do what is right and some day when that little boy grows up some reporter will go to him and say, do you know that you played a role in these two people coming together? And he will know what happened, and his father, that 31-year-old articulate, direct, but compassionate man, who had the courage and the strength to say I will wait the system out, if they had taken my child, I would not have been the diplomat that he was.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, recently this House passed significant legislation to open up trade with China, a Communist nation, in direct contradiction to the policy we established with that bill and to the policy established in H.R. 4461, the agricultural appropriations bill for fiscal year 2001. This rule will limit our efforts to allow limited trade with Cuba and several other nations.

Let me hasten to add that the sanctions that would be lifted by the agricultural appropriations would be related to food and medicine, a very limited trade but yet significant. Our American farmers would welcome this trade opportunity.

Putting aside it is bad policy to use food and medicine as political leverage, this House, by a substantial margin, engaged with China trade, which is in the right direction, rather than isolation. We should do that for Cuba. Why not trade with Cuba? Cuba is only a few miles away; and China indeed is many, many thousands of miles away. This rule is a bad rule.

Mr. Speaker, recently, this House passed significant legislation, designed to open up trade with China—a communist Nation.

In direct contravention to the policy we established with that Bill and to the policy embodied in H.R. 4461, the Agriculture Appropriations Bill for Fiscal Year 2001, this rule limited our effort to allow limited trade with Cuba and several other nations.

Under this Rule, the provisions in the Agriculture Appropriations Bill that would lift current economic sanctions against Cuba, Libya, North Korea, Iraq and Sudan, would be subject to a point of order.

That means that one Member of this House—for any reason or for no reason—will have the ability, the power to overturn the policy trend of trading with other nations, notwithstanding their governmental structures.

Let me hasten to add that the sanctions that would be lifted by the Agriculture Appropriations Bill would relate only to food and medicine, a very limited trade policy. Our American farmers would welcome this trade opportunity.

Putting aside the fact that it is bad policy to use food and medicine as political leverage, this House, by a substantial margin, voted to engage China in trade, rather than pursue isolation.

We are willing to trade with China.

Why not Cuba?

China is thousands of miles away.

Cuba is a stones throw away.

Under this Rule, points of order against legislating on an appropriations bill are waived generally.

However, several provisions are specifically left without waivers.

Those unprotected provisions include Title Eight of the Agriculture Appropriations Bill, and that Title consists of the ''Trade Sanctions Reform and Export Enhancement Act of 2000.''

If Title Eight remains in the Bill, the President could not impose sanctions against Cuba and the other countries, unless Congress consents.

It seems to me that such a process provides adequate oversight, in the event our Government finds it prudent to sanction one of these so-called ''rogue'' nations.

Mr. Speaker, we can well expect that the food and medicine trade provisions of this Bill will be struck.

Similar provisions were struck from the Fiscal Year 2000 Agriculture Appropriations Bill.

I understand that some Members feel strongly about the practices of those governments in Cuba, Libya, North Korea, Iraq and the Sudan.

I too feel strongly about some of their practices.

But, this House took a bold step recently, an historic step.

Why then today, should one Member, for good reason or bad, be able to reverse that step, change that policy position?

There is no good answer, Mr. Speaker.

I urge my colleagues to stand for consistency in our foreign policy—Reject this Rule!

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to this rule. It does not protect a decision that was made by members of the Committee on Appropriations to take vital steps towards sanction reform, to lift the ban on food and medicine to innocent citizens of the Sudan, Libya, North Korea, Iran and, yes, Cuba. I worked hard, along with my colleague, the gentleman from New York (Mr. HINCHEY), along with our colleagues on the other side of the aisle, the gentleman from Washington (Mr. NETHERCUTT) and the gentlewoman from Missouri (Mrs. EMERSON), to work to make sure that we could lift these sanctions to be able to help American farmers, to be able to sell their products abroad, because they are suffering from low prices today.

This rule ignores what we did, two votes in the subcommittee and in the full committee. Let me say, while we worked hard with our colleagues, we were not, the gentleman from New York (Mr. HINCHEY) and I, included in the deal, in the negotiations. This is

not a compromise. It is a capitulation. That is what this is about.

The Republican leadership has made a promise that sanction reform is going to be attached to some other future legislative vehicle, but that vehicle remains a mystery. We are going to leave sanction reform by the wayside. There is too much at stake for our farmers, and our foreign policy should not punish people who suffer under repressive regimes.

These unilateral agricultural sanctions hurt the most vulnerable in target nations. Imagine, my God, food and medicine we want to deny to people. Who are we, for God's sakes?

Just 2 weeks ago in this body, or several weeks ago, we talked about permanent trade relations with China; and we said that China that abuses human rights, that pirates our intellectual properties, that proliferates nuclear warfare, is all right but Cuba is not. It is mindless. It is absolutely mindless and disingenuous. Vote against this rule.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. FARR).

The SPEAKER pro tempore (Mr. PEASE). The gentleman from California (Mr. FARR) has 1¾ minutes.

Mr. FARR of California. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, this is a rule about the agricultural appropriations bill. The underlying bill is about America. It is about its land and its people. It is about the farmers that grow our food. It is about how we treat that food, how we deliver it, how we give it to poor people, how we give it to the school lunch program, school breakfast program, how we give it to women and infants, how we deal with poverty in America. That is what this bill is about.

The people who produce that food came to this committee and they said, why can we not sell that food and sell our medicines to other countries? Why do we have sanctions against the products that we do such a good job in raising? Why do we not lift those embargoes that we have created in our country, embargoes against Sudan, against Libya, against North Korea, against Iran and, yes, against Cuba?

Yes, these countries have been problem countries; but we have never, as the richest, most powerful Nation in the world, used the food as a weapon to hurt women and children.

So this bill is about people. It is about food, and it is about medicine. This debate on this rule is a sham, because what the Committee on Rules did is they undermined the whole intent of bipartisan debate in the subcommittee, of bipartisan debate of the vote in the full committee; and the Committee on Rules comes along and waives all points of order except for one, and that is the point of order that deals with this issue.

They waive another point, but they take care of it in another part of the bill.

It is interesting what the gentleman from New York (Mr. SERRANO) just said. Elian went home and he is free, and here the United States Congress is held hostage. It is a bad rule.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I wish to thank the House for its deliberation. I agree with the gentleman from New York (Mr. SERRANO) on one thing he said today. Today is an important date. It is a date that is infamous. It is the only time that the United States has sent back over the Berlin Wall a child whose mother died to bring him to freedom, and in that sense I agree that today is a date that will be remembered by history.

Mark my words, yes, soon we will have trade with Cuba. Soon there will be a Cuba whose concentration camp doors will be open and you, yes you, will have to see what you have been purposefully ignoring. There will be, there will be a——

Mr. OBEY. Mr. Speaker, I demand that the words of the gentleman from Florida (Mr. DIAZ-BALART) be taken down.

The SPEAKER pro tempore. The gentleman will be seated. The Clerk will report the words.

□ 2245

Mr. OBEY. Mr. Speaker, I object to the word ''purposely.''

Mr. Speaker?

The SPEAKER pro tempore (Mr. PEASE). For what purpose does the gentleman from Wisconsin (Mr. OBEY) seek recognition?

Mr. OBEY. Mr. Speaker, I will withdraw my request that the gentleman's words be taken down, with the expectation that there will be no words used on this floor which can in any way be interpreted as attacking another Member.

The SPEAKER pro tempore. The demand of the gentleman from Wisconsin is withdrawn.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DIAZ-BALART) has 30 seconds remaining.

Mr. DIAZ-BALART. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I do not attack other Members, I attack injustice. I attack oppression. I believe in those words, ''In God We Trust,'' not ''In Gold We Trust.'' I believe that the people who have come here and defended the embargoes against South Africa, and I defended the embargo against South Africa, should not have the double standard that they show.

I believe that Cuba will be free, and I believe that the American people will be proud of this Congress having stood with the freedom and the aspirations of the Cuban people. This is an important rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DIAZ-BALART. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 232, nays 179, not voting 24, as follows:

[Roll No. 358]

YEAS—232

Aderholt
Andrews
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth-Hage
Coble
Coburn
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Holt
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Packard
Pallone
Pascrell
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NAYS—179

| | | |
|---|---|---|
| Abercrombie | Hall (TX) | Oberstar |
| Ackerman | Hastings (FL) | Obey |
| Allen | Hill (IN) | Olver |
| Baca | Hilliard | Ortiz |
| Baird | Hinchey | Owens |
| Baldacci | Hinojosa | Pastor |
| Baldwin | Hoeffel | Payne |
| Barcia | Holden | Peterson (MN) |
| Barrett (WI) | Hooley | Phelps |
| Becerra | Hoyer | Pomeroy |
| Bentsen | Inslee | Price (NC) |
| Berkley | Jackson (IL) | Rahall |
| Berman | Jackson-Lee (TX) | Rangel |
| Berry | Jefferson | Reyes |
| Bishop | John | Rivers |
| Blagojevich | Johnson, E. B. | Rodriguez |
| Blumenauer | Jones (OH) | Roemer |
| Bonior | Kanjorski | Roybal-Allard |
| Borski | Kaptur | Rush |
| Boswell | Kennedy | Sabo |
| Boyd | Kildee | Sanchez |
| Brady (PA) | Kilpatrick | Sanders |
| Brown (FL) | Kind (WI) | Sandlin |
| Brown (OH) | Kleczka | Sawyer |
| Capps | Klink | Schakowsky |
| Capuano | Kucinich | Scott |
| Cardin | LaFalce | Serrano |
| Carson | Lampson | Sherman |
| Clayton | Lantos | Shows |
| Clyburn | Larson | Sisisky |
| Condit | Lee | Skelton |
| Conyers | Levin | Slaughter |
| Costello | Lewis (GA) | Smith (WA) |
| Coyne | Lipinski | Snyder |
| Cramer | Lofgren | Spratt |
| Crowley | Lowey | Stabenow |
| Cummings | Lucas (KY) | Stenholm |
| Davis (FL) | Luther | Strickland |
| Davis (IL) | Maloney (CT) | Stupak |
| DeFazio | Maloney (NY) | Tanner |
| DeGette | Mascara | Tauscher |
| Delahunt | McCarthy (MO) | Taylor (MS) |
| DeLauro | McCarthy (NY) | Thompson (CA) |
| Dingell | McDermott | Thompson (MS) |
| Dixon | McGovern | Thurman |
| Doggett | McKinney | Tierney |
| Dooley | McNulty | Towns |
| Doyle | Meehan | Turner |
| Edwards | Meek (FL) | Udall (CO) |
| Engel | Meeks (NY) | Udall (NM) |
| Eshoo | Millender-McDonald | Velazquez |
| Etheridge | Minge | Visclosky |
| Evans | Mink | Waters |
| Farr | Moakley | Watt (NC) |
| Filner | Moore | Weiner |
| Ford | Moran (VA) | Weygand |
| Frank (MA) | Nadler | Wise |
| Frost | Napolitano | Woolsey |
| Gejdenson | Neal | Wynn |
| Gephardt | | |
| Gonzalez | | |

NOT VOTING—24

| | | |
|---|---|---|
| Boucher | Gordon | Oxley |
| Clay | Hall (OH) | Pelosi |
| Clement | Hefley | Pickett |
| Cook | Markey | Shuster |
| Danner | Martinez | Stark |
| Dicks | Matsui | Stearns |
| Fattah | Miller, George | Vento |
| Goodling | Murtha | Waxman |

□ 2303

Messrs. DEUTSCH, WEXLER, ROTHMAN, and MCINTYRE changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 6 of rule XX.

Such rollcall votes, if postponed, will be taken tomorrow.

## SENSE OF THE HOUSE CONCERNING USE OF ADDITIONAL PROJECTED SURPLUS FUNDS TO SUPPLEMENT MEDICARE FUNDING

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 535) expressing the sense of the House of Representatives concerning use of additional projected surplus funds to supplement Medicare funding, previously reduced under the Balanced Budget Act of 1997.

The Clerk read as follows:

H. RES. 535

Whereas Congress is responsible for oversight and spending under the Medicare program;

Whereas the Balanced Budget Act of 1997 was passed in response to major economic concerns about inflation in costs in the Medicare program;

Whereas the savings resulting from enactment of that Act exceeded the estimates at the time of enactment and has resulted in payment rates for classes of providers below the rates previously anticipated;

Whereas the Congress adjusted some elements of the Medicare program in the Balanced Budget Refinement Act of 1999;

Whereas a significant number of Medicare+Choice organizations is withdrawing, or considering withdrawing, from the Medicare+Choice program because of inadequate reimbursement rates;

Whereas the Medicare prescription drug bill pending in the Congress will delay the date by which Medicare+Choice organizations must decide whether to remain in the Medicare+Choice program from July 1, 2000, to October 1, 2000; and

Whereas, because of improved economic performance, it is anticipated that the Congressional Budget Office in its mid-year re-estimates will project dramatically increased non-Social Security surpluses above those assumed in the adoption of the most recent Congressional Budget Resolution for fiscal year 2001: Now, therefore, be it

*Resolved*, That it is the sense of the House of Representatives that, upon receipt of such mid-year CBO re-estimates, the House of Representatives shall promptly assess the budgetary implications of such reestimates and provide for appropriate adjustments to the Medicare program during this legislative session.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. THOMAS) and the gentleman from Tennessee (Mr. TANNER) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 535 is an important resolution because just as we have discussed, and the House has passed, Medicare modernization and prescription drugs for seniors, there are still other areas of Medicare that continue to need adjustment.

If we have additional surplus money, we want to make sure that we alert both the seniors who are the recipients and the providers of that Medicare care that we believe a high priority is to make sure that a significant portion of that surplus is reserved for reinvestment back into Medicare.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. BILBRAY) and ask unanimous consent that he be permitted to control the time and yield further blocks of time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BILBRAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have had a discussion between Democrats and Republicans that I think the American people would prefer to see us avoid in the future. Yesterday, we had some bipartisan efforts of people reaching out across the aisle to work for betterment of this country.

Resolution 535 is one of those resolutions that we can do this. This is a chance for us to reach across the aisle in a bipartisan effort to show that Medicare really is a priority of this body; and hopefully, in the future we will find the funds to be able to do all of things that both sides and America would like us to do.

Mr. Speaker, it is my pleasure to yield such time as she may consume to the gentlewoman from New Mexico (Mrs. WILSON). Let me point out to every Member, this Member has fought hard to raise this issue, to articulate the issue that we have to continue to do better for our seniors when it comes to Medicare. She has been a constant champion of the fact that Republicans and Democrats need to put their differences aside and truly work for our seniors in America.

□ 2310

Mrs. WILSON. Mr. Speaker, I thank the gentleman from California (Mr. BILBRAY) for his kind words.

Mr. Speaker, when it became clear that we were going to do a prescription drug bill, there is a part of this bill in title 3 that we did not get a chance to talk about much today, and that has to do with some changes that are needed for Medicare to provide some urgent relief to hospitals in this country, particularly in a program called Medicare+Choice. About half of the citizens in my district in New Mexico choose Medicare+Choice. It is kind of managed care for Medicare. They have the Lovelace Senior Plan or the Presbyterian Senior Plan.

The problem is that the reimbursement rates for Medicare+Choice and for most of the other Medicare programs in the State of New Mexico are terribly low. In New Mexico, if one is a part of the Lovelace plan, Lovelace gets about $370 per member per month to cover one's health care in the rural parts of New Mexico. It is about $430 a month if one is in Albuquerque. That compares with a reimbursement rate in

Staten Island, New York of $811 and in Dade County, Florida of almost $800 per member per month.

The reason is that New Mexico had managed care so much earlier than other parts of the country. We had one of the earliest HMOs in the country, Lovelace Hospital. We had controlled many of the costs that everyone else was struggling to control. But we were penalized for that, penalized for that continuing efficiency.

Now as CIGNA pulls out of Medicare+Choice and a lot of other different States, we are facing that potential in New Mexico as well. But it is not unique to New Mexico. There are seven States who are suing the Federal Government because of the inequities in reimbursement under Medicare, and they are right.

Mr. Speaker, what I wanted to try to do is to get some immediate relief so that seniors do not lose their preferred medical care coverage. The 1st of July is when a lot of companies have to decide whether they are going to stay in Medicare+Choice. The bill that we passed earlier today will extend that deadline to the 1st of October.

But there are some things I think we can do without hurting those States that have high reimbursement rates to get some changes and some fixes for those of us who are on the low end of the scale and losing money because the Federal Government is inadequately subsidizing Medicare.

Many of those fixes were included in this bill, but I wanted to see them accelerated because the need is not 2004, the need is now. Companies are having to decide whether the 1st of July or at the latest the 1st of October whether they are going to continue to be able to insure people under Medicare.

For a variety of procedural reasons, that is not possible today and was not possible in the bill, mostly because we do not have the new estimates from the Congressional Budget Office of projected surplus next year.

But everyone in this House on both sides of the aisle knows that we have a problem. It seems to me the right thing to do is to stand up and acknowledge to the people of this country that we know we have a problem with Medicare reimbursement rates, whether it is for physicians or Medicare+Choice. We know that, within a month, we are probably going to have some new projections on the amount of money we will have available, and we also know and agree that a significant amount of that money has to be put into health care in this country.

I support a prescription drug benefit, and I supported the Patients' Bill of Rights. But if one does not have a doctor, a Patients' Bill of Rights or prescription drug benefit does not do one much good.

While we were not able to solve everything in this bill, I would like to see this House come together in a common commitment to fix some of the problems in Medicare and the immediate crisis facing our health care system. Because if we do not, we are going to have a lot of seniors who are told that they are going to have to change their doctors or that they can no longer have Medicare+Choice.

While some may think that that really affects those who are at the upper end of the income scale, that is not the case in my district. Those who are most likely to choose Medicare+Choice have an income of below $20,000 a year. That is the option for those who cannot afford some pretty expensive Medigap plans.

In fact, as this chart shows, this is insurance coverage by household income in Albuquerque, New Mexico. Those who rely most on Medicare HMOs are here. Almost 60 percent of those who have an income of $20,000 and less are on Medicare+Choice, and it goes down from there. Those who have Medicare Plus, a supplement, are generally upper income folks. But still almost half of the folks in Albuquerque, New Mexico have Medicare+Choice.

I would like to see us commit here tonight that we will use some of the surplus that we expect to be available when the budget estimates come out to fix some of the immediate problems with Medicare, to accelerate some of these appeals mechanisms, and to provide some immediate relief for the people who are providing health care to our seniors.

Mr. TANNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we do not have any particular problem with this House resolution, but it is almost surrealistic what we are seeing here. This is not even a concurrent resolution, it is a sense of the House.

Now, 2 weeks ago, in the committee, I offered in statutory legislative language an amendment to the debt reduction bill that would have done just exactly what this House resolution says ought to be done, and we would have it passed in law by the House tonight for immediate relief for the providers in this country if it had not been ruled out of order by the majority.

So it is hard to understand, given the fact that we have had three different times we could have actually done something in law rather than come down here with a House resolution after this procedure that we witnessed all day today.

Number one, it could have been put on the debt reduction package. Number two, it could have been put in the Medicare lockbox. Number three, an hour ago, the majority voted down the motion to recommit which says exactly what this House resolution says.

So when I say it is hard to understand, it is hard to understand from the standpoint of asking what can we do as Members of Congress to bring relief to these procedures. We could have already done it. We could have already had the Medicare restoration fund that captures these unanticipated savings. We could already be in the process of giving immediate relief to the country. But, no, it was our idea, so I guess that that is not the way this place runs.

We come with this House resolution. Real good. It says a lot of things that everybody agrees with, but it does not do anything.

I understand being ruled out of order when it is not one's idea, and I understand, I guess, a little something about politics. But when one has an amendment on a bill that, in my view, is clearly in order 2 weeks ago that would have done this in law and been passed so that we could replenish the Medicare trust fund with these captured savings that were unanticipated when the Balanced Budget Act of 1997 was passed, and then have a resolution to say we really want to do this, it is awfully hard for some of us to believe in the credibility of this one pager that says we really want to do something to help the providers in Medicare.

Mr. Speaker, I reserve the balance of my time.

Mr. BILBRAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to say to the gentleman from Tennessee (Mr. TANNER) that I am not on his committee. The gentlewoman from New Mexico (Mrs. WILSON) and I are on the Committee on Health of the Committee on Commerce.

Let me assure my colleagues that, even those of us who were on the Committee on Commerce get ruled out of order every once in a while when we know it is the right thing to do, it is common sense to do, but sometimes procedures here stand in the way. I had that on the floor here this week three times. So I appreciate that.

We did not have a chance to vote with the gentleman from Tennessee on that issue. We did not have a chance to stand up and speak for him on that motion at that time. But we do have a chance now using this procedure to say party affiliation, procedural guidelines, whatever we want to talk about, there is a consensus here that, if the projections come in the way we are hoping it comes in, that Medicare should be a priority.

□ 2320

And I would just say to my colleague from Tennessee that I understand his frustration; I have gone through the same thing. Here is a chance for us, though, to say, yes, we can do what the gentleman wanted to do on that day and at least move the ball forward. And as it was said with campaign finance reform, let us not let the perfect be the enemy of the good. This is an opportunity to move one step forward, and I hope the gentleman will support us on that.

Mr. Speaker, I yield 4 minutes to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. First of all, Mr. Speaker, let me commend the gentleman from California and the gentlewoman from New Mexico for bringing forward

what I think is an opportunity for this entire House to make a strong and unanimous statement that this surplus that we have, a lot of it, can be placed on Medicare.

Achieving a balanced budget has long been a Republican economic objective, and it is a good one; and we can credit our current strong vibrant economy to our fiscal discipline. But damaging our health care system was never our intent in passing the Balanced Budget Act. It was the intent of Congress to slow the growth of Medicare to a manageable 5 percent. However, in 1999, it was actually a negative 1 percent. Hopefully, we can all agree that is not acceptable.

The CBO now reports that Medicare reductions achieved through the Balanced Budget Act are $124 billion larger than Congress actually voted for, $124 billion; and part of that, a good bit of that, is because of HCFA's restrictive interpretations.

Our hospitals are experiencing increasingly smaller profit margins, and we should all realize that this threatens to diminish the quality of care that they provide. Credible sources report that these margins are currently at their lowest point in years. And some valid responsible authorities are projecting that within 4 years half our Nation's hospitals will actually be losing money.

In my home State of Alabama, studies are projecting that 70 percent of our hospitals are currently running in the red and several will close. We cannot stand by and let this happen and call it an unintended consequence. That is what this resolution is about. We owe our constituents more than that. Our challenge is to find a balance, responsibly controlling government spending on one hand and sufficiently funding our hospitals on the other.

America can boast the finest health care system in the world. There have been incredible advances in medicine in recent years, with the real hope of miraculous achievement in defeating illness, pain and suffering. Just this week the magnificent accomplishment of mapping the human Genome was formally announced, bringing with it the promise of major breakthroughs in preventive medicine. But all of these new miraculous developments come with a hefty price tag. Our hospitals must have sound and reliable financial support to be able to offer these new miracles to all of us. Making sure that our financial support is available is a mandate we in Congress cannot sidestep. We should be true to our obligations.

I close by saying, Mr. Speaker, that there is a bottom line in this discussion. When our loved one is seriously ill, only the very best medical care is good enough. We must not fail to provide sufficient funding to assure such care is reasonably available to all. American medical care is an honest and undeniable bargain by any measure. Its true cost is not measured in dollars and cents alone but also in the health and well-being of all our people.

For that reason, I enthusiastically support this resolution and hope that people on both sides of the aisle will join with me.

Mr. TANNER. Mr. Speaker, I yield myself 1 minute to reply to my friend from California that I understand about being ruled out of order. What I am saying is an hour ago we had a motion to recommit that did this. The gentleman could have joined with us on that motion to recommit, any number of my Republican colleagues could have if they had wanted to do something now.

This resolution is fine, but it ought to be a special order instead of coming into the legislative process. We have a bill, 4770, that will do this very thing. And so I understand that the gentleman is not on the committee, but what goes on from here is nothing except, well, we are going to do something later. Another promise.

Mr. Speaker, I yield 4 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I think this is kind of a fitting ending to this day. My colleague, the gentleman from Tennessee (Mr. TANNER), says he cannot understand what this is. Well, let me give my colleagues my interpretation. This is press release time. The Washington Post called this the Pretend Congress, and this is a piece of activity we are going to go through here that pretends to do something.

Now, there was a cartoonist by the name of Walt Kelly who created Pogo. And one of his most famous cartoons is one in which they are searching for who is doing some bad deed, and finally Pogo gets up and says, ''We have found the enemy, and they is us.'' Well, the fact is that it is the Congress that created the problems. We should not be blaming bureaucrats.

The balanced budget amendments of 1997 were designed by the Republicans, passed by the Republicans, to do one thing, let Medicare wither on the vine, as we know it, and create Medicare+Choice. Now, a few of us voted no because we knew enough about the situation to know what they were doing.

This is not mystery. This is no bureaucratically created problem. It was created by the Subcommittee on Health of the Committee on Ways and Means, and they did it without talking to us. They did not want to have any input. They said, we know what we are doing; we are going to get rid of that old Medicare that does not work, and we are going to have all these HMOs out everywhere.

We have had HMOs out all over everywhere, and they have been pulling out. A million people have lost their health coverage in this country in the last couple of years because of the system that my colleagues tried to push onto people. My colleagues wanted to push them all into the arms of the Medicare HMOs, and today it is boggling that having had that experience with HMOs and insurance companies not working, that we would go through and set up exactly the same process for delivering prescription medications to seniors in this country.

My Republican colleagues are telling 90-year-old women like my mother to go out and find themselves an insurance company and ask them if they will sell them a policy that they can afford. And if they cannot afford it, well then they can go on down to the welfare office and can ask them for money, and they will cover what cannot be covered because they are poor. That is what we set up today.

And the fact is, if I had done that, I would want to come out here and put something in that looked like I was really in favor of really fixing Medicare. But as the gentleman from Tennessee (Mr. TANNER) has said, we have had opportunity after opportunity. That bill that went through today was done without Democratic input. Not one single amendment was accepted in the committee. Our Republican colleagues did not allow an amendment out here. And when it fails, and my colleagues are looking around for who did this, who put this plan out here, they will have to take a good look in the mirror, because they did it to themselves; and now they are trying to fix it.

I will bet when this is all done that all the money that we saved in 1997 we will have put back into the budget piece by piece by piece, always blaming somebody else; well, they looked at the rules too carefully, or they were too tight-fisted or something.

□ 2330

But it was us who made those cuts. And we offered them right here $21 billion to fix Medicare, and we were ruled out of order. Everybody said, no, we cannot do that. But less than an hour later, we are seriously out here looking as though there is money right around the corner.

We know that money is there. They know that money is there. But they did not want to do it tonight. They want to do it tomorrow. Vote yes. It will not hurt anything.

Mr. BILBRAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my colleague the gentleman from Washington (Mr. MCDERMOTT) said we know the money is there. Look, there are some of us that are trying to work bipartisan here and have for years. But every time we try to reach across the aisle, we hear the rhetoric about the fact that we are just not spending money, let us keep going.

Why this resolution is here is because not until July are we going to know if the money is there. Now, if this is a sin of saying let us not spend or commit money until we have at least the commitment down there that we think is coming down the pike. We are trying to be responsible with this.

Now, in all fairness, I just asked any colleagues on the other side how did

they sign on to the DeGette bill. I have signed on to the bill of the gentlewoman from Colorado (Ms. DEGETTE). And though she may be a member of the minority party, she is right on how to address that issue.

The gentleman from Kentucky (Mr. WHITFIELD) has got a Republican version. But always we have to take the political cheap shot. We have always got to do that.

For once, even on a resolution, if it does not say enough, then it does not do that much damage. Can my colleagues not, at least, try to meet us halfway? Those of us that have met them halfway more times than they have ever come across our side of the aisle are standing here today and asking them, those of us that have crossed the aisle consistently, that on this resolution, all it is saying is, in July, let us see if the money is there and let us make the effort.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, I know my colleagues wanted to do it today. So did I. And that is why I offered an amendment in the Committee on Rules.

The reason I was not ruled in order is probably the same reason my colleagues were not ruled in order is because we cannot spend money in this House that we do not yet have. But we all know in this room that we expect new estimates within a month.

It would have, I think, been irresponsible on our part to not move forward on prescription drugs and to keep this process moving forward to get a prescription drug plan. And I support that. But I would not want to have held that back to get a fix on more Medicare fixes this year and in the year starting in October just because we do not have the budget estimates yet. And that is the nature of this.

I have kind of taken this up as my personal cause on this side of the aisle. I think some of my colleagues sitting here know that I make it a pretty regular effort to do things in a bipartisan way, whether it is on low-power radio or Superfund or a whole variety of other things we are working on, Baca land in northern New Mexico, and quite a few things in the Committee on Commerce. That is just kind of who I am, and that is my style.

I commit to work with those of my colleagues who are concerned about Medicare reimbursement rates and the disparity in different parts of the country to try to make this work as soon as we have the budget estimates to do so. I give my colleagues my personal word on that.

Mr. TANNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just say to my friend from California (Mr. BILBRAY), as I said at the outset of my remarks, we are going to support his resolution here. And there is nothing wrong with it.

It is just that when, at the end of this day, we had probably one of the most important Medicare bills in the history of the program here, this prescription drug benefit, and his leadership would not even give the Democrats an alternative.

Today, an hour ago, we tried to do this very thing this resolution does in a motion to recommit. Not one single vote for help. And so, when my colleague says they reach across the aisle more than we do, when their leadership does not even give us an alternative, reduces us to nothing more than a motion to recommit and we cannot get that, when we have a bill that does this, when we have an amendment that did this, after a while we begin to say, what is going on here? Do these people really want to do this?

We have the wherewithal to do it. It is called a bill. This resolution is fine, and we are going to support it, and we are going to reach across every time we can.

But I just tell my colleague, when we try to work legislatively and we are virtually shut out, as we were today, from any input at all and then after the fact, as the gentleman from Washington (Mr. MCDERMOTT) said, they have a resolution that says we are going to promptly do this, well, we could have promptly done it 2 weeks ago or tonight but we did not.

So I do not want to be partisan, either. I just say there is a way to do this called a bill and we are ready, willing, and able to do it. In fact, we would have done it an hour ago if we would have had some help.

Mr. Speaker, I yield back the balance of my time.

Mr. BILBRAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to say that I appreciate the support for this resolution. I just want to articulate that the gentleman is not the only one who gets frustrated the way sometimes this House is run. A lot of people were frustrated the way the House was run before the new majority took over.

Remember, I have got family that served with the gentleman that talked about the bad old days. So everybody gets frustrated with the leadership, even those of us on the majority side.

What we are asking as two individuals here and three individuals here that represent a lot of people out there that do not hold the Members responsible for party affiliation. When my colleagues look across the aisle, I hope they see the gentleman from California (Mr. BILBRAY), representative of San Diego, not just a Republican. And I think we need do more of that.

The gentlewoman from New Mexico (Mrs. WILSON) is probably the most sincere individual that could ever work on this issue, and I think that my colleagues recognize that she has worked hard with both sides of the aisle.

The gentleman from Alabama (Mr. BACHUS) has made his efforts. All we are asking is that here is a place we may disagree, we might have had disagreements today, but let us finish off the evening by at least saying this is something we can meet halfway and start building a future from now on rather than talking about animosity in the past.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from California (Mr. BILBRAY) that the House suspend the rules and agree to the resolution, H.Res. 535.

The question was taken.

Mr. BILBRAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

## DRUG IMPORT FAIRNESS ACT OF 1999

Mr. BILBRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3240) to amend the Federal Food, Drug, and Cosmetic Act to clarify certain responsibilities of the Food and Drug Administration with respect to the importation of drugs into the United States.

The Clerk read as follows:

H.R. 3240

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Drug Import Fairness Act of 1999''.

**SEC. 2. FINDINGS.**

The Congress finds as follows:

(1) Pharmacists, patients, and other persons sometimes have reason to import into the United States drugs that have been approved by the Food and Drug Administration (''FDA'').

(2) There have been circumstances in which—

(A) a person seeking to import such a drug has received a notice from FDA that importing the drug violates or may violate the Federal Food, Drug, and Cosmetic Act; and

(B) the notice failed to inform the person of the reasons underlying the decision to send the notice.

(3) FDA should not send a warning notice regarding the importation of a drug without providing to the person involved a statement of the underlying reasons for the notice.

**SEC. 3. CLARIFICATION OF CERTAIN RESPONSIBILITIES OF FOOD AND DRUG ADMINISTRATION WITH RESPECT TO IMPORTATION OF DRUGS INTO UNITED STATES.**

Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end the following subsection:

''(g)(1) With respect to a drug being imported or offered for import into the United States, the Secretary may not send a warning notice to a person (including a pharmacist or wholesale importer) unless the following conditions are met:

''(A) The notice specifies, as applicable to the importation of the drug, that the Secretary has made a determination that—

''(i) importation is in violation of section 801(a) because the drug is or appears to be adulterated, misbranded, or in violation of section 505;

''(ii) importation is in violation of section 801(a) because the drug is forbidden or restricted in sale in the country in which it was produced or from which it was exported;

''(iii) importation by any person other than the manufacturer of the drug is in violation of section 801(d); or

''(iv) importation is otherwise in violation of Federal law.

''(B) The notice does not specify any provision described in subparagraph (A) that is not applicable to the importation of the drug.

''(C) The notice states the reasons underlying such determination by the Secretary, including a brief application to the principal facts involved of the provision of law described in subparagraph (A) that is the basis of the determination by the Secretary.

''(2) The term 'warning notice', with respect to the importation of a drug, means a communication from the Secretary (written or otherwise) notifying a person, or clearly suggesting to the person, that importing the drug is, or appears to be, a violation of this Act.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. BILBRAY) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. BILBRAY).

Mr. BILBRAY. Mr. Speaker, I ask unanimous consent to yield the time for the purpose of management to the gentleman from Oklahoma (Mr. COBURN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COBURN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I am delighted that we are finally getting a chance to talk about this bill. We have had a lot of discussion today about the high cost of prescription drugs. I do not know if this chart was shown or a chart similar to it, but we have got a lot of charts and a lot of research has been done by a number of groups around the United States about the differences between what Americans pay for prescription drugs and what people around the rest of the world pay for exactly the same prescription drugs.

□ 2340

Let me give one example. My father takes a drug called coumadin. If one buys that drug in the United States, the price is $30, roughly $30.50 for a 30-day supply. If one buys that same drug made in the same plant under the same FDA approval in Europe, Switzerland, for example, you pay $2.85.

Now, Mr. Speaker, we have the North American Free Trade Agreement. We have passed a number of free trade agreements and somehow we always wind up on the short end of that stick.

Let me show another example. This is an example of a very commonly-prescribed drug called prilosec. If one buys it in Minneapolis, the average price for a 30-day supply is $99.95, but if one buys it in Winnipeg, Manitoba, if one happens to be vacationing and they have their prescription, they take it into a pharmaceutical shop and it can be bought for $50.88, but if one happens to be vacationing down in Mexico, in Guadalajara, Mexico, the same drug, made in the same plant, under the same FDA approval, can be bought for $17.50.

Mr. Speaker, this is really about basic fairness. If we are going to have the North American Free Trade Agreement, American consumers ought to be able to benefit from this. It is easy for us to blame the big pharmaceutical supply companies, the big manufacturers, but the truth of the matter is, one of the real culprits and one of the real reasons we can see these big differentials is our own Food and Drug Administration, because when consumers try to order these drugs or reorder drugs that they have bought at a pharmacy, whether it be in Guadalajara or Winnipeg or wherever, when they try to reimport, bring those drugs back in and reorder, they get a very threatening letter from our own FDA.

The unvarnished truth is, Mr. Speaker, our own FDA is defending this system. Our own FDA is standing between American consumers and lower drug prices.

So I have offered a bill. It is a relatively simple bill. Part of the problem is that right now the burden of proof is on the importer to prove that it is a legal drug in the United States, and that is very difficult for a senior citizen living in Minnesota or Montana or wherever.

What my bill basically says is the burden of proof is now going to be on the FDA. They must prove that those drugs are, in fact, illegal. Now, it is not the complete answer but it is a very important first step. If we can pass this here in the House, if we can get it passed in the Senate, if we can get it passed by the conference committee, we can begin the path to opening up our borders and having lower prescription drug prices for American consumers.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Minnesota (Mr. GUTKNECHT) for bringing attention to the fundamental issue underlying all of our efforts on prescription drugs. His efforts are admirable. Prescription drug prices are priced unreasonably, unjustifiably, outrageously high in the United States. That is the issue. Why are drug prices two times, three times, four times higher here than in other industrialized countries? Because the prescription drug industry can get away with it.

We do not negotiate prices. We do not demand that drug manufacturers reduce their prices to reflect the taxpayer-funded portion of research and development. We do not make use of the collective purchasing power of 39 million Medicare beneficiaries to demand reasonably priced drugs.

Two weeks ago I took a dozen seniors from northeast Ohio across the border to a Canadian pharmacy in Windsor, Ohio, where they paid one-half, one-third and in a couple of cases one-sixth of what it would have cost to purchase their prescriptions in Cleveland or Lorraine or Medina.

What these seniors were doing out of desperation was engaging in a practice called parallel importing. Current law prohibits reimportation of prescription drugs manufactured in the United States. FDA, however, permits exemptions for individuals who are purchasing a limited supply of an FDA-approved prescription drug for personal use.

The U.S. is the wealthiest nation in the world. Our tax dollars finance a significant portion of R&D underlying new prescription drugs. Our senior citizens should not have to leave the United States to get the medicines they need. It should never have reached this point.

Why do we tolerate it? We tolerate it because the prescription drug industry has a huge stake in the status quo and spends lavishly on television and in this institution to preserve it. They pour money into political campaigns. They pour money into front groups like Citizens for a Better Medicare. They pour money into advertising campaigns, campaigns touting the GOP's prescription drug coverage proposal, which this Congress in a partisan vote passed today, all of which undercuts the plan's credibility.

They try to scare Americans into believing that if we do not let drug manufacturers charge obscenely high prices that medical research and development will dry up, but drug companies could afford to spend $8.3 billion last year on marketing and advertising. Drug company profits outpace those of every other industry in this country by more than 5 percentage points.

Last year, Bristol-Myers-Squibb paid their CEO $146 million in salary and benefits.

The drug industry consistently leads every other industry in return on investment, in return on assets and return on equity. Thanks to huge tax breaks, the drug industry's effective tax rate is 65 percent lower than the average for other U.S. industries. Drug prices can come down in the United States without stifling research and development. Unfortunately, it does not matter whether we could take steps to make prescription drugs more affordable. The only thing that matters is whether we actually do take those steps, and if the Republicans' prescription drug coverage plan is any indication GOP leadership is not going to sneeze without asking the drug industry's permission.

That leaves American consumers who need affordable medicines with imperfect options like traveling to Canada to fill their prescriptions or to Mexico in

the southern part of the United States. That is what my colleague's amendment is about and I applaud him for that. It is intended to help pave the way for seniors to purchase their drugs across the border. Unfortunately, it does not fulfill that objective. It does not codify a senior's right to parallel import their prescription medications. The paperwork burden this amendment could create may force FDA to shift resources away from intercepting counterfeit or unsafe drugs.

The gentleman from Arkansas (Mr. BERRY), the gentlewoman from Missouri (Mrs. EMERSON) and the gentleman from Vermont (Mr. SANDERS) requested the right to offer an amendment during today's deliberations that would have explicitly enabled seniors to purchase their prescription drugs from countries where prices are reasonable, without compromising FDA's ability to protect consumers from counterfeit and unsafe medicines. The Republican leadership refused to permit consideration of that amendment.

Once again, the Republicans have created a Catch-22 that protects the drug industry at the expense of consumers.

Earlier, we were given a choice of voting for a smoke and mirrors prescription drug plan or voting for no plan at all. Now we are placed in a position of either, one, voting for an amendment that could compromise FDA's ability to protect consumers from counterfeit and unsafe medicines or, two, voting against an amendment that at least acknowledges the need to address prescription drug price discrimination and, most importantly, that asserts the right of consumers to fight back by getting their medicines outside the United States.

Again, I applaud the gentleman from Minnesota (Mr. GUTKNECHT) for his good work and for underscoring the need to do something about the drug industry's discriminatory pricing, but regretfully I must oppose this particular bill.

Mr. Speaker, I reserve the balance of my time.

Mr. COBURN. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, just a couple of points on the points that the gentleman from Ohio (Mr. BROWN) made. We also are not allowed by the rule and by the powers that be with an ability to limit the direct consumer advertising that should be a part of this, that consumed $1.9 billion last year, will consume $3.8 billion this year and will consume $7.6 billion a year from now, all of which has no benefit for the American consumer except the American consumer is paying for it.

□ 2350

Mr. Speaker, I yield 2½ minutes to the gentleman from Florida (Mr. MILLER).

Mr. MILLER of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

I congratulate the gentleman from Minnesota (Mr. GUTKNECHT) for bringing this issue up. I have been an early cosponsor of his legislation.

My congressional district in Florida has more seniors than any district, or as many as any district in the country. It is a beautiful retirement area in southwest Florida.

At my town meetings, I have had two concerns expressed by seniors. One is, we need help with our prescription coverage. Our prescription costs are so much higher today than they were certainly in 1965 when Medicare came in. We need to do something about it.

This House for the first time in history finally passed legislation. Let us hope the Senate will act and we will get something to the President in the next few months. We really need to help the seniors.

The other issue is, why are drugs lower in Canada and elsewhere around the world? I do not know the answer to that. As the gentleman from Minnesota (Mr. GUTKNECHT) showed in his chart, we just look at prescription after prescription where this is a fraction of the cost in Europe, whether it is in England, Ireland, France, or if we go to Mexico, it is lower.

Why? I do not have an answer, but I do know how to solve the problem: Buy it where it is cheapest. If we can find a cheaper place to buy it, that is what the marketplace is all about. Let us let the market work. We should not have the government stand in the way to cause problems.

That is what this FDA is doing, just making it more difficult. There is no reason why we cannot go buy our drugs from Montreal or London or Belfast or Bombay or Mexico City. Why not allow the marketplace to work?

This is just a first step in the right direction. For my constituents, it is not going to be as convenient to go to Canada as for those of the gentleman from Minnesota (Mr. GUTKNECHT) or those of the gentleman from Vermont (Mr. SANDERS) over there, but we should be able to pick up an 800 number, a fax, or the Internet.

This is a global economy we are in. We have been opening up trade since I have been in Congress, whether it is the NAFTA bill back in 1993, then we had the GATT, and just a month or so ago we had opening more trade with China.

Why are not drugs available easily over the Internet? We should make that possible. Most drugs are manufactured outside the United States, anyway. The FDA certifies those laboratories where the drugs come from. It should not be that complicated to solve the problem.

I think our government is just too bureaucratic to solve the problem. I urge support for this bill, and I hope we can go further beyond this bill. I congratulate the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. BERRY), who has been a leader on this and an absolute warrior against outrageously high prescription drug prices.

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I applaud the gentleman from Minnesota (Mr. GUTKNECHT) for his effort and his work addressing a very legitimate problem of Americans getting ripped off by drug manufacturers every time they visit their local pharmacy.

Undoubtedly, something is needed to rectify the injustice that has resulted in Americans paying more for FDA-approved products made in FDA-approved facilities than citizens of any other country in the world.

I have here two bottles. Both of them are Claritin, made by Schering Corporation. One of them is sold in North Dakota for $219 for 100 tablets. The same 100 tablets in Canada is $61. It is one of the safest drugs ever made by man. It is unbelievable how safe this product is. Yet, the American people get ripped off, pay four times what they ought to have to pay for this product just because of the laws of the country that protect the prescription drug manufacturers in this country.

The gentleman from Minnesota (Mr. GUTKNECHT) has approached this legislation with noble intentions and placed much effort into passing it. While I support his efforts, Congress should take a much more comprehensive approach in dealing with this situation.

Under the Food, Drug, and Cosmetic Act, the burden is on the importer to demonstrate that an imported drug is safe, effective, and approved by the FDA. That product was originally made in an FDA-approved facility. As long as FDA approval information is not required to follow drugs sold abroad, importation by anyone other than the manufacturer will be next to impossible.

There is also a great need to revisit a provision in the Food, Drug, and Cosmetic Act that protects American pharmaceutical companies at the expense of the consumers. This provision makes it illegal for anyone other than the manufacturer to reimport into the U.S. prescription medicine made by an American pharmaceutical manufacturer.

Mr. Speaker, I include for the RECORD a Dear Colleague letter concerning H.R. 1885.

The letter referred to is as follows:

SINCE 1994, DRUG MAKERS HAVE IMPORTED MORE FOREIGN-MADE DRUGS INTO THE U.S. THAN THEY HAVE EXPORTED!

ALLOWING PHARMACIES AND WHOLESALERS THE SAME AUTHORITY TO IMPORT SAFE, LOWER-PRICED, FDA APPROVED PRESCRIPTION DRUGS WOULD SAVE BILLIONS OF DOLLARS FOR PATIENTS AND AMERICAN BUSINESSES!!!

According to a recent analysis of global prescriptions drug pricing, the same prescription drugs an American citizen would spend $1.00 to purchase, would only cost $0.71

in Germany, $0.68 in Sweden, $0.65 in the United Kingdom, $0.64 in Canada, $0.57 in France, or $0.51 in Italy.

Economic experts agree that under a market system without regulatory or trade barriers, significant price differentials in prescription drugs would not be sustainable. Products would be bought from the lower-priced, foreign countries and then resold in the higher-priced country. Economic theory holds that as this process (known as arbitrage) occurs, prices in the lower-priced country would rise while prices in the higher-priced country would fall.

Under FDA regulations and the Food, Drug, and Cosmetic Act, only the manufacturers of a drug can import it into the United States. Drug makers have unfairly used this monopoly control over distribution in the United States to discriminate against American consumers.

By supporting H.R. 1885, The International Prescription Drug Parity Act, you can help level the playing field for American patients as well as businesses who are struggling to continue providing employees and retirees with quality, private sector coverage for prescription drugs.

H.R. 1885 amends the Food, Drug, and Cosmetic Act to allow American pharmacies and wholesalers to competitively purchase drugs abroad that were manufactured in FDA approved facilities, which have been safely stored and still meet FDA's standards, and pass significant savings down to consumers. Americans will benefit by being able to obtain needed prescription medicines on a more affordable basis. Under H.R. 1885, pharmacies and wholesalers importing drugs would still have to meet the same standards set by FDA, which allowed $12.8 billion worth of drugs to be imported into the U.S. by manufacturers in 1997.

Sincerely,

JO ANN EMERSON,
MARION BERRY,
BERNIE SANDERS,
*Members of Congress.*

(Table attachment).

PHARMACEUTICALS: U.S. SHIPMENTS, DOMESTIC EXPORTS, IMPORTS FOR CONSUMPTION, MERCHANDISE TRADE BALANCE, APPARENT CONSUMPTION, EXPORTS AS A PERCENT OF SHIPMENTS, AND IMPORTS AS A PERCENT OF CONSUMPTION, 1993–97

[Dollars in millions]

| Year | Shipments | Exports | Imports | Trade balance | Apparent consumption | Exports as a percent of shipments (percent) | Imports as a percent of consumption (percent) |
|---|---|---|---|---|---|---|---|
| 1993 | $58,428 | $7,222 | $6,094 | $1,128 | $59,556 | 12.4 | 10.2 |
| 1994 | 60,811 | 7,565 | 6,966 | 599 | 61,410 | 12.4 | 11.3 |
| 1995 | 68,473 | 7,996 | 8,583 | −587 | 67,886 | 11.7 | 12.6 |
| 1996 | 75,047 | 8,889 | 11,161 | −2,272 | 72,775 | 11.8 | 15.3 |
| 1997 | [1] 82,550 | 9,600 | [1] 12,836 | −3,236 | 79,314 | 11.6 | 16.2 |

[1] Estimated by U.S. International Trade Commission Staff.

Source: U.S. Department of Commerce.

Mr. Speaker, I include for the RECORD the text of the bipartisan amendment offered by the gentlewoman from Missouri (Mrs. EMERSON), myself, and the gentleman from Vermont (Mr. SANDERS), to the House Committee on Rules, which failed.

The amendment referred to is as follows:

Add at the end the following title:

## TITLE IV—INTERNATIONAL PRICE COMPETITION REGARDING COVERED DRUGS

### SEC. 401. FACILITATION OF IMPORTATION OF CERTAIN DRUGS APPROVED BY FOOD AND DRUG ADMINISTRATION.

(a) IN GENERAL.—Chapter VIII of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381 et seq.) is amended—

(1) in section 801(d)—

(A) by striking paragraphs (1) and (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively; and

(2) by inserting after section 801 the following section:

''IMPORTATION OF CERTAIN DRUGS

''SEC. 801A. (a) IN GENERAL.—After consultation with the United States Trade Representative (through the Office of International Relations under section 803), the Secretary shall promulgate regulations to carry out subsection (c) for the purpose of facilitating the importation into the United States of covered drugs (as defined in subsection (f)).

''(b) COMPLIANCE WITH REQUIREMENTS REGARDING SAFETY AND EFFECTIVENESS, ADULTERATION AND MISBRANDING, AND OTHER MATTERS.—With respect to the importation of covered drugs into the United States pursuant to this section, regulations under subsection (a) shall include such provisions as the Secretary determines to be appropriate (such as requiring tests or documents) to ensure that each of the requirements of this Act for the importation of drugs is met, including requirements with respect to—

''(1) the safety and effectiveness of the drugs;

''(2) good manufacturing practices and other provisions regarding the adulteration of the drugs;

''(3) the misbranding of the drugs; and

''(4) whether the drugs are forbidden or restricted in sale in the country in which they were produced or from which they were exported.

''(c) FACILITATION OF IMPORTATION.—If a covered drug is domestically approved and is manufactured in a State and then exported, or is domestically approved and is for commercial distribution manufactured in a foreign establishment registered under section 510, the manufacturer shall, as a condition of maintaining the domestic approval of the drug, comply with the following:

''(1) For each shipment of the drug that is manufactured in compliance with current good manufacturing practice and other standards under section 501, the manufacturer shall (without regard to whether the shipment is intended for importation into the United States) maintain a record that identifies the shipment and purchaser of the shipment and states the fact of such compliance.

''(2) For each such shipment, the manufacturer shall (without regard to whether the shipment is intended for importation into the United States) maintain a record that identifies the shipment and provides the labeling required for the drug pursuant to section 502 and pursuant to the application for domestic approval.

''(3) Upon the request of pharmacist, wholesaler, or other person who intends to import into the United States drugs from such shipment (and who meets applicable legal requirements to be an importer of covered drugs), the manufacturer shall provide to the person a copy of each of the records maintained under paragraphs (1) and (2) with respect to the shipment.

''(d) CERTAIN CRITERIA.—For the purpose of facilitating the importation into the United States of covered drugs, the Secretary shall through regulations under subsection (a) establish the following criteria:

''(1) Criteria regarding the records required in subsection (c) and the use of the records to demonstrate the domestic approval of the drugs and compliance of the drugs with sections 501 and 502.

''(2) Such criteria regarding the labeling of the drugs as the Secretary determines to be appropriate.

''(3) Criteria regarding the amount of charges that may be imposed by manufacturers of the drugs for maintaining and providing the records specified in paragraph (1). Any such charge may not exceed an amount reasonably calculated to reimburse the manufacturer involved for the costs of maintaining and providing the records.

''(4) Criteria regarding the information that may be required by manufacturers of covered drugs as a condition of providing the records.

''(5) Criteria regarding entities that may serve as agents of persons described in subsection (c)(3) or that otherwise may serve as intermediaries between such persons and manufacturers of covered drugs.

''(e) AUTHORITY TO REQUIRE REGISTRATIONS.—

''(1) IN GENERAL.—In promulgating regulations under subsection (a), the Secretary may provide that a person may not import a covered drug into the United States unless—

''(A) the person registers with the Secretary the name and places of business of the person; and

''(B) in the case of each factory or warehouse in a foreign country that held the covered drug prior to the drug being offered for importation into the United States (other than ones owned or operated by the manufacturer of the drug), the owner or operator of the factory or warehouse—

''(i) registers with the Secretary the name and places of business of the owner or operator; and

''(ii) agrees that the factory or warehouse is subject to inspection in accordance with section 704.

''(2) EXEMPTION FOR MANUFACTURER.—Paragraph (1) does not apply with respect to a covered drug that is domestically approved, manufactured in a State, exported, and then imported by the manufacturer of the drug.

''(f) DEFINITIONS.—For purposes of this section:

''(1) The term 'covered drug' means a drug that is described in section 503(b) or is composed wholly or partly of insulin.

''(2) The term 'domestically approved', with respect to a drug, means a drug for which an application is approved under section 505, or as applicable, under section 351 of the Public Health Service Act. The term 'domestic approval', with respect to a drug, means approval of an application for a drug under such a section.

''(3) The term 'pharmacist' means a person licensed by a State to practice pharmacy in the State, including the dispensing and selling of prescription drugs.

''(4) The term 'wholesaler' means a person licensed in the United States as a wholesaler or distributor of prescription drugs.''.

(b) CONFORMING AMENDMENT.—Section 801(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(d)) is amended in paragraph (2) (as redesignated by subsection (a)(1) of this section) by striking ''paragraph (3)'' each place such term appears and inserting ''paragraph (1)''.

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MEMORANDUM

To:

From: Christopher J. Sroka, Economic Analyst, Resources, Science, and Industry Division, Congressional Research Service.

Subject: Summary of H.R. 1885, the International Prescription Drug Parity Act.

This memorandum responds to your request for a summary of the International Prescription Drug Parity Act (H.R. 1885). H.R. 1885 seeks to amend the Federal Food, Drug, and Cosmetic Act to facilitate the importation of prescription drugs into the United States.

It has been widely reported that prescription drug prices are lower in many foreign countries than in the United States. Two studies were conducted by the U.S. General Accounting Office in the early 1990s. One study examined prices in the U.S. relative to those charged in Canada, while the second study examined prices in the U.S. vis-a-vis the United Kingdom. The studies concluded that prices are typically higher in the U.S. than in Canada or the U.K. Complementing these empirical studies, there are many anecdotal accounts of American citizens traveling to Canada or Mexico to obtain their prescription drugs at a lower price. Differences between the prices charged in the U.S. and those charged in other countries have been attributed to various factors.

In theory, under a market system without regulatory or trade barriers, significant price differentials in prescription drugs would not be sustainable. Products would be bought from the lower-priced, foreign countries and then resold in the higher-priced country. Economic theory holds that as this process (known as arbitrage) occurs, prices in the lower-priced country would rise while prices in the higher-priced country would fall. Arbitrage would continue until, after taking into account differences in transportation costs, a uniform price would prevail in both countries.

Current federal law and Food and Drug Administration (FDA) policy prevents arbitrage in prescription drugs. All drugs sold in the U.S., including imported drugs, must have been manufactured in an FDA-approved facility. The FDA's policy is to assume that, unless the importer has proof to the contrary, imported drugs are not manufactured at FDA-approved facilities. Obtaining proof that a drug sold abroad was actually manufactured in an FDA-approved facility can be burdensome for the importer because the foreign seller of the drug might not have accurate documentation proving the drug's origin. Furthermore, the Prescription Drug Marketing Act of 1987 limits the reimportation of prescription drugs. Reimportation occurs when a drug manufactured in the U.S. is exported to another country and then imported back into the U.S. The prescription Drug Marketing Act of 1987 prohibits reimportation by an entity other than the original manufacturer of the drug. Thus, even if an importer could prove that the pharmaceutical it wishes to import was manufactured in an FDA-approved facility in the U.S., the reimportation would be illegal.

The intent of the FDA's importation policy and the Prescription Drug Marketing Act was not to prevent American consumers from obtaining drugs at lower prices. The purpose was to ensure the safety of prescription drugs for American consumers. At the time, the concern was that drugs imported into the U.S. may have been counterfeit copies of FDA-approved products. Counterfeit drugs could pose a serious health threat if they are not manufactured properly. Another concern was that, even if the drugs were not counterfeit, the proper storage and handling of legitimate products could not be guaranteed once they exited the U.S. Furthermore, drugs manufactured domestically but intended for export may be labeled for use in the country of destination. Thus, these drugs, if imported, might not meet the FDA's labeling requirements. Drugs not labeled in accordance to FDA regulations might pose additional health threats to American consumers.

H.R. 1885 seeks to remove the barrier to the importation of prescription drugs, while at the same time ensuring the safety of these drugs. The bill would strike the provisions of the Federal Food, Drug, and Cosmetic Act that were added by the Drug Marketing Act of 1987. Thus, entities other than the original manufacturer could reimport pharmaceuticals.

Furthermore, the bill would establish certain record-keeping requirements for pharmaceutical manufacturers. These requirements would apply to (1) all drugs manufactured in the U.S. and intended for export, and (2) all drugs manufactured in FDA-approved facilities in foreign countries. The record-keeping requirements would apply regardless of whether the drugs are intended for final sale in the U.S. Under the bill, pharmaceutical manufacturers would be required to keep records proving that each shipment of drugs was manufactured in an FDA-approved facility. Manufacturers would also be required to keep a record of the FDA-approved labeling for each shipment of drugs, regardless of its final destination. The bill would allow importers to obtain the manufacturing and labeling records from the pharmaceutical manufacturer. By obtaining these records, importers might be able to more easily prove that the drugs they wish to import are safe and comply with FDA regulations.

Mr. COBURN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add to what the gentleman from Arkansas had to say. Mr. Speaker, $5.9 billion of Claritin were sold last year. There are four other drugs with similar chemical moieties that have been approved by the FDA. Guess what, they are all priced the same. Why is that? Because there is not price competition in the pharmaceutical industry.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, I thank my colleague for yielding time to me. I also applaud my colleague, the gentleman from Minnesota (Mr. GUTKNECHT), for introducing this legislation and bringing it to the floor this evening.

Mr. Speaker, there is no doubt that U.S. consumers are paying a premium for their prescription drugs. It is wrong. U.S. consumers have no problem paying for the product that they consume. They have no problem paying for the research and development costs that the companies incur. They do not mind paying a fair return to the investor and the drug companies.

What they do object to is paying the profits and the research and development costs of our colleagues and our neighbors in Mexico, in Canada, in other parts of the world. We are subsidizing the consumption of prescription drugs in Canada, Mexico, and Europe. It is not fair to the American consumer, it is not fair to our American taxpayer.

What this bill does is it says that if our consumers find these drugs, prescription drugs, available at a lower price in Canada, Mexico, or somewhere else, these drugs, prescription drugs, will be made available to the American consumer. It is the fair thing and it is the right thing to do.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Vermont (Mr. SANDERS), who has been very involved in fighting for parallel importation of prescription drugs.

Mr. SANDERS. Mr. Speaker, I very much thank my friend, the gentleman from Ohio, for yielding time to me.

I want to congratulate my colleague, the gentleman from Minnesota (Mr. GUTKNECHT), for introducing what I think is important legislation which raises some very, very fundamental issues.

I think that tonight's discussion in terms of prescription drugs is good, and I am delighted to hear it taking place in a nonpartisan way, progressives, conservatives, who are standing up for the American consumer.

I believe that I was the first Member of Congress to go across the border with constituents to purchase prescription drugs. I have made that trip twice. I made a trip a year ago to Canada. Like everyone else that we have heard tonight, my experience was that we went across the border and we were able to save Vermont constituents thousands and thousands of dollars.

The one particular drug that comes to my mind now is Tamoxifen, which is widely prescribed for breast cancer. Here we have women fighting for their lives, they go across the Canadian border and they purchase that product for one-tenth the price that they were paying in the United States.

It seems to me, and we have heard it all already, I must tell the Members, I have concerns about NAFTA and I voted against it; concerns about that aspect of the global economy.

The bottom line is, as the gentleman from Florida (Mr. MILLER) said a few moments ago, in every single product one can think of, whether it is a food product, whether it is shoes, whether it is apparel, there are massive amounts of trade taking place throughout the world. The question that the American people have to ask is why is it that there is an exception with prescription drugs.

Legislation that has been offered by the gentleman from Arkansas (Mr. BERRY) and the gentlewoman from Missouri (Mrs. EMERSON) and myself which now has 85 cosponsors is a very simple piece of legislation. It is a free trade piece of legislation.

What it says is exactly what the gentleman from Florida (Mr. MILLER) was talking about a moment ago. That is, if one is a prescription drug distributor, if they are a pharmacist, they should be able to go out and purchase anyplace in the world that they can FDA-safety-approved products at the best price that one can purchase it.

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And if the case is that one can go to Canada, the reason that Tamoxifen and all the other products are sold less expensively in Canada is that the pharmacists purchase the product for significantly lower amounts of money. Why is it that an American pharmacist has to pay 10 times more for a product than a Canadian or Mexican pharmacist?

Mr. Speaker, it seems that people who believe in the competitive, free enterprise system should support legislation which says that a prescription drug distributor, so long as the product that comes into the country is safe and that is easily done, that that businessperson has a right to purchase that product at the lowest price he or she can so that it can be sold to the American people at a lower price, so that we end the disgrace that that chart was showing us that Americans are paying by far more than the people of any other country for the same exact prescription drug.

Mr. Speaker, I think this particular piece of legislation is a small step forward, but it may open the door for further discussion. I hope tonight, and I mean this very sincerely, that in a nonpartisan way we can go forward. I think we are in basic agreement. The only rational objection that anyone can throw us is the fear of adulteration from abroad and so forth. That is easily addressed. If we can bring into this country pork and beef and lettuce and tomatoes from farms and ranches all over this continent, my God, we can regulate the importation of prescription drugs which are made in a relatively few factories.

I think that we are onto something big tonight, and I think if we continue to work together in developing the concept of reimportation, we can substantially lower the cost of prescription drugs in this country 30, 40, or 50 percent and not see the American consumer the laughing stock of the world by paying two, three, five times more for products than other people throughout this world.

So I see this discussion as a very, very important step forward. I congratulate the gentleman from Minnesota (Mr. Gutknecht) for bringing this piece of legislation to the floor; and I hope that after tomorrow, we will continue to meet and go forward and represent the American consumers and finally stand up to the pharmaceutical industry which is ripping our people off.

Mr. COBURN. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Idaho (Mrs. CHENOWETH-HAGE).

Mrs. CHENOWETH-HAGE. Mr. Speaker, I thank the gentleman from Oklahoma for yielding me this time. It is very interesting, but since 1996, drug costs have increased by over 50 percent. But in yesterday's Wall Street Journal, the Wall Street Journal reported that the average cost of a prescription rose almost 10 percent in 1999.

Now, for those aged 70 and up, costs for prescriptions rose by 15 percent. Tell me, our senior citizens who are on fixed incomes, where are they going to get the extra 15 percent? From their heating bill? From their food? From the cost of their air conditioner? Where? And yet the drug companies are making massive profits off of the American consumer.

Prilosec here for instance, $109 here. But in Mexico, it is $17.64 for the same prescription. Something is dreadfully wrong.

The Canadian Government yesterday released a study showing that the Canadian consumers pay 56 percent less than Americans for patented medications.

Now, our drug companies are well supported by the American taxpayer. According to a 1993 report by the Office of Technology, in addition to general research and training support, there are 13 programs specifically targeted to fund pharmaceutical research and development. That same report noted, of all U.S. industries, innovation within the pharmaceutical industry is the most dependent upon academic research and the Federal funds that support it. Translate that to the taxpayers' dollars that already support it.

In fact, in 1997, Merck and Pfizer devoted only 11.2 percent of their revenue to research and development. Pfizer and Merck devoted 11.2 percent to research and development, while marketing costs consumed 30 percent. And that includes all the television ads that we are seeing now. So generally across the board for the drug companies, research and development is about 20 percent, marketing about 20 to 30 percent; but manufacturing is 5 to 25 percent. That is the level that other countries draw when they negotiate these contracts with American drug manufacturers.

Mr. Speaker, I highly support the bill offered by the gentleman from Minnesota.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. DINGELL), who tried so hard to offer an alternative plan today, and was not allowed, on the prescription drug bill.

Mr. DINGELL. Mr. Speaker, I thank the distinguished gentleman from Ohio (Mr. BROWN) for making this time available to me.

I would love to support this bill. I think it is a wonderful thing. I am looking at the picture down there which tells how outrageously high drug prices are in this country. I commend the author of the legislation, and I hope that in some way this is helpful.

Mr. Speaker, I wish that we had considered these matters with a greater degree of care at a little earlier time when we were considering the legislation which related to what we are going to do to American citizens who are senior citizens who are desperately in need of fairer and more appropriate prices for prescription pharmaceuticals.

I think it is a great shame that this body did want to have a rule which permitted the proper consideration of a perfectly germane amendment which would have been offered by the gentleman from Arkansas (Mr. BERRY), the gentleman from Vermont (Mr. SANDERS), and the gentlewoman from Missouri (Mrs. EMERSON) on the other side of the aisle. I think that we would then have come up with an end package which would have afforded us a great deal more hope that, in fact, we were doing good for the American people in seeing to it that they got prescription pharmaceuticals at more fair and more competitive prices.

But, unfortunately, this curious rule has precluded us from considering a perfectly germane amendment which would have done that. We now find ourselves in the regrettable position of confronting the possibility that the easing of the law with regard to food and drug and cosmetics, which is going to be done here under this legislation, will in fact reduce the safety of the American consuming public.

I would like my colleagues to know that this Congress has worked very carefully to see to it that the American people got the greatest protection with regard to prescription pharmaceuticals. We did it by putting the burden upon the importers, putting the burden upon the manufacturers, so that at every stage the burden was on him who would release into the marketplace substances which have enormous capacity for doing good, but which also have intolerable and enormous capacity to do great hurt to the consuming public: to kill, to maim, to hurt, to blind, to poison, and, indeed, to sicken.

The practical result of this legislation the way it is done is going to be to facilitate the entry into this country of pharmaceutical products over which the Food and Drug Administration is going to lose much of its power to protect the American consuming public. And, in fact, the practical result of this legislation is going to be to increase the risk to the American public in order to afford competition for what we all know are, in fact, excessively highly priced prescription pharmaceuticals.

What we are doing here, and what history is going to tell us we have done, is that we have increased the risk

but afforded a very small increase in benefits in terms of competition and that the risk that we are increasing is going to be very, very large and that we are going to find that there will be some splendid scandal on the hands of those of us who vote for this legislation tonight.

Mr. Speaker, the result of that is going to be that we are going to be compelled at some time in the not-distant future, after we have seen what is going to occur under this legislation, to come back and address something which could have been handled better if the rule had permitted the consideration of the amendment which the gentleman from Arkansas (Mr. BERRY), the gentleman from Vermont (Mr. SANDERS), and the gentlewoman from Missouri (Mrs. EMERSON) would have offered to the people of this country and upon which we might have done a better job of legislating in the overall public interest.

Mr. Speaker, I regret what we are doing. We will be sorry.

Mr. Speaker, I rise in opposition to H.R. 3240, because, although it seems benign, it would hurt the enforcement of laws ensuring the safety and efficacy of imported drugs.

The Prescription Drug Marketing Act came into being after an investigation that revealed serious irregularities with respect to adulterated and counterfeit drugs from abroad. Recent investigations of Internet Web sites indicate there is still cause for concern. Significant quantities of prescription drugs from every source around the globe are entering this country on a daily basis through the U.S. mail. In fact, just last year the U.S. Customs agency had a more than 400 percent increase in the amount of pharmaceutical drugs they found being sent into this country from abroad. In many cases, these drugs arrive in unmarked plastic bags, with no indications of what they are, where they came from, or even how they should be taken. Are they real? Who knows? Are they adulterated? Who knows? Can they cause harm? Who knows? What we do know is that there was a problem with certain drug sources when we first looked into this matter more than decade ago, and there continues to be a problem today.

I do want to acknowledge the beneficial aspects of the bill before us. Lack of access to medically necessary prescription drugs is a real problem faced by millions of Americans. I command my colleague, Mr. GUTKNECHT, and all who will support him today, for recognizing that the price Americans pay for drugs is too high. But, first and foremost, the PDMA is a public health and safety law. We should therefore tread carefully before changing it. I am greatly concerned that the bill before us has not been the subject of hearings, or a thorough examination about why the Food and Drug Administration (FDA) sends warning letters to consumers that may be engaged in potentially risky behavior. This bill may make it very difficult for the FDA, as a practical matter, to provide thousands of consumers with a warning regarding what may be potentially risky behavior. I speak not only about the person that drives across to border to Mexico, but also to the numerous individuals now purchasing their drugs from one of hundreds of Internet sites that now exist.

I am open to a careful review and revision of PDMA for the purpose of creating a paradigm for drug importation that is safe for our consumers while facilitating access to the international market prices at which many commonly prescribed prescription drugs are available. But this bill, and this process, do not have my support.

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Mr. COBURN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to make note of the fact that the wonderful Food and Drug Administration bureaucracy that we have seen built over the last 40 years, the average price to get a drug through that organization is $450 million, of which only $50 million is allocated for safety, $400 million for efficacy for a Food and Drug Administration to tell somebody where to put a bathroom in a plant, and bureaucratic overregulation.

So when we talk about how effective it is, it is important to know what portion of the costs are really on safety and that portion which is not associated with safety.

Mr. Speaker, I yield 3 minutes to the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Speaker, I thank the gentleman from Oklahoma for yielding me the time, and I thank the gentleman from Minnesota (Mr. GUTKNECHT) for bringing this measure before the House. I am proud to be a sponsor of the bill and to stand here to support it.

We just spent I think about 12 hours debating Medicare reform and prescription drugs. Regardless of where my colleagues were on the final vote, I think that everybody in this House should be happy with the fact that the Congress has finally got on record that it is going to do something to try to help senior citizens with prescription drugs. I know that everybody here is hopeful that we can get a bill that the Senate can pass and the President can sign to do that.

But we have a big problem in this country, and that is the soaring cost of pharmaceutical drugs. The General Accounting Office estimated the bill we just passed will reduce the price of prescription drugs to seniors by 25 percent, perhaps as much as 39 percent. But I am concerned whether that will become a reality as a consequence of that bill. Drugs are going up at the rate of four times the rate of inflation. Last year, almost 10 percent, the price of pharmaceutical drugs went up.

The irony is that, in my State of Montana, people can go right across the border, and they can buy these same prescription drugs for 56 percent less in Canada. The reason is that the FDA, in essence, has created a barrier so that Montanans cannot purchase drugs. They cannot purchase their pharmacy needs in Canada.

Now, the irony of all this is that we have the North American Free Trade Agreement. We have below-cost, cheap cattle pouring across the border in Montana, over a million of them last year. We have below-cost wheat pouring across the Montana border taking away our markets. Cheap cattle and cheap grain come across the border, no problem at all.

As a matter of fact, I do not know if the Members of the House realize it, but cattle, swinging carcases, come into this country from Canada, and they have a USDA stamp on them that says that they are inspected and graded by the U.S. Department of Agriculture even though they are not because the NAFTA agreement says that they can do that.

Now, Montanans would like to have a little benefit from NAFTA. They would like to buy their medicines from Canada as well. The irony is that ag producers who are being forced to sell their products below cost are saying, buck it up. You cannot compete in this marketplace.

Yet, the FDA has, in essence, protected, created a protected market for one of the wealthiest industries in this country, in the world, in the pharmacy companies here in this country.

So what the Gutknecht bill basically says is, no, we are not going to do that anymore. We are going to try to induce competition by allowing people to buy their medications elsewhere.

The gentleman from Vermont (Mr. SANDERS) is absolutely correct. This does not just apply to retail. The bill of the gentleman from Minnesota (Mr. GUTKNECHT) basically applies only to retail trade and pharmaceutical drugs. It ought to apply to the wholesale as well so that our local pharmacists can buy from any distributor anywhere in the world.

Now, the gentleman from Michigan (Mr. DINGELL) raised a concern about the safety issue. But what we have to realize is that these are the exact same formulations that are licensed in the United States. They are produced in exactly the same plants as they are that come into the United States. They are in the same package.

I urge my colleagues to support this bill and also support the bill of the gentleman from Vermont (Mr. SANDERS).

Mr. BROWN of Ohio. Mr. Speaker, how much time is remaining on each side?

The SPEAKER pro tempore (Mr. PEASE). The gentleman from Ohio (Mr. BROWN) has 4½ minutes remaining. The gentleman from Oklahoma (Mr. COBURN) has 6 minutes remaining.

Mr. BROWN of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. COBURN. Mr. Speaker, I yield myself 2½ minutes.

Mr. Speakers, one of the ironic things about today's debate is the debate was about whose prescription drug bill would do the problem. We had a debate about the wrong problem. The problem is the lack of price competition in the pharmaceutical industry. For if prices were not rising, seniors would not be screaming, and we would not be addressing this issue at all, putting the risk of the Medicare program

and its viability in the future on the line.

It is interesting to note that we have a President that is screaming for a prescription drug bill, and his own Justice Department will not even answer letters requesting an investigation into the antitrust activities of the pharmaceutical industry.

It is interesting to note that politics has reigned supreme in the debate about pharmaceutical and Medicare drug benefit when, in fact, we can accomplish a limitation on advertising, we can accomplish setting in force of motion of the very administrative agencies that are already in place to assure the American people that we do not have monopolies and we do not have price gouging and we do not have price fixing.

It is to be noted that the FTC has already received two consent decrees from two large pharmaceuticals manufacturers, one of which was paying $60 million a year to another pharmaceutical company not to bring a drug to market, consequently costing American consumers for $250 million for that drug alone. That drug was a calcium channel blocker known as diltiazen.

Another one, Hytrin, used for prostatic hypertrophy and hypertension, same thing, $15 million a month paid to another pharmaceutical company so they will not bring a drug to market.

We have collusion, and we have lack of competition. Until we address that, we will not be good stewards of the Medicare program. We will not be good stewards, whatever drug benefit we offer.

The other point that I would make, as we have done in every other area of Medicare, because we have not been good stewards, we are going to cost shift. We are going to lower the prices. Under the Democrat plan or the Republican plan, the prices for Medicare seniors will go down. But that price, if we do not work on the industry, will cost shift to the private sector.

So we are going to raise taxes on everybody else, their cost of health care, to supplant the lack of the proper benefits in Medicare.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4¼ minutes to the gentleman from Pennsylvania (Mr. KLINK) who has worked hard for a prescription drug benefit for Medicare beneficiaries.

Mr. KLINK. Mr. Speaker, I would start off by thanking the gentleman from Ohio for yielding me the time, even though the hour is late, and I would like to compliment the gentleman from Minnesota (Mr. GUTKNECHT) for his bill.

However, I must rise in opposition to H.R. 3240 because, while it seems harmless, and I laud the goal in the end of making sure that we can get the most fair price for drugs for all of our senior citizens, in fact for all of our citizens, this bill may seem harmless, but it could very seriously undercut the Food and Drug Administration's ability to warn the public that they are importing something that may not, in fact, be real.

The gentleman from Montana (Mr. HILL) I will tell him I wished I had the same surety that he does that these drugs were made in the same factory. We have seen with a lot of the investigations that we have done that, in fact, we have seen adulterated products. We have seen products that are not what they purport to be.

My colleagues may not realize it, but the Internet has become the new frontier for international drug purchases. Anyone with a computer and a mouse can click on a site, and one does not even need prescriptions, one does not need a doctor's okay, one just gets the drugs, and who knows where they are shipped from.

One recent investigation that we had in the Committee on Commerce of Internet pharmaceutical sales shows that buying drugs on-line can really be the on-line equivalent of trick-or-treating on Halloween in a very dangerous neighborhood. The drugs are often shipped in unmarked packages. There are no indications of strength or quality, no way of knowing what the products are, no way of knowing where they came from, no way of knowing who handled them, where they were stored or even what is in them.

We have seen reports in the news of arrests that were made for smuggling in fake Viagra. We have seen accounts of arrests being made for selling fake Xenical that was made only from starch and a small amount of an anti-asthmatic drug. We have seen reports of fake ampicillin and AZT made from starch and anti-mold powder.

How prevalent are these bogus drugs? Well, the fact of the matter is we do not know. That is the frightening thing about all of this. Much of our investigation has focused on what the Federal Government is doing to protect consumers from unknowingly being harmed by something they import from one of these rogue sites.

Now, we have got to remember the Prescription Drug Marketing Act, which regulates the import of pharmaceutical products, was enacted in response to a lot of problems people had when they unknowingly imported drugs that were being adulterated or counterfeit drugs from abroad.

The gentleman, who had spoken earlier about the importation of food, one of the problems that he and I have both had with NAFTA and with GATT and with some of these other agreements is that we know that food has been brought into this country that was bad.

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We have seen strawberries in Michigan that have caused kids to get very sick. We have seen meat products that have come in that have caused people to get sick. We have seen vegetables and fruits that come in with DDT and other kinds of things sprayed on them that we could not get away with here. So we know that the safety of food has been a problem, and the safety of drugs has been a problem too.

I want to get where the author of this bill is trying to get, but I do not think this is the way to get there. We want to help the FDA be better. They are not perfect. The reality is that this piece of legislation, with virtual conveyor belts at every international airport coming in, with these drugs being shipped by the Internet, if it were just Canada, we could deal with that, because their system is very similar to ours. The problem is we are talking about Africa and Asia and South America and central America and all of these islands nations. These drugs are being set up and manufactured all over the place, and some are real, some are not. We do not know what we are getting into.

What the gentleman is doing here, we are putting unrealistic burdens on an FDA that we have found out in the Committee on Commerce that they cannot deal with the problem as it is now. They do not have enough people to deal with what is coming in now. And the communications between the FDA and Customs is horrible, and the public is at risk already.

We cannot make it more at risk. We all want to get senior citizens access to cheaper drugs. I have concerns about the potential unintended regulatory consequences of this bill. If this bill dealt only with imports from countries like Canada, we would not have a problem. I think we need to amend the Prescription Drug Marketing Act. I wish we that we had had hearings on this bill. I wish we had had a chance to talk more about it. I am not prepared tonight to gamble with the safety and efficacy of the drugs coming into this country.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. COBURN. Could I inquire of the Chair the time remaining.

The CHAIRMAN. The gentleman from Oklahoma (Mr. COBURN) has 3½ minutes remaining.

Mr. COBURN. Mr. Speaker, I yield 3½ minutes to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, first of all, I want to clarify something. Section 3 of our bill says including a pharmacist or wholesale importer. We want our local pharmacies to be able to set up correspondent relationships.

In terms of the whole issue of people getting bad drugs, I mean, the truth of the matter is, this is happening now; and the reason is because of these huge differentials. We have tried now for 2 years to work with the FDA to come up with a plan so that we can bring down these barriers to local pharmacists and HMOs.

Let me give an example. One of the HMOs in Minneapolis, they did a study on their own, and if they could buy their drugs from Winnipeg, if they could realize half of the savings that

they recognized in this study, they could save their subscribers $30 million a year. Now, they are already negotiating better deals with their drugs than the average consumer, certainly the average senior citizen can. So what we are talking about is opening up markets.

We want to work with the FDA, but for 2 years the FDA has basically refused to return our phone calls. Mr. Speaker, there is a crisis out there; but the crisis is price. I am not here tonight to beat up on the pharmaceutical companies. The truth of the matter is they are going to charge as much as they can. I mean, shame on the pharmaceutical companies, yes, for what they are charging; but shame on the FDA for letting them get away with it, and shame on us for not doing something about it.

Now, this bill is not perfect, and I understand that we should be going further; but I think that is as far as we can get this year, or at least in the next several weeks. As we go forward, perhaps in the Senate, perhaps in conference committee, sometime perhaps before we get it to the President's desk, maybe we can strengthen it this year. And if the FDA does not respond appropriately, I guarantee I will be back next year and we will be fighting for even stronger legislation. Because this idea that American consumers should pay $30.25 for Coumadin when consumers in Switzerland pay $2.85 for the same drug, that is simply wrong. And shame on us if we let that continue.

The time has come to send a very clear message to our own FDA that we are not going to allow them to stand between American consumers in the day and age of NAFTA, in the day and age of the Internet, and in the day and age of the information age. The game is over. We are not going to allow them to stand between American consumers, and particularly American seniors, and lower drug prices. The game is over.

This is the night when we begin the journey to bring lower prices to American consumers. When we allow markets to work, we will see lower prices for American consumers, and especially for American seniors.

The SPEAKER pro tempore (Mr. PEASE). The question is on the motion offered by the gentleman from California (Mr. BILBRAY) that the House suspend the rules and pass the bill, H.R. 3240.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY THE RULES COMMITTEE

Mr. GOSS (during consideration of H.R. 3240), from the Committee on Rules, submitted a privileged report (Rept. No. 106–707) on the resolution (H. Res. 540) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF A CONCURRENT RESOLUTION FOR THE ADJOURNMENT OF THE HOUSE AND SENATE FOR THE INDEPENDENCE DAY DISTRICT WORK PERIOD

Mr. GOSS (during consideration of H.R. 3240), from the Committee on Rules, submitted a privileged report (Rept. No. 106–708) on the resolution (H. Res. 541) providing for consideration of a concurrent resolution providing for adjournment of the House and Senate for the Independence Day district work period, which was referred to the House Calendar and ordered to be printed.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1304, QUALITY HEALTH-CARE COALITION ACT OF 2000

Mr. GOSS (during consideration of H.R. 3240), from the Committee on Rules, submitted a privileged report (Rept. No. 106–709) on the resolution (H. Res. 542) providing for consideration of the bill (H.R. 1304) to ensure and foster continued patient safety and quality of care by making the antitrust laws apply to negotiations between groups of health care professionals and health plans and health insurance issuers in the same manner as such laws apply to collective bargaining by labor organizations under the National Labor Relations Act, which was referred to the House Calendar and ordered to be printed.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MARKEY (at the request of Mr. GEPHARDT) for today on account of family illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

## ADJOURNMENT

Mr. COBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 27 minutes a.m.), the House adjourned until today, Thursday, June 29, 2000, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8403. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Prohexadione Calcium; Pesticide Tolerance [OPP–300998; FRL–6555–2] (RIN: 2070–AB78) received May 4, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8404. A letter from the Secretary of the Air Force, transmitting notification that certain major defense acquisition programs have breached the unit cost by more than 15 percent, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

8405. A letter from the Secretary of the Army, transmitting notification that a major defense acquisition program thresholds have been exceeded, pursuant to 10 U.S.C. 2431(b)(3)(A); to the Committee on Armed Services.

8406. A letter from the Assistant Secretary, Health Affairs, Department of Defense, transmitting the TRICARE Prime Remote Report to Congress January 2000; to the Committee on Armed Services.

8407. A letter from the Assistant Secretary, Health Affairs, Department of Defense, transmitting the report entitled, ''Report to the United States Congress Regarding Anthrax Vaccine and Adverse-Event Reporting''; to the Committee on Armed Services.

8408. A letter from the Assistant Secretary, Health Affairs, Department of Defense, transmitting a report to Congress on the Status of the Oxford House Pilot Project; to the Committee on Armed Services.

8409. A letter from the Assistant Secretary, Force Management Policy, Department of Defense, transmitting a plan to issue policy governing the pricing of tobacco products sold in military exchanges and commissary stores as exchange consignment items; to the Committee on Armed Services.

8410. A letter from the Assistant Secretary, Health Affairs, Department of Defense, transmitting a notice that the military treatment facility report for fiscal year 1999 is forth coming; to the Committee on Armed Services.

8411. A letter from the Comptroller, Department of Defense, transmitting a notice that the Department of the Navy is pursing a multiyear procurement (MYP) for the fiscal year 2000 through fiscal year 2004; to the Committee on Armed Services.

8412. A letter from the Secretary of the Navy, transmitting the report entitled, ''Multi-Technology Automated Reader Card Demonstration Program: Smart Cards in the Department of the Navy''; to the Committee on Armed Services.

8413. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the determination and a memorandum of justification pursuant to Section 2(b)(6)(B) of the Export-Import

Bank Act of 1945, as amended; to the Committee on Banking and Financial Services.

8414. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement with respect to the transaction involving U.S. exports to the Republic of Korea; to the Committee on Banking and Financial Services.

8415. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's semiannual report on the activities and efforts relating to utilization of the private sector, pursuant to 12 U.S.C. 1827; to the Committee on Banking and Financial Services.

8416. A letter from the Principal Deputy Assistant Administrator, Environmental Protection Agency, transmitting the 1998 Toxic Release Inventory (TRI) Data Summary; to the Committee on Commerce.

8417. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially to the Republic of Korea (Transmittal No. DTC–001–00), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

8418. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the second of six annual reports on enforcement and monitoring of the Convention on Combating Bribery of Foreign Public Officials in International Business Development (''OECD Convention''); to the Committee on International Relations.

8419. A letter from the Deputy Director, Federal Mediation and Conciliation Service, transmitting the FY 1999 report pursuant to the Federal Managers' Financial Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

8420. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the denial of VISAS to Confiscators of American Property; to the Committee on the Judiciary.

8421. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Lake Erie, Ottawa River, Washington Township, Ohio [CGD09–00–014] (RIN: 2115–AA97) received June 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8422. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone; Chickahominy River, VA [CGD05–00–016] (RIN: 2115–AA97) received June 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8423. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Agency's final rule—Oil Pollution Act of 1990 Phase-out Requirements for Single Hull Tanks Vessels [USCG–1999–6164] (RIN: 2115–AF86) received June 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8424. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Agency's final rule—Temporary Regulations: OPSAIL 2000, Port of New London, Connecticut [CGD01–99–203] (RIN: 2115–AA98, AA 84, AE46) received June 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8425. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Wappoo Creek (ICW), Charleston, SC [CGD07–00–054] received June 23, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8426. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Notice of Availability of Funds for Source Water Protection—received May 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8427. A letter from the Director, Congressional Budget Office, transmitting a copy of the report, ''An Assessment of the Unfunded Mandates Reform Act in 1999,'' pursuant to 2 U.S.C. 1538; jointly to the Committees on Government Reform and Rules.

8428. A letter from the Assistant Secretary for Planning and Analysis, Department of Veterans Affairs, transmitting the Fiscal Year 2000 Veterans Equitable Resource Allocation (VERA); jointly to the Committees on Veterans' Affairs and Appropriations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEACH: Committee on Banking and Financial Services. H.R. 2848. A bill to amend the Small Business Investment Act of 1958 and the Small Business Act to establish a New Markets Venture Capital Program, to establish an America's Private Investment Company Program, to amend the Internal Revenue Code of 1986 to establish a New Markets Tax Credit, and for other purposes; with amendments (Rept. 106–706 Pt. 1). Ordered to be printed.

Mrs. MYRICK: Committee on Rules. House Resolution 540. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 106–707). Referred to the House Calendar.

Mr. REYNOLDS: Committee on Rules. House Resolution 541. Resolution providing for consideration of a concurrent resolution providing for adjournment of the House and Senate of the Independence day district work period (Rept. 106–708). Referred to the House Calendar.

Mr. GOSS: Committee on Rules; House Resolution 542. Resolution providing for consideration of the bill (H.R. 1304) to ensure and foster continued patient safety and quality of care by making the antitrust laws apply to negotiations between groups of health care professionals and health plans and health insurance issuers in the same manner as such laws apply to collective bargaining by labor organizations under the National Labor Relations Act (Rept. 106–709). Referred to the House Calendar.

## TIME LIMITATIONS OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 2848. Referral to the Committees on Ways and Means and Small Business extended for a period ending not later than July 28, 2000.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. COLLINS (for himself, Mr. HAYWORTH, Mr. KINGSTON, Mr. SAM JOHNSON of Texas, Mr. BLUNT, Mr. MCKEON, Mr. HOBSON, Mr. BISHOP, Mr. ENGLISH, Mr. LOBIONDO, Mr. LINDER, Mr. COBURN, Mr. HEFLEY, and Mr. NORWOOD):

H.R. 4776. A bill to amend the Internal Revenue Code of 1986 to suspend all motor fuel taxes until March 31, 2001, to permanently repeal the 4.3 cent per gallon increases in rail, barge, and aviation fuel taxes enacted in 1993, and for other purposes; to the Committee on Ways and Means.

By Ms. KAPTUR:

H.R. 4777. A bill to establish the Commission on Gasoline and Fuel Pricing; to the Committee on Commerce.

By Mr. KUYKENDALL (for himself and Mr. UPTON):

H.R. 4778. A bill to ban the transfer of a firearm or ammunition to, and the receipt of a firearm or ammunition by, persons subject to certain restraining orders; to the Committee on the Judiciary.

By Ms. MCCARTHY of Missouri (for herself, Mr. MOORE, and Mr. BLUNT):

H.R. 4779. A bill to allow certain donations of property and services to the Bureau of Prisons; to the Committee on the Judiciary.

By Mr. PICKERING (for himself, Mr. HALL of Texas, Mr. COMBEST, Mr. STENHOLM, and Mr. POMBO):

H.R. 4780. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Internal Revenue Code of 1986 with respect to drugs for minor animal species, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WICKER (for himself, Mr. FORD, Mr. GOODLING, Mr. GARY MILLER of California, Mr. WAMP, Mr. KOLBE, Mr. PICKERING, Mr. BAKER, and Mr. CALVERT):

H.R. 4781. A bill to amend the National Apprenticeship Act to provide that applications relating to apprenticeship programs are processed in a fair and timely manner, and for other purposes; to the Committee on Education and the Workforce.

By Mr. HUNTER (for himself, Mr. BILBRAY, Mrs. KELLY, Mr. ROHRABACHER, Mr. CUNNINGHAM, and Mr. WOLF):

H. Con. Res. 365. Concurrent resolution expressing the sense of the Congress regarding liability of Japanese companies to former prisoners of war used by such companies as slave labor during World War II; to the Committee on International Relations.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 82: Mr. LANTOS and Mr. BACA.
H.R. 207: Mr. COYNE.
H.R. 515: Mr. FILNER.
H.R. 534: Mr. MICA.
H.R. 628: Mr. NORWOOD.
H.R. 828: Mr. PEASE.
H.R. 914: Mr. MCHUGH.
H.R. 957: Mr. BUYER.
H.R. 976: Ms. MCKINNEY.
H.R. 1001: Mr. CARDIN.
H.R. 1112: Ms. MCCARTHY of Missouri.
H.R. 1187: Mr. BERMAN.
H.R. 1217: Mr. MINGE.

H.R. 1248: Mrs. BONO, Mr. SNYDER, and Mr. CONDIT.
H.R. 1293: Mr. PASTOR.
H.R. 1388: Mr. UDALL of Colorado and Mr. DOYLE.
H.R. 1414: Mr. BAIRD.
H.R. 1422: Mr. JACKSON of Illinois.
H.R. 1731: Mrs. BONO.
H.R. 1871: Mr. WYNN, Ms. LEE, Mr. BACA, Mr. TERRY, Mr. BRADY of Pennsylvania, and Mr. SANDLIN.
H.R. 2001: Mr. SALMON.
H.R. 2059: Ms. SCHAKOWSKY and Mr. HILLEARY.
H.R. 2102: Mr. KUYKENDALL.
H.R. 2171: Mr. SALMON.
H.R. 2250: Mr. SMITH of Michigan.
H.R. 2261: Mr. PAUL.
H.R. 2814: Mr. SANDLIN, Mr. LANTOS, and Mr. STARK.
H.R. 2870: Mrs. MINK of Hawaii.
H.R. 3032: Mr. PETRI.
H.R. 3132: Ms. MCKINNEY.
H.R. 3192: Mr. LAMPSON, Mr. SERRANO, Mrs. MEEK of Florida, Mr. FOLEY, and Ms. BROWN of Florida.
H.R. 3193: Mr. JONES of North Carolina.
H.R. 3462: Mr. HOEKSTRA, Mr. FLETCHER, and Mr. PETRI.
H.R. 3489: Mr. GONZALEZ.
H.R. 3540: Mr. SANDERS, Mr. LEWIS of Georgia, Mr. DAVIS of Illinois, Mr. BARR of Georgia, Mr. HOEFFEL, Mr. BAKER, and Mr. NORWOOD.
H.R. 3573: Ms. MCCARTHY of Missouri.
H.R. 3676: Mr. NUSSLE, Mr. BRYANT, Mr. EHLERS, Mr. CRANE, Ms. MCCARTHY of Missouri, Mr. BARTLETT of Maryland, Mr. TAYLOR of North Carolina, Mr. TIAHRT, Mr. CONYERS, Mr. VITTER, Mr. THORNBERRY, Ms. GRANGER, Mr. SAM JOHNSON of Texas, Mr. RYUN of Kansas, Mrs. BIGGERT, Mr. ROYCE, Mr. HANSEN, Mr. WICKER, Mr. FLETCHER, Ms. DUNN, Mr. BONILLA, Mr. LAZIO, Mrs. MINK of Hawaii, Mr. GREENWOOD, Mr. PEASE, Ms. PRYCE of Ohio, Mr. SCHAFFER, Mr. HULSHOF, Mr. SMITH of New Jersey, Mr. LEACH, Mrs. MYRICK, Mr. SESSIONS, Mr. MORAN of Kansas, Mr. HOEKSTRA, Mr. GUTKNECHT, Mr. SCARBOROUGH, Mr. FOSSELLA, Mr. GOODE, Mr. JONES of North Carolina, Mr. STENHOLM, and Mr. HYDE.
H.R. 3710: Mr. STENHOLM, Mr. HINOJOSA, Mr. LAMPSON, and Mr. ISAKSON.
H.R. 3841: Mr. RAHALL, Mr. FILNER, and Mr. COYNE.
H.R. 3844: Mr. SCHAFFER.
H.R. 3872: Mr. DAVIS of Florida, Mr. KUYKENDALL, and Mr. RYUN of Kansas.
H.R. 4001: Ms. SCHAKOWSKY, Mr. BARRETT of Wisconsin, and Mr. WAXMAN.
H.R. 4063: Mr. UNDERWOOD.
H.R. 4106: Mr. RAHALL.
H.R. 4157: Ms. LOFGREN.
H.R. 4178: Mr. SANDLIN, Mr. FROST, Ms. BERKLEY, Mr. DICKS, Mr. PAYNE, Ms. CARSON, and Mr. FILNER.
H.R. 4210: Mr. BEREUTER, Mr. DEMINT, and Mrs. TAUSCHER.
H.R. 4213: Mr. FLETCHER, Mr. WELLER, and Ms. MCKINNEY.
H.R. 4222: Mr. HILLIARD.
H.R. 4239: Mr. JEFFERSON.
H.R. 4271: Mr. LAMPSON, Mrs. BONO, Ms. CARSON, Ms. SLAUGHTER, and Ms. DUNN.
H.R. 4272: Mr. LAMPSON, Mrs. BONO, Ms. CARSON, and Ms. DUNN.
H.R. 4273: Mr. LAMPSON, Mrs. BONO, Ms. CARSON, and Ms. DUNN.
H.R. 4284: Mr. MATSUI and Mr. SANDLIN.
H.R. 4303: Mr. GANSKE.
H.R. 4320: Mr. CUNNINGHAM.
H.R. 4438: Mr. ROHRABACHER and Mr. FOLEY.
H.R. 4442: Mr. LOBIONDO.
H.R. 4467: Mr. ISAKSON.
H.R. 4481: Mr. HOLT, Mr. PASTOR, Ms. ROYBAL-ALLARD, Mr. FRANK of Massachusetts, Ms. BALDWIN, Mr. ABERCROMBIE, Mr. FROST, Mrs. MEEK of Florida, Ms. DANNER, Mr. BENTSEN, Ms. SCHAKOWSKY, Mrs. MALONEY of New York, Ms. DEGETTE, Ms. LEE, and Mr. FRANKS of New Jersey.
H.R. 4483: Ms. LEE, Mr. GONZALEZ, Ms. DEGETTE, and Ms. BALDWIN.
H.R. 4492: Mr. DEAL of Georgia, Mr. PETERSON of Minnesota, Mr. REYES, Mr. LOBIONDO, Mr. RUSH, and Mr. WELLER.
H.R. 4503: Mr. TAUZIN, Mr. KINGSTON, and Mr. BURR of North Carolina.
H.R. 4538: Mr. FROST and Mr. GONZALEZ.
H.R. 4539: Ms. ROS-LEHTINEN and Mr. GUTIERREZ.
H.R. 4548: Mr. BALLENGER and Mr. BARTLETT of Maryland.
H.R. 4600: Mr. FOLEY and Mr. MCINTYRE.
H.R. 4605: Ms. LEE.
H.R. 4697: Mr. KOLBE, Ms. MILLENDER-MCDONALD, Mr. HASTINGS of Florida, Mr. UNDERWOOD, Mr. GILMAN, Ms. ROS-LEHTINEN, Mrs. LOWEY, and Mr. WAXMAN.
H.R. 4737: Mr. COOKSEY and Mr. BUYER.
H.R. 4744: Mr. ARMEY, Mr. WAMP, Mr. TALENT, Mr. DOOLITTLE, Mr. CAMPBELL, and Mr. BARCIA.
H.R. 4747: Mr. DICKS.
H.J. Res. 41: Mr. LAMPSON.
H.J. Res. 56: Mrs. KELLY.
H.J. Res. 102: Mr. EWING and Mr. CASTLE.
H. Con. Res. 58: Mr. KIND.
H. Con. Res. 319: Mr. KNOLLENBERG.
H. Con. Res. 321: Ms. CARSON, Mr. MASCARA, Mr. LAMPSON, Mrs. JONES of Ohio, Ms. BERKLEY, Mr. COOK, and Mr. COSTELLO.
H. Con. Res. 348: Mr. MEEKS of New York.
H. Con. Res. 353: Ms. MCKINNEY and Mrs. LOWEY.
H. Con. Res. 356: Mr. BARRETT of Wisconsin, Mr. CLAY, and Ms. SCHAKOWSKY.
H. Con. Res. 357: Mr. KING.
H. Con. Res. 362: Mr. CAPUANO, Mr. CUMMINGS, Ms. LEE and Mr. GOODLING.
H. Res. 458: Mr. FOSSELLA, Ms. CARSON, and Mr. MASCARA.
H. Res. 531: Mr. PAYNE, Mr. CHABOT, Mr. HASTINGS of Florida, Mr. DAVIS of Florida, Mr. CROWLEY, Mr. TANCREDO, Mr. DIAZ-BALART, Mr. BALLENGER, and Mr. WEINER.
H. Res. 535: Mr. BACHUS.
H. Res. 536: Mr. RAHALL.

## AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 4461

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 50: Insert before the short title the following title:

**TITLE IX—ADDITIONAL GENERAL PROVISIONS**

SEC. 901. With respect to serving as a member of a Federal advisory committee that has responsibilities regarding vaccines, no scientist, physician, or other individual who is a member or prospective member of such a committee may be granted a waiver from conflict-of-interest rules that are applicable to such service.

H.R. 4461

OFFERED BY: MR. CHABOT

AMENDMENT NO. 51: Page 96, after line 4, insert the following:

**TITLE IX—ADDITIONAL GENERAL PROVISIONS**

SEC. 901. None of the funds appropriated or otherwise made available by this Act may be used to award any new allocations under the market access program or to pay the salaries of personnel to award such allocations.

H.R. 4461

OFFERED BY: MR. CHABOT

AMENDMENT NO. 52: Strike section 741.

H.R. 4461

OFFERED BY: MR. HAYES

AMENDMENT NO. 53: Page 12, strike lines 12 through 15.

H.R. 4461

OFFERED BY: MR. HAYES

AMENDMENT NO. 54: Page 15, strike lines 5 through 8.

H.R. 4461

OFFERED BY: MR. HAYES

AMENDMENT NO. 55: Page 31, after line 5, insert the following:

ADMINISTRATIVE PROVISION

Any limitation established in this title on funds to carry out research related to the production, processing, or marketing of tobacco or tobacco products shall not apply to research on the medical, biotechnological, food and drug, and industrial uses of tobacco and tobacco products.

H.R. 4461

OFFERED BY: MR. HINCHEY

AMENDMENT NO. 56: Page 72, lines 18 and 19, strike ''Town of Harris'' and insert ''Town of Thompson''.

H.R. 4461

OFFERED BY MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 57: Page 10, line 23, insert after the aggregate dollar amount the following: ''(reduced by $6,800,000)''.

Page 13, line 17, insert after the dollar amount the following: ''(increased by $4,000,000)''.

Page 13, line 23, insert after the dollar amount the following: ''(increased by $4,000,000)''.

Page 15, line 22, insert after the dollar amount the following: ''(increased by $2,800,000)''.

Page 17, line 5, insert after the dollar amount the following: ''(increased by $2,800,000)''.

H.R. 4461

OFFERED BY: MR. KNOLLENBERG

AMENDMENT NO. 58: Strike Section 734 and Insert as Section 734:

None of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan, at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol; Provided further, the limitation established in this section shall not apply to any activity otherwise authorized by law.

H.R. 4461

OFFERED BY: MRS. LOWEY

AMENDMENT NO. 59: Page 10, line 23, insert after the dollar amount the following: ''(increased by $8,600,000), of which $8,600,000 shall be available for research regarding the cause of the commercial fishery failure in the Long Island Sound lobster fishery''.

Page 85, after line 15, insert the following new section:

SEC. 753. In addition to funds otherwise appropriated or made available by this Act, there is appropriated to the Secretary to make available to the State of New York and to the State of Connecticut, for persons that have incurred losses as a result of the commercial fishery failure in the Long Island Sound lobster fishery, $9,500,000 and $9,500,000, respectively.

H.R. 4461

OFFERED BY: MR. PAYNE

AMENDMENT NO. 60: Page 91, line 11, strike ''or''.

Page 91, line 25, strike the period and insert ''; or''.

Page 91, after line 25, insert the following:

(3) against Sudan.

H.R. 4461

OFFERED BY: MR. PAYNE

AMENDMENT NO. 61: At the end of the bill (preceding the short title) insert the following:

OPERATION LIFELINE SUDAN (OLS) PROGRAM

SEC. □□. The Administrator of the United States Agency for International Development shall take appropriate action to reform the Operation Lifeline Sudan (OLS) program so that humanitarian assistance operations under the program function properly.

H.R. 4461

OFFERED BY: MR. REYES

AMENDMENT NO. 62: Page 53, beginning line 25, strike ''*: Provided further,* That none of the funds appropriated or otherwise made available by this Act or any other Act shall be available to carry out a Colonias initiative without the prior approval of the Committee on Appropriations''.

H.R. 4461

OFFERED BY: MR. REYES

AMENDMENT NO. 63: Page 85, after line 15, insert the following new section:

Sec. □□. The amounts otherwise provided by this Act are revised by reducing the total amount provided under the heading ''ANIMAL AND PLANT HEALTH INSPECTION SERVICE'' (to be derived from amounts for Wildlife Services Program operations) and by increasing the total amount provided under the heading ''FOOD PROGRAM ADMINISTRATION'', by $5,000,000.

H.R. 4461

OFFERED BY: MR. SHERMAN

AMENDMENT NO. 64: At the end of the bill, insert after the last section, preceding the short title (page 96, after line 4), the following new title:

TITLE IX—ADDITIONAL GENERAL PROVISIONS

SEC. 901. None of the funds made available in this Act may be used to allow the importation into the United States of any agricultural or fishery product that is the growth, product, or manufacture of the Islamic Republic of Iran.

H.R. 4461

OFFERED BY: MR. WEINER

AMENDMENT NO. 65: Page 19, line 4, insert after the first dollar amount the following: ''(reduced by $15,510)''.

United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

Vol. 146 WASHINGTON, WEDNESDAY, JUNE 28, 2000 No. 84

# Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation and Lord of our lives, we celebrate the anniversary of the opening of the Constitutional Convention in 1787, by remembering Benjamin Franklin's call to prayer at a time when the deliberations were deadlocked. He said, ''I have lived, sir, a long time, and the longer I live the more convincing proofs I see of this truth: that God governs in the affairs of men. If a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid? I believe that without His concurring aid we shall succeed no better than the builders of Babel. We shall be divided by our partial local interests; our projects will be confounded.''

Gracious Lord, we join our voices with the Founding Fathers in confessing our total dependence on You. We believe that You are the Author of the glorious vision that gave birth to our beloved Nation. What You began You will continue to develop to full fruition, and today the women and men of this Senate will grapple with the issues of moving this Nation forward in keeping with Your vision. It is awesome to realize that You use people to accomplish Your goals. Think Your thoughts through the Senators; speak Your truth through their words; enable Your best for America through what You lead them to decide. You are our Lord and Saviour. Amen.

## PLEDGE OF ALLEGIANCE

The Honorable WAYNE ALLARD, a Senator from the State of Colorado, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. ALLARD). The acting majority leader.

## SCHEDULE

Mr. SPECTER. Mr. President, on behalf of the distinguished majority leader, I have been asked to announce that today we will immediately resume consideration of the appropriations bill on Labor, Health and Human Services, and Education. Under the order, there will be closing remarks on the amendment offered by the distinguished Senator from Texas, Mrs. HUTCHISON, regarding same-sex schools, with a vote to occur at approximately 9:45 a.m. Following the vote, there will be closing remarks and then a vote on the Daschle amendment regarding fetal alcohol syndrome.

We are urging all Senators who have amendments to come to the floor. It is the intention of the majority leader to conclude action on this bill today. It is my hope that we could have a limit on the number of amendments, perhaps have a unanimous consent agreement limiting the number of amendments, and that we can work through time agreements to proceed to conclude the bill.

## MEASURE PLACED ON THE CALENDAR—S. 2801

Mr. SPECTER. Mr. President, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report by title.

The assistant legislative clerk read as follows:

A bill (S. 2801) to prohibit funding of the negotiation of the move of the Embassy of the People's Republic of China in the United States until the Secretary of State has required the divestiture of property purchased by the Xinhua News Agency in violation of the Foreign Missions Act.

Mr. SPECTER. Mr. President, I object to further proceedings on the bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. SPECTER. I yield the floor.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

## THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS, 2001

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 4577 which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 4577) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

Pending:

Harkin (for Daschle) amendment No. 3658, to fund a coordinated national effort to prevent, detect, and educate the public concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect and to identify effective interventions for children, adolescents, and adults with Fetal Alcohol Syndrome and Fetal Alcohol Effect.

Hutchison/Collins amendment No. 3619, to clarify that funds appropriated under this Act to carry out innovative programs under section 6301(b) of the Elementary and Secondary Education Act of 1965 shall be available for same gender schools.

Mr. SPECTER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Mr. KOHL. Mr. President, I rise today in support of the Hutchison amendment, which would allow local school districts to use Title VI funds to establish same-gender schools if they so choose. I have opposed a similar amendment in the past because I have been concerned that many of these ''separate but equal'' programs are sometimes not equal in reality. I am pleased that the Senator from Texas has made modifications to her amendment that deal with these concerns, and ensures that single-gender schools will not result in a system where one gender is educationally disadvantaged.

I believe this amendment is another important step in our drive toward more flexibility and local control in education. I am pleased to be an original cosponsor of the Public Education Reinvestment, Reinvention and Responsibility Act—better known as ''Three R's''—which would also provide school districts with the flexibility to design programs that best meets their needs. The Hutchison amendment, which allows local officials to make the decision to set up a single-gender school, is consistent with the ''Three R's'' philosophy. We must continue to move toward a public education system that gives States and local school districts—who are in the best position to know what their educational needs are—the ability to create innovative programs that allow all students to achieve to high standards.

The PRESIDING OFFICER. Under the previous order, the hour of 9:40 a.m. having arrived, there will be 4 minutes of debate prior to the vote on or in relation to the Hutchison amendment No. 3619.

Mrs. HUTCHISON. Mr. President, if there is no one on the other side, which I believe is the case, I ask unanimous consent to give 2 minutes to Senator COLLINS, and then 2 minutes to myself.

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

The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, I commend the Senator from Texas for her extraordinary leadership on this issue. She has been an advocate for girls and women in so many different ways, and she truly is committed to ensuring that young girls growing up get the very best education they deserve, and that they have every opportunity available to them. The amendment that she has proposed, which I am proud to cosponsor, is in keeping with that commitment.

I commend her for her leadership on this very important issue.

I first became very interested in the issue of having same-gender classrooms because of an experience of a high school all-girls math class in northern Maine. This math class, which is an advanced math class taught at Presque Isle High School, has been proven to be of enormous benefit to the young women who are enrolled in it. They do very advanced math. It has been shown that their SAT scores soared.

Moreover, it gives them the confidence that they can handle advanced math and science and other subjects that unfortunately women sometimes have felt uneasy about, even though obviously girls and women have every ability in the world to handle such subjects. This class has been an enormous success for the girls at Presque Isle High School.

Unfortunately, a few years ago, the Department of Education objected to this class despite the fact that it was showing such enormous results for the young women who were enrolled in it. They were taught by a very gifted teacher, Donna Lisnik, who has subsequently gone on to be the principal of a school in Aroostook County. But she was the one who originated this course.

The Department of Education objected because it was a same-sex class. They have been able to get around that. But that shouldn't require a waiver or a circumvention of the law.

The amendment of the Senator from Texas would cure this situation.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank Senator COLLINS, the cosponsor of this amendment, who has worked with me because of the very example that she just gave.

She has the situation in her State where this actually has curbed the creativity of public schools in offering more options for parents who believe their adolescent boys or their young girls would do better in a single-sex setting. In fact, in Detroit, MI, there is a boys school that has the same success that Senator COLLINS has just mentioned about a girls class in Maine; the boys are able to have a single-sex atmosphere. And sometimes it is shown by studies that adolescent boys do better in that atmosphere.

We want public schools to have the same options and the Federal help that are available in parochial and private schools for creative approaches and solutions to our education problems. We want options, not mandates. But we want every child in this country to reach his or her full potential. We want that child to be given opportunities in a way that best fit that child's needs.

That is why I think this amendment is going to be overwhelmingly accepted in the Senate—just as these amendments have been in the past. It will give the guidance to the Department of Education that will clarify the issue once and for all; that we want absolutely every option available in our public schools that will give every child in this country the ability to succeed.

Thank you, Mr. President.

I yield the floor and ask my colleagues for their support of the Hutchison-Collins amendment.

The PRESIDING OFFICER. The question now occurs on the Hutchison amendment numbered 3619.

Mrs. HUTCHISON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The bill clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent

The PRESIDING OFFICER (Mr. L. CHAFEE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—99

| | | |
|---|---|---|
| Abraham | Enzi | Lugar |
| Akaka | Feingold | Mack |
| Allard | Feinstein | McCain |
| Ashcroft | Fitzgerald | McConnell |
| Baucus | Frist | Mikulski |
| Bayh | Gorton | Moynihan |
| Bennett | Graham | Murkowski |
| Biden | Gramm | Murray |
| Bingaman | Grams | Nickles |
| Bond | Grassley | Reed |
| Boxer | Gregg | Reid |
| Breaux | Hagel | Robb |
| Brownback | Harkin | Roberts |
| Bryan | Hatch | Rockefeller |
| Bunning | Helms | Roth |
| Burns | Hollings | Santorum |
| Byrd | Hutchinson | Sarbanes |
| Campbell | Hutchison | Schumer |
| Chafee, L. | Inhofe | Sessions |
| Cleland | Jeffords | Shelby |
| Cochran | Johnson | Smith (NH) |
| Collins | Kennedy | Smith (OR) |
| Conrad | Kerrey | Snowe |
| Coverdell | Kerry | Specter |
| Craig | Kohl | Stevens |
| Crapo | Kyl | Thomas |
| Daschle | Landrieu | Thompson |
| DeWine | Lautenberg | Thurmond |
| Dodd | Leahy | Torricelli |
| Domenici | Levin | Voinovich |
| Dorgan | Lieberman | Warner |
| Durbin | Lincoln | Wellstone |
| Edwards | Lott | Wyden |

NOT VOTING—1

Inouye

The amendment (No. 3619) was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3658

The PRESIDING OFFICER. There will now be 4 minutes for debate on the Daschle amendment No. 3658.

Mr. DASCHLE. Mr. President, I offered this amendment on behalf of the thousands of individuals who have been impacted by prenatal exposure to alcohol, their families, and the estimated 12,000 children who will be born with fetal alcohol syndrome, FAS, or fetal alcohol effects, FAE, during the next year.

My amendment will provide $25 million to establish a competitive grant program to fund prevention and treatment services to individuals with FAS and FAE and their families. This grant program is absolutely critical for several reasons.

FAS and FAE are 100 percent preventable. Despite this fact, the Centers for Disease Control have reported a sixfold increase in the incidence of babies born with FAS between 1960 and 1995. One in five women still drink during pregnancy.

Once a child has been born with FAS or FAE, there is still much we can do to help prevent the secondary disabilities that often accompany the disease.

For too long, we have treated the birth of an FAS or FAE child as the losing end of a battle, rather than the beginning of one we can win. We have neglected children with FAS and FAE at the peril of those individuals, their families and their communities.

Let me illustrate this point with two real life examples—Karli Schrider and Lucy Klene.

Twenty-eight years ago, when Karli's mother, Kathy, was pregnant with Karli, it was not uncommon for expectant mothers to be told to ''drink a beer a day for a fat, healthy baby.'' Women who were in danger of miscarrying were sometimes hospitalized and given alcohol intravenously for five or six hours in the mistaken belief it would prevent miscarriage.

Back then, it never crossed Kathy's mind that her occasional glasses of wine might be harming her unborn child. Besides, just the year before, Kathy had had another baby who was perfectly healthy, and she drank during that pregnancy too.

The first time Karli was misdiagnosed, she was an infant. A doctor attributed her developmental delays to chronic ear infections. When she was 4 years old, a psychologist offered another explanation for Karli's difficulties. He said she was being ''willfully disobedient.''

When Karli was 8, a team of specialists misdiagnosed her again—with cerebral palsy.

Eight years later, when Karli was 16, Kathy was training to be a substance abuse counselor. As part of her training, she attended a conference on ''crack babies.'' Sitting in the audience, she was stunned. Every characteristic of ''crack babies'' the lecturer described, Karli had. But Kathy had never used crack.

She tracked down the few studies that had been done at that time on the effects of alcohol on fetuses. Again, she saw the same list of symptoms.

Years later, researchers would announce that most of the symptoms they originally thought were the result of fetal exposure to crack were actually the result of fetal alcohol exposure, and that alcohol is much more devastating to fetuses than crack—or any other drug.

Learning the real cause of Karli's special challenges has not lessened them. FAS and FAE are lifelong conditions. But, knowing the truth has enabled Kathy—and others in Karli's life—to focus less on Karli's deficits, and more on her strengths.

One of those strengths is Karli's extraordinary kindness and empathy. In addition to her volunteer work at NOFAS, Karli also volunteers to help people with cerebral palsy, and the elderly. Two years ago, she was named one of America's ''Thousand Points of Light'' by former President Bush. She is an inspiration to everyone who meets her, and one of the reasons I believe so deeply in advocating for children with FAS and FAE.

Another reason is a pint-sized girl named Lucy Klene. Lucy is 4 years old. She spent the first two years of her life in an orphanage in Russia. When she was 2, she was adopted by Stephan and Lydia Klene, of Herndon, Virginia. The Klenes also adopted a son from Russia, Paul, who is 3 years old and has no apparent fetal alcohol effects.

Within a month after bringing Lucy and Paul home, Stephan and Lydia began to suspect that Lucy had special challenges. Over the next 16 months, Lucy was evaluated eight times by pediatricians and other specialists.

Not one of them recognized the symptoms of Lucy's fetal alcohol effects. Finally, scouring the Internet, Stephan stumbled on the truth. He and Lydia took their research to Lucy's pediatrician, who read it and confirmed their hunch.

Today, Lucy is a talented little gymnast who attends special education preschool. And while it's still too early to know for sure, her doctor and parents think there is a good chance she will be able to live an independent and productive life when she grows up.

Together, Karli and Lucy illustrate the challenges that families with FAS and FAE face and the need for expanded prevention, early detection and real support for FAS/FAE families. While we have certainly seen progress—it took Karli's family 16 years to get a correct diagnosis and Lucy's family about 16 months—there is still much more that needs to be done.

A study recently released by Anne Streissguth at the University of Washington illustrates the importance of early intervention with individuals with FAS and FAE:

94 percent of children and adults with FAS experience mental health problems;

45 percent exhibit inappropriate sexual behavior;

43 percent have a disrupted school experience;

42 percent have trouble with the law;

Of the 90 adults studied, 83 percent do not live independently and 79 percent have problems with employment; and,

72 percent have been victims of physical or sexual abuse or domestic violence.

This study also showed that the presence of protective factors such as an early diagnosis and a stable and nurturing home reduce secondary disabilities. Even though early diagnosis is critical for preventing secondary disabilities, only 11 percent of kids and adults studied were diagnosed by age 6.

While intensive intervention is critical to enabling individuals with FAS and FAE to live productive, safe lives, there is still widespread ignorance about this disease in the health care, scientific and educational communities. There is little advice available to families on parenting skills or how to utilize outside resources.

Even when parents seek help from professionals, those teachers, counselors or health care providers may not have the training to provide necessary assistance or offer the right information.

Teachers often do not have the tools they need to serve these special-need students. Physicians frequently do not know which medications to provide, if any. And, like Karli, many individuals with FAS and FAE still remain unidentified and mislabeled as noncompliant or delinquent.

This amendment will fund a grant program within HHS to develop FAS training and treatment models that can be replicated around the country. The grant program was authorized by Congress in the fiscal year 1999 appropriations bill. The program will provide much-needed assistance to families, who, in many cases, have been bearing the burden of this national public health problem unaided and alone.

The grant program will be directed by the Centers for Disease Control and the Substance Abuse and Mental Health Services Administration. Portions of the funding for the grant will come from each of these agencies.

It is time for Congress to join those who have already dedicated time and resources to this effort. Particularly, I want to recognize the National Organization of Fetal Alcohol Syndrome that has been aiding children and families and fighting for prevention for the last 10 years. I would also like to thank the directors of the Family Resource Institute, who have educated and been a voice for parents of children with alcohol-related birth defects. I also greatly appreciate the work of those in my own state, including Judy Struck and those at the University Affiliated Program, Charles Schaad, and the South Dakota March of Dimes.

The National Institute of Alcoholism and Alcohol Abuse, NIAAA, has been studying FAS and FAE for more than 20 years, and it has provided excellent leadership with the Inter-Agency Coordinating Committee. The Centers for Disease Control and the Substance Abuse and Mental Health Services Administration should also be commended for their growing dedication to this cause.

We have developed a model for dealing with FAS and FAE that will bring our nation's best scientists together with advocates, service providers and families and will enable us to develop our knowledge of successful prevention, diagnosis, early detection, and education. It is the result of extensive consultation and input from experts in the field. I urge my colleagues to vote in support of this important amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, before I comment on the pending amendment,

the ranking member of the subcommittee and I have conferred, as we have been trying to have all of the amendments submitted. We make a request at this time that any Senator who has an amendment to this bill, let us know what it is by 11 o'clock. It is our intention, shortly thereafter, to propound a unanimous consent request that the amendments submitted to us at that time be the only amendments which will be considered on the bill. That is by 11 o'clock.

Briefly, on the pending amendment offered by the Senator from South Dakota, it is a very good amendment which allocates $25 million to fetal alcohol syndrome. Some $15 million is currently allocated. It may be even a greater amount should be allocated for this very pressing problem.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I compliment my colleague from South Dakota for bringing attention to this serious problem. Fetal alcohol syndrome affects 2,000 infants born every year. At the same time, we must keep in mind that birth defects generally are a major, even larger health care problem in this country. Birth defects are the leading cause of infant mortality, and about 150,000 children will be born with a major birth defect annually.

This year, CDC is spending only $16.5 million total on all birth defects, with an additional $2 million being spent on a folic acid awareness campaign for which I fought and worked with my colleagues in this body to support. The $10 million for CDC to fight fetal alcohol syndrome would be well spent. At the same time, we need to significantly increase our overall investment in the fight against birth defects.

I look forward to working with the chairman and ranking member and Senator DASCHLE as we move forward to make sure this critical area of children's health is adequately addressed in this bill and in the work of the CDC in the coming year.

I thank the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. I yield back the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 3658. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—98

| | | |
|---|---|---|
| Abraham | Feingold | Mack |
| Akaka | Feinstein | McCain |
| Ashcroft | Fitzgerald | McConnell |
| Baucus | Frist | Mikulski |
| Bayh | Gorton | Moynihan |
| Bennett | Graham | Murkowski |
| Biden | Gramm | Murray |
| Bingaman | Grams | Nickles |
| Bond | Grassley | Reed |
| Boxer | Gregg | Reid |
| Breaux | Hagel | Robb |
| Brownback | Harkin | Roberts |
| Bryan | Hatch | Rockefeller |
| Bunning | Helms | Roth |
| Burns | Hollings | Santorum |
| Byrd | Hutchinson | Sarbanes |
| Campbell | Hutchison | Schumer |
| Chafee, L. | Inhofe | Sessions |
| Cleland | Jeffords | Shelby |
| Cochran | Johnson | Smith (NH) |
| Collins | Kennedy | Smith (OR) |
| Conrad | Kerrey | Snowe |
| Coverdell | Kerry | Specter |
| Craig | Kohl | Stevens |
| Crapo | Kyl | Thomas |
| Daschle | Landrieu | Thompson |
| DeWine | Lautenberg | Thurmond |
| Dodd | Leahy | Torricelli |
| Domenici | Levin | Voinovich |
| Dorgan | Lieberman | Warner |
| Durbin | Lincoln | Wellstone |
| Edwards | Lott | Wyden |
| Enzi | Lugar | |

NAYS—1

Allard

NOT VOTING—1

Inouye

The amendment (No. 3658) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the Senator from Iowa and I had announced previously our request that all Senators submit amendments by 11 a.m. this morning. It is our intention, as soon thereafter as we can, to compile a list and to ask unanimous consent that that be the exclusive list for amendments to be considered on this bill.

Mr. HARKIN. Mr. President, if the Senator will yield, I fully support him in that. At 11 o'clock, which is about 20 minutes from now, we hope to be informed of all amendments. I say to Senators on our side, please let us know, either through the Cloakroom or directly, because shortly after that, I will be joining with our chairman in propounding a unanimous consent request to make that a finite list.

Mr. SPECTER. Mr. President, I thank my distinguished colleague from Iowa. We had announced that between the votes, but we repeat it at this time. We think we can conclude this bill today. If we have the cooperation of Senators on letting us know about their amendments, we will be able to do that.

Mr. President, we are about to have an amendment offered by the distinguished Senator from Massachusetts, Mr. KENNEDY. This has been worked out, but I formally ask unanimous consent that time on the amendment by Senator KENNEDY be limited to 60 minutes equally divided with no second-degree amendments in order prior to the vote.

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

Mr. SPECTER. Mr. President, the Kennedy amendment will be followed in sequence by an amendment by the Senator from Connecticut, Mr. DODD. This has been cleared.

I ask unanimous consent that the time on the Dodd amendment, prior to the vote in relation to that amendment, be limited to 30 minutes equally divided with no second-degree amendments in order prior to the vote.

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

Mr. SPECTER. I yield the floor to Senator KENNEDY.

AMENDMENT NO. 3661

(Purpose: To provide an additional $202,000,000 to carry out title II of the Higher Education Act of 1965)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. REED, Mr. BINGAMAN, Mr. WELLSTONE, Mr. DODD, Mrs. MURRAY, Mr. LEVIN, Mr. SCHUMER, and Mr. DURBIN, proposes an amendment numbered 3661.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the title III, insert the following:

**SEC. . TEACHER QUALITY ENHANCEMENT.**

In addition to any other funds appropriated under this Act to carry out title II of the Higher Education Act of 1965, there are appropriated $202,000,000 to carry out such title.

Mr. KENNEDY. Mr. President, I offer this amendment along with Senators REED, BINGAMAN, WELLSTONE, DODD, MURRAY, LEVIN, SCHUMER, and DURBIN.

Mr. President, this amendment is one of the most important policy matters that we are going to consider on this appropriation bill, and that is whether we are going to provide adequate resources to train the needed number of teachers for our classrooms and for children across this country.

We believe—at least I do—that the funds that have been allocated in the current bill are inadequate to do the job. I spelled out in my earlier comments that I know the Appropriations Committee received allocations. But, I don't believe those allocations given to the committee were adequate to really respond to the challenges we are facing in education. It is as a result of the fact that the Republican leadership wants to have a tax break. It seems to me that these priorities take preference over that. I wish these priorities had been given additional funds. In

spite of that, we ought to make an expression in the Senate about our priorities for the children of this country, particularly in the area of training teachers, so that we are going to have a well-trained teacher in every classroom in the country.

Mr. President, it was only in February of this year that the Wall Street Journal had an article on the front page:

SCHOOLS TURN TO TEMP AGENCIES FOR SUBSTITUTE TEACHERS.

Most school districts begin each day with a nerve-racking hunt for substitutes to fill in for absent teachers. With a tight labor market making the task especially tough, a few are starting to outsource the job. Kelly Services Inc. unveiled the first nationwide substitute teacher program four months ago, and now handles screening and scheduling for 20 schools in 10 States.

Mr. President, this is a national indictment of policy out of the local, State, and Federal level, where we are using the Kelly Services, which have provided professional secretaries and office assistants, and now they are out there recruiting teachers to teach in the schools for the children of this country. We have to be more serious about this issue. We know what needs to be done, and we ought to get about the business of doing it.

We have a number of groups that support our amendment, which include the American Association of Colleges for Teacher Education, the Association of Community Colleges, American Council on Education, the National Association of Independent Colleges, the NEA, the AFT, Council of Chief State School Officers, and others.

I ask unanimous consent that the full list of those supporting the program be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GROUPS THAT SUPPORT THE KENNEDY TEACHER QUALITY AMENDMENT

American Association of Colleges for Teacher Education.
American Association of Collegiate Registrars and Admissions Officers.
American Association of Community Colleges.
American Association of State Colleges and Universities.
American Council on Education.
American Federation of Teachers.
Association of Jesuit Colleges and Universities.
Boston College.
National Association of College and University Business Officers.
National Association of Independent Colleges and Universities.
National Association of State Universities and Land-Grant Colleges.
National Education Association.
National PTA.
The California State University.
Clark University.
The College Board.
Council of Chief State School Officers.
Lesley College, School of Education.
University of California.
University of Massachusetts.

Mr. KENNEDY. Mr. President, in 1996, what is basically the most important document that has been published on the need for getting high-quality teachers for the children of this country has been published by the National Commission on Teaching in America's Future, in September of 1996—''What Matters Most: Teaching for America's Future.'' There are many other studies and documents, but I think this is about as fine a document as we could have. In our Health, Education, Labor, and Pensions Committee, we relied on it very substantially, but not completely. We had over 20 days of hearings on our elementary and secondary education bill. Nonetheless, this document was, I thought, very profound.

The problem in making recommendations is about how to address them. I will take a moment to read the major flaws in teacher preparation:

For new teachers, improving standards begins with teacher preparation. Prospective teachers learn just as other students do: by studying, practicing, and reflecting; by collaborating with others; by looking closely at students and their work; and by sharing what they see. For prospective teachers, this kind of learning cannot occur in college classrooms divorced from schools or in schools divorced from current research.

Yet, until recently, most teacher education programs taught theory separately from application. Teachers were taught to teach in lecture halls from texts and teachers who frequently had not themselves ever practiced what they were teaching. Students' courses on subject matter were disconnected from their courses on teaching methods, which were in turn disconnected from their courses on learning and development. They often encountered entirely different ideas in their student teaching, which made up a tiny taste of practice added on, without connections, to the end of their course work.

Mr. President, they made a series of recommendations about what we ought to do. One was to reinvent teacher preparation and professional development. It included professional development in the schools themselves. Also, it talked about the importance of mentoring. Those are two very important features which have been left out in terms of this underlying appropriations bill which were included in our authorization bill.

Then, further, it goes on and says:

. . . fix teacher recruitment and put qualified teachers in every classroom.

That was one of the very strong commitments that we had in our Democratic proposal, our Democratic commitment for the Elementary and Secondary Education Act—a commitment to American families that we would put a well-qualified teacher in every classroom in this country within 4 years.

Look at what happened last year across this country, where school districts hired 50,000 unqualified teachers. This isn't a problem of just 1996, this is a problem of the year 2000 and 2001. We have to address it.

So where are we in terms of these recommendations that we took to heart in a very bipartisan way—which I will come back to—in terms of our Elementary and Secondary Education Act?

In this legislation, there is effectively no new money for teacher preparation. We are going to have level funding for title II of the Higher Education Act. This is what is requested; $98 million was requested last year and $98 million for this year. So there is virtually no increase. There will be absolutely no new Federal participation in working with States and local communities in terms of enhanced teacher recruitment—zero, none.

If you look at what is happening in this last year, as this money is being expended in 2000, where the grants are being made, now, it is only the difference between $77 million and $98 million because about 95 percent of the $77 million is carried through in 2- to 3-year programs. So the current situation is that over a 2-year period, with the demand for 2.2 million teachers, our Federal response has been to provide $21 million to help States and local communities go out and recruit teachers, when we have a need for 2.2 million of them. That is effectively wrong. We cannot do that. It is so important, and I will come back to this.

Let me just show you here what happened. For the $77 million that we had, we had 366 total applicants, but only 77 applications could be funded. We had 5 times the number of applications for the number of grants available. The desire is out there. The interest is out there. Parents and local communities want this kind of help and assistance. We are funding one out of five. And this is what is happening, also: We are expecting $21 million in grants for this current year, zero for next year. We expect that 11 applications will be funded out of 141 total applications. That is more than 12 times the number. People across this country—States, educational centers, local communities—want the help. One of the most important aspects of education is having well-trained teachers. What I find so troublesome is the fact that we worked out a bipartisan effort in the Higher Education Act of 1998, which is basically what this is all about.

It is about funding the provisions in the 1998 Higher Education Act. When we authorized the Higher Education Act in 1998, we had strong bipartisan support. Efforts were led by Senators REED, BINGAMAN, JEFFORDS, and GREGG. Our goal was to create a program to address the Nation's needs and to recruit better qualified teachers to enter the classroom. Each day, we agreed on that basic principle.

I hope our colleagues will agree to give it the full support it deserves.

Senator DEWINE during the course of the debate on title II:

Really, there is nothing more important in regard to education than the teacher. Our children deserve to be taught by teachers who really understand their subject, understand the subject matter.

I have worked hard to incorporate measures concerning good teaching into this bill. I want to thank Chairman Jeffords for the

assistance that he has given me and the cooperation in getting these sections incorporated into this very good bill.

Senator JEFFORDS:

As its foundation, Title II embraces the notion that investing in the preparation of our nation's teachers is a good one. Well-prepared teachers play a key role in making it possible for our students to achieve the standards required to assure both their own well being and the ability of our country to compete internationally.

Senator MCCAIN on July 8:

Another important component of this bill is the establishment of a comprehensive program promoting statewide reforms to enhance the performance of teachers in the classroom by improving the quality of teacher training. Having professional, well-trained teachers is an essential component for ensuring that our children achieve high educational standards.

Senator SMITH of Oregon:

By improving the quality of teacher training and recruitment, increasing the purchasing power of students through Pell grants and other forms of student assistance, and by improving access to higher education for students with disabilities, this legislation provides opportunity for the young people of our Nation to seek a higher education.

The list goes on and on. It keeps going on, with the exception to stop when it comes to putting funding into these kinds of commitments.

These are efforts that have been made in a bipartisan way to try to get an effective program and partnership with the State and local communities. Effectively, we are zeroing this out. We had $21 million provided for this last year. That is wrong.

Research shows that the national need for high-quality teachers is growing:

Doing What Matters Most: Investing in Quality Teaching, November 1997:

Nationally, relatively few teachers have access to sustained, intensive professional development about their subject matter, teaching methods, or new technologies.

National Center for Education Services, The Baby Boom Echo Report, 1998:

An estimated 2.2 million teachers will be needed over the next 10 years to make up for a large number of teachers nearing retirement and rapid enrollment growth.

One thing is for sure: They are not getting them in here. The Federal Government is AWOL on that issue of education.

What matters most is teaching for America's future.

The National Commission on Teaching and America's Future found that more than 50,000 people who lack the training for the job enter teaching annually on emergency or provisional licenses. And, 30–50% of teachers leave within the first three to five years. In urban district, the attrition rate can be 30–50% in the first year.

That is what is happening. You get them in there, and they leave, unless you have some very important changes, such as providing skills for teachers who will be working with newer teachers in situations involving mentoring, where we have seen these figures change dramatically and where teachers will remain and work in these communities.

The Urban Teacher Challenge Report of January 2000:

One hundred percent of 40 urban school districts surveyed have an urgent need for teachers in at least one subject area. 95% of urban districts report a critical need for match teachers; 98% report a critical need in science; and 97% report a critical need in special education.

There it is. In urban areas across the country: No math, no science, no special education. We are asking ourselves: What can we do as a nation to try to make a difference for children in our country? I don't know how many more studies we have to have. I am not saying if you just pour buckets of money, it is going to solve the problem. But one thing we know is that without the investment of resources in these areas, we are not going to solve it either.

My colleagues will speak about other aspects. But we need investment in terms of recruitment and professional development and in terms of mentoring.

Listen to the results of some of these studies.

''Teacher Quality and Student Achievement'', Linda Darling-Hammond, December 1999: The states that repeatedly lead the nation in math and reading achievement have among the nation's most highly qualified teachers and have made long-standing investments in the quality of teaching. The top scoring states—Minnesota, North Dakota, and Iowa, recently joined by Wisconsin, Maine, and Montana—all have rigorous standards for teaching that include requiring extensive study of education plus a major in the field to be taught. By contrast, states such as Georgia and South Carolina, where reform initiatives across a comparable period focused on curriculum and testing but invested less in teacher learning, showed little success in raising student achievement within this timeframe.

Do we have that? What are the conclusions? If you invest more in quality teachers and recruiting, and providing and keeping professional enhancement and mentoring, you are going to have the corresponding results in enhanced academic achievement.

That is what these reports show. If you do not do this, and spend the money in other ways, which you could do with the general funds—which I would call the block grant way—you find that you are failing the children in those particular areas.

1996 Mathematics Report Card for the Nation and the States, and 1994 Reading Report Card for the Nation and the States (National Assessment of Education Progress): Over the last decade of reform, North Carolina and Connecticut have made sizable investments in major statewide increases in teacher salaries and intensive recruitment efforts and initiatives to improve preservice teacher education, licensing, beginning teacher mentoring, and ongoing professional development. Since then, North Carolina has posted among the largest students achievement gains in math and reading of any state in the nation, now scoring well above the national average in 4th grade reading and math, although it entered the 1990s near the bottom of the state rankings. Connecticut has also posted significant gains, becoming one of the top scoring states in the nation in math and reading, despite an increase in the proportion of students with special needs during that time.

That has impacted many of our communities. Many of our communities are increasingly challenged with a wide expansion of diversity that eventually, of course, adds such extraordinary value to these communities. But they initially put additional kinds of pressures on education institutions and other institutions. That has been true in Connecticut, and it has been true in my own State of Massachusetts.

What does this report say? The report says that when you have sizable investments and intensive recruitment efforts and initiatives to improve preservice teacher educating, licensing, beginning teacher mentoring, and ongoing professional development, you see dramatic increases in the quality of education for these children.

I think that would be fairly self-evident for people in this Chamber to understand. We certainly understood it in the Health, Education, Labor and Pensions committee. It was understood there. As I pointed out, there is broad bipartisan support for those particular provisions.

We find that the various studies—I mentioned just a few of them—are compelling and convincing, and those who wrote those studies made presentations which were compelling. Others, in response to those measures, indicated they were compelling.

I see Senator REED. I understand I only have 10 minutes left. I yield myself 3 more minutes.

Let me point out exactly what this amendment does.

My amendment increases the appropriation for the Teacher Quality Enhancement Grants from $98 million in the underlying FY2001 Labor, Health and Human Services, and Education appropriations bill to the full authorization level of $300 million to enable much greater participation in this vital program to improve teacher preparation and recruitment.

This increase in appropriations from $98 million to $300 million will help fund over 100 additional partnerships.

The Teacher Quality Enhancement Program provides three types of grants to improve teacher training and recruitment:

One, local partnership grant to improve teacher training; two, State grants are to implement statewide teacher reform efforts; and three, local partnerships for State grants to focus on innovative teacher recruit programs.

The teacher quality enhancement grants support local partnerships among teachers, institutions, and local schools to help improve in many ways the quality of teachers entering the classroom. By increasing the cooperation between college programs that prepare new teachers in the schools that hire the teachers, teachers obtain

the effective training they need to teach in classroom settings. The prospective teachers have more opportunities to observe successful veteran teachers and obtain feedback.

I urge the Senate to support this amendment to increase the funding for this critical program so more of the Nation's schools and communities can improve teacher training programs. The Nation's children deserve no less.

Under the current proposal in the Senate, there is no new money for teacher preparation level for title II. There is minimal increase in the Eisenhower program, which effectively had been block granted in the Elementary and Secondary Education Act, so it may disappear completely. There are no funds for mentoring or recruitment. I think the bipartisan program that passed out of our human resources committee on higher education considered these various measures and had bipartisan support. I think we ought to give life to those recommendations. That is what this amendment does.

I withhold the remainder of my time.

The PRESIDING OFFICER (Mr. HUTCHINSON). The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I prefer to hear the balance of the argument of the proponents of the amendment before responding.

How much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes remaining. The Senator from Pennsylvania has 30 minutes remaining.

Mr. KENNEDY. I yield 5 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I thank Senator KENNEDY for yielding and for sponsoring this amendment. He has grasped the most critical aspect of educational reform in the United States today—improving the quality of teachers. He has simply brought forward the bipartisan, unanimous consent we reached in the Higher Education Act amendments of 1998 where, in the vote of 96–0, we passed the teacher quality enhancement grants program. We authorized a magnificent program on a unanimous vote, but we have failed to fully fund it. If we have the plan, but not the money, we are not going to succeed.

Senator KENNEDY is simply saying, we have a good plan, let's put the resources behind it.

We understand we need to have high-quality teachers to meet the challenges of the 21st century classroom. These challenges are different from 50, 30, 20, even 10 years ago. It is no longer sufficient for a student to go to a teacher college and learn about pedagogy and then go into the classroom. They need to have clinical exposure. They must have real-life experiences in the classroom before they become new teachers.

They also have to understand their subject matter. Technique is one aspect, but it can't substitute for detailed knowledge of the subject—be it science, history, or mathematics. They also have to understand how to integrate technology, which is at the key of most of the breakthroughs in education in the United States today.

They have to be able to deal with a diverse population of students, some with limited English proficiency, some who are coming from cultures much different from the culture in which the teacher grew up.

All of this necessitates significant reform in our educational practice. That is why, in the Higher Education Act, I worked closely with my colleague, Senator KENNEDY, and others to develop partnerships between teacher colleges and elementary and secondary schools—real partnerships where aspiring teachers can get the clinical experience, and the other things necessary to be prepared for today's classrooms. It is similar to the model of physician training. We would never send a physician into an operating room simply with a few lectures on theory. It is practice, practice, practice, before they are allowed to operate. It should be the same for teachers.

We can't do that unless we fully fund the teacher quality grants. They cover the spectrum. First, they provide the opportunity for these partnerships to develop. Second, they support statewide reforms. Third, they allow for recruitment of teachers, particularly to reduce shortages of qualified teachers in high-need school districts.

We will need 2 million new teachers over the next 10 years because of the changing population of teachers, retiring teachers who are leaving, and the increase of our student population entering first grade and kindergarten. Look at any urban school district in this country, and you will see they are suffering severe teacher shortages. Recruitment is necessary.

We also need to stimulate partnerships that are so essential between colleges of education and elementary and secondary schools.

Last year, $77 million was available for new grants. Mr. President, 366 applications were received—a huge response—from States and local school districts. This is a popular program. The Department of Education could only fund 77: 25 local partnerships, 24 State grants, and 28 teacher recruitment grants. Rhode Island, I am proud to say, got a State grant and is using it very well.

This year, however, only $21 million was available for new grants. There were 141 applicants, but the Department of Education estimates they will only be able to fund 11 grants—1 in 12. The need is there and the plan is there; the resources are lacking. That is why we are here today.

We want to fully fund this program up to the authorized total of $300 million, creating an additional 100 partnerships, State and recruitment grants. This will help meet the demand and do the one thing that is so critical to education reform in this country, which is not questioned by anyone, evidenced by a 96–0 vote in this Chamber approving the program: We have to enhance the quality of teachers in this country. We can't do it just with admonitions. We can't do it just with sentiments. We have to do it with dollars.

We have a program that works. We have a popular program. We just don't have the resources. Senator KENNEDY's amendment, which I am proud to cosponsor, will give us the resources to do the job.

I thank the Senator. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the bill which has been reported out by the Appropriations Committee appropriates some $40.2 billion to education funding, an increase of $4.6 billion over last year. This bill has $100 million more than the President asked for. We have assessed the priorities as the subcommittee saw them and as the full committee saw them and have made very substantial increases in very many important accounts.

For example, on the title I grants, there is an increase of $394 million, bringing the total to $8.3 billion. On the 21st Century Afterschool Program, there is an increase of $146 million, coming to $600 million. On special education, where we have made an extraordinary effort to try to have the Federal Government meet its obligation, we have made an increase of $1.3 billion to $7.3 billion. On title VI innovative education State grants, we had an increase—this was considered so important—from $400 million to $3.1 billion. On Pell grants, we had an increase of $350, to $3,650, a very important grant program enabling people to go to college. On the higher education programs, we had an increase of $165 million to $1.7 billion.

The amendment which the Senator from Massachusetts has offered is a very worthwhile amendment. I do not deny that for a moment. If we had more funding, I would be glad to see us increase the money in that account by what the Senator from Massachusetts would like to have. But the difficulty is that we have assessed the priorities. We have stretched the subcommittee allocation to $104.5 billion. That is the maximum amount which could be obtained, consistent with the wishes of our caucus. In fact, that is stretching the matter.

Last year, we lost some 20 members of the Republican caucus of 55 because there was too much money in the bill as it was viewed on our side of the aisle. But we have come in here with $104.5 billion and made allocations as we see fit, as we assessed the priorities.

Regrettably, I could not be on the floor yesterday to debate the Wellstone amendment and the Bingaman amendment and the Murray amendment because I was busy on a Judiciary Committee hearing where I have the responsibility to chair the subcommittee

on the Department of Justice oversight. If time permits today, I am going to talk a little bit about that. But when Senator WELLSTONE offered an amendment for $1.7 billion to increase title I funding, I would, frankly, like to see that funding done. Title I is very important, but I had to vote against it because it is a matter of assessing the priorities.

When Senator BINGAMAN offered a $250 million increase, again on title I, it was very meritorious. There is no higher priority, in my opinion, than education. The only priority which equals education is health care.

The allocations which our subcommittee has made have to take into account education and health care. We have increased the funding very materially on the National Institutes of Health and on drug rehabilitation programs and on school violence programs—all of which have to come out of the overall funding of $104.5 billion.

Senator MURRAY offered an amendment on class size, wanting to add $350 million. She disagreed with what the committee has done on the subcommittee recommendation, meeting the President's request for $1.4 billion for teachers to reduce class size. But we added a provision, if the local school districts want to use it for something else, they could get their share somewhere else.

So we come now to the amendment which is pending. It was just authorized in 1997–1998. There was no appropriation for support for teacher quality and professional development in 1998. In fiscal year 1999, there was an allocation of $77 million. It went up last year to $98 million. It is true, the funding has leveled.

I heard the Senator from Massachusetts say this funding is an indictment. That is just a figure of speech, but if it is an indictment, the President is included as well as the Appropriations Committee because that is the President's request. The President has already issued a veto threat on the bill because he doesn't like our allocations and our priorities. But the last time I read the Constitution, the Congress has the appropriations responsibility. Certainly the President has to sign the bill, or we can have passage over the veto, but we have established the priorities. On this matter of teacher quality and professional development, we have met the President's figure.

I approached the Senator from Massachusetts for some light talk before the amendment was offered. I said: Senator KENNEDY, how much money do we have to have in the bill so as to preclude a Kennedy amendment to add money? I ask him that every year. I want to know what the answer is next year, so we can bring a bill, hopefully, which would have sufficient money. But if it is $1.4 billion for class size, someone is going to offer an amendment for more money. Senator MURRAY did so, for $350 million more. Whatever the amount of money we put in, somebody is going to offer an amendment for more money.

I said last year, in voting against the add-ons, that I had cast more difficult votes that I did not like in the 4 days I managed this bill than I had cast in the previous 18 years I had been in the Senate because I am a firm believer in education.

In the Specter household, my parents had very little. My mother went to the eighth grade; my father, an immigrant, had no formal education. My brother and two sisters and I have been able to share in the American dream because of educational opportunity. I have been on this subcommittee for my entire tenure in the Senate, and I am doing everything I can to promote education in America so everybody has the maximum opportunity.

I would like to spend more money on teacher recruitment, teacher development, but it cannot be done within the confines of the very enormous allocation we have at the present time.

Mr. President, how much time do I have left on the 30 minutes?

The PRESIDING OFFICER. The Senator has 22 minutes remaining.

Mr. SPECTER. I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator for his comments and his explanation. But the fact remains, these allocations are within a context about how we are going to allocate resources in the Federal Government. This explanation we heard is in the context of a 10-year, $792 billion tax cut. If we did not have the $792 billion tax cut, we would have the opportunity to do more.

I personally believe this is a higher priority. I think most of us on this side of the aisle believe that it is a higher priority than having a tax cut and putting on the squeeze, in terms of improving quality of education. That is philosophical and that is decided in this body, where the majority are the Republicans and where they have had the votes in order to be able to do that. But that is the harsh truth.

The fact is, in more recent years, between 1980 and 1999, we are finding out the support for elementary and secondary education is falling down, and in higher education it is falling down.

Against that background, we have the explosion of the number of children who are going on to schools, K–12 schools. These are the numbers—54 million. I don't think we can do business as usual. I don't think it is a matter of shifting priorities from here to there on this matter, and shuffling the debt. I respect the Senator from Pennsylvania's strong commitment to education and health. There is nobody in this body who doubts it. But we are talking about the broader issue, and that is, given the announcement yesterday that we are going to have a $750 billion surplus in addition to what was expected, whether we are going to be able to find some $300 million to improve the quality of education, and do it in a program that has strong bipartisan support, that is what this is about. That is really what is at issue.

With regard to our program, in the legislation, the national commission, they say:

> We recommend that colleges and schools work with the States to redesign teacher education so that the 2 million teachers hired in the next decade are adequately prepared.

Then they list the various criteria:

> . . . stronger disciplinary preparation, greater focus on learning, more knowledge about curricula, greater understanding of special needs, multicultural competence, preparation for collaboration, technological skills, and strong emphasis on reflection.

Those have all been incorporated in our underlying amendment, which we are trying to fund. That is why it had the strong bipartisan support. Without this amendment, we have, effectively, flat funding. In our appropriation priorities, we are saying to the American people that we are not going to fund resources to provide the best teachers in the classrooms of America. I think we ought to be able to do so.

Mr. SPECTER. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from Pennsylvania has 22 minutes remaining.

Mr. SPECTER. Mr. President, with respect to the argument on education, it is a matter of priorities. We have a very extensive allocation of $104.5 billion. Much as I would like to see additional funding for teacher training and teacher recruitment, it is simply a matter of priorities. I am constrained to oppose the amendment by the distinguished Senator from Massachusetts.

INDEPENDENT COUNSEL

Mr. SPECTER. Mr. President, in my remaining time, or at least in a portion of it, I think it worthwhile to comment on the very extensive hearing which was held by the Judiciary Committee yesterday on the issue of independent counsel because the matter is now pending before the Attorney General of the United States as to whether independent counsel ought to be appointed.

The subcommittee on the Department of Justice oversight has conducted extensive hearings. Even before the subcommittee began its hearing process, this is an issue which I raised with the Attorney General on judiciary oversight more than 3 years ago in April of 1997. At that time, I raised the question of hard money and have consistently called for an investigation. We had the Chairman and Vice Chairman of the Federal Election Commission testify a week ago today on current complaints which have been stated by Common Cause and by Century 21, that both political parties ought to be investigated for abuses on soft money and for coordination of soft money with their campaign accounts. I have long contended that the investigations ought to be as to both parties

on a bipartisan or on a nonpartisan basis.

The issue, as I say, was raised first in April of 1997. FBI Director Freeh then made a request for independent counsel. That recommendation to the Attorney General was in November of 1997. Charles LaBella, who was appointed by the Attorney General as special counsel, made a similar request for independent counsel in July of 1998.

Within a week after the Freeh report was issued, I asked for a copy and was denied that. Within a week after the LaBella report was issued, I requested a copy and was denied that. We finally received those documents when Judiciary Committee subpoenas were issued, returnable on the 20th of April.

Then it came to light when Vice President GORE announced that he had been questioned by the new chief of the task force, Robert Conrad, that the matter was still open. Somehow, notwithstanding the fact that the Vice President had been questioned on four prior occasions, no questions were ever asked on two matters which had received very substantial publicity: the Hsi Lai Buddhist Temple fundraiser and the issue of coffees in the White House.

As a result of the investigation of the judiciary subcommittee, we determined that Mr. Conrad had made a recommendation to the Attorney General again for independent counsel, just like the LaBella recommendation, just like the Freeh recommendation. Mr. Conrad testified before our subcommittee a week ago today and declined to respond to questions about that matter. It was my judgment that it was a matter for the public to know. The public had a right to know. There was a necessity for the public to know if we were to have accountability by the Attorney General. As is the established custom as a subcommittee chairman, I made that public disclosure which was in accordance with our practice and something where there was solid justification for doing so.

In the hearing which we had with the Attorney General yesterday, it had been scheduled long before the disclosure was made that Mr. Conrad had made a recommendation of independent counsel. We went over with the Attorney General quite a number of factors, starting with the statements which Attorney General Reno had made during her confirmation hearing in 1993.

The Attorney General—then not the Attorney General but the district attorney of Dade County in Miami, FL—came in and asked for our support and our votes, and I voted for her in the Judiciary Committee and on the floor, in part because of her strong stand that the Independent Counsel Act was an important act. She said this during her confirmation hearings:

> It is absolutely essential for the public to have confidence in the system, and you cannot do that when there is a conflict or an appearance of conflict in the person who is, in effect, the chief prosecutor.

The Attorney General serves at the pleasure of the President who appoints her and is obviously very close to the President and to the Vice President.

Attorney General Reno further said at her confirmation hearing:

> The credibility and public confidence engendered with the fact that an independent and impartial outsider has examined the evidence and concluded prosecution is not warranted serves to clear a public official's name in a way that no Justice Department investigation ever could.

She quoted from Archibald Cox who said:

> The public could never feel easy about the vigor and thoroughness with which the investigation was pursued. Some outside person is absolutely essential.

It is in that context that the evidence was examined in our hearing yesterday as to whether independent counsel should have been appointed as to the Vice President and as to the President as well.

As to the Vice President, the issue arose about the veracity of statements which he made about telephone calls raising hard money from the White House. If the money was so-called soft money, it was not a contribution and not covered by the act. But if it was hard money, then there could be a violation of the act. The Vice President was questioned about that and said he did not raise hard money, did not know that hard money was to be raised.

I questioned the Attorney General at some length about the specifics which had been produced. For example, there were four witnesses who testified that at a meeting on November 21, 1995, hard money was discussed, certainly probative raising the inference that if a Vice President is at a meeting where hard money is discussed, he knew he was raising hard money or that hard money was the objective.

Leon Panetta, White House Chief of Staff, was very blunt about his testimony that the Vice President was there and listening and said the purpose of the meeting was ''to make sure they''—the President and Vice President—''knew what the hell was going on.''

The Attorney General and I had a protracted discussion about the fact that she discounted the evidence from David Strauss who was the deputy Chief of Staff for the Vice President who had made contemporaneous notes at this November 21, 1995, meeting: ''Sixty-five percent soft, 35 percent hard.''

Mr. Strauss said he could not remember. Notwithstanding that, the law of evidence is conclusive that if there is prior recollection recorded and a contemporaneous record made, that is evidence which can go before a grand jury or before a court.

The attorney said he did not remember, even after he looked at his notes. That raises an evidentiary report of prior recollection refreshed, and that is evidence. Even if a person does not now remember, if they had notes and that refreshes their recollection, the person may testify from the notes on the approach of current recollection refreshed. It does not rule out what his notes had on prior recollection recorded, even though he could not remember it. That was some very important evidence.

In addition, the Vice President received 13 memoranda from Harold Ickes who was involved and running the campaign. Those 13 memoranda recited hard money. The Vice President said he did not read the memoranda. That is a question which would call for further investigation.

The memoranda were put in his in box. And a secretary testified that the input was culled very carefully to keep out extraneous matters. But the Ickes memoranda always went in.

Then the Vice President further said that: The subject matter of the memoranda would have already been disclosed in his and the President's presence.

The Vice President further conceded, in interviews with the FBI—he acknowledged that he had ''been a candidate for 16 years and thought he had a good understanding of hard and soft money.''

It is important to focus on the fact that the matters presented to the Attorney General are not such that would warrant a prosecution, but only that the matters call for further investigation.

The independent counsel statute is very carefully structured so that the Department of Justice does not do very much. The Department of Justice only makes a preliminary inquiry, and then, in the language of the statute, ''The Attorney General, on completion of a preliminary investigation, determines that there are reasonable grounds to believe that further investigation is warranted.''

The others who were present at the meeting, who ''did not recall,'' should have been called before a grand jury, which the Attorney General cannot do on her preliminary inquiry. That is to keep the Department of Justice really out of it, but to turn it over to an independent counsel at an early stage.

The Attorney General did say yesterday that they did not submit this to a grand jury. Certainly that is the next step. When witnesses are questioned, it is one thing, but it is quite another to come into the formality of a grand jury, under oath, and to be asked questions. That is why there is the provision for further investigation.

The Attorney General testified yesterday, relying on her submission to the court declining the appointment of independent counsel, that ''the Government would have to prove beyond a reasonable doubt.'' That said, the standard for further investigation for appointment of independent counsel does not involve proof beyond a reasonable doubt, it is only that there is reason to have a further investigation.

I shall not characterize the Attorney General or draw conclusions at this

stage, but only lay out the facts and suggest that on the face of the very substantial materials produced, further investigation was required and independent counsel should have been appointed.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. SPECTER. Mr. President, the subject then arose as to what were the factors related to the famous fundraiser at the Hsi Lai Buddhist Temple on April 29, 1996.

The Vice President had received an e-mail from his scheduler asking whether there should be another stop on the April 29 itinerary on top of the ''two fundraisers in San Jose and LA.''

The Vice President responded:

If we have already booked the fundraisers, then we have to decline.

But the Vice President said he did not know there were any fundraisers, that the Hsi Lai Temple was a fundraiser.

Then Harold Ickes sent the Vice President a memorandum on April 10 identifying the Los Angeles fundraiser which would raise $250,000 and a supplemental memorandum on April 25 saying the Los Angeles fundraiser would raise up to $325,000. Within 24 hours of receiving this memorandum, the Vice President was given briefing materials from the Democratic National Committee informing him that the DNC luncheon he would attend on April 29 was at the Buddhist temple.

During the course of the event, two of the guests who ate lunch with the Vice President talked about fundraising. Witnesses there said—''One speaker commented that they had raised *x* amount of dollars.'' And another witness at the luncheon said that a speaker took the podium and reassured the assembled guests that they had ''doubled checked'' and it was ''OK to give contributions at the Buddhist temple.''

So here again, there are substantial indicators which certainly would call for going forward with independent counsel.

Then the question was raised about the coffees which raised more than $26 million. When the Vice President was questioned about the coffees—and the Vice President released the transcript—he said:

Question:

In terms of a fundraising tool, what was the purpose of the coffees?

His response was:

I don't know.

Then he was asked:

With respect to raising $108 million, did you have discussions with anybody concerning the role coffees would play in raising that type of money?

The answer of the Vice President:

Well, let me define the term ''raising.''

Shades of what ''is'' is.

Later, he was questioned:

You had indicated earlier you may have attended one coffee. What were you talking about?

His response:

Although it was not my practice to go to any of these coffees, there may have been one that I attended briefly.

The Vice President's lawyer then submitted a letter 2 days later, saying:

As best we can determine from the Vice President's schedule, he was designated to attend four White House coffees. The Vice President hosted approximately 21 coffees at the Old Executive Office Building.

Here again, those matters require further inquiry.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. SPECTER. Mr. President, I raised a question with the Attorney General as to why the Department of Justice went to ask the Vice President these questions on April 18. The apparent reason was that the subcommittee had finally gotten subpoenas out to get the Freeh and LaBella memoranda returnable on April 20.

So the subcommittee would soon find out that the Vice President had never been questioned about the Buddhist temple fundraiser or about the coffee klatsches and that, in fact, the Department of Justice was embarrassed by that omission.

I believe the Attorney General did a substantial disservice to the Vice President in failing to have these matters resolved one way or another at an early stage.

I said at the outset, last Thursday, when I discussed the matter as to the Conrad recommendation for independent counsel, that there is a sharp distinction between the level of information evidenced to call for an independent counsel's investigation and the level to return a criminal prosecution.

I raised a question with the Attorney General yesterday that her failure to act on these matters in 1997, and when Director Freeh called for an independent counsel in 1998, and when LaBella called for an independent counsel, has now put the 2000 Presidential elections in some state of controversy. These matters should have been cleared up. Why the questioning on April 18?

If independent counsel is appointed now, can there possibly be a determination to clear the Vice President before the Democratic convention in August? It seems highly unlikely.

If independent counsel or special counsel is appointed now, is there time to resolve the matter before the general election? It seems highly unlikely.

So that by delaying, it really is too late, at this point, to have special counsel. And that is a responsibility which falls squarely with the Department of Justice and the Attorney General for failing to appoint independent counsel in a timely manner.

It is puzzling why the matter would be reinvestigated and re-inquired into on April 18. The reason is obvious—so they would not be further embarrassed by not having asked about these two matters before. But what is to be done at this stage?

All of this leads to a conclusion that there ought to be some form of judicial review on the Attorney General's judgment on an independent counsel. I had tried for a long time to have a mandamus action brought to take it for judicial review to see if an independent counsel should have been appointed under the mandatory provisions of the statute or the discretionary provisions where there was an abuse of discretion. The problem was one of standing.

It would be my recommendation to the subcommittee that the subcommittee recommend that there be provision for standing to the Judiciary Committee to bring an action for judicial review to have a court determine whether an independent counsel should be appointed because of an abuse of discretion by the Attorney General or because of mandatory provisions of a new statute. This will be a very constructive result, so we do not find ourselves in a situation where these questions linger for more than 3 years and cannot really be resolved before the conventions and so that the Democratic Party would know who their candidate ought to be or what baggage that candidate would have.

How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. SPECTER. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent to speak for up to 15 minutes.

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

The Senator from Nevada.

Mr. REID. Mr. President, I follow boxing. When I was a younger man, I did some boxing of my own.

One of the things I remember more than anything else regarding fights is when Evander Holyfield fought Mike Tyson. You remember the famous fight where they were in the ring and suddenly Mike Tyson was chewing and biting on Evander Holyfield's ear. That was unfair. It was unnecessary. Mills Lane, the referee, said: You shouldn't do that.

They come out again. He does it again.

I feel, with all due respect to my good friend from Pennsylvania, that that is kind of what has happened here.

The two leaders want to speed up this very important bill. The minority will do everything we can. We have agreed to a time when the amendments could be filed. We have agreed that I will work, as other members of this conference will, to have some of the amendments disappear. The majority leader wants to finish this bill today.

Instead, we have an anti-GORE campaign speech coming from nowhere.

If we want to do something about campaign finance, why don't we do

something in the Senate Chamber such as trying to outlaw campaign soft money? That would be a good step to take. We have been trying for years to have campaign finance reform. We have narrowed the issues. We will now just take doing away with soft money. We will take that. But, no, we are prevented from having a vote on that. Why? Because the majority won't let us vote on it. So we have an anti-GORE campaign speech today by the manager of this bill.

I don't serve on the Judiciary Committee. I can't answer all the questions that have been asked. I read the newspapers.

We know that the Attorney General is an impeccably honest person. For example, when she was the chief law enforcement officer of Dade County, Miami, she would go to a car dealership to buy a car and would pay only the sticker price on the window. She didn't want anyone thinking she was getting some kind of a special deal from the car dealership. No one can question the veracity of Janet Reno. She is an honest woman and has been a good Attorney General and has called things the way she believes they should be.

I don't know anything about Conrad, other than he donated money to JESSE HELMS. The only donation he has made in his life was to JESSE HELMS. I also find it interesting that this came out as a result of a leak, a leak from supposedly secret information.

Then my friend from Pennsylvania has the audacity to talk about an independent counsel. We have had our fill of independent counsels, majority and minority. We don't want anymore. They have harassed and berated President Reagan, President Clinton. Independent counsel is out. Remember, we didn't reauthorize that. Of course, we can, because the law was in effect about the period of time the Senator from Pennsylvania was talking about. We could have another independent counsel, and maybe they could break the record of some of the others. For example, Walsh, he was at $50 million or thereabouts. We have had a tag team on the Whitewater stuff. We will probably break all records there. It will probably be about $75 or $80 million by the time that is finished. We all should be a little suspect that this great concern has taken place 4 months before the election.

To advance campaign finance reform, the House, in a bipartisan fashion, as they did last year, passed a bipartisan campaign finance bill that we had buried over here; it went no place—late at night passed a campaign finance bill to outlaw 527s. These are the secret committees that are formed. You don't have to list how much money you give, who gives it, or why they give it. You list nothing. They are secret. The House, in a bipartisan fashion, outlawed that yesterday.

Why don't we do that same thing in the Senate before the Fourth of July recess? If we want to do something to help the political process, let's do that, rather than gin up all this stuff that is so patently political from my friend from Pennsylvania that anybody could see through it.

This is simply an effort to hurt AL GORE in his election against George W. Bush. That is all it is about. Let's call it the way it is. You can dress it in all kinds of clothes and be very self-righteous about all this, but the fact is, this a campaign speech and a campaign effort to hurt Vice President GORE.

Let's talk about Vice President GORE. He also is an honest man, has a wonderful family; he is a religious man.

Now we have the ''bite on the ear'' this morning. I don't know how much we can take over here. We have worked very hard to move along the appropriations bills. The majority leader said: Work with us on these appropriations bills. It would be the right thing to.

We believe it is the right thing to do also. But we need the majority to go halfway. Do we now want Senators coming in here all day debating this? We have Senator LEAHY. We could have him come. He is ranking member on the Judiciary Committee. He would be happy to come over and spend an hour or two talking about what went on in the Judiciary Committee. We could have BOB TORRICELLI come over and spend an hour or two. He is articulate; he could do that. Is that what we want to happen today or do we want to go ahead with the Labor-HHS bill, a very important bill for the country?

I know the Presiding Officer believes strongly in the defense of this country. We should do the Defense authorization bill. We can't do the Defense authorization bill because it is tied up with campaign finance reform. If we did 527s, Senators MCCAIN and FEINGOLD would be happy to move on to another issue and allow us to complete the Defense authorization bill. A lot of items could be completed in the Senate. The minority needs a little help to move these things along. We can't be burdened, come Thursday afternoon or Wednesday night late, with: Why aren't we moving this bill along? We are not getting cooperation.

With regard to the work we have ahead of us on this bill, right now we have 88 amendments on the Democratic side—I don't know how many on the Republican side—to try to get rid of before we are able to complete the bill. That takes a lot of time. I don't think we should be diverted with this phony campaign finance issue, an attempt to interject it into the Presidential race 4 months before the election.

I think the majority leader has to make a decision. Are we going to spend the day on campaign finance? We would be happy to do that. What went on in the Judiciary Committee, we will come over and talk about it if that is what they want to do. I see my friend from Illinois, a member of the Judiciary Committee. I think he has something to say. I think he spent some time in the last few days in the Judiciary Committee. Is that fair?

Mr. DURBIN. Mr. President, I was on the Judiciary Committee assignment and Government Affairs assignment in the last Congress, and I sat through literally 1 whole year of this under Chairman THOMPSON.

Mr. REID. Well, I didn't. I can only comment on what I read in the papers. But I know when somebody's ear is bitten, as Tyson did to Holyfield, and it is unfair; that is what happened here today. I am not a member of the Judiciary Committee, but I am not going to let this go on being unannounced. We are on a Labor-HHS bill, and we are getting a lot of pressure to do something about it. Here we have a campaign speech in the middle of this bill, and that isn't fair.

Mr. DURBIN. Mr. President, if I might address the Senator from Nevada through the Chair, the situation we saw yesterday is clear evidence that we are in the campaign season. Instead of dealing with issues that many of us think are critical for families, such as prescription drugs and gun safety legislation, we are instead talking about further investigations.

I think there is a point where this Congress is expected to legislate rather than investigate. The closer we get to the election, I think the more the American people discount some of the rhetoric they are hearing on this issue.

Mr. REID. Well, if we want to do some work on this issue, then we will spend the day doing it on this issue, if that is what the majority wants. Or, as I say, I make an invitation: If we want to do something constructive about campaign finance reform, let's pass what the House did last night and do it before the Fourth of July recess. Let's make a goal when we get back, in that 3-week period, that we get rid of soft money, that corrupting influence on political campaigns.

Early in this century, there was a decision made by the Congress that we would not have soft money, corporate money, in Federal elections. The Supreme Court turned that on its head and now soft money is the money of choice, putting millions of dollars in these Federal elections. That is the invitation I make to the majority. Let's do 527 tomorrow and do soft money when we get back.

I know my time is gone. I want to move on with this bill. But the choice is that of the majority as to what we are going to do. Are we going to do appropriations bills? Are we going to debate what went on in the Judiciary Committee for the last several days?

The PRESIDING OFFICER. All time has expired on the Kennedy amendment.

Mr. SPECTER. I believe I have 30 seconds left.

The PRESIDING OFFICER. The Parliamentarian says there is no way to reserve that 30 seconds of time. All time did expire.

Mr. SPECTER. Mr. President, I ask unanimous consent to speak for 1 minute.

Mr. DODD. Reserving the right to object, and I don't intend to object, but I have an amendment on the bill, a relevant amendment. If it is going to be much longer, I will come back in an hour. If we can get to it, I would like to do that or let me go, so I can do something else.

Mr. SPECTER. Within the confines of 30 seconds, simply to reply, we are taking the time that we had on this amendment and nothing more. This is not a matter that has arisen in 4 months but 3½ years ago.

Mr. President, I raise a point of order under section 302(f) of the Budget Act, as amended, that the effect of adopting the amendment provides budgetary authority in excess of the subcommittee's 302(b) allocation under the fiscal year 2001 concurrent resolution on the budget and is not in order.

Mr. DODD. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable sections of that act for the consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER (Mr. ROBERTS). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 51, nays 48, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—51

| | | |
|---|---|---|
| Akaka | Durbin | Lieberman |
| Baucus | Edwards | Lincoln |
| Bayh | Feingold | Mikulski |
| Biden | Feinstein | Moynihan |
| Bingaman | Graham | Murray |
| Boxer | Harkin | Reed |
| Breaux | Hollings | Reid |
| Bryan | Jeffords | Robb |
| Byrd | Johnson | Rockefeller |
| Chafee, L. | Kennedy | Roth |
| Cleland | Kerrey | Sarbanes |
| Collins | Kerry | Schumer |
| Conrad | Kohl | Smith (OR) |
| Daschle | Landrieu | Snowe |
| DeWine | Lautenberg | Torricelli |
| Dodd | Leahy | Wellstone |
| Dorgan | Levin | Wyden |

NAYS—48

| | | |
|---|---|---|
| Abraham | Frist | McCain |
| Allard | Gorton | McConnell |
| Ashcroft | Gramm | Murkowski |
| Bennett | Grams | Nickles |
| Bond | Grassley | Roberts |
| Brownback | Gregg | Santorum |
| Bunning | Hagel | Sessions |
| Burns | Hatch | Shelby |
| Campbell | Helms | Smith (NH) |
| Cochran | Hutchinson | Specter |
| Coverdell | Hutchison | Stevens |
| Craig | Inhofe | Thomas |
| Crapo | Kyl | Thompson |
| Domenici | Lott | Thurmond |
| Enzi | Lugar | Voinovich |
| Fitzgerald | Mack | Warner |

NOT VOTING—1

Inouye

The PRESIDING OFFICER. On this vote the yeas are 51, the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Mr. President, just so we know what is happening here, after the Senator from Connecticut offers his amendment—I don't see the manager of the bill—there was an understanding that Senator KERRY from Massachusetts would offer the next amendment.

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

The distinguished Senator from Connecticut is recognized.

AMENDMENT NO. 3672

(Purpose: To provide $1,000,000,000 for 21st Century Community Learning Centers)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. KENNEDY, and Mr. WELLSTONE, proposes an amendment numbered 3672.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title III, insert the following:

**SEC. . 21ST CENTURY COMMUNITY LEARNING CENTERS.**

Notwithstanding any other provision of this Act, the total amount appropriated under this Act to carry out part I of title X of the Elementary and Secondary Education Act of 1965 shall be $1,000,000,000.

Mr. DODD. Mr. President, very briefly, this is an amendment on the 21st Century Community Learning Centers program.

Before getting to the substance of this amendment, I want to take a minute to thank my colleague from Pennsylvania and my colleague from Iowa for the work they have done on this bill in a number of areas—and in the are of child care in particular. Last year, when I offered an amendment to increase the funding for the Child Care and Development Block Grant, the distinguished Senator from Pennsylvania reluctantly opposed that amendment. In so doing, he said he would make every effort to raise the level up in this year's appropriation, which he did. I am very pleased with the level of funding that he has provided for child care.

So, while I am offering an amendment on afterschool, which is related in some ways to child care, I want to express my gratitude to the chairman of the subcommittee for his commitment to this issue and to our nation's families and children. As a result of the efforts of the Senator from Pennsylvania and the Senator from Iowa and their colleagues on the committee, 220,000 children will have access to affordable childcare next year who would not have had the increase in funding not been provided by the Senator from Pennsylvania.

Second, I commend Senator KENNEDY for his amendment on teacher quality. I am sorry it had a point of order raised against it. Similar motions have been made other Democratic education amendments—against Senator BINGAMAN's amendment on accountability, Senator MURRAY's amendment on class size, and Senator WELLSTONE's on title I.

I cannot let the moment pass without expressing my deep regrets that these amendments were necessary because the Elementary and Secondary Education Act has still not been considered. As many of you know, we only deal with that bill once every 6 years. I know we are in a rush to get everything done, but once every 6 years to focus on the elementary and secondary education needs of 2.5 million children and their parents is not a great amount of time.

I am sorry I am offering this amendment on the Labor-HHS bill. I would have liked to have considered this issue on the ESEA reauthorization. But, I know we are not going to have a chance to get back to the authorizing bill, so I am left with no alternative but to offer this amendment on afterschool programs on this bill. I express my apologies to my colleagues for doing so. If my colleagues care about afterschool programs, as most Americans do, this may be our only chance to do something about it.

The committee did increase funding for afterschool programs in this bill. They have raised that amount from $453 million up to $600 million. There has been an increase. It is interesting to note, we appropriated only $1 million in 1997 for afterschool programs. The demand has been so great by school districts across the country to fill this need that we have watched this program grow tremendously.

I will show my colleagues why. People ask: Why do we need more afterschool funding? The answer is not difficult to understand. In fact, parents across the country will tell you this without looking at statistics. You can go to any community in America, and around 3 o'clock in the afternoon, you will find people who work will try to find that 5, 10, 15 minutes to get to a phone if they do not have one at their own workstation, to call home to find out whether or not their child has gotten home and is safe.

This is a huge concern for parents. Do my colleagues remember the old bumper sticker which said: ''It is 11 p.m. Do you know where your child is?'' Mr. President, the fact is that 11 p.m. is not the problem, the hours right after the school day ends are the problem.

The statistics on this chart come from our major police organizations. They show that the peak period for serious violent crimes is between 3 p.m. and 6 p.m. That is the problem time.

Percent of robbery incidents for children under age 18: The peak period is 3 p.m., 4 p.m., 5 p.m., up to around 8 o'clock in the evening.

Percent of aggravated assault incidents for children under 18: The peak period is about 4 o'clock in the afternoon.

The first chart show when children are the perpetrators of crime. The second chart shows when children are at risk of being victims of crime. The peak period is 3 to 4 o'clock in the afternoon.

As I said, parents know about this and care about it. Let me show you to what extent they care about it. Through the 21st Century program, we are now offering 310 afterschool programs around the country. Yet the demand for these programs is much higher—in FY 2000, 2,252 schools applied for grants to provide afterschool services through this program. That demand is coming from the parents through the schools. And, frankly, we're not coming even close to meeting that demand with an increase in funding of $147 million. Increasing funding to $1 billion, as this amendment would do, would allow us to triple the number of children serviced to 2.5 million.

Before he even says anything, I can tell you the chairman is not going to argue with me about whether or not we need to do this. The chairman is going to say: Where are the resources going to come from? We are up against a wall on this.

It is a very difficult situation. If I want to find an offset for my amendment, I have to raid health care or child care. With these budget caps we have forced competition between programs that are serving the same families.

I know we have budget caps, but, like most Americans, I believe if people care enough about this, we will find a way to deal with it. We always manage to on other issues. This certainly qualifies as a crisis, if not a natural disaster where the winds and fires have devastated areas, it is close to something of a natural disaster when we have the violent crimes, the victimization of children, the fear that parents have about who is watching their kids, and what are they doing when they are home alone.

I will share with my colleagues, aside from the crime elements, what happens to kids when they are home alone.

Drug abuse, alcohol, cigarettes all begin with these age groups when kids are unsupervised. Parents, as I said earlier, are not unmindful of this. Eighty-five percent of the most recent study of voters think ''afterschool programs are a necessity. More than a third of the voters believe the single biggest threat to their children today is being unsupervised after. Voters rank afterschool programs, along with parent involvement and reducing class size, as the most effective means of improving academic performance.

Two months ago, I attended an event at the White House to release a report by a group called Fight Crime: Invest in Kids. It is a coalition of over 700 police chiefs and prosecutors across the country. Many of the individuals are conservative Republicans.

These police chiefs said: If you are going to address the issue of juvenile crime and the victimization of children, you have to focus on the issue of after school. The parents get it; the police officers get it. The question is whether or not we are going to find some means to do something about it, to support a program that can serve 2.5 million children of the 5 million who are home alone in the afterschool hours.

I mentioned earlier—and I will repeat it again today—that we spend less than one-half of 1 percent of the entire Federal budget on elementary and secondary education. I suspect that could be a great trivia question. I suspect most Americans think that as a percentage of our Federal budget that we would spend something more than less than one-half of 1 percent of the entire Federal budget on the 50 million children who attend public schools. Out of the 55 million children who go to school every day in this country, 50 million of them go to a public school. Five million children go to private, parochial schools.

Less than one-half of 1 percent of our budget goes to serve 50 million children. I suspect not one of us has been home in our states, regardless of the audience, where we do not find some way to talk about education in our remarks. We do so because I think all of us in this Chamber—regardless of party or political ideology—understand deeply how important education is to the well-being of our Nation and the need to improve the quality of our public schools.

Shutting down failed schools may provide some quick satisfaction, but too often those kids in a rural school—in Nebraska or Connecticut—or an urban school—in Los Angeles or Chicago or Philadelphia—have no alternative if you shut down the school. There are not a lot of schools around where they can all of a sudden go the next day or the next week. And these are the very children we most need to help. We have to do a better job in trying to help these underserved kids, the ones who come from single-parent families, or where two parents are working because they have to put food on the table.

Contributing only 7 cents out of the entire education dollar in the country, does not make the federal government a very good partner. Our local communities are strapped, our States are struggling to try to do a better job on class size, teacher quality, accountability, and afterschool programs.

We are not measuring up, in my view, to the level of partnership that we ought to provide. I am not suggesting we ought to assume all of the responsibility for education. That would be ridiculous. But right now we only contribute 7 cents on the dollar—$15 billion out of about $190 billion—that is spent nationwide on elementary and secondary education.

Again, here we are at the dawn of the 21st century. It is so obvious, it is so self-evident, that if we have hopes of succeeding as a people in this century, we must meet the educational needs of our children. This is about as fundamental as it gets. This is the hub of the wheel. People always say kids represent 25 percent of the population but they are 100 percent of our future. We are the ones who will set the ground rules on whether or not they are going to have the chance to succeed and prosper in the years ahead.

Mrs. BOXER. Will my friend yield for a question?

Mr. DODD. I am happy to yield to my colleague.

The PRESIDING OFFICER. The distinguished Senator's time has expired.

Mrs. BOXER. Mr. President, I ask unanimous consent that my friend be given 2 additional minutes.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mrs. BOXER. I thank my friend. I was not able to hear his entire presentation, but he and I have worked together on afterschool programs. We have made some progress because, frankly, in the first budget fight that this President had, he put afterschool on the table, and he insisted we increase our participation.

I don't know if my friend went over the details of how many people in this country really support what he is trying to do today. I wanted to make sure my friend knew, in the last poll I saw, about 90 percent of the people said: We need to do more for our children after school. I wonder if my friend knew that.

Mr. DODD. I did make that point. The Senator from California has been a leader on this issue for a long time and on many other issues related to education. But I made the point about how many people care about this issue and I shared the polling numbers with my colleagues.

Mrs. BOXER. I am happy my friend did that.

We call ourselves representatives. What we are supposed to do is represent the hopes and the dreams and the needs of the people. We have a bill that comes to the floor that is a cap bill. We understand that. But my goodness, we know there are surpluses coming. If we can't do more to meet this need, and get that 60 votes for the Senator in this amendment, I think we are failing our children.

I thank my friend for his leadership.

Mr. DODD. I thank the Senator.

I suspect my time has expired, Mr. President.

The PRESIDING OFFICER. The distinguished Senator has 30 seconds remaining.

Mr. DODD. Again, I urge my colleagues to vote to waive the budget point of order that I know my friend from Pennsylvania will have to make. I thank him again.

I will end where I began. He has been a very good friend on a lot of these issues. I realize his objections to this are not on the policy issue as much as it is a problem financially.

But I wanted to offer this amendment because it is a critically important one. My hope is we get back to the Elementary and Secondary Education Act and that we spend more time on that bill before this session ends. We have a chance to address these kinds of policy questions, on which I think more of my colleagues would like to be heard.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Pennsylvania is recognized.

## PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE AND A CONDITIONAL ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Con. Res. 125, the adjournment resolution, which is at the desk. I further ask consent that the resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there an objection?

The Chair hears none, and it is so ordered.

The concurrent resolution (S. Con. Res. 125) was agreed to, as follows:

S. CON. RES. 125

*Resolved by the Senate (the House of Representatives concurring),* That when the Senate recesses or adjourns at the close of business on Thursday, June 29, 2000, Friday, June 30, 2000, or on Saturday, July 1, 2000, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, July 10, 2000, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, June 29, 2000, or Friday, June 30, 2000, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 12:30 p.m. on Monday, July 10, 2000, for morning-hour debate, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

## THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS, 2001—Continued

Mr. SPECTER. Mr. President, I ask unanimous consent that a vote on or in relation to the Dodd amendment not take place at the conclusion of argument; that it be stacked later this afternoon at a time to be mutually agreed upon after consulting with the leaders on both sides.

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

Mr. SPECTER. Mr. President, there is not too much need for me to respond to the Senator from Connecticut. I think he has already stated my position in toto. I do think this afterschool program, which he has proposed to add to, is a worthwhile program. But it is beyond the limits with which our subcommittee has to work. He is correct that I will make a motion that it exceeds the allocation to our committee at the appropriate time.

Afterschool is very important. It is sort of a twin brother to day care. Last year, I agreed with the Senator from Connecticut to scrimp and save and use a sharp pencil to find $817 million more to bring day care up to $2 billion, which we did. I thought that kind of an allocation might have satisfied the Senator from Connecticut for a year. But it has not. So we will have to face this when it comes along.

He said to me: That is day care.

I said: Day care is very important. Bringing it up by more than $800 million to $2 billion was a tough job, Senator DODD.

I called him CHRIS at the time.

We thought that being a twin brother to afterschool, we might have avoided an amendment.

Mr. DODD. If my colleague will yield.

Mr. SPECTER. I will be glad to yield.

Mr. DODD. I was as complimentary as I could be. But I will be even more complimentary. I am deeply grateful to the Senator.

Mr. SPECTER. It is very tough being the manager of a bill that funds the Department of Education because there is no priority higher than education. The only one on a level with it is health care. And we have the funding coming out of the same pool of money.

We made the allocations as best we could. I know of the devotion of the Senator from Connecticut to this cause. He and I were elected at the same time. He withstood the Reagan landslide in 1980 to be one of two Democrats elected to open seats, when 16 Republicans came in. And he and I cochaired the Children's Caucus at that time.

In 1987, when he proposed family leave, I was his cosponsor, with a lot of turmoil just on this side of the aisle. We have worked together over the years for education and for children. I commend him for all that he has done.

We have added to education some $4.6 billion. We are $100 million more than the President in education this year.

We have increased funding tremendously for children and young people in America. The Head Start Program comes, curiously enough, under the Department of Health and Human Services. There is an increase this year of $1 billion to Head Start, coming up to $6.2 billion. We have increased special education by $1.3 billion, bringing it up to $7.3 billion. We have increased innovative State grants by $2.7 billion for more teachers, class size, and for school construction, with the proviso that it is limited. It is up to the local school district if they decide to do something else with it.

When it comes to the program the Senator from Connecticut is talking about, the 21st Century Learning Centers, we have added $146.6 million to bring the figure up to $600 million. In fiscal year 1999, it was $200 million. So we are moving right along on it to provide the maximum amount of money we can.

It is not an easy matter to allocate $104.5 billion—as much money as that is—for the National Institutes of Health and for drug programs and for school violence programs. We have done the best job we could. It is with reluctance that I raise a point of order.

How much time remains, Mr. President?

The PRESIDING OFFICER. The distinguished Senator has 9 minutes remaining.

Mr. SPECTER. I have made the essential arguments which are relevant. In the interest of moving the bill along and saving time, I make a point of order under section 302(b) of the Budget Act, as amended, that the effect of adopting the Dodd amendment provides budget authority in excess of the subcommittee's 302(b) allocation under the fiscal year 2001 concurrent resolution on the budget and is not in order.

Mr. DODD. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. SPECTER. Mr. President, as previously agreed to by unanimous consent, the vote will be delayed to a time agreed upon by the leaders later today. I yield back the remainder of my time so we may proceed with the amendment of the Senator from Massachusetts.

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized.

AMENDMENT NO. 3659

(Purpose: To increase funding for the technology literacy challenge fund)

Mr. KERRY. Mr. President, I call up amendment No. 3659 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], proposes an amendment numbered 3659.

The amendment is as follows:

At the end of title III, insert the following:

SEC. . Notwithstanding any other provision of this Act, the total amount made available under this title to carry out the technology literacy challenge fund under section 3132 of the Elementary and Secondary Education Act of 1965 shall be $517,000,000.

Mr. SPECTER. Mr. President, I ask unanimous consent that time on the Kerry amendment be 1 hour equally divided. We have already talked about this. I understand there is agreement.

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

Mr. KERRY. Mr. President, I ask unanimous consent that Senators BINGAMAN and MIKULSKI be added as original cosponsors of the amendment.

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

The Senator from Massachusetts.

Mr. KERRY. Mr. President, let me pick up, if I may, on the comments made by the Senator from Connecticut. There is a relationship between these amendments that are proposed by Senator KENNEDY, Senator BINGAMAN, Senator DODD, and myself. They are made with great respect for the leadership of the appropriations subcommittee. I share the feelings expressed by Senator DODD that they are working within the constraints that have been imposed on them by the Congress in a sense through the budgeting process.

What we are asking of our colleagues is to begin a process by which we more accurately reflect the truth of the budgeting process and the choices we as Senators face. The fact is, we have the ability to provide 60 votes to waive and to proceed to make a statement as the Senate that we believe a specific priority is significant enough that we ought to depart from the constraints. The constraints under which we are operating, that were very properly and articulately listed by the Senator from Pennsylvania, are restraints imposed by a Budget Act and by allocations that do not reflect the reality of the budget choice we face as a country because of the level of surplus. Since those allocations were made, we have in fact learned that we have a significant amount of additional funds available to us to begin to choose how we will reflect the priorities of our Nation.

I say to my colleagues on the other side of the aisle, a lot of us on this side of the aisle joined with them to put in place the fiscal discipline we all laud and believe is appropriate. It was a 1993 vote, in fact, that put in place the Deficit Reduction Act. Many of us are pleased that we finally were able to set this country on a course where we now have the current surpluses. We have to start to be smart about what kind of choices we are going to make.

I keep hearing colleagues on both sides of the aisle come to the floor. They lament what is happening to children in America. They lament what is happening with respect to young people who are increasingly feeding into the juvenile justice system of the Nation. We hear the cries of anguish about children having children out of wedlock, about the failure of marriage in this country. But we don't seem to connect our legislative actions to things that really might make a difference in the lives of young people so they will choose a more moral, traditional, affirmative course for their own life.

How do kids make those kinds of choices? Traditionally, in the America we always hear Members talking about, we have family, which is the best teacher of all, the most important connection of a child to their future. We have schools and teachers. History in America is replete with great personalities who harken back to a particular teacher who affected their life. We hear less and less of those stories in modern America. Finally, there is organized religion. Organized religion is the other great teaching entity. Not one that we are supposed to, in this body, specifically legislate about, but it is proper to acknowledge the role that religion plays as one of those three great teachers in the lives of children.

The truth is, in America today we have an awful lot of young children who don't have contact with any one of those three teachers, not one. Their teachers are the streets. Colin Powell talks about it in his America's Promise, which appeals to people to make a voluntary commitment to try to intervene in the lives of some of those children and replace the absence of those three great teachers.

What kids learn in the streets is not the real values of America; it is what I call ''coping skills.'' They learn how to get by. They learn how to survive. They learn the sort of ''law of the jungle,'' as some used to call it. The fact is, we are not doing enough, we Senators are not doing enough, to leverage those things that make a difference in the absence of the three great teachers.

I ask any one of my colleagues: How do we break the cycle of a kid having a kid out of wedlock? How do we break the cycle of a child raised in an abusive household, whose role models in life are people who beat up on each other, shoot drugs, get into trouble, such as the role models for that 6-year-old kid who shot a 6-year-old classmate living in a crack house with an uncle, a parent in jail, no one responsible?

What is that child's future, unless adults make the decision to somehow provide those positive forces that make a difference? What are the positive forces? Well, the positive forces are often some of the faith-based interventions, whether it is the Jewish Community Center or a Baptist organization or the Catholic Charities; but there are those entities out there that have a wonderful, extraordinary capacity to bring kids back from the brink. And then there are those organized entities that also do it, such as the Boys and Girls Club; Big Brother/Big Sister; YMCA and YWCA; or a program in Boston called Youth Build, or City Year. All of these provide young people with alternatives and the ability to have surrogate parenting, fundamentally. That is what is really taking place. What is really taking place is those entities is providing an alternative.

Now, we will debate in the Senate whether or not we are going to provide 200,000 H–1B visas. I am for it. I think we ought to provide that, or more, because we have an immediate need in this country to provide skilled people in order to keep the economic boom going and provide for critical technologies, to have good working people. But has it not occurred to my colleagues what an insult it is to our own system that we have to go abroad and import skilled labor to the United States, even as we are putting thousands of young kids into prison, into the juvenile justice system, and out into the streets, as the Senator from Connecticut just said, because we don't have afterschool programs? What are we going to do? We are going to import 200,000 skilled people to make up for the unskilled people whom we leave unskilled because we are unwilling to make the adult choices in the Senate that would make a difference in their lives.

How can we boast about the extraordinary surplus we have in this country, with the stock market climbing to record levels, the most extraordinary amounts of wealth ever created in the history of any nation on the planet right here in the United States, but poverty among children has increased by 50 percent and the number of kids who are at risk has increased.

I don't believe in the Federal Government taking over these programs. I don't believe in Washington dictating the solutions. But I do believe in Washington leveraging the capacity of people at the local level to be able to do what they know they need to do. So we are reduced to a debate where the Senator from Pennsylvania has to say, well, oh, my gosh, under our 201(b) allocation—or whatever the appropriate section is—we don't have enough money to be able to allocate because we have a total cap that has no relationship to the reality of what we must do.

We keep saying, isn't it terrific that we have raised the amount of money—and it is terrific—when the real question is, are we doing what we need to do to get the job done? That is the question we ought to be asking.

What is it going to take to guarantee that children in the United States of

America are safe? What does it take to guarantee that we don't dump 5 million kids out into the streets in the afternoons, unsafe, and exposed to drug dealers and to all of the vagaries of the teenage years and all of the pressures that come with it in a modern society that doesn't have parents around to be able to help those kids make a better choice? We don't have to do that. We ought to make it the goal of the Senate to guarantee that every child in America is going to be safe and secure between the hours when teachers stop teaching and when those parents are coming home. And we can ask 100,000 questions about why it is we are not providing arts and music and sports and libraries that are open full-time, and Internet access.

That is where my amendment comes in, Mr. President. Senator KENNEDY has an amendment on teacher quality, which is linked to the capacity of kids to fill those high tech jobs that we talk about. Senator DODD has an amendment talking about making those kids safe after school. My amendment seeks to increase the funding for the technology literacy challenge fund, which is a critically important education program that helps provide technology access, education, professional development, and instruction in elementary and secondary schools.

All we say is that to qualify for the money, States have to submit a statewide technology plan that includes a strategy on how the States will include private, State, local, and other entities in the continued financing and support of technology in schools.

There are two points that I can't stress enough. One is the importance of providing young people with the opportunity to learn how to use technology. I am not one of those people. I don't want to celebrate technology to the point of it being put up on a pedestal and it becomes an entity unto itself. Technology is not a god; it is not a philosophy; it is not a way of life. Technology is a tool, a useful tool. It is a critical tool for the modern marketplace and the modern world. But we are preordaining that we are going to have to have next year's H–1B plan, and the next year's H–1B plan, and another prison, and another program to deal with a whole lot of young kids for whom the digital divide becomes more and more real, who don't have accessability or the capacity to be able to gain the skills necessary to share in this new world. The fact is that there are too many teachers who don't have the ability to even teach; we have the schools wired; we have the e-rate.

We are beginning to get increased access to the Internet. But what do you do with it? How many teachers know how to use the technology to really be able to educate kids? How many kids are, in fact, having the benefit of the opportunity of having teachers who have those skills so that they can ultimately maximize their opportunities?

All we are suggesting is that we ought to be doing more to empower—not to mandate, not to dictate, but to empower—those local communities that desperately want to do this but don't have the tax base to be able to do it. Let's give them that ability. That is the best role the Federal Government can play—to leverage things that represent national priorities, leverage the things that represent the best goals and aspirations of ourselves as a Nation. It is not micromanagement; it is, rather, putting in place a mechanism by which we have national priorities—to have good, strong families, to have kids who are computer literate, and to have more skilled workers. Those are national priorities. But if we turn our heads away and say the only priority in this country is to sort of sequester this money for the senior generation in one form or another, without any regard to the generation that is coming along that needs to fund Social Security, that needs to have a high value-added job so they can pay into it and adequately protect it, that is not Social Security protection.

We have gone from 13 workers paying in for every 1 that is taking out—13 workers paying into the system for every 1 worker taking out—to three paying in and one taking out. Now there are two paying in and one taking out.

We have a vested interest as a nation in making sure those two paying in are capable of paying in; that they have a high value-added job that empowers them to pay in; when they pay in, it doesn't take so much of their income that they feel so oppressed by the system that they are not able to invest in their own children and in their own future.

That is in our interest. That is a national priority.

If we don't begin in the Senate tomorrow to adequately reflect the needs of our children in the money that we allocate, we will be seriously missing one of the greatest priorities the country faces.

All of us understand the degree to which there is an increase in the digital divide of the country. The technology literacy challenge fund is a critical effort to try to provide those kids with an opportunity to close that gap.

Last year, my home State of Massachusetts received $8.1 million. Some of the programs it put in place are quite extraordinary. Let me share with my colleagues one of the examples of this program that works so effectively. It is called the Lighthouse Technology Grant.

The Lighthouse Technology Grant incorporates new technologies into the State curriculum framework so that it better motivates children to be able to learn.

One of the schools in my State—the Lynn Woods Elementary School in Lynn—is integrating technology into the classroom by virtue of this grant. Fifth grade students at the Lynn Woods school are studying Australia. They have been able to videoconference directly with Australian students who are studying the Boston area.

You have students engaging in a very personal and direct way, all of which encourages their learning and enhances their interest in the topic. They have also developed writing skills through special e-mail pen pal programs with Australian students.

In addition, they have been able to connect more directly with the experience of life, thereby asking very direct questions and engaging in a personal exchange that they never could have experienced before because of telephone rates and because of the difficulties of communication under any kind of telephone circumstance.

The Lighthouse Technology Grant is only one of eight programs funded by this challenge grant in Massachusetts. It also provides grants to a virtual high school program which enables school districts to offer students Internet courses ranging from advanced academic courses to technical and specialized courses. Let me emphasize the importance of that to my colleagues.

A few weeks ago, I visited a high school in Boston, an inner-city high school, Dorchester High. I found that in this high school of almost 1,000 students in the inner city they are not able to provide advanced placement courses. I ask everybody here to imagine a high school that is supposed to be state of the art that doesn't have advanced placement courses.

Yet, because of the virtual high school and because of the access to the Internet, if we close the digital divide, we can in fact make it affordable and accessible for schools that today have difficulty finding the teachers, affording the teachers, and providing the curriculum—and be able to do so immediately.

That is the difference between somebody being able to go to college or being college ready or being able to go to college and advance rapidly in the kinds of curriculum and courses that will make even a greater difference in their earning capacity and in their citizen-contributing capacity at a later time. We need to recognize that unless we encourage this to happen, the transformation could take a lot longer than we want it to take.

For example, it has taken only 7 years for the Internet to be adopted by 30 percent of Americans. That is compared to 17 years for television to be adopted by 38 percent, and for the telephone, 38 percent during the same amount of time.

The world of work is obviously so much different and at a faster rate. But if we leave kids behind for a longer period of time, we will greatly restrain their learning capacity as well as our growth capacity as a country.

The technology literacy challenge fund has been funded under the committee's mark at about $425 million. The administration actually asked for $450 million. The House has set a figure

of $517 million. I think that is more reflective of the level of funding that is necessary in order to achieve the kind of transition that we wish for in this country. Some might argue we could even do more. But it is clear to me that by measuring the priorities as expressed by other colleagues we can, in fact, do more if we will challenge the system a little bit, if we will push the limits a little bit, and if we will look at the reality of the budget choices that the Congress faces.

I think nothing could be more important for all of us as Senators and as Congress this year. I hope my colleagues will embrace the notion that we can in fact do an appropriate waiver of the budget and set this as a priority of the Senate.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, here again, there is little doubt that technology literacy is a very important matter for America. There is no doubt about that at all. Here again, it is a matter of how our allocations are going to run.

We debated the Dodd amendment earlier today about afterschool programs—again, a good program. There is a question about the amount of money and where the priorities are.

We debated the Kennedy amendment about teacher recruitment—another good program.

We had to turn down amendments yesterday by Senator WELLSTONE who wanted more money for title I; Senator BINGAMAN, also more money for title I; Senator MURRAY asked for an additional $325 million on top of $1.4 billion which was supplied for class size. There is no doubt that so many of these programs are excellent programs.

The Senator from Massachusetts in offering this amendment noted the constraints we are operating under with respect to how much money we have in our allocation. We have established priorities. We have greatly increased the education account by some $4.6 billion. That is a tremendous increase, coming to a total of $40.2 billion. In our education account, we have $100 million more than the President asked for.

I have already today gone over a long list of items where we have increased funding on education on very important items. It is a matter of making the appropriate allocation and the setting of priorities.

I say to my colleague from Massachusetts that the House of Representatives has established a mark of $517 million in this account. It is entirely plausible that the figure that is in the Senate bill will be substantially increased.

We will certainly keep in mind the eloquence of Senator KERRY's arguments. There is no doubt about technology and about the need for more funding in technology.

I believe that a country with an $8 trillion gross national product can do better on education. I said earlier today and have said many times on this floor that I am committed to education, coming from a family which emphasizes education so heavily, my parents having very little education and my siblings and I being able to succeed—I guess you would call it success to come to the Senate—because of our educational opportunities.

That is the essence of our position. We have substantially more time.

I inquire of the Chair: How much time remains?

The PRESIDING OFFICER. The Senator from Pennsylvania has 26 minutes remaining. The Senator from Massachusetts has 8 minutes remaining.

Mr. SPECTER. Mr. President, I yield the floor, and I reserve the remainder of my time.

Mr. REID. Mr. President, if I could direct a question to the manager of the bill, it is my understanding Senator WELLSTONE will offer one of his amendments next.

Mr. SPECTER. That is fine.

Mr. REID. I will also have Senator WELLSTONE agree to a time limit.

Mr. SPECTER. Speaking of the time limit with Senator WELLSTONE on the floor, may we agree to 30 minutes equally divided, 20 minutes equally divided, 15 minutes equally divided? How much time does Senator WELLSTONE desire?

Mr. WELLSTONE. Mr. President, I did not hear the Senator.

Mr. SPECTER. Mr. President, I suggested a time agreement of 30 minutes equally divided, perhaps 20 minutes equally divided.

Mr. WELLSTONE. I say to my colleague from Pennsylvania, my guess is it will take me about 40 minutes on my side. I prefer not to agree to a time limit. I don't think I will go more than that.

Mr. SPECTER. Would the Senator from Minnesota be willing to enter a time agreement of an hour, 40 minutes for the Senator from Minnesota, and 20 minutes for our side?

Mr. WELLSTONE. I am pleased to do so.

Mr. SPECTER. I ask unanimous consent the time be set on the Wellstone amendment at 1 hour, with the Senator from Minnesota having 40 minutes and our side having 20 minutes.

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

Mr. SPECTER. Mr. President, I also ask unanimous consent that no second-degree amendments be in order prior to the vote.

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

Mr. KERRY. If the Senator from Pennsylvania wants to yield back time, I am prepared to do the same. I want to reserve one comment.

I appreciate everything the Senator has said. I appreciate his comments. I know he wants to do more. Unless we in the Senate tackle this beast called the allocation process, and unless we begin to challenge the constraints within which we are now dealing, we are not doing our job.

These votes are an opportunity to try to do that. My plea is to the Senator, the Appropriations Committee, and others, that we begin to try to change these shackles that are keeping us from responding to the real needs of the country. The measurement should not be what we are doing against a baseline set by us. The measurement should be, what will it take to guarantee we can turn to Americans and say we are addressing the problem, we are getting the job done.

We need to close that gap.

I am happy to yield back the remainder of my time.

Mr. SPECTER. Mr. President, I ask unanimous consent the vote on the Kerry amendment be deferred, to be stacked later today at a time to be mutually agreed upon by our respective leaders.

I raise a point of order under section 302(f) of the Budget Act, as amended, that the effect of adopting the Kerry amendment provides budget authority in excess of the subcommittee's 302(b) allocations under the fiscal year 2001 concurrent resolution on the budget, and is not in order.

Mr. KERRY. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable section of that act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERRY. I thank my colleague.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 3644

(Purpose: To provide funds for the loan forgiveness for child care providers program, with an offset)

Mr. WELLSTONE. I call up amendment 3644.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] proposes an amendment numbered 3644.

Mr. WELLSTONE. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 71, after line 25, add the following:

SEC. ____. (a) In addition to any amounts appropriated under this title for the loan forgiveness for child care providers program under section 428K of the Higher Education Act of 1965 (20 U.S.C. 1078-11), an additional $10,000,000 is appropriated to carry out such program.

(b) Notwithstanding any other provision of this Act, amounts made available under titles I and II, and this title, for salaries and expenses at the Departments of Labor, Health and Human Services, and Education, respectively, shall be reduced on a pro rata basis by $10,000,000.

Mr. WELLSTONE. Mr. President, I come to the floor to offer a very simple amendment. This amendment asks only that we appropriate an additional $10 million to fund the loan forgiveness program which was authorized under the Higher Education Act. This is a loan forgiveness program for women and men who go into child care work. This would be taken from administrative expenses in the overall budget.

Despite the fact that we know that child care workers struggle to pay back their student loans, and that all too many of them earn poverty-level wages without benefits, which means in turn that many of them are forced to leave their work for higher paid work, we have yet to appropriate one penny for this forgiveness program.

I originally offered this amendment calling for loan forgiveness for those men and women who go into the child care field with Senator DEWINE. My thought was this is sacred work. This is important work. This is work with small children. If people are going to be paid miserably low wages—many having no health care benefits at all, and we understand the importance of early childhood development—then let's at least have a loan forgiveness that will encourage men and women to go into this area.

Right now the child care situation in the United States is critical. We have a system in place where child care is prohibitively high for working families. It is not uncommon for a family to be paying $6,000 per child, $12,000 per year, $10,000 per year. Maybe the family's overall income is $35,000 or $40,000.

At the same time, we have child care workers who are taking care of children during the most critical years of development and they don't even make poverty wages.

It seems counterintuitive. How can it be that on the one hand child care is so expensive, but on the other hand those men and women who work in this field are so underpaid?

The problems of the high costs and the low wages are inevitable under the current system of child care delivery in the United States. Colleagues, this amendment is just one vote, but this is a central issue of American politics. Talk to working families in this country and they will list child care as one of their top concerns. They are not just talking about the cost of child care, but they are also saying when both parents work, or as a single parent working, they worry most of all that their child is receiving the best care—not custodial, not in front of a television for 8 hours, but developmental care.

On a personal note, I can remember as a student at the University of North Carolina, barely age 20, Sheila and I had our first child. I will never forget, 6 weeks after David was born, Sheila had to go back to work. That is all the time she could take off. Six weeks is not enough time to bond with a child. We had hardly any money. We asked around and we heard about a woman who took care of children. We took David over. After about 3 days of picking him up, every day he was listless. Before he had gone to this child care, this home child care setting, he was engaged and lively. It was wonderful.

I was at school, I was working; Sheila was working. At 5 o'clock or 5:30 we would come to pick him up and he was listless. Finally, after 3 days I got concerned and I showed up at her home in the middle of the day. The problem was she had about 20 children she was trying to take care of. Most of them were in playpens and she had stuck a pacifier in their mouth and they were receiving no real care. There was no real interaction. Parents worry about this.

I argue today on the floor of the Senate, one of the keys to making sure there is decent developmental child care—not custodial child care—is to have men and women working in this field being paid a decent wage. Right now, we have a 40-percent turnover in this field. Who pays the price? The children.

I have said on the Senate floor before, when I was teaching at Carleton College as a college teacher for 20 years, I had conversations with students who came to me and said: Look, don't take it personally. We think you are a good teacher, Paul, and we really appreciate your work as a teacher. But we would like to go into early childhood development. The problem is, when you make $8 an hour, with no health care benefits, and you have a huge student loan to pay off, especially at a college like Carleton, you can't afford to do it. Some of the people want to go into this field, which we say is so important, but they can't afford to do it.

The least we could do is have a small loan forgiveness program.

The result of the system we have right now is poverty-level earnings for the workforce.

By the way, who are the child care providers in the country today? Mr. President, 98 percent of them are women, and one-third of them are women of color. We can do a lot better. We pay parking lot attendants and men and women who work at the zoos in America twice as much as we pay those men and women who take care of our small children. Something is profoundly wrong when we pay people who care for our cars and our pets more money than we do for those who care for our children.

Let me go over the facts. The average teacher based at a child care center earns roughly $7 an hour. Despite above average levels of education, roughly one-third of the child care workers earn the minimum wage. Even those at the highest end of the pay scale, who are likely to have a college degree and several years of experience, make about $10 an hour. Family child care providers—a lot of child care is in homes—make even less money. People who care for small groups of children in their home make on average about $9,000 per year after all expenses are figured in.

A recent study by the Center For The Childcare Workforce finds that family child care providers earn on the average, when you take into account their costs, $3.84 an hour, given their typical 55-hour week. Not only that, but the majority of child care workers in our country receive no health benefits, despite high exposure to illness. A lot of kids, when they come, have the flu and they pass it around. Fewer than one-third of the child care providers in this country today have health insurance, and an even smaller percentage of child care workers have any pension plan whatsoever. A recent study in my State of Minnesota found that only 31 percent of child care centers offered full-time employees fully paid health care.

The consequences of these dismal conditions are clear. Let me just put it into perspective for colleagues. In the White House Conference on the Development of the Brain, they talked about how important it is that we get it right for children in the very early years of their lives. The medical evidence is irrefutable and irreducible that these are the most critical years. We all want to have our pictures taken next to children —the smaller the children are, the better. Yet at the same time we have done so precious little to make a commitment to this area. We have child care workers, men and women who work in these centers, who do not even make half of what people make who work in our zoos. I think work in the zoo is important, but I also think work with small children is important.

We have the vast majority of child care workers barely making minimum wage or a little bit above, only about a third at best having any health care coverage whatsoever.

Senator DEWINE and I, several years ago, help pass a bill that authorized some loan forgiveness so you would have men and women who could go to college, with the idea they would go into this critically important field and their loans would be forgiven. What I am trying to do, taking it out of administrative expenses, is just finally to get a little bit of appropriation; start out with $10 million so we finally set the precedent that we are willing to fund this. We have not put one penny into this program so far.

What happens is that we have this high turnover. As I said before, probably about 40 percent or thereabouts of child care workers in any given year go from one job to another. That figure may be a little high, but it is a huge turnover. Who pays the price? The children pay the price. As I look at my own figures, I guess it is about a third, a third of this country's child care workforce leaves the job each year because they are looking for better work. This leads to a dangerous decline in the quality of child care for our families. The most dangerous decline in quality is the care for toddlers, for infants.

They are exposed to the poorest care of all.

We have not appropriated one cent for the loan forgiveness program we authorized 2 years ago, and at the same time you have 33 percent of child care workers every year leaving, and you don't have the continuity of care for our children, for families in this country. At the same time, it is the infants and the toddlers who are the ones who are most in jeopardy. At the same time, we have not made any commitment whatsoever to at least—at least, this doesn't change everything in the equation—make sure we have a loan forgiveness program.

Another thing that is happening is that as we begin to see a severe teacher shortage, a lot of child care workers are saying that they can't make it on $8 an hour with no health care benefits. A lot of younger people say they can't make it on $8 an hour with no health care benefits and a big loan to pay off. They now become our elementary school teachers or middle school teachers.

As a result, what you have is, at the same time the number of child care providers is decreasing, the number of families who need good child care for their children is dramatically increasing. That is not just because of the welfare bill, but because the reality of American families today, for better or for worse—sometimes I wonder—is that you just don't have one parent staying at home. In most families, both parents are working full time. This is a huge concern to families in this country. We could help by passing this amendment.

I want to talk about one study in particular that I think, in a dramatic way, puts into focus what I am talking about. It was a recent study by the University of California at Berkeley and Yale University. They found that a million more toddlers and preschoolers are now in child care because of the welfare law. That wouldn't surprise anyone, given the emphasis on people going to work. So far, so good.

But they also found that many of these children are in low-quality care, where they lag behind other children in developmental measures. This was a study of 1,000 single mothers moving from welfare to work. They wanted to know where were their children. What they found out was their children were, by and large, placed in child care settings where they watched TV all the time, wandered aimlessly, and there was little interaction with caregivers. Here is the tragedy of it. Many of these toddlers from these families showed developmental delays.

Would anybody be surprised? Anyone who has spent any time with small children would not be surprised. When asked to point to a picture of a book from among three different pictures, fewer than two in five of the toddlers in the study pointed to the right picture compared to a national norm of four out of five children.

One of the study's authors is quoted as saying:

> We know that high quality child care can help children and that poor children can benefit the most. So we hope that this will be a wake-up call to do something about the quality of child care in this country. The quality of daycare centers is not great for middle class families, but it is surprising and distressing to see the extent to which welfare families' quality was even lower.

I simply want to point out that just because a family is a welfare family or just because a family is a poor family does not mean these small children are not as deserving of good child care. That is not the situation today in the country.

Ironically, as we see the child care system deteriorating, we are now putting more and more emphasis on the importance of developmental child care. We are saying at the same time that we want to make sure single parents work and families move from welfare to work. We are putting the emphasis on work, and more families have to work to make it.

The median income in our country today is about $40,000 a year. The income profile is not that high. We know investment in early childhood development pays for itself many times over. We know good child care programs dramatically increase the chances for children to do well in school, for children to go on beyond K–12 and go to college and do well in their lives, and we know the lives of low-income families, in particular, quite often lack some of the advantages other families in this country have. Children from low-income families do not always have the same vocabulary; there is not always the opportunity for a parent or parents to read to them. Therefore, the learning gap by kindergarten is wide. Some children start way behind, and then they fall further behind.

I cite one study which began in the seventies on the effects of early childhood intervention. Children who received comprehensive, quality, early education did better on cognitive, reading and math tests than children who did not. This positive effect continues through age 21 and beyond. Parents benefit as well. I do not understand where our priorities are. We should want to make a commitment to working families in this country and make a commitment to children.

I want to give some evidence from the State of Minnesota, and then I will finish up at least with my first comments. This loan forgiveness program works. First, it gives people an opportunity to go to college who want to become child care workers. Second, the turnover is reduced. Third, this means we get better people.

My own State of Minnesota has experimented. We have a State level loan forgiveness program. In 1998, we offered child care providers up to $1,500 in forgivable student loans for the first time. Fifty percent of the money was set aside for what we call the metro area, and 50 percent of the money was set aside for greater Minnesota, outside the metro area. The money was awarded on a first come, first served basis. People began lining up on the first day. In the metro area, all the money was gone by 5 p.m. on the second day, and all of the money for rural Minnesota was awarded within 2 weeks.

This year, Minnesota has made over $900,000 available through their loan forgiveness program. They started accepting applications in March, and they have committed nearly half the money to family care providers and 50 percent to center-based providers. A lot of it goes to rural Minnesota and a lot of it goes to urban Minnesota.

I am saying to my colleagues, I am hoping I can win on this amendment. I take it out of administrative expenses. We know the budget is going to be better for this Health and Human Services bill. We know we do not have a good budget with which to work right now. We know the cap is going to go up. We know we are going to have more resources with which to work.

We all say we are committed to developmental child care.

It is one of the top issues of working families. It seems to me several years ago—I did this with Senator DEWINE—we authorized legislation that called for loan forgiveness to men and women who want to go into this critical area, and we have not appropriated one penny. We can at least find it in our hearts and find our way to put some appropriations into this legislation. I am calling for $10 million as a start.

I am saying to Senators today—and I do not think anybody can argue with me—there is not one Senator who can dispute the clear set of facts that we have to get it right for children. We have to get it right for them before age 3, much less before age 5. Nobody can argue with that.

Nobody can argue these are not critical developmental years. Look at the spark in their eyes. They are experiencing all the unnamed magic in the world before them, as long as we encourage them. No one can argue that for working families this is not a huge issue, both the expense of child care, which I cannot deal with in this amendment, and the quality of the care for their children. If both parents are working or a single parent is working, there is nothing more important to them than making sure their child is receiving the best care. They do not want their child warehoused. They do not want their child in front of a television 8 hours a day. They want to make sure their child is stimulated. They want to make sure there is nurturing for their child. They want to make sure there is interaction with their child.

I do not know how some of the people who work in the child care field do it. They are saints; they do it out of love for children; but they should not be the ones who subsidize this system. We are not going to have good people in the child care field if they are making $8 an hour. We are not going to have good people if they do not have any health

care benefits. I cannot deal with that in this amendment, but I can deal with one thing. I can call on my colleagues, Democrats and Republicans, who say they are committed to good child care, who say they are committed to family values. If they are committed to family values, what better way to value families than to make sure that when people are working, their children are receiving good care? What better way to make sure that happens than to do something about the one-third turnover every year?

How can we best deal with the one-third turnover? We need to do a lot of things, but this amendment in its own small way helps. I am simply saying we ought to at least put $10 million into this loan forgiveness program so we can encourage men and women—frankly, I would like to see more men in this field; it is almost all women in this field. At least they know their loan will be forgiven. That will make a huge difference. That is all this amendment is about.

I also say to my colleagues, I offer this amendment on behalf of myself and Senator DEWINE. I am so pleased Senator DEWINE is a cosponsor. I have done a number of different bills and legislation with Senator DEWINE. We did the Workforce Investment Act together, and we did this authorization together. I do not think we are asking too much.

This is actually a crisis. The fact is, the studies that have come out about the quality of child care in this country are pretty frightening. Sometimes it is downright dangerous, but almost always it is barely adequate, and we have to do something about it. One of the best ways we can show we care is to at least begin putting some funding into this loan forgiveness program.

I reserve the remainder of my time if, in fact, there is substantive debate on this issue. Otherwise, I will make a few other points. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time on the amendment?

The Senator from Alaska.

Mr. STEVENS. Mr. President, on behalf of the committee, we are prepared to accept this Wellstone amendment which provides $10 million for loan forgiveness for child care providers. The program was authorized by the Higher Education Amendment of 1998 and has never been funded.

The administration did not request funding, I might add. A $10 million offset in administrative expenses will pay for this amendment.

If the Senator is agreeable, I will accept the amendment to forgive loans for child care providers who complete a degree in early childhood education and obtain employment in a child care facility located in low-income communities. That is acceptable to us.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank my colleague from Alaska. And if this is not presumptuous of me to say, normally I like to call for a recorded vote, but I would be pleased to have a voice vote, if that is what my colleague wants. And there is one reason why. I can't get an ironclad commitment from the Senator from Alaska, but I make a plea to him to please try to help me keep it in conference. It would be a small step toward getting funding for this. I know the Senator is very effective. I don't need to have a recorded vote if he can at least tell me he will certainly try.

Mr. STEVENS. The Senator does not need a recorded vote. This amendment probably applies to my State more than any other State in the Union. I assure him I will be asserting his position in conference.

Mr. WELLSTONE. Mr. President, I am very glad to hear that. I think I would be pleased to go forward with a voice vote.

Mr. STEVENS. Mr. President, we ask for the adoption of the amendment.

The PRESIDING OFFICER. Do both Senators yield back their time?

Mr. STEVENS. I yield back our time.

Mr. WELLSTONE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3644) was agreed to.

Mr. STEVENS. I move to reconsider the vote.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The Senator from Alaska.

Mr. STEVENS. Mr. President, we are awaiting clearance—I understand there is a Kennedy amendment on job training. We would like to get a time agreement on that. I would urge that we consider that at this time.

Does the Senator wish the floor?

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I say to the manager, the chairman of the full committee, Senator STEVENS, we would like to have Senator REED of Rhode Island offer the next amendment. He is on his way over to do that.

Mr. STEVENS. Is it possible to get a time agreement on that?

Mr. REID. Yes, it is.

Mr. STEVENS. We would like to get time agreements so it would be possible to stack votes later, if that is possible. Is the Senator prepared to indicate how long it might be?

Mr. REID. We will wait until he gets here, but I don't think he will take a lot of time.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, might I ask my colleagues, there is some order here. There is going to be a Reed amendment—is that correct?—next, and then a KENNEDY amendment. I have an amendment with Senator REID that deals with mental health and suicide prevention. Might I add that I follow Senator KENNEDY? I am ready to keep rolling.

Mr. STEVENS. I am not prepared to agree to that yet. We are not sure Senator KENNEDY wants to offer his amendment yet. We are prepared to enter into a time agreement on the KENNEDY amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. STEVENS. Mr. President, I might state for the information of the Senate, we are trying to arrange amendments from each side of the aisle. We urge Members on the Republican side of the aisle to come forward with amendments if they wish to call them up today.

For the time being, I ask unanimous consent that on the amendment offered by Senator REED of Rhode Island there be a time limit of 30 minutes equally divided, with no second-degree amendments prior to a vote on or in relation to that amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and, it is so ordered.

Mr. STEVENS. We presume that there may be a Republican amendment offered after the Reed amendment. But in any event, the next Democratic amendment to be offered would be that of Senator KENNEDY, his job training amendment, and prior to that vote, there would be—let's put it this way, that time on that amendment be limited to 60 minutes equally divided, with no second-degree amendments prior to a vote.

It is my understanding there would be 2 minutes on each side. Is that the procedure now prior to the vote? Is that correct, may I inquire? Is that your desire?

Mr. REID. That is appropriate.

Mr. STEVENS. I ask unanimous consent that on each of these consents there be a 4-minute period prior to the vote to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. WELLSTONE. Can I ask my colleague in that sequence, that following Senator KENNEDY there be a Republican and then I be allowed——

Mr. STEVENS. It is my understanding the third Democratic amendment to be offered would be the amendment from Senator WELLSTONE. We are awaiting the Republican amendments to see. But it will be the Reed amendment, then a Republican amendment, then the Kennedy amendment, then a Republican amendment, and then the Wellstone amendment.

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

Mr. REID. Senator WELLSTONE has agreed to 1 hour evenly divided.

Mr. STEVENS. I don't know what the subject matter is.

Mr. REID. Mental health.

Mr. WELLSTONE. Suicides.

Mr. REID. It deals with suicides.

Mr. STEVENS. We haven't seen it, but we will be pleased to consider an hour on that amendment and get back to the Senator.

Mr. REID. If you need more time, we don't care. If you decide you do, we will add it on to ours.

Mr. STEVENS. Let's decide the time on that amendment once we have seen it.

Mr. President, while we are awaiting the next amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. GREGG). Without objection, it is so ordered.

AMENDMENT NO. 3638

(Purpose: To provide funds for the GEAR UP Program)

Mr. REED. Mr. President, I have an amendment at the desk, No. 3638, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Rhode Island [Mr. REED], for himself, Mr. KENNEDY, and Mrs. MURRAY, proposes an amendment numbered 3638.

Mr. REED. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title III, insert the following:

**SEC. . GEAR UP PROGRAM.**

In addition to any other funds appropriated under this Act to carry out chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965, there are appropriated $100,000,000.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, this amendment would increase funding for GEAR UP by $100 million. GEAR UP is a critical component of our efforts to provide disadvantaged young people a chance to go on to college. GEAR UP reaches out very early in their educational careers, giving them the mentoring, the support, and the information necessary to succeed, not only in high school but to go beyond, to enter and complete college.

I offer this amendment along with Senator KENNEDY and Senator MURRAY. We are offering it because we believe—as I am sure everyone in the Chamber believes—that the opportunity to go on to postsecondary education is central to our country and central to our aspirations in the Senate.

This opportunity is particularly difficult to achieve if one is a low-income student in the United States. The GEAR UP program is specifically designed to reach out early in the career of a child, the sixth or seventh grade, and give them not only the skills but the confidence and the expectation that they can succeed and can go on to college. Both these skills and information, together with the confidence that they can succeed, are essential to their progress and to our progress as a Nation.

GEAR UP is based upon proven early intervention models such as the I Have a Dream Program and Project GRAD. These programs have succeeded in improving low-income student achievement, high school graduation rates, and college enrollment rates. We are building on a successful set of models.

GEAR UP provides students with very specific services tailored to help them prepare for college. These services include tutoring, mentoring, and counseling. They are critical to ensure that students are equipped both academically and emotionally to succeed in college. We often hear about the lack of opportunities available to low-income families. This is particularly the case when we talk about entering and succeeding in college. Low-income children are the least likely individuals in the United States to attend college. In fact, if we look at high-achieving students from low-income schools and backgrounds, they are five times less likely to attend college as comparable students in higher-income schools across this country. By focusing on college preparation for these needy students, GEAR UP is directly targeted at eliminating this disparity.

There is something else that is important about GEAR UP. There are many talented young people who, if they are the first child in their family to seriously contemplate college, do not have the advantage of parents who are knowledgeable about the system. Their parents often do not have the information and the incentives to provide the kind of support and assistance these young people need. That, too, must be addressed, and GEAR UP does that.

In fact, GEAR UP addresses the needs not only of students but also of parents. In a recent survey, 70 percent of parents indicated they have very little information or they want more information about which courses their child should take to prepare for college. Eighty-nine percent of parents wanted more information about how to pay for college. This information disparity is particularly acute in low-income areas. Again, GEAR UP provides that type of information and assistance.

It is well documented that continuous programs that are integrated into the daily school life of a child are the best types of programs to provide for successful outcomes. That is exactly what GEAR UP does. It starts early in a career, sixth and seventh grade, follows the child through their middle school years and into high school, and is integrated with other subjects so there is both continuous support and an integrated approach to preparing a child for college.

GEAR UP does this through partnerships and collaborations among State departments of education, high-poverty school districts, institutions of higher education, businesses, and other private or non-profit community organizations. GEAR UP is a college preparatory program, a Federal program that focuses on children in early grades. As such, the existence of other programs such as TRIO does not eliminate the need to fully fund GEAR UP. We have to recognize that we have not only the responsibility but also an opportunity to fully fund the GEAR UP program.

I commend Senator HARKIN and Senator SPECTER. They have dealt with a variety of educational issues in a budget that constrains their choices—indeed, their desires—significantly. They have done remarkable work, including funding for the LEAP program, which provides low-income students with funds to go to college. But if you don't have the first piece, if you don't have a GEAR UP program that gives students the skills, the confidence, the insights to get into college, Pell grants and LEAP grants are irrelevant because these deserving young students won't even be in the mix.

GEAR UP is important. It is fundamental. The budget that Senators SPECTER and HARKIN were dealing with did not give them the full range of choices they needed to ensure they could fund these important priorities. That is why we are here today, to provide a total of $325 million for GEAR UP, an increase of $100 million over what is in this current appropriations bill. If we do this, it will allow every State to have a GEAR UP program. As a result of the additional $100 million, GEAR UP would serve over 1.4 million low-income students across the country. That would be a significant and commendable increase in our efforts.

If we don't provide this full $325 million, we will see over 400,000 needy students denied essential academic services which are provided through GEAR UP. Without this amendment, the need for these types of skills and support systems will not be met.

Furthermore, the demand for GEAR UP is not being met. In 1999, GEAR UP received 678 partnership and State grant applications covering all 50 States. However, due to limited resources, only one out of four partnerships and half of the State applications could be funded. Clearly, the need is there. The demand is there. We must meet it with sufficient resources.

Today GEAR UP's reach is limited because of the constraints on our appropriations. We need to provide sufficient resources so we can do our best to

reach all the needy students in the United States.

My home State of Rhode Island was fortunate to be one of the States to receive GEAR UP funding. The current Rhode Island GEAR UP program is comprised of a partnership of 21 nonprofit organizations known as the College Access Alliance of Rhode Island. They reach out to schools. They reach out to homes. They provide community support, a network which helps these young students understand their potential and tells them: Yes, you can go on to college; yes, you can succeed; yes, you can be part of this great American economy and this great American country.

Providing these resources has helped countless young Rhode Islanders to reach their full academic potential. In just one year, Rhode Island GEAR UP has provided invaluable services. It has helped 1,300 students enroll and participate in summer academic programs. It has tracked the academic progress of over 8,000 highly mobile, disadvantaged students. They move many times from school to school, city to city. Rhode Island GEAR UP has been able to track these youngsters, keep in contact with them, keep encouraging them, keep getting them ready to go on to college. It has also identified 1,000 low-income students in need of extra support. It has linked these students to academic tutoring and mentoring, the kind of help they need to succeed.

Although these are impressive numbers, because of limited resources we currently cannot duplicate this type of effort in every State, in every community across the country. I believe we should.

My amendment is cosponsored by Senators KENNEDY and MURRAY. It is also supported by a broad coalition of interested groups: the United States Student Association, the California State University; the College Board, the National Association for College Admission Counseling, the Association of Jesuit Colleges and Universities, the American Association of Community Colleges, the National Association of State Student Grant and Aid Programs, the American Association of University Women, the American Counseling Association, the National Association of Secondary School Principals, the National Association of State Boards of Education, and the National PTA.

I have a letter representing their support. At this time, I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES STUDENT ASSOCIATION,
*Washington, DC, June 23, 2000.*

Hon. JACK REED,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR REED: On behalf of the undersigned, I wish to express my strong support and appreciation for your amendment to provide $325 million for GEAR UP in FY 2001.

As you know, early intervention and mentoring programs drastically increase the chances that low-income students will attend and graduate from college. GEAR UP takes a unique approach to early intervention. First, GEAR UP involves whole cohorts of students, beginning in middle school and extending throughout high school. Research clearly demonstrates that we must help students to begin preparing for college no later than the middle school grades.

Second, GEAR UP is sparking the development of university/K–12 partnerships that often include businesses and community-based organizations. In fact, more than 4,500 big and small businesses, community-based organizations, religious and civic organizations, chambers of commerce, and others joined the states, universities, and middle schools that submitted applications for the first round of GEAR UP awards in 1999. Clearly, our nation's business and community leaders recognize that the quality of tomorrow's workforce depends, in large part, upon what we do today to prepare middle and high school students for the rigors of college-level work.

Because such programs are crucial to increasing access to higher education, we believe that it is important to point out that the undersigned strongly support all efforts to increase access through early intervention programs, including TRIO. Although the objectives of these programs are similar, the approaches that TRIO and GEAR UP employ are quite different. In view of the tremendous challenges we face in breaking down the barriers to college attendance for students from low-income families, we also support funding the TRIO program at the highest possible level.

Some $231 million in FY01 funding is needed just to keep year-one and year-two GEAR UP grantees on their current trajectory. Should the Senate fail to adopt your amendment, needy students in communities that have not yet received GEAR UP grants will be denied the opportunity to gain the skills and information essential for going to college.

Senator Reed, we thank you for all you are doing to ensure that the door to higher education is opened wide to low-income students in Rhode Island and throughout our nation.

With best regards,

Sincerely,

KENDRA FOX-DAVIS,
PRESIDENT,
*The United States Student Association.*

This letter is sent on behalf of the following entities:

American Association of University Women
American Counseling Association
The California Community Colleges
The California State University
Chicago Education Alliance
Chicago Teachers' Center
Cincinnati Public Schools
Cincinnati State Technical and Community Colleges
Cincinnati Youth Collaborative
The College Board
Council of the Great City Schools
DePaul University
Gadsden State Community College
Hispanic Association of Colleges and Universities
Loyola University
National Alliance of Black School Educators
National Association for College Admission Counseling
The National Association for Migrant Education
National Association of School Psychologists
National Association of Secondary School Principals
National Association of State Boards of Education
National Association of State Student Grant and Aid Programs
National Education Association
The National HEP-CAMP Association
National PTA
New York State Education Department
Northeastern Illinois University
Ohio Appalachian Center for Higher Education
Oklahoma State Regents for Higher Education
Pennsylvania State System for Higher Education
Roosevelt University
Rutgers, The State University of New Jersey
Saint Olaf College
State Higher Education Executive Officers
State University System of Florida
United States Student Association
University of Cincinnati
University of North Carolina
University of Washington
Vermont Student Assistance Corporation

Mr. REED. Mr. President, one of our primary educational goals should be to ensure that all students with the skill, talent, and ambition to go to college can go to college. In order to accomplish that goal, we have to fund, of course, Pell grants; we have to fund the LEAP program. We have to do many of the things Senators SPECTER and HARKIN have insisted upon in this bill. But we also have to do something which helps students early on through the GEAR UP program, and give these young students the skills, the confidence, and the expectation that they can and should go on to college. That is why I urge my colleagues to support this amendment.

At this time, I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, there is no doubt that the GEAR UP program is a very fine program. It has been in existence for a fairly short period of time. It originated with Congressman CHAKA FATTAH from Philadelphia, who had the initial idea and took it to the President, who agreed with it. It was put into effect just a few years ago. It started out at a funding level of $120 million. Last year, the President requested an increase, and we came up to some $200 million, and our Senate bill has $225 million in the program.

Coincidentally, I happened to attend the President's program where he did one of his Saturday speeches on it. So I know the program thoroughly. In fact, with Congressman CHAKA FATTAH, I visited a school in west Philadelphia where this program was being used. Regrettably, there is simply not enough money to accommodate all of the programs, which are good programs, which we would like to have. It is not possible to accommodate the program Senator KERRY of Massachusetts offered about technical training, or the Bingaman amendment on an extra $250 million for title I, or the Wellstone amendment of $1.7 billion.

We have put substantial money into job training programs. Job Corps is up to more than $650 million, with almost a $20 million increase. We have structured a program on school safety as to

violence and a program as to drugs. These are programs we have structured to do the best we can.

The Senator from Rhode Island has commented about what Senator HARKIN and I have attempted to do in this bill, which is the maximum stretch, as I had said earlier, that can be accommodated on this side of the aisle at $104.5 billion. Regrettably, the money is simply not present. I wish it were.

The House has $200 million, which is less than the $225 million we have on the Senate side. We will do our best to maintain that kind of an increase, which would be $25 million, which is as far as we can realistically go.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 12 and a half minutes.

Mr. SPECTER. I have 12 and a half minutes out of the 15?

The PRESIDING OFFICER. That is correct.

Mr. SPECTER. I have said what I had to say. I will not use all of my time. How much time does the Senator from Rhode Island have left?

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes.

Mr. SPECTER. I intend to raise a point of order under section 302(f) of the Budget Act, as amended, that the effect of adopting the Reed amendment would provide budget authority in excess of the subcommittee's 302(b) allocation and therefore it is not in order.

The PRESIDING OFFICER. The Chair notes that the Senator from Rhode Island still has time pending and the motion would not be in order.

Mr. SPECTER. As I said, I intend to raise that point of order after he has completed his statement.

I yield the floor and reserve the remainder of my time.

Mr. REED. Mr. President, I recognize Senator SPECTER's dilemma with the budget resolution, as it fairly constrains his ability and the ability of his colleagues on the committee to fund programs that are worthwhile. In fact, I note that GEAR UP is a program that evolved from a model that was very popular in Pennsylvania, the I Have a Dream Program, and others. The Senator is familiar with it and is supportive of it. My point is that this is one of those critical programs, and we have to reach beyond this budget resolution and budget constraints and try to find the resources.

It is particularly appropriate at this moment, as we are looking ahead at significant surpluses that are growing—dividends from tough fiscal decisions we have made over several years—that we begin to develop a strategy to invest more and more into education. GEAR UP is a worthwhile program—eminently worthwhile. One could argue it is the first step in so much of what is included in this legislation, such as Pell grants, LEAP, and all of those programs that actually give these youngsters the money to go to college. But if they don't have the skill, motivation, and the confidence to try, those grants won't be useful to them.

So I once again urge that we move forward with this amendment. I understand that the Senator from Pennsylvania will make a budget point of order. At that time, I will make a request to waive that applicable section. If the Senator is ready to make the motion, I am happy to yield back all my time and then be recognized.

Mr. SPECTER. Mr. President, I will just add one thing. I appreciate the sincerity of the comments of the Senator from Rhode Island that this is a more important program. That is what the proponents of all of the amendments have had to say. If the Senator from Rhode Island could find offsets within the budget resolution and tell me and Senator HARKIN what programs are less important and have offsets, I would be pleased to entertain that consideration. To add to the budget, it is the same point that has been made repeatedly—that everybody's program is special. And I happen to agree with them; they are all special programs. But if you made it more special than something already in the program and have an offset, we would not raise the rule.

I ask unanimous consent that the vote on the Reed amendment be stacked to occur later today at a time to be agreed upon by the leaders.

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

Mr. SPECTER. Mr. President, I yield back all time if the Senator from Rhode Island is prepared to do the same.

Mr. REED. Yes.

Mr. SPECTER. Mr. President, it is now relevant to raise the point of order under section 302(f) of the Budget Act that the amendment would exceed the subcommittee's 302(b) allocation and therefore it is not in order.

Mr. REED. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for the consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SPECTER. Mr. President, sequencing now comes to the Senator from Massachusetts, Mr. KENNEDY. Parliamentary inquiry: It is my understanding that there is a time agreement for 1 hour equally divided.

The PRESIDING OFFICER. That is correct.

Mr. SPECTER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3678

(Purpose: To adjust appropriations for workforce investment activities and related activities)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. WELLSTONE, Mr. ROBB, Mr. BINGAMAN, Mr. ROCKEFELLER, Mr. REED, Mr. DODD, Mr. AKAKA, Mr. DURBIN, Mr. KERRY, and Mr. BAYH, proposes an amendment numbered 3678.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, line 12, strike ''$2,990,141,000'' and insert ''$3,889,387,000''.

On page 2, line 13, strike ''$1,718,801,000'' and insert ''$2,239,547,000''.

On page 2, line 15, strike ''$1,250,965,000'' and insert ''$1,629,465,000''.

On page 2, line 17, strike ''$1,000,965,000'' and insert ''$1,254,465,000''.

On page 2, line 18, strike ''$250,000,000'' and insert ''$375,000,000''.

On page 5, line 6, strike ''$153,452,000'' and insert ''$197,452,000''.

On page 5, line 7, strike ''$3,095,978,000'' and insert ''$3,196,746,000''.

On page 5, line 26, strike ''$153,452,000'' and insert ''$197,452,000''.

On page 6, line 1, strike ''$763,283,000'' and insert ''$788,283,000''.

On page 20, line 1, strike ''$19,800,000'' and insert ''$22,300,000''.

Mr. KENNEDY. Mr. President, this amendment is based upon a rather basic and fundamental concept; that is, every worker who enters the job market is going to have seven or eight jobs over the course of his or her lifetime.

A number of years ago when I first entered the Senate many of the workers in my own State got a job at the Fall River Shipyard, and their father or mother had a job there, and many times their grandfather had a job there, as well. They knew early in their lives that they would enter the same career as their family before them. They acquired their skills through training. They lived their lives more often than not with only a high school diploma. They acquired their skills and upgraded their skills at the place of employment, but usually their job changed very little. They were able to have a very useful and constructive and satisfying life.

The job market has changed dramatically in recent years. It is changing more every single day with the obvious globalization and the move towards the information economy. New technologies are creating new careers and new businesses, and many people are in jobs that didn't exist a generation ago. These new businesses are an important part of our new economy, and they also create many new jobs. But they have

also created new challenges for our workers. Education has become increasingly important to move up the ladder in the job market. And the idea of continuous skill development has become a critical part of workplace success.

We have learned that continuing ongoing training has to be a lifetime experience. We know that some companies are providing training programs. More often than not, those training programs are directed to those in the upper levels of the management of those companies. For too long we have left behind those who have been the real backbone of so many of these companies—the workers who often lack basic academic and technical skills.

These programs which have been included in the amendment that I have offered are basically to try to make sure we are going to offer more workers the skills necessary in order to continue to be the world leader in terms of our economy.

I don't know how many others in this body go back home over the weekends and meet with various groups, including various business groups. I find in my State of Massachusetts and generally throughout New England that the first issue people raise is: When are we going to do something about the H–1B issue? People who listen to talk about H–1B wonder what in the world it is. H–1B is a visa program. It permits importation of highly skilled foreign nationals to work in our plants and corporations. That is a key question on the minds of those involved in so many of the expanding economies in this country.

I always say: Yes. We ought to move ahead. I hope we can move ahead and expand that program before we leave this Congress.

H–1B visa provides a temporary solution to a labor market shortage of highly skilled workers. I think the answer to this is not only in the temporary way to have an expansion of the highly skilled workers coming to the United States, but to develop the skills for American workers so they can have those jobs in the future. Those are good jobs. They are well-paying jobs. Americans ought to be qualified for those. The only thing that is between Americans gaining those jobs are the training programs for upgrading their skills. We need to strengthen our secondary education and provide better access to post-secondary education for more students. And we have to improve the access to on-the-job training for current workers, and provide the resources to support dislocated workers with training and re-employment services.

What happened in the Senate? It is almost as if this appropriations bill just fell off the ceiling. It has lacked, with all due respect, the focus and attention to what we have tried to do in some of the authorizing committees.

This fall, for the first time, we will put in place the Workforce Investment Act, which I was proud to cosponsor with Senators JEFFORDS, DEWINE and WELLSTONE, to consolidate the 126 different workforce programs in 12 different agencies that too often are tied up with a good deal of bureaucracy. We started working on that legislation with Senator Kassebaum and it took three years before we passed that program.

I had the opportunity on Monday of this last week to go out to Worcester, MA. There were 800 people gathered there interested in the work training programs from all over New England. They are eager to know how they are going to get the resources to try to put together this consolidation of training programs in order to get the skills for people in our region of the country. Workers know that they have to increase their skills, especially in the area of computer technology, and they want to know how to access those programs. Those discussions are taking place in cities and towns all over the country.

Part of that consolidation was what we call one-stop shopping where a worker, for example, who has been dislocated or has lost their job, maybe because of the merging of various industries, would be able to come to one place to learn about all the options that they have for training. They would be able to have their skills assessed. They could get information on jobs that are available in their areas and the skills that they would need to compete for those jobs. And they would get an accurate assessment of their current skills.

They could see how long each training program takes, and a look at the employment prospects. They also get information about how many former participants in those programs did in the job market. How many of them got jobs right away, and at what salary? They also get a look at how many of those workers were still employed after a year, and how many were able to move up in those jobs to better paying jobs with their companies.

The person can make up their mind. They can say: OK. I want to take that particular program, and they are going to be able to go to that program and acquire the skills. It could be at a community college, a four year college or at a private center. Wherever they choose, they are aware of how participants of that program performed in the workplace.

That is what we attempted to do in a bipartisan way 3 years ago. Those programs are ready to go. What happens? The appropriations bill pulls the rug out from under those programs.

Our amendment is trying to restore the funding at the President's request to make sure we are going to have the training programs that are necessary so American workers can get the skills to be able to compete in the modern economy.

That is what this is all about. It may not be a ''front-page issue.'' It may not be a ''first-10-pages issue.'' But as workers can tell you all over this country, skills are the defining issue as to what your future is going to be and what you are going to be able to provide for your family.

This provides additional resources out of the surplus to be able to fund these programs in the way that the President has recommended.

There has been a lack of serious attention to the various programs which we mentioned. Tragically, I think the most dramatic has been in the Summer Jobs Program.

Here is the story in the Wall Street Journal: ''Fewer youths get a shot at the Summer Jobs Program. This summer the Workforce Investment Act replaces the Nation's previous federally supported summer jobs.''

We tried to upgrade it and tighten it to eliminate some of the bureaucracy. We know that there needs to be a year-round connection to the job experiences that young people have in the summer. What happens? The minute we expand the mission of the Summer Jobs program, they cut out all of the funds for the Summer Jobs Programs for youth. We mandate a year-round approach to getting some of the neediest youth equipped for the world of work and we critically under-fund that effort. In doing that we doom those young people to fail.

While local groups agree that the expansion will make the program more effective, it will be more expensive. Washington hasn't provided the funds. The Labor Department estimates participation will drop 25 percent to 50 percent from last year's 500,000 young people.

Dropping over 500,000 young people—most of them in the cities of this country—and cutting them loose is probably about as shortsighted of a decision as could be made by this Congress.

At a time where we just had the announcement yesterday of surpluses going up through the roof, we are talking about today cutting out effectively the Summer Jobs Program for the most economically challenged urban and rural areas of our country.

You can't talk to a mayor in any city of this country, large or small, who won't tell you that is the most shortsighted decision that could possibly be made by the Congress today.

I know in my own city of Boston where they have anywhere from 10,000 to 12,000 Summer Jobs Programs, what happens? The private sector comes in and provides maybe 2,000 to 3,000 jobs. They try to build upon the jobs program that existed in previous summers. High school students get a chance to improve their academic skills and learn important workplace skills that enable them to get higher paying jobs in future summers. Many of them make business connections that give them employment opportunities throughout high school and college.

They will find children who have completed 1 year in the Summer Jobs

Program, a second year in the Summer Jobs Program, and the third year the private sector picks them up, and more often than not they get the job. If the young person is interested enough to continue the Summer Jobs Program and acquire some skills, more often than not in my city of Boston they will be picked up and given a job to move ahead.

I wonder how many Members of this body have ever been with a young person in the summer youth program the day they get their first paycheck and see the pride and satisfaction and joy of those young people? They have a paycheck, many of them for the first time. They have a sense of involvement, a sense of participation, a responsibility, a willingness to stay the course.

We are saying to those young people: No way, we are cutting back. We have record surpluses, but not for you, young America. Then we wonder around this body about violence in school, we wonder why young people are upset, disoriented, or out of touch with what is going on. We send them back into the confusion of the inner city, send them out there without any supervision, send them out there without any sense of training or pride. That is what we are doing. We are basically abdicating our essential and important responsibility to the children of this country and abandoning our commitment to give workers help and assistance.

Soon the Senate will discuss the issue of expanded trade with China. The votes are there to pass it. Many have pointed out that some are concerned because some will benefit, and benefit considerably, while others are going to sacrifice, and sacrifice considerably. We have heard those arguments about this providing new opportunities for many aspects of our American economy. Many have said yes. But what about others who will be laid off? They ought to get a little training to find a future for themselves and their family.

What is happening now? We are closing the door for them. We are denying them the right to have that kind of job training. We are denying young people their first job experience and we are denying older workers the training programs to give them job security. It is fine for those who will make the big fortunes. Increase the number of billionaires in our society. What about those men and women who are laid off? The only way they can survive is to get training in a different job. That training will not be there with this budget.

Our amendment provides $1 billion additional dollars to the various training programs and the summer job programs. This is a tangible way to show Americans that we are going to provide the tools for them to fully participate in this growing, expanding, and global society. We need to send a clear message that workers are the backbone of this country, the backbone of our economy, and every hard-working American is going to be able to gain skills to be useful and productive workers in the future in our society. This amendment ought to pass.

How much time remains?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. KENNEDY. I yield 6 minutes to each Senator.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. AKAKA. Mr. President, I thank my colleague from Massachusetts, Senator KENNEDY, for yielding time. I am pleased to be a cosponsor of the Democratic skills training amendment to the Labor-HHS-Education Appropriations bill for fiscal year 2001. This amendment further increases our country's human capital by adding $1.05 billion to skills training programs at the U.S. Department of Labor.

Mr. President, while I commend the chairman and ranking member for their efforts in coming forward with a bill that avoids many of the drastic cuts approved by the House of Representatives, there are still a number of vital programs that continue to be seriously underfunded. This amendment provides adequate funding for Federal skills training programs to serve more individuals who are seeking to improve their ability to contribute to the workplace. Today's global economy demands that the United States do all it can to ensure that every member of our workforce is prepared to meet new workplace chllenges. Unfortunately, the gap between high-skilled and low-skilled workers continues to grow, leaving many at the lower end of the spectrum even farther behind.

One particular program I would like to mention is the Fathers Work, Families Win program. This important initiative improves the employment potential of certain low income individuals who generally have lower levels of education and work experience. As a result, these individuals usually end up accepting jobs that pay relatively low wages and have few benefits. They often have irregular track records in employment: they hold several jobs at a time, work part-time or intermittently, or endure periods of unemployment. Many of these individuals have been on the welfare rolls or are living under conditions that make them vulnerable to becoming dependent on Federal assistance.

We must not forget that these individuals have the potential to make meaningful contributions to the economy and, given the opportunity, can become self-sufficient and successfully support their families. This is one reason why I am interested in seeing the Fathers Work, Families Win program funded. The portion of the program entitled Families Win provides $130 million in competitive grants for programs to help low income parents stay employed, move up the career ladder, and remain off welfare.

The program's Fathers Work component provides $125 million for competitive grants to help certain non-custodial parents find a job, maintain employment, and advance on their career path. This is important because many fathers, rather than being ''deadbeat dads,'' are ''dead broke dads.'' They have the desire to support their families through child support payments and other means, but cannot do so because they cannot secure or maintain steady employment paying a living wage.

Fathers Work, Families Win would build on the investments and partnerships started under the Workforce Investment Act and the Welfare-to-Work program. State and local Workforce Investment Boards are eligible applicants under both parts of Fathers Work, Families Win. These boards have been implementing WIA [weeeea] across the country, reforming the way in which job training and job placement services are conducted. The competitive grant program funds enable the Boards to further integrate services for the population of low income workers under programs such as WIA, Wagner-Peyser [wag-ner pie-zer] grants, Welfare-to-Work grants, and grants under the Temporary Assistance for Needy Families program. This integrated approach will help to ensure that many low income families will not fall through the cracks and will find it easier to use the network of services at their disposal.

I continue to be a strong supporter of the Welfare-to-Work program. Last year, I introduced the Welfare-to-Work Amendments of 1999 which included provisions to reauthorize the program and to improve access to the program for more low income individuals. The eligibility changes were included in the consolidated appropriations bill for fiscal year 2000, which I thank my colleagues for working on and supporting. However, the Welfare-to-Work program itself has not yet been renewed. With eligibility changes taking effect for competitive grantees at the beginning of 2000 and for formula grantees later this year, Welfare-to-Work efforts must be given more time to run. If the program is not reauthorized, worthwhile efforts at the State and local levels to help low income families will be adversely impacted.

Because the Welfare-to-Work program has not been extended, many local communities are concerned because their efforts to help Welfare-to-Work participants have just begun. An abrupt end to the program would cause significant investments to go to waste. As the U.S. Conference of Mayors states in a letter dated June 10, 2000, ''Without the extension of the Welfare-to-Work program, welfare reform will be dealt a serious set back in our nation's cities which are home to the highest concentrations of people still on welfare.'' I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNITED STATES
CONFERENCE OF MAYORS,
*Washington, DC, June 10, 2000.*

DEAR MEMBER: The United States Conference of Mayors, assembled in Seattle, is gravely concerned about the future of the Welfare-to-Work Program. We urge you to extend the Welfare-to-Work program as proposed in the Clinton FY 2001 budget. Without the extension of the Welfare-to-Work program, welfare reform will be dealt a serious set back in our nation's cities which are home to the highest concentrations of the people still on welfare.

Mayors are aware that some members of Congress have legitimately raised concerns about the low expenditure rate in the current Welfare-to-Work program. Unfortunately, a large percentage of the funding did not reach the local level until the last quarter of 1998. In addition, the initial Welfare-to-Work eligibility requirements have excluded a large segment of the hardest-to-serve welfare population and thus inhibited the expenditure of the first $3 billion in funding.

We were pleased that Congress made the necessary changes in the eligibility requirements in the FY 2000 appropriations bill. However, these eligibility changes were not effective immediately. The changes are not effective for WTW formula grant funds until October 1, 2000. For WTW competitive grant funds, the changes became effective January 1, 2000.

We believe that the need for the extension of this funding will become increasingly evident as the program becomes fully operational and the eligibility changes are enacted. In fact, indications from the U.S. Department of Labor's quarterly reports on WTW spending are he expenditures for formula and competitive grant funding have increased overall and that expenditures for competitive grant funding has increased significantly since January 1, 2000, when the eligibility changes became effective. It is also expected that spend-out rates will also increase significantly as larger numbers of TANF recipients reach their time limits and lose eligibility for cash assistance.

Mayors more than anyone else recognize that although welfare roles have declined significantly across states, great numbers of former welfare clients living in cities who are in need of services still remain. Many of these individuals who are still not working have little or no skills, are unable to read and write beyond the 8th grade level, and have no work experience. When they are able to go to work, the jobs often pay below minimum wage, have no health benefits and are insufficient to support the individual, let alone his or her family.

As Mayors we realize that while many in the nation believe the job of welfare reform is complete, we know that much work remains to be done. The targeted and direct resources provided by Welfare-to-Work are essential for us to address the concentrated welfare caseloads in our cities and ensure that those still on welfare make the transition into the workforce. Discontinuing the Welfare to Work program at this time would be a great disservice to those welfare recipients still unable to find self-sustaining jobs.

The U.S. Conference of Mayors urges you to extend the Welfare-to-Work program until we can honestly say that most of those in need of these services are working in permanent, self-sustaining jobs. Now is not the time to stop the progress already made on Welfare Reform and Welfare-to-Work. Now is the time to ensure that those remaining on the welfare rolls who have the greatest challenges to employment are served.

Sincerely,

WELLINGTON E. WEBB,
*President Mayor of Denver.*

BEVERLY O'NEILL,
*Chair, Jobs, Education and the Workforce Standing Committee, Mayor of Long Beach.*

H. BRENT COLES,
*Vice President, Mayor of Boise.*

MARC H. MORIAL,
*Chair, Advisory Board, Mayor of New Orleans.*

DAVID W. MOORE,
*Chair, Health and Human Services Standing Committee, Mayor of Beaumont.*

Mr. AKAKA. The letter goes on to note that although welfare rolls have decreased significantly across the country, ''great numbers of former welfare clients living in cities who are in need of services still remain.'' These are the hardest-to-help families who need our greatest assistance. Furthermore, many of these individuals will be reaching their lifetime limit on welfare benefits imposed by the 1996 welfare reform law and will no longer be able to rely on regular cash assistance to support their families. We cannot allow these families to be left without any safety net and should continue pursuing efforts to ''teach them how to fish''—this is what the amendment before us would do.

While I am disappointed that the bill before us does not extend the Welfare-to-Work program, I hope that under the eligibility changes I helped to pass last year, Welfare-to-Work program accomplishments will continue to grow and provide strong impetus for the program's reauthorization. In the meantime, I strongly urge my colleagues to support programs such as Fathers Work, Families Win for low income individuals.

It is interesting to note that in 1998 and 1999, while the nation was experiencing low unemployment, layoffs were still widespread. This trend was mainly due to companies requiring new skills to meet the demands of a new economy. Unfortunately, as we have seen by the announcements of large-scale layoffs from companies such as Coca-Cola, J.C. Penney Company, and Exxon Mobil Corporation, the situation is not getting any better.

So, why are we in Congress looking at reducing or eliminating funding for vital programs that empower former welfare recipients and low-wage workers with the information and skills necessary to become viable citizens in their communities? Skills Training programs are essential to ensure that displaced workers will be able to transition into another trade. We must not forget that the Federal Reserve Board is reviewing the possibility of raising interest rates in an effort to slow down U.S. economic growth. This could negatively impact not only Hawaii's economy, especially the construction industry that is one of Hawaii's leading areas for job growth, but the nation as a whole. Hawaii's economy is just recovering from a decade of economic stagnation and layoffs and cannot afford another recession without providing the necessary funds for skills training programs.

The current and proposed funding levels for skills training programs are inadequate to ensure the availability of a trained workforce. We must remain committed in our efforts to equip employers with an employment system capable of addressing potential labor shortages. For the State of Hawaii, eliminating all new funding for One Stop Career Centers/Labor Market Information will adversely impact Hawaii's ability to comply with the Workforce Investment Act. Hawaii will not be able to develop core employment statistics products used by employers, job seekers, educators, students, and others. More specifically, valuable labor market information would no longer be provided to the public.

I commend Hawaii's Job Corps program for its successful placement rate of 70 percent. This is significant given Hawaii's fragile economy in recent years. The success of this program clearly illustrates the positive effect the skills training programs have on our communities. We should not reduce or eliminate funding for these vital programs that enhance employment opportunities for individuals and their families.

The amendment offered by my distinguished colleague from Massachusetts, Senator KENNEDY, would address the potential shortcomings in funding as proposed in the House and Senate. This amendment provides appropriate funding for the Department of Labor's Youth and Adult Employment and Training Programs, especially funding for Dislocated Worker assistance, Youth Opportunity grants, Job Corps, and One Stop Career Centers. In addition, this amendment also provides appropriate funding for the Summer Jobs program resulting from implementation of the Workforce Investment Act.

We must continue to improve our skills training program to ensure that America's workforce remains competitive to the global economy. I urge my colleagues to support this important amendment.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, we have just learned within the last few minutes that a decision has been made on Capitol Hill to eliminate the Summer Jobs Program for this year. That decision was made by Republican leaders who have decided that it costs too much—$40 million.

We have to sit back, from time to time, and measure the relative cost of decisions we make. If we are going to say to literally tens of thousands of young people across America that there will not be a Summer Jobs Program, what price will we pay for that decision? For many of these kids, it

means there will not be an opportunity for the first time in their lives to have a real job, a real learning experience in the workplace.

In this country we are prepared to pay whatever it takes when we sentence someone to prison. In Illinois, it costs about $30,000 a year to keep someone in prison. That failed life that led to crime and conviction ends up costing us $30,000 a year. Is it too much to pay? No, we will pay it. But when it comes to jobs for kids during the summer, the Republican leadership has decided it is too much to pay.

How about school dropouts? When kids drop out of school, they not only ruin their own lives but often affect the communities in which they live. These are the kids hanging out on the street corners. These are the ones who may never have a job. These are the ones who become chronic statistics in our society. We will pay for those statistics one way or the other. We have decided that is a cost we will pay. But when it comes to providing jobs in the summer for kids going to school, the Republican leadership decided today it was too high a cost to pay. Of course, when we talk about tomorrow's workers, we realize that kids who are not put on the right track with the right values early in life may not go on to finish school or to become the workforce of the 21st century for America. That is an expense to this country. It is obviously something the Republican leadership is willing to pay, rather than pay for a Summer Jobs Program.

What does this program mean? In my home State of Illinois, the decision today by the Republican leaders to take out the Summer Jobs Program means that 10,000 kids coming out of schools in the Chicagoland area will not have a 6-week minimum wage summer job. Is that an important life experience? Boy, it sure was for me. Going to work meant a lot for me. As my folks used to say: We want you to learn the value of a dollar. When I went to work, I understood the value of a dollar. I added up every paycheck and how I was going to save it, how I was going to spend it. It also teaches you the value of hard work, the fact that you do get up with the rest of the world and go to work and don't expect somebody to hand you something. That is the value of a summer job, a value that will be denied to tens of thousands of kids because of a decision the Republican leadership made to kill the Summer Jobs Program. The value of showing up on time to work, dressed properly, prepared to work with your coworkers, you cannot teach all that in school. Some of that is a life experience. It is an experience I had and virtually everyone has on their way to a successful life. For tens of thousands of kids, they will be denied that opportunity because of this decision by the Republican leadership.

Of course, for me and a lot of others, that summer job taught us the value of staying in school. How many times did I stop behind that shovel and think: I don't want to do this the rest of my life. I am going to go back to school. I am going to get my college degree and go on. That is the value of a summer job, too.

Senator KENNEDY is right. If we have the values, the same values of families across America, we would be voting for this program and this amendment he is proposing for summer jobs for kids so they can have a valuable work experience. We would be voting for this amendment so there will be job training for those dislocated from their jobs. We don't want to give up on workers. I believe in free trade, but I know that millions of workers in America lose their jobs each year because of technology and trade and change. We should be there with programs to help them move to the next job so they do not lose pace with the economy and the quality of life they are used to.

This amendment gets to the heart of the values of the Members of the Senate. Senator KENNEDY is right. I am happy to cosponsor it. The mayor of the city of Chicago said: The School Jobs Program keeps kids away from gangs, guns, and drugs. He hit the nail on the head. If we put more and more kids into positive programs where they learn how to work and continue to learn in the workplace, their lives can be transformed. If there is one value we share as Americans, it is the value of hard work.

The decision by the Republican leadership to close down the Summer Jobs Program is a decision that flies in the face of the values of this country.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time? The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. KENNEDY. I yield myself 2 minutes.

Mr. President, I welcome the superb statement made by my friend and colleague from Illinois. The Commission for Economic Development says that half of manufacturing companies nationwide do not offer any training programs. Nationally, all employer training programs equal just 1 percent of their payroll costs.

I have here this ''Opportunity Knocks,'' a study done as a Joint Project of Mellon New England and Massachusetts Institute for a New Commonwealth. It says:

> Which workers get employer-provided job skills? For large employers with 50 workers or more, 80 percent are management. These employers are more likely to provide job skills training for managers, computer technicians, and sales workers that for production or service workers. How are these lower skilled workers supposed to improve their skills and move up the ladder? This really is the case. Companies are doing more hiring and firing simultaneously than ever before. Workers who need a new set of skills are often replaced rather than retrained. We need to get workers the skills that they need to compete in this information-age economy. That is quite different from Europe, for example, where the companies are required to provide a range of different skills training so there is an investment in a company's workers. They value the individual, and they know that continual, ongoing training programs in each of those major industries makes good business sense.

This study goes on to say that the poor odds of an employer offering any training is only part of the problem. Access to employer-provided training is by no means equal across categories of workers. Most businesses are unlikely to provide any training opportunities to clerical or production workers and when they do offer training it is in the form of an orientation to their present job. There is no attention to up-grading the skills of those workers.

I want to mention, as we reach the end of this presentation, the comments of Federal Reserve Chairman Alan Greenspan. He recently said:

> [The] rapidity of innovation and unpredictability of the directions it may take imply a need for considerable investment in human capital.

Workers in almost every occupation are being asked to strengthen their skills to ensure long-term success in the workplace. The technical know-how that workers need to stay on the cutting edge is being redefined every day.

We are being told by the head of the Federal Reserve that this is what is necessary to keep America's economy strong. We are being told that by the business community. We are being told that by workers. We are being urged to do that by the President of the United States. It makes no sense to undermine that.

We have taken action in a bipartisan way to develop a workforce development system that will be effective. In the next month every state will come on board to implement the new law. Without this amendment we are effectively undermining this Nation's commitment to provide important, necessary skills for America's workers so they will be able to be full participants in the American economy of tomorrow.

It is wrong. I hope the Senate will accept my amendment.

I reserve the remainder of my time.

Mr. President, I ask unanimous consent to print letters from the U.S. Conference of Mayors, National Association of Counties, and the Mayor of Boston.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE UNITED STATES CONFERENCE OF MAYORS,
*Washington, DC, June 27, 2000.*

Hon. EDWARD M. KENNEDY,
*U.S. Senate, Washington, DC.*

DEAR SENATOR KENNEDY: I am writing to express the strong support of The U.S. Conference of Mayors for the Skills Training Amendment that you will be offering to the Labor-Health and Human Services and Education appropriations bill. At our recent Annual Conference in Seattle, we sent a letter

to Majority Leader Lott urging him to do just what your amendment does—restore critical funding to the Department of Labor for youth and skills training.

The U.S. Conference of Mayors just released a survey, Examining Skills Shortages in America's Cities, which shows that 86 percent of cities suffer shortages in technology workers; 73 percent suffer shortages in health workers; 72 percent lack enough construction workers to fill available jobs; 71 percent lack manufacturing workers; and 50 percent lack enough workers to fill retail and wholesale jobs. It is imperative that we make the critical investment in our nation's current and future workforce by supporting the President's budget proposals and increasing year-round funding for youth. It is crucial that sufficient resources are provided to address the needs of our nation's youth and the skills gap that seriously affects our nation's economy.

The funding level for the Summer Jobs and year-round youth programs currently proposed in the FY 2001 appropriation bill is unacceptable, especially as programs gear up under the recently enacted Workforce Investment Act of 1998 (WIA). The funding level of the Youth Opportunity Grant Program for out-of-school youth is also shortsighted, as there are massive unmet needs of unemployed, out-of-school youth in high poverty areas.

We applaud your leadership in addressing these issues and your efforts to restore this critical funding. We should be investing in our current and our future workforce—the health and vitality of our cities, and our nation, depend on it.

Sincerely,

J. THOMAS COCHRAN,
*Executive Director.*

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NATIONAL ASSOCIATION OF COUNTIES,
*June 28, 2000.*

Subject: Sen. Kennedy's amendment to the Labor/H appropriation to increase funding for skills training.

DEAR SENATOR: The National Association of Counties (NACo), the only organization representing America's counties in Washington, DC, fully supports Senator EDWARD M. KENNEDY's amendment to increase appropriations for workforce investment activities by $792 million for fiscal year 2001. NACo urges the Senate to adopt this amendment to H.R. 4577, the Labor, Health and Human Services and Education Appropriations bill.

NACo has identified increased funding for workforce development programs as a critical funding priority for 2000. Therefore, we will be tracking your vote on this amendment and any related motion to waive the Budget Act. Your vote will be recorded on our web site (*www.naco.org*) and the information will be made available to county commissioners in your state.

This amendment is of critical importance to America's counties. Current and proposed funding levels for inadequate to ensure that America's counties can effectively implement the Workforce Investment Act. Sen. Kennedy's amendment would address the substantial shortfall in funding currently proposed in the House and Senate by addressing funding for youth programs, incumbent and dislocated worker programs, and one-stop career centers.

Sincerely,

LARRY E. NAAKE,
*Executive Director.*

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CITY OF BOSTON, MA,
*Boston, MA, June 27, 2000.*

Hon. EDWARD M. KENNEDY,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR KENNEDY: I am writing to express my outrage at efforts to cut funding for summer jobs programs and other youth and skills related programs. As you know, Boston operates one of the nation's largest summer jobs programs. While we are at record low unemployment levels nationally, youth unemployment rates in our cities are still unacceptably high. There is a crisis among our young people as evidenced by the violence and despair among youth in many of our cities. The move to strip summer jobs funding from the Emergency Supplemental comes at a time when we should be investing in our young people, not cutting the future out from under them.

I applaud your efforts to restore critical funding to the Department of Labor for our youth and our nation's workers. The Skills Training Amendment you are offering to the Labor-Health and Human Services and Education Appropriations bill will do exactly what we need to be doing—providing sufficient resources to address the needs of our nation's youth and the skills gap that seriously affects our nation's economy.

As always, thank you for your tremendous efforts on behalf of our youth.

Sincerely,

THOMAS M. MENINO,
*Mayor of Boston.*

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we start from the proposition that this bill, for various education and health care and job training efforts, is dramatically larger than the bill that was passed in this body last year, to everyone's satisfaction, increasing at a rate far more rapid than the pace of inflation or population growth in the United States.

Obscured in the debate so far is the fact that there is some $5.4 billion in job training programs in this bill, at a time of record low unemployment. This represents an increase of more than $16 million over the bill that is currently in effect for the present year. The greater increases in the bill, of course, were for education and for biomedical research, both of which exceed the amounts requested by President Clinton. Even so, the bill provides funding for two new programs requested by the Clinton administration: Worker training and responsible reintegration of youthful offenders, each at $30 and $20 million respectively, a 22-percent increase for dislocated workers in the course of the last 4 years, and a 25-percent increase in the same period of time for the Job Corps.

The private sector, of course, now looking more than ever for qualified employees, has dramatically increased its own hiring and training programs. Of course, in comparison with the House bill, this rejects the $400 million cut in the House bill in that field.

As for summer training, the argument of the Senator from Illinois was a peculiar one. The current law for summer jobs, a law passed last fall, of course, well after last summer was over, has $1 billion in it for just exactly that purpose: $1 billion for summer jobs for youth.

We have another in a series of amendments that illustrates the proposition that no matter how generous this body is, even I may say in many cases no matter how generous the administration is, some Members will come to the floor and demand more, whatever its impact on the budget.

To quote the Chairman of the Federal Reserve Board implicitly as being in favor of programs such as this is to fly in the face of logic. It is the clear position, often quoted by Members on the other side, that the Chairman of the Federal Reserve Board believes that the single most important means to the goal of a stronger economy we can follow is not to increase Federal spending and, in fact, to decrease it. He has consistently, over the years, held to the position that for the economy as a whole, for future job growth, the best thing we can do is be modest in our spending, not to increase it, I suspect, as much as it is increased in this bill.

In any event, as has been the case with previous amendments of this nature, it will simply add millions, in some cases billions, of dollars to the bill. It is subject to a point of order under the Budget Act. At the appropriate time, that budget point of order will be presented.

Mr. KERRY. Mr. President, I would like to take a few minutes to express my enthusiastic support for the amendment offered by my colleague and friend, Senator KENNEDY. Mr. President, Labor Secretary Herman summed up the challenge of today's economy when she declared at the National Skills Summit in April that in this country we have ''a skills shortage, not a labor shortage.''

Right now we have the lowest unemployment rate in this country in the last 30 years. But even as we celebrate this remarkable feat—and it is remarkable—we must remember that there are still some 13 million people in this country who want, but do not have, a full-time job. The Kennedy amendment would make full-time employment a real possibility for homeless veterans, young people, and for youths seeking summer employment.

I appreciate that the Labor-HHS subcommittee's allocations were inadequate to fund at sufficient levels all of the programs in this legislation and I think they have done a good job with what they had to work with. But clearly Mr. President this bill retreats from our commitment to fund many critical education, training, and health programs. I am troubled that the bill before us does not adequately fund job training programs for homeless veterans. Veterans issues are especially important to me, and I know it is of great importance to my fellow veterans here in the Senate. The Kennedy amendment would allow 1,400 more veterans to receive employment placement and economic security than does the bill put forth by the Republicans.

This appropriations bill severely under-funds many important programs, but none more critical than the youth job programs like Job Corps, Youth Opportunity Grants program, and the Summer Jobs program.

Mr. President, Job Corps is the nation's largest residential education and

training program for disadvantaged youth. This program takes head on the issues and the people who have been left behind in this period of economic expansion. While many Americans enjoy unprecedented prosperity, the nation's unemployment rate among African-American teenagers is 22%, almost double the national teenage unemployment rate. Twenty-six percent of those who dropped out of high school between October 1998–99 are unemployed. We cannot relegate these people to the margins of our society, especially during this moment of great national wealth.

There are 120 Job Corps centers in 46 states, including three in my state of Massachusetts. Since 1964, Job Corps has given 1.7 million young people in this country the academic and vocational training they need to get good, entry-level jobs, join the military, or go to college. Job Corps offers GED or high school equivalency programs and training in various occupations, as well as advanced training and additional support services. Graduates of Job Corps go on to work in every field from automotive mechanics and repair, to business, and to health occupations. This amendment would allow Job Corps to serve more than 70,000 additional students and reduce staff turnover by offering Job Corps employees a more competitive salary.

This amendment would also greatly increase funding for the Youth Opportunity Grants. These grants serve some of the poorest inner-city areas and Native American reservations in the country, where unemployment levels are well above the national average. Unfortunately, the Republican legislation would not allow the Department of Labor to expand this program. Last year, the Department of Labor was able to fund only 36 of 150 grants under the Youth Opportunity Grant program, two of which are in Boston and Brockton, Massachusetts. This amendment would allow the Department of Labor to fund 15–20 new grants, allowing us to provide job skills and real work experience to people who live in areas that have only heard rumors about our nation's economic growth, but have not seen it for themselves.

I would also like to voice my support for increasing funding by $254 million to restore cuts in the Summer Jobs program. In late March I met with 20 members of the Boston Mayor's Youth Council, who raised money to travel to Washington. We met right outside this chamber on the Senate steps. The 20 young people that I met with spoke extremely eloquently and passionately about their experiences in summer jobs programs, and they asked me to speak on their behalf in Washington in support of the Summer Jobs program.

Well, Mr. President, I intend to speak on their behalf. Approximately 85% of youths in the summer jobs program last year were between the ages of 14–17. Teens in that age group typically do not find private-sector work. But these young people were afforded the opportunity to learn job skills and responsibility. We have all heard teachers lament that students often greet lessons with cries of ''When are we ever going to have to use this again?'' Summer jobs make education relevant to teenagers, helping to reduce drop-out rates and fostering an interest in higher education.

The Workforce Investment Act consolidates the Summer Jobs program and year-round jobs program into a comprehensive system of services for at-risk, low-income youth. But under the bill before us, 13,000 teens will be eliminated from this program. The Kennedy amendment would add back $254 million, allowing us the opportunity to provide summer jobs to 152,400 low-income students, 85% of whom would not otherwise be able to find summer employment.

In March I received a letter signed by 22 mayors in the State of Massachusetts, urging me to fight for Summer Jobs program funding. In this letter, the mayors write ''The state has benefitted because with the young people working, negative behaviors that often result from idleness are prevented.'' Mr. President, I ask unanimous consent that this letter be printed in the record following my statement. I know these programs are important and are working. And I know they should receive greater funding.

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

(See Exhibit 1.)

Mr. KERRY. Mr. President, I don't want to end today without pointing out the importance of this amendment to our national trade policy. I believe very strongly in free trade. I know that the Trade and Development Act that we passed earlier this year and granting PNTR to China—if we ever get the chance to debate it in the Senate—will grow Massachusetts's economy and produce long-term benefits for workers in Massachusetts and across the country. But the budget put forth by the Republicans takes no responsibility for protecting those who are most at risk for being left behind. This amendment does claim that responsibility. As we continue with our push to open new markets, we have got to ensure those who lack the skills, the income or the education to get quality jobs can have an opportunity to succeed in the new economy. I urge my colleagues to support this amendment.

EXHIBIT I

MASSACHUSETTS MUNICIPAL ASSOCIATION,
*Boston, MA, March 22, 2000.*

Hon. EDWARD M. KENNEDY,
*Russell Senate office Building,*
*Washington, DC.*

Hon. JOHN F. KERRY,
*Russell Senate Office Building,*
*Washington, DC.*

DEAR SENATORS KENNEDY AND KERRY: We are writing to urge you to advocate for summer jobs funding in the Emergency Supplemental Appropriations bill currently before Congress.

As you are aware, the Workforce Development Act (WIA), which was signed into law in August 1998, will become effectively July 1st, 2000. While we certainly support the WIA goal of offering more comprehensive services for youth on a year-round basis, we are concerned that the additional requirements of WIA and the lack of an increase in funding for year-round youth programs will result in the Commonwealth's inability to provide the number of jobs that we need to serve our youth population this summer. Estimates project that we may have to turn over half of the eligible youth away this summer barring an increase in summer jobs funding.

The summer jobs program in Massachusetts has been phenomenally successful, both for our young people and the state as a whole. The young people gain work experience (many for the first time), earn a paycheck (which many contribute to household expenses), and have the chance to gain academic skills (as summer is often a time when young people slide backwards academically). The state has benefited because with the young people working, negative behaviors that often result from idleness are prevented.

This year we face a double threat, as Governor Cellucci has chosen not to fund the state summer jobs program in his budget. We are working with the Legislature and others to restore this funding to the state budget. We will certainly have a major problem if we lose funding from both the federal and state programs.

At its winter meeting in January, the U.S. Conference of Mayors passed a resolution to support: (1) an emergency appropriation to address the shortfall of funds needed to serve youth this summer; and (2) increased funding in the FY2001 budget to meet the projected doubling of program costs resulting from the new requirements of the Workforce Investment Act. A copy of the resolution is enclosed.

Please keep us updated on the efforts to include funding for summer jobs in the emergency appropriation and increased funding in the FY 2001 budget. Thank you for your continued support and assistance on this high priority issue.

Sincerely,

Thomas Menino Mayor, Boston; Daniel Kelly Mayor, Gardner; Mary Whitney Mayor, Fitchburg; Michael Tautznik Mayor, Easthampton; Robert Dever Mayor, Woburn; William Scanlon Mayor, Beverly; Mary Clare Higgins Mayor, Northampton; Lisa Mead Mayor, Newburyport; John Yunits Mayor, Brockton; Thomas Ambrosino Mayor, Revere; Ted Strojny Mayor, Taunton; David Madden Mayor, Weymouth; Edward Lambert, Jr. Mayor, Fall River; Gerald Doyle Mayor, Pittsfield; Patrick Guerriero Mayor, Melrose; Peter Torigian, Mayor, Peabody; James Rurak, Mayor, Haverhill; John Barrett III Mayor, North Adams; Richard A. Cohen Mayor, Agawam; David Ragucci Mayor, Everett; Frederick Kalisz, Jr. Mayor, New Bedford; James A. Sheets Mayor, Quincy.

Mr. BINGAMAN. Mr. President, I rise to speak briefly about the amendment my good friend from Massachusetts, Senator KENNEDY, has offered to the Labor/HHS appropriations bill to restore critical funding to skills training programs at the Department of Labor.

Mr. President, I appreciate the work that Senators SPECTER and HARKIN have put into this bill. Finding the appropriate balance in this bill is particularly difficult. And, while I am disappointed with the funding levels for

many of the programs at the Department of Labor, I do understand that Senator SPECTER and Senator HARKIN care deeply about the programs affected by this amendment.

There are several components of the amendment offered by Senator KENNEDY but I would like to take a minute to discuss one in particular that is of critical importance to my state of New Mexico.

Mr. President, the amendment calls for an additional $181 million for dislocated worker assistance This additional funding would meet the President's request for fiscal year 2001.

When Congress passed the Workforce Investment Act a couple years ago, an important component was the funding stream for dislocated workers. While much of the Nation has prospered over the past eight years, many in my home state have not. I have seen plant closing from Roswell and Carlsbad in the east, to Las Cruces in the south, Albuquerque in the north and Cobre in the west. Thousands of high paying jobs have been lost, and especially hard hit has been the extractive industries. I don't need to tell my colleagues how devastating a plant closing can be on a community and families.

The Workforce Investment Act authorizes grants to States and local areas to provide core, intensive training and supportive services to laid off workers with the aim being to help them return to work as quickly as possible at wages as close as possible to those received prior to the layoff. These funds are critically important as the nature of our economy has changed over the last decade from an industrial base economy to a technologically based one. Workers who are laid off today, particularly those who have been with the same company for a number of years, are often unprepared to reenter the work place or for the new economy they face. Training and retraining is critical to develop the skills they need to quickly find a decent paying job and get back on their feet.

Under President Clinton, dislocated worker funding has tripled from $517 million in Program Year 1993 to $1.589 billion in Program Year 2000. Yet despite these increases, the need for these services has unfortunately kept pace with, and in some cases exceeded, the availability of funds. The President's budget for year 2001 continues the commitment to dislocated worker programs by providing adequate funding levels that will give dislocated workers the tools to compete in the new economy. This is the second installment of a five-year Universal Reemployment Initiative. Under the Universal Reemployment Initiative, dislocated worker funding was to be increased each year to ensure that by 2004 every dislocated worker would receive training and reemployment services if they want and need it, every unemployment insurance claimant who loses their job through no fault of their own would get the reemployment services they want and need, and every American would have access to One-Stop Career Centers.

However, and unfortunately in my opinion, unless the level of funding in the Senate's Labor/HHS bill is not increased, this will be the first year since 1994 that there will be no increase in these funds, and our commitment to universal reemployment will be in serious jeopardy. Specifically, this bill cuts over $181 million from the President's request which will mean the Department of Labor will be able to serve 100,825 fewer recipients. While the bulk of this cut would fall on State/local formula funding, it is important to note that 20 percent of the cut—over $36 million, would be in the Secretary's reserve funds, reducing her capacity to make National Emergency Grants to respond to disasters and large scale layoffs.

Mr. President, as my colleagues know, New Mexico has been through a couple rough months. These funds for dislocated workers are extremely important and I urge my colleagues to support the Kennedy amendment to bring the level of funding for this, and many other important programs, up to the level of the President's request.

Finally, Mr. President, I would also encourage my colleagues to support this amendment because of the increased funding levels for Youth Opportunity Grants, the Summer Jobs Program, and for Job Corps, among others. These programs, and the funding levels contained in this amendment are likewise critical to meeting the needs of young people in my state.

Again, Mr. President, I hope my colleagues will support this amendment and commend my friend, Senator KENNEDY, for his leadership on issues that are so important to families and working men and women throughout this country.

Mr. BAYH. Mr. President, I rise today in support of Senator KENNEDY's skills training amendment. This amendment contains important measures to provide individuals with the necessary skills to succeed in the workforce. The amendment addresses the need to provide employment skills training to noncustodial parents, particularly fathers. The ''Fathers Work, Families Win'' initiative begins to address a very troubling epidemic, fatherlessness.

The number of children living in households without fathers has tripled over the last forty years, from just over five million in 1960 to more than 17 million today. Although the work of single mothers is truly heroic, father absence has caused unnecessary burdens on women and has forced millions of children to overcome difficult social hurdles. For example, children that live absent their biological fathers are five times more likely to live in poverty. They are more likely to bring weapons and drugs into the classroom, to commit a crime, to drop out of school, to be abused, to commit suicide, to abuse alcohol or drugs, and to become pregnant as teenagers. The $255 million requested for this initiative is dwarfed in comparison by the amount of money the Federal Government spends on dealing with the consequences of fatherlessness.

There are several pieces to this puzzle, one of which is employment services. Too many fathers are unable to provide financial support for their children. Although many of these fathers have the desire to take responsibility for their children, they do not have the means. In short, these fathers are not dead-beat, they are dead-broke. The ''Fathers Work, Families Win'' initiative gives us a way to work through the current infrastructure to deliver employment services to fathers and noncustodial parents. Skill-building and employment services will help to increase the employment rate among noncustodial fathers and therefore, increase child support payments.

Our challenge is to give fathers the tools necessary to be successful parents. While employment services for noncustodial parents is an essential component to making fathers responsible, it is not the only service that is needed to ensure these fathers become good parents. Senator DOMENICI and I have introduced a comprehensive package designed to address the fatherlessness epidemic. S. 1364, the Responsible Fatherhood Act of 1999 would provide states with funds to promote the maintenance of married, two-parent families, strengthen fragile families, and promote responsible fatherhood. In addition to the program grants available to states, states would receive funds for a media campaign. A media campaign would be an effective way to communicate the message of father responsibility across ethnic, racial, and income barriers. The bill also recognizes the need to remove federal disincentives to pay child support.

We face a great challenge, but we must not let it overwhelm us. We must instead begin to put the pieces of the puzzle together. I commend Senator KENNEDY for including the ''Fathers Work, Families Win'' initiative in his amendment. It is my hope that the Senate will enact this legislation and continue to pursue other solutions to the epidemic of fatherlessness.

Mr. REED. Mr. President, I'm here to speak about the Kennedy Workforce Investment amendment restoring cuts to the Department of Labor's training funds.

This amendment is just plain common sense. The single best thing we can do for our society, and for every working family, is to make sure that every American who wants a decent paying job has the skills necessary to obtain a decent paying job. By helping youths and adults get the job training they need, we help turn them into taxpaying citizens who can purchase goods and services, buy homes and afford health care, and contribute to our growing economy.

This amendment, in a multitude of ways, tries to address the most basic challenge facing our country: How do we help American workers develop the skills they need to excel in an increasingly complex and constantly evolving economy?

First, our amendment helps by fully funding the Dislocated Worker Assistance Program. It restores $181 million in funding to a program that has made a substantial difference in the lives of Rhode Island workers. We, like many formerly industrial states, have suffered great worker dislocation as industries have left, often to go somewhere overseas where labor was cheaper. Restoring this funding to the President's request would allow 100,000 more workers, dislocated through no fault of their own, access to training, job search and re-employment services.

Our amendment also grants the Administration's request for $44 million to improve access to One-Stop services for million of Americans and make the job search process less overwhelming and more efficient. The Director of the Rhode Island Department of Labor and Training informed me that the current cuts to this program will ''seriously impact'' the ability of our state to provide the services and information now required by the Workforce Investment Act for use by job seekers and employers.

In addition to fully funding adult worker skills programs, our amendment would add $254 million to restore cuts in the Summer Jobs Program resulting from implementation of the Workforce Investment Act. Many states, like my own, were unprepared for this dramatic change in the federal funding stream. Thousands of kids in Rhode Island, especially 14- and 15-year-olds, are now going without summer jobs. Many of these kids are from small towns, others are from inner city Providence—both are limited by their age and the lack of job opportunities in their respective communities.

Giving young people job experience benefits the entire country. The development of good work habits and a respect for the virtues of labor alone are strong payoffs. Everyone in this Congress should be supporting a restoration of these cuts.

Finally, our amendment would restore $29 million to the Job Corps program, one of the most effective programs in the country for kids between the ages of 16 and 24. A recent Mathematica Policy Research Inc. study shows that 16- to 17-year-old youths who go through the Job Corps program are 80 percent more likely to earn a high school diploma or GED than a control group excluded from the program. This group also earned salaries that were 20 percent higher and had arrest rates that were 14 percent lower. This program works, and we should be fully funding it.

Strengthening our workforce strengthens our families, and ultimately makes our entire country stronger. Adopting this skills training amendment is good for both American business and American workers, and every member of this Chamber should be in support of it.

The PRESIDING OFFICER (Mr. CRAPO). Who yields time?

The Senator from Massachusetts has 1 minute remaining. The Senator from Washington has 26 minutes remaining.

The Senator from Washington.

The Chair notes there is time still pending on the amendment.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. GORTON. I yield back the remainder of my time.

I raise a point of order under section 302(f) of the Budget Act, as amended, that the effect of adopting the amendment provides budget authority in excess of the subcommittee's 302(b) allocation under the fiscal year 2001 Concurrent Resolution on the Budget and, therefore, is not in order.

Mr. KENNEDY. Pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of the Budget Act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GORTON. Mr. President, I ask unanimous consent that for the time being we lay aside the current amendment.

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

Mr. GORTON. Mr. President, I ask unanimous consent that following the conclusion of the debate on the Wellstone amendment on the subject of suicide, the Senate proceed to vote in relation to the previously debated amendments, with 2 minutes prior to each vote for explanation. Those votes are as follows:

Dodd amendment No. 3672 on community learning centers;

Kerry of Massachusetts amendment No. 3659 on technology literacy;

Reed of Rhode Island amendment No. 3638 on the GEAR UP program; and Kennedy amendment No. 3678 on workforce investment.

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

Mr. GORTON. Those votes, Mr. President, will start at about 3:30 p.m., for the information of my colleagues.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

AMENDMENT NO. 3680

(Purpose: To provide for a certification program to improve the effectiveness and responsiveness of suicide hotlines and crisis centers)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself and Mr. WELLSTONE, proposes an amendment numbered 3680.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 34, line 17, insert before the period the following: ''*: Provided further,* That within the amounts provided herein, $3,000,000 shall be available for the Center for Mental Health Services to support through grants a certification program to improve and evaluate the effectiveness and responsiveness of suicide hotlines and crisis centers in the United States and to help support and evaluate a national hotline and crisis center network''.

Mr. REID. Mr. President, it is my understanding there are 30 minutes that have been designated for the amendment being offered.

The PRESIDING OFFICER. No formal time agreement has been entered regarding this amendment.

Mr. REID. If the Chair would be kind enough to advise me when I have used 15 minutes, I won't ask for a unanimous consent agreement, but there was an agreement that there would be approximately a half hour on this.

This amendment would provide $3 million to certified crisis centers. This deals with the plague of suicide that is sweeping this country. Every year in America, 31,000 people kill themselves. This is probably far fewer than the actual number. It is something that is very devastating to those who are survivors. But there is also a situation in this country that creates a tremendous loss of economic benefits for everyone concerned.

I offered this amendment on behalf of Senator WELLSTONE because I was asked to by his staff. Since Senator WELLSTONE is the prime sponsor of this amendment and is now on the floor, I would like for him to proceed. I will be happy to proceed when the Senator has completed his remarks. The amendment has been offered.

Mr. SPECTER. Mr. President, parliamentary inquiry: Is there any pending business at the moment?

The PRESIDING OFFICER. The pending business before the Senate is amendment No. 3680.

Mr. SPECTER. Is that the amendment by the Senator from Minnesota?

The PRESIDING OFFICER. It is.

Mr. SPECTER. Mr. President, I believe we were scheduled to vote at 3:30 on four amendments. So I inquire of my colleague from Minnesota how long he will be on this matter.

Mr. WELLSTONE. Mr. President, I will be quite brief. I apologize. I didn't realize the amendment was coming up now. Senator REID and I were doing this together. Probably 10 minutes is what I will need. My understanding is that the Senator from Pennsylvania, who has been focused on suicide prevention and trying to do better with mental health treatment, would accept

the amendment. I think I can do this in 10 minutes.

Mr. REID. Mr. President, I was going to take 15 minutes, but 10 minutes would be fine.

Mr. SPECTER. Mr. President, I ask unanimous consent that we proceed to the Wellstone amendment on a 10-minute time agreement.

The PRESIDING OFFICER. The Chair advises Senators that there is no time agreement, unless we get this unanimous consent agreement.

Mr. SPECTER. Mr. President, I ask unanimous consent that the time on the Wellstone amendment be divided with 7 minutes for Senator WELLSTONE and 3 minutes for this Senator.

Mr. REID. I haven't spoken yet. I have only spoken for 1 minute.

Mr. WELLSTONE. I object. I say to my colleague from Pennsylvania, I haven't been out here on the amendment. He knows that, and I don't want the Senator from Nevada to only have a few moments. It is an important issue. I don't think we can do it in that time.

Mr. SPECTER. I withdraw my request and suggest that we proceed.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, we will move forward and not go through any unnecessary delay. This amendment would support a certification program to improve and evaluate the effectiveness and responsiveness of suicide hotlines and crisis centers in the U.S. and to help support and evaluate a national hotline and crisis center network.

Let me go through these figures here on the chart.

Suicide facts for our country:

Every 42 seconds someone attempts suicide.

Each 16.9 minutes someone completes suicide.

Suicide is the eighth leading cause of all deaths.

Death rates from suicide are highest for those over age 75.

The incidence of suicide among 15- to 24-year-olds has tripled over the past 40 years, making it the third leading killer in that age group of 15- to 24-year-olds.

In the State of Minnesota, it is the second leading killer of young people from age 15 to 24. These statistics that deal with mental illness and suicides are disturbing. I point out to my colleagues that one of the factors that makes it so disturbing is that so much of suicide is connected to mental illness, especially depression or substance abuse, and so much of it is diagnosable. Frankly, it is treatable.

Really, there should be a hue and cry in the country for corrective action. I do a lot of work with Senator DOMENICI, and I get to do this work with Senator REID and Senator KENNEDY as well. There are a whole host of issues that deal with our failure to provide decent mental health coverage for people.

I thank Surgeon General David Satcher for doing marvelous work. The Surgeon General's report, which came out recently, talks about 500,000 people every year in our country requiring emergency room treatment as a result of attempted suicide. In 1996, nearly 31,000 Americans took their own lives.

I think of Al and Mary Kluesner in the State of Minnesota who started this organization called SAVE. They themselves have lost two children to suicide. Several of their other children have been unbelievably successful in their lives. There has been, up until fairly recently, this shame and people feeling as if it is their own moral failure. But it has so little to do with that.

I met a couple weeks ago with Dr. David Shaffer from Columbia University and Kay Jamison from Johns Hopkins University. She has done some of the most powerful writing. It was Dr. Jamison who said before Senator SPECTER's committee, ''The gap between what we know and what we do is lethal.''

We know so much about the ways in which we can treat this illness and we can prevent people from taking their lives, but we have not done nearly as much. We have many different organizations that support this amendment. I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING THE WELLSTONE-REID-KENNEDY SUICIDE PREVENTION AMENDMENT TO THE LHHS APPROPRIATIONS BILL, JUNE 28, 2000

38 ORGANIZATIONS

American Association of Suicidology (AAS).
American Foundation for Suicide Prevention (AFSP).
Suicide Prevention and Advocacy Network (SPAN).
Suicide Awareness/Voices of Education (SA/VE).
National Mental Health Association (NMHA).
National Alliance for the Mentally Ill (NAMI).
Bazelon Center for Mental Health Law.
American Psychiatric Association.
American Psychological Association.
National Mental Health Awareness Campaign.
Light for Life Foundation (Yellow Ribbon Campaign).
QPR Institute (Question/Persuade/Refer).
National Organization of People of Color Against Suicide (NOPCAS).
National Institute for Gay, Lesbian, Bisexual, Transgender (NIGLBT).
With One Voice.
Contact USA.
Crisis Support Services of Alameda County.
Contra Costa Crisis Center.
Didi Hirsch Community Mental Health Center.
San Mateo Crisis Intervention and Suicide Prevention Center.
Pueblo Suicide Prevention Center.
Alachua County Crisis Center.
CrisisLine of Lantana.
Switchboard of Miami.
Cedar Rapids Foundation 2.
Prince George's County Hotline and Suicide Prevention Center.
St. Louis Life Crisis Services.
Crisis Call Center, Reno, Nevada.
Covenant House.
Fargo HotLine.
HelpLine of Delaware County.
HelpLine of Morrow County.
CONTACT of Pittsburgh.
Sioux Falls, Volunteer Information Center HelpLine.
Nashville Crisis Intervention Center.
Houston Crisis Center.
Crisis Link of Northern Virginia.
Friends of Mental Health of Loudon County.

Mr. WELLSTONE. Mr. President, what this amendment does is add $3 million to SAMHSA to support, through grants, a certification program that would evaluate the effectiveness and responsiveness of crisis centers and suicide hotlines across the United States.

It also helps to support a national hot line and crisis center network. There are 750 such crisis services in place across the country today. These centers are documented in the directory kept by the American Association of Suicidology.

To date, there has been little or no funding to help support the training and to improve the quality of guidance through these hot line and crisis services. This amendment does exactly that. These funds will be used to improve the training and the skills of the staff at the crisis hot lines for suicides. There will be a variety of ways in which we can get the money to people so this work can be done.

In awarding these grants, I encourage the Secretary of Health and Human Services to collect an experienced nonprofit organization with significant expertise to administer this program.

According to U.S. Surgeon General David Satcher, approximately 500,000 people each year require emergency room treatment as a result of attempted suicide. In 1996 alone, nearly 31,000 Americans took their own lives. In the U.S., suicide is the third leading cause of death of people age 15–34. A suicide takes place in our country every 17 minutes.

In some parts of our country, including my own state of Minnesota, suicide is the second leading cause of death for these young people. Three times the number of Minnesotans die from suicide than from homicide.

We know, without a doubt, that 90 percent of all completed suicides are linked to untreated or inadequately treated mental illness or addiction. To prevent suicide requires an all-out public health effort that will recognize this problem, and will educate our country that we can no longer afford to turn our eyes away from the unthinkable reality that our citizens, even our children, may want to die.

Dr. Satcher and other national mental health experts, such as Dr. Steve Hyman, Director of the National Institute of Mental Health, have helped bring this issue forward, and to help us understand that, with proper treatment, this is one of the most preventable tragedies that we face as a country.

In 1996, the World Health Organization also issued a report urging members worldwide to address the problem of suicide, and one result was the creation of a public/private partnership to seek a national strategy for the U.S., involving many government agencies and advocacy groups. This is clearly a serious problem throughout the world.

For too long, mental illness has been stigmatized, or viewed as a character flaw, rather than as the serious disease that it is. A cloak of secrecy has surrounded this disease, and people with mental illness are often ashamed and afraid to seek treatment, for fear that they will be seen as admitting a weakness in character. For this reason, they may delay treatment until their situation becomes so severe that they may feel incapable of reaching out.

Although mental health research has well-established the biological, genetic, and behavioral components of many of the forms of serious mental illness, the illness is still stigmatized as somehow less important or serious other than illnesses. Too often, we try to push the problem away, deny coverage, or blame those with the illness for having the illness. We forget that someone with mental illness can look just like the person we see in the mirror, or the person who is sitting next to us on a plane. It can be our mother, our brother, our son, or daughter. It can be one of us. We have all known someone with a serious mental illness, within our families or our circle of friends, or in public life. Many people have courageously come forward to speak about their personal experiences with their illness, to help us all understand better the effects of this illness on a person's life, and I commend them for their courage.

The statistics concerning mental illness, and the state of health care coverage for adults and children with this disease are startling, and disturbing.

One severe mental illness affecting millions of Americans is major depression. The National Institute of Mental Health, an NIH research institute, within the U.S. Department of Health and Human Services, describes serious depression as a critical public health problem. More than 18 million people in the United States will suffer from a depressive illness this year, and many will be unnecessarily incapacitated for weeks or months, because their illness goes untreated. Many will die.

I recently had the good fortune to meet with a group of some of the foremost experts on suicide prevention, including Dr. David Shaffer, from Columbia University, and Dr. Kay Jamison, from John Hopkins University. They gave me an extraordinary overview of the many critical points of intervention where suicide may be prevented, and it is my intention to develop a larger bill, in collaboration with Senator HARRY REID, and hopefully many of my colleagues, that will address many of these issues.

But this amendment will meet an important need right now, one that is timely, and even with its modest funding can help save many lives. This amendment has the support of Senators REID and KENNEDY, as well as the support of the national groups:

American Association of Suicidology,

American Foundation for Suicide Prevention,

SPAN (Suicide Prevention and Advocacy Network),

National Mental Health Association,

National Alliance for the Mentally Ill,

American Psychiatric Association,

American Psychological Association,

Bazelon Center for Mental Health Law, and SA/VE, a group based in Minnesota (Suicide Awareness/Voices of Education), headed by Al and Mary Kluesner.

My amendment will add $3 million to SAMHSA to support through grants a certification program to improve and evaluate the effectiveness and responsiveness of crisis centers and suicide hotlines across the United States, and to help support a national hotline and crisis center network. Although there are 750 such crisis services in place across our country—these centers are documented in the directory kept by the American Association of Suicidology—to date there has been little or no funding to help support the training and improve the quality of the guidance that is provided through these hotline and crisis services.

This amendment will do exactly that. These funds will be used to help improve the training and skills of the staff at crisis hotline suicides, through guidance provided by the American Society of Suicidology, the Center for Mental Health Services, the National Institute Mental Health, and other mental health professionals. It will also help support the development of a national hotline and network of certified crisis centers.

In the awarding of grants, I would encourage the Secretary of HHS to select an experienced non-profit organization with significant expertise in this area to administer the certification process, so that this process of training can begin as quickly as possible.

Telephone hotlines are only one of the points of intervention, and are not and cannot be the only solution to those who suffer from severe mental illness and the extraordinary despair that leads to suicide. Our country also needs to ensure that Americans have fair access to medical care, that the stigma associated with mental illness is reduced, and more education and training for health care providers is made available. But the hotline does provide a lifeline for those who need to reach out for help and have nowhere else to turn too when they reach the point of despair.

The crisis centers that run suicide hotlines are often patched together through a variety of funding sources, and struggle to keep their staff trained and their services of the highest quality. Although some centers are certified by the American Association of Suicidology, and some are connected through the Hope Line Network that is working to establish a national network, this process has only just begun. These centers perform a critically important service and would benefit enormously from a national certification process and regular staff training. The time is right to fund such a process.

Staff at crisis centers need to be trained to conduct a suicide risk assessment to determine the seriousness and urgency of someone who may be contemplating suicide. They also need to know when to refer the individual to a local community mental health provider if the person is not in crisis. But most importantly, they need to know when to send the police to the person's home or workplace if the staff person is convinced that a suicide is about to take place.

Most people think that there is a national suicide hotline already in place that links people throughout the country. But until recently, this was not so. Crisis centers operated on their own, with volunteer help, and few resources. Recently, a national hotline number (1–800–SUICIDE) was established through the Hope Line Network, through the National Mental Health Awareness Campaign. As an example of the incredible need for such a number, the national hotline found itself flooded with calls after recently advertising on MTV and Fox Family Channel. Additionally, 1.5 million Americans logged onto their website during the 2 weeks after this advertising began. There are obviously many people who are in need of this service. And it needs to be the best possible service, and linked as best it can be to local help.

By improving the training and skills of crisis hotline operators, such contact can be of the highest quality. Certification would require rigorous on site training and visits, evaluation of operations, records reviews, verification of staff training and skills, and the like.

The Surgeon General is to be commended for bringing this issue of suicide forward as a major public health crisis in his 1999 report, Call to Action to Prevent Suicide. In his report, he specifically cited the need for instituting training programs concerning suicide risk assessment and recognition, treatment, management, and aftercare intervention. He also asked that community care resources be enhanced as referral points for mental health services. This amendment helps to support both of these requests.

I must emphasize that suicide is often linked to severe depression and other forms of mental illness. These illnesses are not the normal ups and downs everyone experiences. They are illnesses that affect mood, body, behavior, and mind. Depressive disorders interfere with individual and family functioning. Without treatment, the person with a depressive disorder is

often unable to fulfill the responsibilities of spouse or parent, worker or employer, friend or neighbor. And far too often, without treatment, a person can reach such a level of despair that they will take their own life. This amendment will fund programs to help people get the treatment they need before it is too late. As Dr. Kay Redfield Jamison stated in a recent Senate hearing on suicide, when it comes to treatment for mental illness, ''the gap between what we know and what we do is lethal.''

The issue of suicide prevention is one that we have discussed before, at a hearing held by Senator SPECTER, and during other discussions about mental health research and treatment. I am proud of my colleagues who have supported these efforts, including the cosponsors of this amendment, Senator REID and Senator KENNEDY. I am proud to join them in bringing this amendment forward, and I ask you for your support.

There is a piece of legislation I have with Senator DOMENICI called the Mental Health Equitable Treatment Act. We believe, especially when it comes to physician visits and days in hospitals, that people with a mental illness should be treated the same way as people with a physical illness. We think it is time to end this discrimination.

I have two other amendments that are included in other legislation which deal with the problem of suicide and mental health—especially with young people—and ways of getting money to communities that can then put the money to use, whether it be substance abuse treatment programs, whether it be family counseling, or whether it be pharmacological treatment, or you name it.

The amendment I introduced with Senator REID is very basic. It is very straightforward.

It basically provides the grants through a certification program to improve the effectiveness of these suicide hot lines and crisis centers in the United States. It will help them support and evaluate a national hot line and crisis center network.

I say to my colleague from Nevada that this is really incremental. It is not the be all or the end all. But the additional resources will really help SAMHSA. It will help us make sure these crisis hot lines are put to the very best use; that the people who are working there have the best training; that people who will be working these lines will do their very best in taking calls and know how to help people.

This is important. It is a network of support for people. It is one step and only one step.

But I will finish my remarks and then hear from my colleague from Nevada who really is taking the lead on this amendment.

Again, every 42 seconds someone in our country attempts suicide. Every 16.9 minutes someone completes suicide. Suicide is the eighth leading cause of all deaths.

This one really gets to me. I admit that until I saw this—I believe I do a lot of work in the mental health area—I didn't realize the suicide rates are highest for those over age 75. I didn't realize that. My focus has really been on young people because in my State of Minnesota, for the age of 15 to 24, suicide is the second leading cause of death.

We need to do better. In this piece of legislation, we take this funding from administrative services and put it into this program. I think it will make a very positive difference.

I am delighted that my colleagues on the other side of the aisle are going to support this amendment.

Mr. KENNEDY. Mr. President, I strongly support this amendment, which is a long overdue attempt to deal more effectively with suicide, a serious public health threat in the United States.

In 1998, suicide was the cause of more than 29,000 deaths —nearly 60 percent higher than the number of homicides in that year. The nation's Surgeon General, Dr. David Satcher, issued a Call to Action to Prevent Suicide in 1999, in which he recommended a national strategy to reduce the high toll that suicide takes. Our amendment will provide grants through the Center for Mental Health Services to help support a national network of suicide hotlines and crisis centers, and to provide a certification program for the staff members of the network. This program will ensure that people who seek help during a crisis will receive an effective response from appropriately trained and certified personnel.

In Massachusetts, the state's 1999 Youth Risk Behavior Survey found that one of every five adolescents had seriously considered suicide in the previous year, and one in twelve—more than 20,000 teenagers—made an actual attempt. But this serious problem is not limited to young Americans. It affects all age groups. In fact, suicide rates increase with age, and are highest among men aged 75 years and older.

Suicide also affects all racial and ethnic groups. Between 1980 and 1996, the rate of suicide among African-American male teenagers more than doubled. Native American communities have long experienced high suicide rates.

Suicide and suicide attempts affect both genders. Although males are four times more likely to die of suicide, females are more likely to attempt suicide. Each year in the United States, half a million people require emergency room treatment for a suicide attempt.

But suicide and suicide attempts can be prevented. Ninety percent of people who complete suicide have depression or another mental or substance abuse disorder. These disorders respond to effective treatment.

The amendment we offer today will ensure that when a person is in crisis anywhere in our nation, there is a network of hotlines and crisis centers to call for help, and that a trained and certified staff member will be available to intervene effectively. Every 17 minutes another American completes suicide. We can do much more to prevent this national tragedy. Our proposal is a small, but significant, step toward preventing the unnecessary loss of American lives, and I urge the Senate to support it.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, my friend from Minnesota has been a great partner on this issue. He has been very understanding. He is a very caring person, as indicated by the work he has done. He has outlined very generally and in many cases specifically the problems we have in America today relating to suicide.

There is no question about it. Suicides occur more often in this country than can be calculated. As I have indicated, the statistics that the Senator from Minnesota gave us are reported suicides. There are many deaths that appear to be accidents that are suicides, and they cannot be calculated.

The State of Nevada leads the Nation in suicide. It doesn't matter what age group it is. It doesn't matter whether they are teenagers or senior citizens. The State of Nevada has the dubious distinction of leading the Nation in suicide. That is too bad.

This amendment is a step in the direction of helping people not only in Nevada but all over the country. The amendment offered by the Senator from Minnesota and the Senator from Nevada will set up a number of crisis centers. Today, we have about 78 crisis centers that are certified. This would allow hundreds more to be certified.

What does this mean? It means that when you call 1–800–SUICIDE, which was activated a little more than a year ago —people who are depressed or suicidal or those concerned about someone else who is depressed or suicidal—you are automatically connected to someone who is at one of these centers and who is trained. These calls are routed to the crisis center nearest to the person where the call is placed.

The crisis center calls are answered by certified counselors 24 hours a day, 7 days a week—on Thanksgiving and on Christmas; it is sad to say but Christmas is one of the biggest suicide days in this country.

In the event the nearest crisis center is at a maximum volume, the call is routed to the next nearest center. There is never a busy signal, or a voice mail. People in crisis usually reach a trained counselor within two or three rings, or about 20 to 30 seconds from the moment they dial 1–800–SUICIDE.

What does this suicide crisis line mean?

Let me read excerpts from a few letters.

This one is written to the Northern Virginia hot line. It says, among other things:

I would like to name NVHL (Northern Virginia Hotline) as one of my beneficiaries on my life insurance policy . . .

The reason for this act of kindness is to give back to your organization what your organization has given to me. You see, over the past twenty years I have used your listeners during moments of crises in my life. When I had no one to turn to, I could turn to your listeners for insight and support . . .

I want to give back to the organization that has been responsible for helping me through many tough late nights over the past twenty years.

We have a letter from the Catholic Newman Association in Houston, TX. It is a three-paragraph letter. I will read only one paragraph.

I simply want to say that because of you, Karen, a girl named _____ is alive today and has, for perhaps the first time in her life, a real hope and desire to live. She called you a few weeks ago, with a razor blade in her hand, and she had already begun to cut her wrist. You talked to her for almost an hour, though she tried to hang up a number of times. You were able to get information about the fact that she had recently talked to me, as well as where she lived. You were able to keep her on the line while you had someone contact me and I got to her apartment in time to keep her from completing the suicide attempt. She has been hospitalized and has undergone intensive therapy and is soon to be released, with real hope that there are good reasons to stay alive. You must have been very skillful, Karen because she is a very sharp girl and it was a true suicide attempt prevented only by the fact that she wanted to talk to one human being—you—before killing herself. Because you took her seriously, because you cared, because you knew what to say and do, she is alive today and wants to continue to live.

We also have a letter addressed to Arlene, someone who works at one of these hot line centers.

Among other things, this woman says:

A member of my staff had come to me with some family problems, both financial and emotional, which were causing that person to be very despondent . . .

Fortunately, I was able to refer my employee to the Hotline. I don't know the details of the conversations but I can see the results. Having someone available to talk to, combined with the follow-up counseling, has helped this person to find a solution to problems which had seemed overwhelming. I now have a valuable, productive employee and the individual now feels in control of life and circumstances.

Finally, I have a letter from the Fairfax County Police Department. This is from Capt. Art Rudat. He is a commander in the McLean substation. He is writing a letter to say having this hotline helps the police department, freeing them to do other things. He says:

Upon our arrival, we found the subject in his room and he was extremely upset and agitated. He was holding a 4″ knife to his jugular vein, threatening to kill himself. This threat was not taken lightly because he had already cut his left wrist and was bleeding. The atmosphere at the time was tense, not knowing if anything that the officers would say would further upset the subject. There was a moment, when the subject stood up screaming and pressing the knife into his throat almost cutting his jugular vein, that it was thought the incident would have a tragic ending. * * *

Even this was occurring, the subject was on the phone, still deep in conversation with Miss Dicke. He would go from being out of control to a very peaceful state. Slowly though, he became less upset and eventually sat down and began listening to Miss Dicke reason with him and win him over. Of course, the officers didn't know what Miss Dicke was saying, but it was enough for him to eventually give up his knife and go to the hospital with rescue to receive much needed assistance.

It is my understanding that of the nearly 18,000 calls that are received at the hotline center per year, approximately 600 are suicide calls and only 5 involve weapons. We at Fairfax County Police Department were quite fortunate to have had both Miss Dicke and Miss Ross working that night. Without their teamwork, tenaciousness and training, this incident could have had a tragic ending. * * *

Although hotlines do not historically receive the fanfare and headlines that other public service groups do, we at the Police Department realize what a tremendous resource you are to us and the outstanding service which you provide to the community.

I ask unanimous consent these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

REVENUE RECOVERY CONSULTANTS, INC.,
*Fairfax, VA, October 8, 1998.*

MS. ARLENE KROHMAL,
*Northern Virginia Hotline,*
*Arlington, VA.*

DEAR ARLENE: I just wanted to take a moment to thank you and to compliment the Hotline for the assistance your staff provided to one of my employees recently.

A member of my staff had come to me with some family problems, both financial and emotional, which were causing that person to be very despondent. This attitude was affecting the individual's work and life. An appointment with a counselor had been set, but it was ten days away and it seemed as if help was needed immediately. This person told me that, if not for worry about two children, life wouldn't be worth living.

Fortunately, I was able to refer my employee to the Hotline. I don't know the details of the conversations but I can see the results. Having someone available to talk to, combined with the follow-up counseling, has helped this person to find a solution to problems which had seemed overwhelming. I now have a valuable, productive employee and the individual now feels in control of life and circumstances.

Thank you for providing a valuable service to the community.

Sincerely,

FRAN FISHER,
*President.*

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CATHOLIC NEWMAN ASSOCIATION, RELIGION CENTER, UNIVERSITY OF HOUSTON,
*Houston, TX.*

PEACE!

I am writing this letter simply out of my own need to express gratitude, plus the fact that I am aware you likely don't get much positive feedback for what you are doing. It is addressed primarily to one of your people named ''Karen'' whom I have been unable to contact personally, but really to all of you because it could have been any one who happened to answer the phone that day.

I simply want to say that because of you, Karen, a girl named _____ is alive today and has, for perhaps the first time in her life, a real hope and desire to live. She called you a few weeks ago, with a razor blade in her hand, and she had already begun to cut her wrist. You talked to her for almost an hour, though she tried to hang up a number of times. You were able to get information about the fact that she had recently talked to me, as well as where she lived. You were able to keep her on the line while you had someone contact me and I got to her apartment in time to keep her from completing the suicide attempt. She has been hospitalized and has undergone intensive therapy and is soon to be released, with real hope that there are good reasons to stay alive. You must have been very skillful, Karen because she is a very sharp girl and it was a true suicide attempt prevented only by the fact that she wanted to talk to one human being—you—before killing herself. Because you took her seriously, because you cared, because you knew what to say and do, she is alive today and wants to continue to live.

I am writing this, as I say, simply because I want to let you know—and all of you who work at Crisis Hotline—that what you are doing is beautiful as beautiful as life compared to death, as beautiful as hope compared to depression, as beautiful as loved compared to apathy. I realize, because of my own life-work in this way that you often don't know the effects of your listening, your caring, your loving, that you very likely wonder sometimes if it's worth the time and effort. All I can say is: ''Hey, today I saw the sun shine in a girl's eyes!'' It's worth it!!!

Thank you, Karen, I love you,

REV. JIM BARNETT.

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ASHBURN, VA, *June 14, 1999.*

ARLENE KROHMAL,
*Director, Northern Virginia Hotline,*
*Arlington, VA.*

DEAR ARLENE, I have a request. Please send to me information about your organization, for you see, I would like to name NVHL (Northern Virginia Hotline) as one of my beneficiaries on my life insurance policy. I need to know exactly how to word NVHL as a beneficiary so that there would be no loop holes for anyone to contest.

The reason for this act of kindness is to give back to your organization what your organization has given to me. You see, over the past twenty years I have used your listeners during moments of crises in my lie. When I had no one to turn to, I could turn to your listeners for insight and support.

I came to know about the benefit of your hotline due to meeting the original director Bobby Schazenbach and hearing her story why this wonderful and unique organization was set up. I have very fond memories of Bobby and everytime I call your hotline, I often think of her and wonder how she is doing. Her creation of this hotline has been a link to my survival for many years. I won't bother you with the details, but I want to give back to the organization that has been responsible for helping me through many tough late night over the past twenty years.

Please sent to me any information on your organization that might help facilitate in changing my beneficiary to your organization. I also want you to know that I will be naming the Loudoun Abused Women's Shelter as well.

Thank God for all of you and thank God for Bobby.

Fondly, and forever grateful, _____

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FAIRFAX COUNTY POLICE DEPARTMENT,
*Fairfax, VA, March 31, 1998.*

MS. ARLENE KROHMAL,
*Northern Virginia Suicide Hotline,*
*Arlington, VA.*

DEAR MS. KROHMAL: I would like to bring to your attention, the actions of two of your volunteers and the impact it had upon a family's future. On March 7, 1998, at approximately 5:59 pm, officers from the McLean

District Station responded to the Ritz Carlton, near Tysons Corner, for a subject threatening to commit suicide with a knife. The 911 call was made to the Fairfax County Police by Miss Katie Ross, of the Northern Virginia Suicide Hotline, who was assisting Miss Marilyn Dicke, also with the Suicide Hotline, The information received was that the subject had been involved in a continuing domestic dispute with his parents and was at the end of his rope.

From the beginning, the information given to us by Miss Ross was clear and concise and left little for us to wonder about. This is a key element in our response to a complaint and how the officers will handle the case from the onset. Upon our arrival, we found the subject in his room and he was extremely upset and agitated. He was holding a 4″ knife to his jugular vein, threatening to kill himself. This threat was not taken lightly because he had already cut his left wrist and was bleeding. The atmosphere at the time was tense, not knowing if anything that the officers would say would further upset the subject. There was a moment, when the subject stood up screaming and pressing the knife into his throat almost cutting his jugular vein, that it was thought the incident would have a tragic ending.

Even this was occurring, the subject was on the phone, still deep in conversation with Miss Dicke. He would go from being out of control to a very peaceful state. Slowly though, he became less upset and eventually sat down and began listening to Miss Dicke reason with him and win him over. Of course, the officers didn't know what Miss Dicke was saying, but it was enough for him to eventually give up his knife and go to the hospital with rescue to receive much needed assistance.

It is my understanding that of the nearly 18,000 calls that are received at the hotline center per year, approximately 600 are suicide calls and only 5 involve weapons. We at Fairfax County Police Department were quite fortunate to have had both Miss Dicke and Miss Ross working that night. Without their teamwork, tenaciousness and training, this incident could have had a tragic ending.

This exemplifies how the citizens of Fairfax County and the Police Department benefit from programs such as yours. Although hotlines do not historically receive the fanfare and headlines that other public service groups do, we at the Police Department realize what a tremendous resource you are to us and the outstanding service which you provide to the community. It is without any reservation that I commend Miss Dicke and Miss Ross for the outstanding job they did that evening. They should be very proud of themselves and the organization they are affiliated with.

Sincerely,

CAPTAIN ART RUDAT,
*Commander, McLean District Station.*

Mr. REID. I extend my appreciation to the Senator from Minnesota.

Mr. DORGAN. Will the Senator yield?

Mr. REID. I am happy to yield to the Senator.

Mr. DORGAN. Mr. President, I support the legislation dealing with the issue of suicide. It is very important.

Many, many years ago, early one morning I came to an office and found a coworker had taken his life. It was, of course, a morning I will remember the rest of my life, finding a coworker and a friend who had, over the nighttime hours, taken his life.

I suppose only those who have been acquainted with that circumstance can barely imagine the kind of horrors that persuade someone to take their own life. I think anything we can do as a country in public policy to reach out and say to those who are visited by those emotional difficulties, those pressures and internal problems that persuade them to consider taking their life, anything we can do to reach out to them to say, here is some help, we ought to be able to do that.

This amendment is very small. Incrementally, it will be helpful.

I appreciate the work of Senator WELLSTONE and Senator REID. I think someday—we may never know the name—adding these resources will help someone who is ravaged by these emotional difficulties and can be prevented from taking their own life, and we will be rewarded for having paid attention to this issue.

Mr. REID. The Senator from South Dakota knows I had the misfortune of my father committing suicide. As the Senator from North Dakota, I saw my father lying there after having shot himself. This is something that never leaves you.

People think suicide always happens to someone else, but it doesn't. I say to my friend from North Dakota, we could go around this room and we would be surprised; almost everyone in this Senate Chamber has had a relative, a neighbor, or a friend who committed suicide. It is remarkable and sad.

I appreciate the Senator from North Dakota sharing his story. The reason it is important he shares it is to recognize what a universal problem this is, at 31,000 people a year. We know, as I indicated a number of other times on this floor, many more people commit suicide.

I think the mere fact that we talk about it is going to help the problem. We now have this crisis hotline established. We also, of course, have support groups that we didn't have 15, 20 years ago. The problem is not getting easier, but it is getting better with people better understanding the issue.

Mr. WELLSTONE. Mr. President, two things. First, I thank the Senator from Nevada for his comments. Second, I say to Senator SPECTER, I am sure he remembers when Kay Jamison testified before his committee, saying the gap between what we know and what we do is lethal. This is just a small step. I am hoping that the Senate—the sooner the better—will embrace this issue and put some resources back to communities that can put this money to work in terms of suicide prevention. Much of this is diagnosable and preventable.

We have some confusion. Before I agree, I say to Senator REID, I want to suggest the absence of a quorum. We have a disagreement about how we will deal with this amendment.

Mr. SPECTER. Let me make a short statement. We are anxious to move ahead with our votes scheduled at 3:30.

The amendment is acceptable. The subcommittee held a hearing on this matter in February and had extraordinarily heartrending testimony from families who had been touched directly by suicide. The hearing was held at the request of the Senator from Nevada, Mr. REID. It was quite compelling.

The subcommittee and the full committee allocated $662 million to the mental health services, an increase of $31 million over last year. A number of amendments have been offered seeking to reallocate the money in a variety of ways. I have responded that, unless they have offsets, we have made the allocations as best we can.

I think the fact we have such a large sum of money in mental health services on a relative basis, including a $31 million increase for this year, is a testament to the propriety or the value judgments which have gone into the structure of this bill. The $3 million for the hotline can be accommodated easily within the existing funds. We had already urged the mental health services to find ways through their research to prevent suicides—to find other means of communicating with people who were emotionally stressed coming to grips with the issue, and preventing suicides. The substantial allocation the Appropriations Committee has made is a testament to the value judgments and the priorities we have established.

I thank Senator REID for sharing his own experiences. It is a very telling matter. At his request, we had a very informative hearing in February, with quite a few people coming forward, including Danielle Steel, the noted authoress who talked about her own son's experience. It made quite an impact. I think it is true that while the C–SPAN 2 audience may not be enormous, people will hear what is being said and it can have a salutary effect.

Mr. REID. Will the Senator yield?

Mr. SPECTER. I am happy to yield to the Senator.

Mr. REID. It was very difficult for the Senator to work this hearing into the very busy schedule of this huge subcommittee. The Senator did that. I think it has done so much good across the country to have people such as Danielle Steel and Kay Jamison, who are experts, to come in and talk about their experiences. I am grateful to you for doing this, as I think anyone is who has had the misfortune of having had some connection with suicide. You are to be applauded for having done this with schedule that was really a burden to you.

We appreciate this very much.

Mr. SPECTER. Mr. President, I thank the Senator from Nevada for those kind remarks. Perhaps we could move ahead to acceptance of the amendment.

I urge the adoption of the amendment.

Mr. WELLSTONE. Mr. President, I thank my colleague from Pennsylvania for his genuine concern, and the ways in which, as the chair of this committee, he has supported this initiative. He cares about it deeply. I thank

him. I am pleased he will accept the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3680) was agreed to.

Mr. WELLSTONE. Mr. President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3672

Mr. SPECTER. Mr. President, I ask for the yeas and nays on the pending motion to waive.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. There are 2 minutes equally divided on the motion to waive the Budget Act with regard to the Dodd amendment.

Mr. SPECTER. Mr. President, parliamentary inquiry: Which is the first amendment?

The PRESIDING OFFICER. The Dodd amendment No. 3672 on community learning centers.

Mr. SPECTER. Mr. President, the point of order has been raised because, although the Dodd amendment for afterschool programs takes up a meritorious subject, we have already added approximately $150 million to that account, bringing it up to $600 million.

The program has been in effect for only a few years. We have provided for additional funding in many similarly related situations. We believe the priorities established were appropriate. Had there been a suggestion for an offset, had the Senator from Connecticut made a suggestion that this priority was more valuable than others, we would have been willing to consider it. But it simply breaks the allocations and therefore the point of order has been raised. We urge it be sustained and not waived.

The PRESIDING OFFICER. Who yields time in favor of the motion to waive the Budget Act?

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. DODD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business before the Senate is a motion, to the Senator's amendment, on the Budget Act.

Mr. DODD. Mr. President, as I understand it, I have 2 minutes to explain the amendment?

The PRESIDING OFFICER. It was reduced to 2 minutes equally divided. Those opposed to the motion have already spoken. The Senator has 1 minute to speak.

Mr. DODD. Mr. President, to my colleagues, very briefly, this amendment is a carryforward to what has been offered by Senator KENNEDY, Senator BINGAMAN, Senator WELLSTONE, and Senator MURRAY, all trying to improve the quality of public education in the country. One of the key issues is afterschool programs.

We know from parents all across the country the most dangerous period for 5 million children unattended is between 3 and 6 in the afternoon. Good afterschool programs are meaningful. The country wants it. School boards have asked for it. But despite efforts, we have only funded 310 afterschool programs. Last year, there were 2,500, close to 3,000, applications for afterschool dollars. We could only meet the requests of 310 school districts.

It seems to me we must do something to improve the quality of education with good afterschool programs, when children are most at risk, most vulnerable, when they get involved with habits of smoking, and alcohol, of marijuana, when they are victimized. As we know by every police study, afterschool programs work.

I realize there are budgetary concerns, but we spend less than one-half of 1 percent of the entire Federal budget on the quality of public education in this country. That is a disgrace.

What we have offered in these series of amendments is to improve our Federal investment in education. This amendment is to improve the quality of afterschool programs for the 5 million children in America who need that assistance.

The PRESIDING OFFICER (Mr. SESSIONS). The question is on agreeing to the motion to waive the Budget Act in relation to amendment No. 3672. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The yeas and nays resulted—yeas 48, nays 51, as follows:

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 154 Leg.]

YEAS—48

| | | |
|---|---|---|
| Akaka | Edwards | Lieberman |
| Baucus | Feingold | Lincoln |
| Bayh | Feinstein | Mikulski |
| Biden | Graham | Moynihan |
| Bingaman | Harkin | Murray |
| Boxer | Hollings | Reed |
| Breaux | Jeffords | Reid |
| Bryan | Johnson | Robb |
| Byrd | Kennedy | Rockefeller |
| Chafee, L. | Kerrey | Sarbanes |
| Cleland | Kerry | Schumer |
| Conrad | Kohl | Smith (OR) |
| Daschle | Landrieu | Snowe |
| Dodd | Lautenberg | Torricelli |
| Dorgan | Leahy | Wellstone |
| Durbin | Levin | Wyden |

NAYS—51

| | | |
|---|---|---|
| Abraham | Bunning | Craig |
| Allard | Burns | Crapo |
| Ashcroft | Campbell | DeWine |
| Bennett | Cochran | Domenici |
| Bond | Collins | Enzi |
| Brownback | Coverdell | Fitzgerald |
| Frist | Inhofe | Santorum |
| Gorton | Kyl | Sessions |
| Gramm | Lott | Shelby |
| Grams | Lugar | Smith (NH) |
| Grassley | Mack | Specter |
| Gregg | McCain | Stevens |
| Hagel | McConnell | Thomas |
| Hatch | Murkowski | Thompson |
| Helms | Nickles | Thurmond |
| Hutchinson | Roberts | Voinovich |
| Hutchison | Roth | Warner |

NOT VOTING—1

Inouye

The PRESIDING OFFICER. On this vote, the yeas are 48, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment would increase budget authority and outlays scored against the allocation of the Labor, Health and Human Services, and Education Subcommittee of the Appropriations Committee, and that subcommittee has reached the limit of its allocations. Therefore, the point of order is sustained and the amendment falls.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I ask unanimous consent that the next votes in the series be limited to 10 minutes each.

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

Mr. LOTT. Mr. President, I think it is only fair to say to the Members that we are going to try to enforce the more limited time on these votes. I know we try to accommodate Senators on both sides when they get delayed because of elevators or the subway or whatever. But it is also unfair to the managers and people trying to do the bill, when we are all here, if we can't do the votes in the prescribed time. We will push for that.

Secondly, I commend the managers for trying to begin to make some progress. We have had a whole series of votes here in this grouping—four, I guess. But we still have an awful lot of pending amendments. I don't want to mention a number because it is too scary.

I can't complain about the Democratic side because there are almost as many amendments on the Republican side. When Members are asked to come and either work out their amendments or offer them, they are too busy to get it done. We need to get this Labor, HHS, and Education appropriations bill done tonight. In order to do that, it is going to take an awful lot of work. The managers, or the whips, HARRY REID and DON NICKLES, can't do it by themselves. Some are beginning to say how about Thursday night. When we get Labor-HHS appropriations done, we are going to the Interior appropriations bill, plus we have the military construction conference report with the emergency provisions, providing funds that we have been wanting to get completed for defense and for disasters and

for Colombia. We may not get that until late Thursday night, so that we can't vote on it until Friday. We will have other votes on Friday. So we have to complete this bill, the Interior appropriations bill, and the MILCON conference report.

I thank Senator DASCHLE for his work in that effort and for his support as we try to complete this work. I know it is a lot to do in 3 days, but I know we can do it if we really stick with it.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I join in the request made by the majority leader to try to cooperate in a way to allow us closure on this bill. He has proposed an aggressive agenda. At the very least, we have to finish this bill. As he said, there are scores of amendments that have to be addressed before we can complete our work. I want to finish this bill this week. I want to be as cooperative and as forceful with our colleagues on both sides of the aisle in accommodating that kind of schedule. We have been on this bill, and we have had a good debate with good amendments and a lot of votes. There will be more amendments and votes.

There comes a time when we have to try to bring this to a close. I want to do it as soon as we can and still accommodate Senators who have good amendments to offer. Please come to the floor and agree to time limits for each amendment. Work with us to see if we can't winnow down the list a little bit. We have had some cooperation, but it is going to take a lot more cooperation if we, indeed, are going to get the bill done on time.

I believe we are ready to vote, Mr. President.

AMENDMENT NO. 3659

The PRESIDING OFFICER. There are 2 minutes equally divided on the motion to waive the Budget Act with regard to the Kerry amendment. Who yields time?

Mr. SPECTER. Mr. President, the pending matter is the motion of the Senator from Massachusetts to waive.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 1 minute.

Mr. KERRY. Mr. President, my amendment seeks to address the digital divide that all of us are aware is significantly handicapping the capacity of a lot of Americans to participate in the new marketplace. The House of Representatives has recognized this problem to the tune of $517 million. In our budget, we are only at $425 million. We are going to vote in the Senate on the H–1B visa, allowing 200,000-plus people to be imported into this country because of our lack of commitment to our own citizens in developing their skills for the new marketplace.

This is an opportunity to make it clear that, for teachers and their ability to be able to teach, for virtual high school capacity to have advanced placement, in order to enhance the ability of our young to learn the new marketplace skills and to close the digital divide, we need to make this commitment.

I think everybody in the Senate knows that with this surplus, with our ability to be able to make the choices we have in the budget, we have allowed for a waiver of the budget precisely for this kind of moment. I ask my colleagues to join me in saying the House of Representatives will not have a better sense of this priority than the Senate.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I call on our colleagues to oppose the waiver. This bill has $4.5 billion more than last year's, $100 million over the President's request, and it is a matter of allocation of priorities.

There is no doubt that technical literacy is an important objective. We have, in the Senate bill, $425 million. If the Senator from Massachusetts could establish its priority over others, and add offsets, that is something we would be glad to consider. I wish we had more money to spend on things such as technical literacy, but we do not. To accept this amendment would exceed our 302(b) allocations. Therefore, I ask my colleagues to vote no on the waiver.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the budget act in relation to Amendment No. 3659. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays, 51, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—48

| | | |
|---|---|---|
| Abraham | Durbin | Levin |
| Akaka | Edwards | Lieberman |
| Baucus | Feingold | Lincoln |
| Bayh | Feinstein | Mikulski |
| Biden | Graham | Moynihan |
| Bingaman | Harkin | Murray |
| Boxer | Hollings | Reed |
| Breaux | Jeffords | Reid |
| Bryan | Johnson | Robb |
| Byrd | Kennedy | Rockefeller |
| Chafee, L. | Kerrey | Sarbanes |
| Cleland | Kerry | Schumer |
| Conrad | Kohl | Snowe |
| Daschle | Landrieu | Torricelli |
| Dodd | Lautenberg | Wellstone |
| Dorgan | Leahy | Wyden |

NAYS—51

| | | |
|---|---|---|
| Allard | Domenici | Inhofe |
| Ashcroft | Enzi | Kyl |
| Bennett | Fitzgerald | Lott |
| Bond | Frist | Lugar |
| Brownback | Gorton | Mack |
| Bunning | Gramm | McCain |
| Burns | Grams | McConnell |
| Campbell | Grassley | Murkowski |
| Cochran | Gregg | Nickles |
| Collins | Hagel | Roberts |
| Coverdell | Hatch | Roth |
| Craig | Helms | Santorum |
| Crapo | Hutchinson | Sessions |
| DeWine | Hutchison | Shelby |
| Smith (NH) | Stevens | Thurmond |
| Smith (OR) | Thomas | Voinovich |
| Specter | Thompson | Warner |

NOT VOTING—1

Inouye

The PRESIDING OFFICER. On this vote, the yeas are 48, and the nays are 51. Three-fifths of the Senators present and voting, not having voted in the affirmative, the motion to waive the Budget Act is not agreed to.

The amendment would increase the budget authority and outlays scored against the allocations of the Labor, Health, and Human Services, and Education Subcommittee of the Appropriations Committee, and that subcommittee has reached the limits of its allocation. Therefore, the point of order is sustained and the amendment falls.

AMENDMENT NO. 3638

The PRESIDING OFFICER. There will now be 2 minutes equally divided on the motion to waive the Budget Act by the Senator from Rhode Island, Mr. REED.

The Senator from Rhode Island.

Mr. REED. Mr. President, this amendment would add an additional $100 million to the appropriated funds for the GEAR UP program. GEAR UP is the centerpiece of our efforts to reach out to disadvantaged students and give them both the skills and the confidence to go on to college. It is particularly clear in low-income neighborhoods that young people and families do not have either the access to college or the kind of skills they need to make it all the way through high school into college.

This program does that. It complements the Pell grant. It complements other programs because it actually gives young people, starting the sixth or seventh grade, the tutoring, the mentoring, the confidence, the ability to go through high school, and go on to college.

By voting for this amendment, we will say to scores of disadvantaged children: You can succeed; you can go to college; you can take your place in American society as a college graduate. I urge all of my colleagues to support this incredibly important program, to make opportunities real in the lives of all of our citizens.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 1 minute.

Mr. SPECTER. Mr. President, there is no doubt this is a good program. It has been in effect only since 1999 when we put in $120 million; last year, up to $200 million; this year our figure is $225 million.

Again, it is a matter of priorities. This bill has $4.5 billion more than last year's education bill. It is $100 million higher than the President's figure. When the Senator from Rhode Island argued the matter as being a very special program, I posed a practical question: What should be offset? What is less important?

We think we have established the appropriate priorities. As much as we

want to have additional funds for a program of this sort, it simply isn't there. The extra million dollars would exceed our 302(b) allocation. Therefore, we ask our colleagues not to waive the Budget Act.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to amendment No. 3638. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 47, nays 52, as follows:

[Rollcall Vote No. 156 Leg.]

YEAS—47

| | | |
|---|---|---|
| Akaka | Durbin | Levin |
| Baucus | Edwards | Lieberman |
| Bayh | Feingold | Lincoln |
| Biden | Feinstein | Mikulski |
| Bingaman | Graham | Moynihan |
| Boxer | Harkin | Murray |
| Breaux | Hollings | Reed |
| Bryan | Jeffords | Reid |
| Byrd | Johnson | Robb |
| Chafee, L. | Kennedy | Rockefeller |
| Cleland | Kerrey | Sarbanes |
| Collins | Kerry | Schumer |
| Conrad | Kohl | Torricelli |
| Daschle | Landrieu | Wellstone |
| Dodd | Lautenberg | Wyden |
| Dorgan | Leahy | |

NAYS—52

| | | |
|---|---|---|
| Abraham | Gorton | Nickles |
| Allard | Gramm | Roberts |
| Ashcroft | Grams | Roth |
| Bennett | Grassley | Santorum |
| Bond | Gregg | Sessions |
| Brownback | Hagel | Shelby |
| Bunning | Hatch | Smith (NH) |
| Burns | Helms | Smith (OR) |
| Campbell | Hutchinson | Snowe |
| Cochran | Hutchison | Specter |
| Coverdell | Inhofe | Stevens |
| Craig | Kyl | Thomas |
| Crapo | Lott | Thompson |
| DeWine | Lugar | Thurmond |
| Domenici | Mack | Voinovich |
| Enzi | McCain | Warner |
| Fitzgerald | McConnell | |
| Frist | Murkowski | |

NOT VOTING—1

Inouye

The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment would increase budget authority and outlays scored against the allocations to the Labor, Health and Human Services, and Education Subcommittee of the Appropriations Committee and that subcommittee has reached the limit of its allocations. Therefore, the point of order is sustained and the amendment falls.

AMENDMENT NO. 3678

The PRESIDING OFFICER. There will be 2 minutes for debate on the Kennedy amendment. Who yields time? The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this amendment basically follows the President's recommendation, and that is to provide a cost-of-living increase to the training programs for youth and adult workers in this country.

At the present time, half of all the employers in this country provide no training whatsoever, the other half of the employers provide 1 percent of payroll costs, and 80 percent of that training goes to management level workers.

We have talked a good deal about H–1B visas and bringing into the United States those guest workers who have special skills, but I think we have a basic responsibility to ensure continuing training programs for America's workers as we continue to expand our economy and compete in the world.

That amendment provides an important increase for training programs. Two years ago, along with Senator JEFFORDS, we consolidated the training programs. We now have an effective one-stop system that will offer real opportunities for workers.

Finally, this amendment also restores the Summer Jobs Program. Without this amendment, there will be no Summer Jobs Program for the youth of this country. I hope this amendment will be accepted.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, as with so many of the pending amendments, the objective is good if we had more funding. We have increased the funding for the Department of Labor by $400 million. We have funded two new programs requested by the administration: incumbent worker training for $30 million and responsible reintegration of youthful offenders for $20 million.

Over the last 4 years, there has been a 32-percent increase for dislocated workers and a 25-percent increase for the Job Corps. If it were possible to have additional funding, we would be glad to provide it. We think we have established the priorities in an appropriate order for this complex bill. I ask the motion to waive the Budget Act be denied.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to amendment No. 3678. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The yeas and nays resulted—yeas 49, nays 50, as follows:

[Rollcall Vote No. 157 Leg.]

YEAS—49

| | | |
|---|---|---|
| Abraham | DeWine | Kerry |
| Akaka | Dodd | Kohl |
| Baucus | Dorgan | Landrieu |
| Bayh | Durbin | Lautenberg |
| Biden | Edwards | Leahy |
| Bingaman | Feingold | Levin |
| Boxer | Feinstein | Lieberman |
| Breaux | Graham | Lincoln |
| Bryan | Harkin | Mikulski |
| Byrd | Hollings | Moynihan |
| Chafee, L. | Jeffords | Murray |
| Cleland | Johnson | Reed |
| Conrad | Kennedy | Reid |
| Daschle | Kerrey | Robb |
| Rockefeller | Snowe | Wyden |
| Sarbanes | Torricelli | |
| Schumer | Wellstone | |

NAYS—50

| | | |
|---|---|---|
| Allard | Gorton | Murkowski |
| Ashcroft | Gramm | Nickles |
| Bennett | Grams | Roberts |
| Bond | Grassley | Roth |
| Brownback | Gregg | Santorum |
| Bunning | Hagel | Sessions |
| Burns | Hatch | Shelby |
| Campbell | Helms | Smith (NH) |
| Cochran | Hutchinson | Smith (OR) |
| Collins | Hutchison | Specter |
| Coverdell | Inhofe | Stevens |
| Craig | Kyl | Thomas |
| Crapo | Lott | Thompson |
| Domenici | Lugar | Thurmond |
| Enzi | Mack | Voinovich |
| Fitzgerald | McCain | Warner |
| Frist | McConnell | |

NOT VOTING—1

Inouye

The PRESIDING OFFICER. On this vote, the yeas are 49, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment would increase budget authority and outlays scored against the allocations to the Labor, Health and Human Services, and Education Subcommittee of the Appropriations Committee, and that subcommittee has reached the limit of its allocations. Therefore, the point of order is sustained and the amendment falls.

The Senator from Texas.

Mr. GRAMM. Mr. President, I yield to the distinguished Senator from Pennsylvania for the purpose of making a unanimous consent request and will then reclaim the floor.

Mr. SPECTER. Parliamentary inquiry, Mr. President: Who has the floor?

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. GRAMM. Mr. President, I yield to the distinguished chairman of the subcommittee for the purpose of propounding a unanimous consent request.

Mr. SPECTER. Mr. President, I ask unanimous consent that the following listed amendments be the only remaining first-degree amendments in order to the pending Labor-HHS appropriations bill and they be subject to relevant second-degree amendments.

I further ask unanimous consent that with respect to HMO-related amendments, they be subject to second-degree amendments relating to the subject matter of the conferenced HMO bill or the underlying Labor-HHS bill or the original first-degree language.

The list is Specter managers' amendment; Domenici 3561, telecom training center; Domenici 3662, telecom training center; Frist 3654, education research; Jeffords 3655, IDEA; Jeffords 3656, medicine management; Jeffords 3677, Public Health Service Act; Jeffords 3676, high school; Collins 3657, defibrillator——

Mr. REID. Will the Senator withhold for a moment? If I could respectfully request, maybe we could just submit our two lists, Democrat and Republicans lists. The staffs have looked at them. Unless the Senator wants to read

them for some reason, we have 80-some on our side that we don't want to read.

Mr. SPECTER. Well, that would be fine with me, Mr. President. The question would arise as to how we are going to get consent if Members don't know what is on the list.

Mr. REID. We have made on our side numerous hotlines to Members. We had the 11 o'clock time that we were going to submit the amendments. If the Senator wants to read them, that is fine with me.

Mr. LOTT. Mr. President, I ask unanimous consent that the amendment lists be printed in the RECORD as they are. ÷Senators knew there was a time. They checked this list. Statements were made. I think it would save some time.

Mr. BAUCUS. Reserving the right to object, I will object until I can get some understanding or we can get some understanding from the majority leader as to when we are going to have a date set for a vote on PNTR. This is an issue which transcends politics, if I might have the attention of the majority leader.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. BAUCUS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Texas.

Mr. GRAMM. Mr. President, I know we are in a hurry. We are trying to get through with this bill. I think that is important work, and I am for it. Let me make my point very succinctly.

This bill, in section 515, has a provision that changes current law and shifts the payment date for SSI, the Supplemental Security Income program, from October back to September. What that does is shift $2.4 billion worth of spending out of the budget year for which we are writing this appropriation back into the previous fiscal year. In the process, it allows $2.4 billion more to be spent this year by spending $2.4 billion in the previous fiscal year. This payment shift was specifically debated during the budget resolution debate. It was rejected. Part of the agreement that was made that passed the budget was that there would be no payment shift on SSI.

This provision is subject to a point of order because it violates the budget agreement. It shifts spending into fiscal year 2000 and drives up spending in that year $2.4 billion above the level provided for in the budget.

If we are going to write budgets, they have to have some meaning. This is not just some minor provision. The debate on this issue was a key element of the debate on that budget, and the Budget Committee and the Senate specifically rejected this payment shift.

So on the basis of that, Mr. President, I make a point of order that section 515 of the bill, as amended, violates section 311 of the Budget Act, since it would cause fiscal year 2000 budget authority and outlays to exceed the spending aggregates in the budget resolution.

Mr. SPECTER. Mr. President, pursuant to section 904 of the Budget Act, as amended, I move to waive section 311 of that act with respect to the consideration of this amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SPECTER. Mr. President, I have just had a discussion with the Senator from Texas about setting this issue aside so that we can proceed with other matters and try to make a determination as to how we can solve this issue.

Mr. REID. Mr. President, objection. Respectfully, I know how hard the Senator from Pennsylvania and the Senator from Iowa worked on this measure. But with this hanging over our heads, we might as well get this resolved now. We have spent 3 or 4 days on this bill already. If this prevails, we are all through here. So we believe this matter should be resolved now.

Mr. SPECTER. Mr. President, it takes unanimous consent to set it aside. I urge the Senator from Nevada to reconsider. We had an issue yesterday raised by the chairman of the Finance Committee, and there was an agreement between the chairman of the Finance Committee and the chairman of the full Appropriations Committee as to what would happen in conference, that items would be taken out, and that we would seek an additional allocation.

Mr. GRAMM. Mr. President, if the Senator will yield, I want to remind my colleagues that sustaining this point of order does not bring down the bill. Under the unanimous consent agreement the bill is being considered under, sustaining this point of order would simply strike section 515.

I am perfectly willing to let the Senate go on with other amendments. I am going to insist on this point of order at some point, and it will have to come to a resolution. But if we can do other business while this is being discussed, I think that is a good idea. The point of order is a very targeted point of order against section 515, not against the bill.

Mr. REID. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Nevada will state it.

Mr. REID. Mr. President, if the objection of the Senator from Nevada is withdrawn and another amendment is considered, would the Senator still have the same right to object to any further proceedings after this amendment that would be brought up next is disposed of?

The PRESIDING OFFICER. Normally, the point of order would occur after another amendment had been disposed of.

Mr. DORGAN. Mr. President, reserving the right to object, I will propound a question under the reservation.

I am trying to understand the consequences of the amendment. Let me reserve the right to object while I ask the Senator from Texas and the Senator from Pennsylvania this: If the point of order is sustained, can we get some notion of what consequences it will have on the spending in this bill for education, labor, and other issues?

Mr. SPECTER. Mr. President, if I might respond, if the point of order is sustained, we would lose $2.4 billion and there would be required an adjustment of the bill which would be catastrophic.

So it is my suggestion that we set it aside, taking the willingness of the Senator from Texas to do that, and then proceed with other amendments so we can try to figure out what other allocation might be possible. We have an amendment ready by the Senator from Vermont and one by the Senator from North Carolina. We have not had many Republican amendments. It is my hope that we can proceed. We have to find a way out of this. If we have a little time, we have a chance to find our way out of it. So I hope we will proceed.

If I may have the attention of the Senator from Nevada, he will have the opportunity to—we will have to set it aside, as I understand the parliamentary ruling, each time a new amendment is called up. Is that correct, Mr. President?

The PRESIDING OFFICER. That is correct.

Mr. SPECTER. So I hope we will set it aside for the two amendments that we now have lined up and ready to go.

Mr. DORGAN. Mr. President, continuing to reserve the right to object, the Senator from Pennsylvania talked about if this prevails, the requirement of an adjustment to the bill would be ''catastrophic.'' That was the word he used. I am trying to understand the consequences of that. What kind of adjustment would we be talking about with respect to this bill on Education and Labor?

Mr. SPECTER. Mr. President, I don't know how this percentage worked. I am advised that with this provision there would be an across-the-board 6.75 percent cut to bring the bill under the allocation.

I am not sure of that math, although that is the representation made to me. If you take $2.4 billion out of $104.5 billion, that, it would seem to me, would be under 3 percent. But it would be very material.

Mr. DORGAN. Mr. President, reserving the right to object, this is a critically important piece of legislation. It is a funding bill for education and labor

issues and a range of things that are very important. If the consequence of the motion offered by the Senator from Texas would be to require a substantial across-the-board cut to this piece of legislation, it is of significant interest to virtually every Member of this body.

I don't believe we ought to go on. If the Senator from Nevada chooses not to object, I shall object. But I will leave it to the Senator from Nevada to comment as well.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, before we break down in the tears and the shock that would come from not shifting spending from one year to another to break the budget by $2.4 billion, let me remind my colleagues that with this shift and with the entitlement changes that Senator STEVENS has said we are not going to make, this bill will grow by 20.5 percent over last year. You can't find that growth rate even going as far back as the Carter administration. You have to go all the way back to when L.B.J. was President to find a bill growing that fast.

If the point of order is sustained eliminating the phony pay shift and an adjustment is made in spending, this bill will still be growing by 17.7 percent. Granted that we each look at the world through different glasses. I don't see that as cataclysm; I see that as somewhat of a movement toward fiscal restraint.

But the important point is this provision violates the Budget Act. We considered this payment shift in the budget. We specifically rejected it. We set out numbers that were meant to meet the targets for spending that were agreed to. This provision violates the Budget Act, and it should be stricken. I will insist on the point of order against it, but I am perfectly willing to let amendments move forward. If the minority doesn't want amendments to be considered, it is up to them.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am advised that the 17.7 percent would be the across the board on outlays. I have heard what the Senator from Texas says about those percentages. I do not think they are accurate. We will compute the percentages. That simply is not factually so. I managed last year's bill. But we will tally them up and make representation on the floor at a later point.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I believe the pending motion is the motion to waive the Budget Act. Is that not true?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Is that not a debatable motion?

The PRESIDING OFFICER. It is a debatable motion.

Mr. HARKIN. Thank you.

Mr. President, the figures we just heard from the Senator from Texas really are quite phony. They include all kinds of advanced funding and everything else to come to that figure that the Senator threw out on the 20 percent.

But you have to ask yourself: Why are we facing this now? What the Senator from Texas is trying to do is to save one day. It is one day, I tell my friend from North Dakota.

This provision was put in there not by me and not by the minority. It was put in there by Senator STEVENS in order to allow us to do the legitimate work we have to do to meet the obligations we have in education and in health and NIH, and all of the other things in this bill which has pretty wide support. It wasn't us. The chairman of the Appropriations Committee put it in.

The Senator from Texas—let's be clear about it—is moving the outlays for SSI paychecks from one day to the previous day—that is all he is doing—one day. But that one day will cause about a 6-percent across-the-board cut in NIH, cancer research, Alzheimer's research, education funding, Pell grants, Elementary and Secondary Education Act, IDEA, you name it—a 6-percent across-the-board cut because the Senator from Texas wants to move by one day the payment of SSI. He wants to move it to one day later. Last year, we moved it one day forward. He wants to move it to one day later.

Who cares about one day? Why is it such a big deal to go from September 30 to October 1? But if it means that it allows us to move forward with this bill and to have the adequate funding in this bill when we go to conference, it means a lot.

This really is a mischievous point of order because it really doesn't do anything. It doesn't save us any money. The money we will spend on SSI will either go out September 30 or it will go out October 1. It is going out. The Senator from Texas is not stopping that money. It is going to go out. It is either going to go out on one day or the next day. He is not saving a nickel. But by doing this, he is causing all kinds of problems on this bill. That is why I say it is just simply a mischievous motion.

Of course, I support my colleague, the chairman, in the motion to waive. Hopefully, we will hear from Senator STEVENS on this. But there is really no substance. I guess what I am trying to say is that there is no substance to the motion—none. You don't save a nickel. You don't help anybody. You don't hurt anybody. You just move the payment from one day to the next. That is all. But you sure hurt this bill.

Mr. DORGAN. Mr. President, will the Senator yield?

Mr. HARKIN. Reserving my right to the floor, I will yield for a question.

Mr. DORGAN. If the Senator will yield for a question, I wonder if the Senator recalls last year a technique similar to this used on the Department of Defense bill. I am just curious whether our colleague, the Senator from Texas, came to the floor to make a point of order when it had to do with defense. I don't know the answer to that. I am curious. It seems to me if there is a consistent point of order against the deployment of this technique, one wouldn't just make it on education issues, which, of course, to you, me, and others is very important. It is some of the most important spending we do. It is some of the most important investments we make in the country.

I ask the question, Does the Senator know whether a similar point of order was made by our colleague when it had to do with the Defense Department last year?

Mr. HARKIN. I don't know the answer to that question. I was not involved in the appropriations bill for defense. I will leave that to others. I have no knowledge of that. I accept the Senator's insight into that. I don't know the answer as to whether the Senator from Texas objected to that. The Senator from Texas can certainly speak for himself in that regard. But I guess the RECORD will show one way or the other.

Mr. DORGAN. If I might ask another question, the point here is this bill deals with the effort the Federal Government makes to respond to the education needs in this country. Most of education funding, of course, comes from State and local governments. We provide some funding in a range of areas. We provide assistance in VA, health care, and a range of other issues. This is a very important piece of legislation that invests prominently in the lives of the people of this country.

The technique that is being objected to is not a new technique; it has been employed before. That is the point I was making. Is it a good technique? I don't know. You could find other ways to adequately fund these needed programs. Some in this Chamber may not want to fund these programs. They may think they are not a priority perhaps. This is not a new technique. But apparently when it comes to funding for VA, health care, and education, we have people come to the floor to make a point of order.

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. HARKIN. Mr. President, I am glad to yield for a question.

Mr. BAUCUS. On another matter, Mr. President, I ask the Senator from Iowa to yield for a question.

Mr. HARKIN. Mr. President, I will yield, without losing my right to the floor, for a question from my friend from Montana.

Mr. BAUCUS. Mr. President, if I could consult with the good Senator from Iowa on a matter which I raised earlier, that is, the Senator from Mississippi, the majority leader, asked unanimous consent for the Senate to take up a list of amendments on both sides and to have printed that list of amendments with respect to the pending bill.

I asked the majority leader if it might not be a good idea for the leader to set a date certain in July to bring up PNTR. I am not asking the Senator for his view on the bill, but I ask the Senator if he thinks it is a good idea to bring the bill up and at least have a vote on it, particularly in July. Wouldn't it be better to have a bill brought up in July than, say, in September, given the fact that it has passed the House, given the fact that we will bring it up sometime this session of Congress, and given the fact that delay is dangerous?

Does the Senator agree it would be a good idea to bring it up and have a date certain, at least for insurance that we are going to vote on it this year? The month of July would be the preferable month to vote on it rather than a subsequent month; does the Senator agree?

Mr. HARKIN. I say to my friend from Montana, who is a strong supporter on the Finance Committee of the permanent normal trade relations with China—and he has worked very hard on this issue—I know he desires, as many others, to get on with that, debate it, have a vote and move on.

The Senator is asking this Senator a question on which I do not feel qualified to make an answer. I am not involved in this issue or on the Finance Committee. Right now my interest is getting this bill through. I am trying to help and do what I can to get the amendments through and get adequate funding for education, for NIH, for health care, for human services, to try to educate our kids, and attend to the human needs of our people. We are trying to get this through.

I have not had time now to consider when the PNTR should be brought up. I know my friend from Montana is obviously well versed in this subject. I probably would accede to his knowledge of this issue and when it ought to be brought up. As to my own view, I don't think this Senator is qualified to respond.

Mr. BAUCUS. I thank the Senator. I will not object to a unanimous consent request on this bill today, but I do hope prior to recessing for the July recess we can work out an agreement, that the majority leader will be able to make a statement, the result of which is to make it clear that the vote will come up in July.

I reserve my right as to what action I will take tomorrow. I thank the Senator.

Mr. HARKIN. Mr. President, back to the point at hand, I want everyone to understand what this mischievous motion is all about. All it does, in order to save the money, is move the date from October 1 to September 30. Last year, we moved it up to October 1; we moved it back to September 30.

The motion of the Senator from Texas says, no, you can't do it September 30; you have to do it on October 1. In fairness and in reality, the SSI checks should go out at the end of the month. If the Senator has an objection, he should have filed it last year because we moved it from September 30 to October 1. SSI checks are to go out the end of the month. All we are doing is bringing it back to where it really ought to be, at the end of the month.

Be that as it may, we are only talking about 1 day. I don't think too many people are hurt by 1 day. The Senator moves it back to October 1 when it ought to be September 30.

What does his motion do if it is upheld? We will have almost a $3 billion cut in education, a $1.4 billion cut in NIH, a $210 million cut from the Centers for Disease Control, a $300 million cut from Head Start, a $77 million cut from community health centers.

I heard some talk earlier about going to conference and taking care of it there. The House bill is lower than ours. If we cut these numbers here, when we go to conference, we will be locked into the lower numbers. So it has a great impact.

We have a lot of amendments that have been filed—not only on the Democratic side but the Republican side as well—from Senators COLLINS, DEWINE, SMITH, LOTT, HUTCHISON, COVERDELL, ASHCROFT, HELMS, NICKLES, SMITH, GRAMM, and a whole bunch on our side, too.

How can we debate these amendments in any kind of a legitimate fashion, if, in fact, we don't even know what kind of money we are talking about? Some of the amendments add money; Some take it away; Some modify.

If we go ahead and have the amendments, we don't know whether the motion from the Senator from Texas is going to hold or whether it will be waived, so we will be debating these amendments in a vacuum without the full knowledge of exactly what dollar amounts we are looking at. Are we going to cut it by 6.75 percent across the board or not? We don't know that yet.

Mr. SPECTER. Will the Senator yield?

Mr. HARKIN. I am happy to yield to the Senator.

Mr. SPECTER. In formulating this question as to whether we are going to cut it by 6.75 percent, may I suggest to the distinguished ranking member and comanager that we will not cut funding by 6.75 percent.

What we are seeking to do now is to obtain a reallocation. Discussions are underway with the chairman of the full committee to reallocate some funds to this bill from other bills, which delays the day of reckoning for the whole process. That is the way things are done, not only around here but generally.

It is my hope we can accomplish that. The chairman of the full committee is now busy working on a supplemental, but he will be here in a few minutes. I believe we will find a way on a reallocation to satisfy the issue which has been raised by the Senator from Texas.

Unfortunately, we had three amendments queued up and ready to go to make progress, but seeing the state of affairs on the floor, our amendment offerers have dispersed. We are trying to find some more amendments, and we have an amendment ready to be offered.

It is my hope that on the representation we are making progress on finding an allocation, which will leave our bill at $104.5 billion, we take the Senator from Texas up on his willingness to set his issue aside so we can proceed with the bill.

Mr. REID. It sounds reasonable. We have one person who wanted me to protect him. He is across the hall. I will see if I can get that taken care of. We object for a little bit.

Mr. HARKIN. Mr. President, I reclaim the floor. I had yielded for a question. I hope we can get this clearance. I think we probably can move ahead. From what my distinguished chairman said, I hope that can happen in terms of reallocation and we can put this thing to bed.

An objection to laying the motion to waive aside holds right now until we can get clearance on our side.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I want to respond to some of the comments made by our colleague from Iowa. My point of order can be called many things, but calling it mischievous—not that there is anything wrong with being mischievous in defense of the public interest—but my point of order is anything but mischievous.

Our colleague from Iowa would have us believe that shifting SSI payments from fiscal year 2001 to 2000 does not increase spending. Nothing could be further from the truth. Under current law, the payments for SSI will be made on October 2 and they will be part of the 2001 budget. What this illegal—under the Budget Act—payment shift does is shift this payment back into fiscal year 2000 and raids the surplus that we have all pledged to protect by a total of $2.4 billion, freeing up $2.4 billion more to be spent next year. So the first point is, sustaining this point of order will mean we will spend $2.4 billion less.

Second, a point of order was not raised against the D.C. appropriations bill last year on the pay shift because there was no point of order available. That pay shift did not violate the budget in effect at that time. This SSI payment shift was considered in the budget and it was rejected, specifically rejected.

Let me explain exactly the arithmetic of where we are. In allocating spending for this fiscal year, the Appropriations Committee allocated to Labor-HHS appropriations, a subcommittee that funds many important programs for America, a 13.5-percent increase in spending. That was far and away the largest increase in spending of any budget allocation. You would

have to go all the way back to when Jimmy Carter was President to find that level of spending.

The first thing this committee did was it put some entitlement reforms in the bill, which the chairman of the committee has already said are not going to be made. They are going to be taken out in conference. But by claiming that they are going to be made, they magically raised their increase in spending from 13.5 percent over last year's level to 17.7 percent over last year's level. You are now in the range where going back to when Jimmy Carter was President does not hold up. We are getting to the point where you have to go back to the time when Lyndon Johnson was President to find increases like that.

But even that was not enough. What they did was include a phony payment shift—by taking SSI payments, which by law are to be made on October 2, which is after the beginning of the new fiscal year, in other words, money they would have had to have funded in the 2001 budget—by taking that payment and moving it into fiscal year 2000, they can rob the surplus by $2.4 billion and spend $2.4 billion next year. By doing that, they would then raise the increase in spending over last year's level to 20.5 percent.

These tears that are being shed about my point of order, which simply calls on the Senate to live up to its budget, these tears are being shed because by doing that we could increase spending in this area only by 17.7 percent. By enforcing the budget, rather than increasing spending by 20.5 percent, we would increase spending by 17.7 percent. How many working families have seen their income go up by 17.7 percent in the last year? I submit, not very many families.

So what I have done is simply said: When we adopted a budget we meant it. When we set out what we were going to spend in this coming year, we meant for those constraints to be binding. What is literally happening in the Congress is that this surplus is burning a gigantic hole in our pocket. We are seeing spending increases at levels that have not been approached since Lyndon Johnson was President of the United States. It is very dangerous for two reasons. No. 1, if we have a downturn, those surpluses are not going to be there. Second, some of us had hoped that we would repeal the marriage penalty, so we do not have to make people in America who fall in love and get married pay $1,400 a year in additional income taxes for that right. We had hoped to repeal the death tax so your family would not have to sell off your family farm or your business that your parents worked a lifetime to build up, simply because they died. But if we are going to be increasing spending like this and busting the budget, we are never going to have an opportunity to share the benefits of this prosperity with working Americans.

When our colleague says this point of order does not save money, that is simply not true. It saves $2.4 billion.

Second, I am going to raise a point of order on the supplemental appropriation for military construction. I am going to raise it because what we are doing is obscene in terms of spending, and the bill does violate the Budget Act. I intend to raise the point of order.

Let me finally say that this point of order is important. In fact, we have used it five times today to prevent new spending from being added. The amazing thing is that we have before us an appropriations bill that grows by one-fifth, over 20 percent, and yet we have spent all day long where the minority has been trying to add more and more and more spending. You begin to wonder when is it enough? Is there any appropriations bill that could have been written that would have been enough?

Yet with all this spending, we are all talking about locking away money for Social Security, locking away money for Medicare, but the spending goes on and on and on.

I raised the budget point of order. If Senator STEVENS comes over and reallocates money and takes it away from another use so the total level of spending does not rise, he certainly has a right to do that. That will mean this point of order will stand. This phony payment shift will be stricken. But the money will be allocated to be spent on these programs and taken away from something else. That is how the budget is supposed to work. We are supposed to make decisions like American families make decisions. If they want a new refrigerator they don't buy a new washing machine. If they want to go on vacation, they don't buy a new car. They set priorities.

Our problem is we never set priorities. So I think this point of order is important. This point of order is an enforcement of the budget. We ought to be holding the line on spending. I yield the floor.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my colleague from Texas. I know sometimes it upsets people when we come out and say: Wait a minute, we are breaking the budget.

I work with the Senator from Texas on the Budget Committee and he happens to be right. I also compliment my colleague from Pennsylvania, who is managing the bill. As the Senator from Texas mentioned, no matter what is in this bill, many people—particularly on the other side—say it is never enough. No matter what is in there, it is never enough. The Senator from Pennsylvania put in more money than the President requested for education, and we have had four or five amendments saying let's spend billions more. It is never enough. No matter what, we more than matched the President.

The bill we have before us has outlays greater than the President requested and it is still not enough.

I happen to be one who is, I don't want to say a wonk on numbers, but I am really picky on numbers. I think we ought to be accurate on numbers. I asked people before, by how much does this bill grow? The Senator from Texas just says it grows by a fifth. He understates the growth by just a tad. The growth in this bill is 20.4 percent in budget authority according to CBO. That is a lot of BA growth. Some people say we are growing other areas of the budget, and that is true. No other area of the budget is growing nearly as fast. The Defense appropriations bill we already had before us and passed, if my memory serves me correctly, was growing at 7-point-some percent. That is a lot. It is a big increase. This is growing almost three times as much in budget authority.

People ask: What does that mean? It means the money we authorize to be spent; we are committing the Government to spend that amount.

What are outlays? Sometimes outlays are easier to figure. The growth percentage in outlays is not quite as much. The growth percentage in outlays is 12 percent. The Senator from Texas wants to take off $2.4 billion because that is an offset. That is, frankly, a faulty offset. It is only in there so we can have more money in real growth in outlays, in budget authority, in commitment to growth spending.

There is actually $4.9 billion in outlay offsets. The Senator from Texas might have been able to do the full $4.9 billion. I know he can do $2.4 billion, but there is $4.9 billion in offsets. I believe the chairman of the Appropriations Committee said we will drop those offsets.

The real program growth—and this is what we are talking about in BA—is $104.1 billion. That compares to last year's $86.5 million in budget authority. That is a growth of 20.4 percent. That is a lot.

If we adopt the amendment of the Senator from Texas, the growth will still be in excess of 17 percent. Granted, I know it will cause some consternation. I know the members of the committee will have to reshuffle and limit the growth of the spending in commitment to 17.5 percent. I happen to think that is doable. Maybe it is not the easiest thing in the world because we made commitments to grow spending more than the President did in this area or that area. Certainly, 17-percent growth is adequate, sufficient, and responsible.

As to the bill before us, one can only say it complies with the budget if they take into consideration $4.9 billion of offsets which, frankly, will not happen.

Again, I compliment my colleague from Texas for his amendment. I will submit for the RECORD a chart I put together which shows budget authority and outlays for the Labor-HHS bill for the last 10 years.

For my colleagues' information, in 1990, 10 years ago, budget authority was

$43.9 billion. Last year, it was $86.5 billion. It basically doubled in the last 10 years.

The bill before us is trying to grow at 20 percent. In other words, it will double in about 4 years at twice the rate of growth of what we have done in the last 10 years. I think that would be a mistake.

I am not critical of anyone. I compliment my colleague from Texas. He has a good amendment.

I ask unanimous consent that the chart which shows the growth in this particular area of the budget, the Labor-HHS budget, be printed in the RECORD. It shows growth in outlays and in budget authority for the last 10 years.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LABOR/HHS APPROPRIATIONS

| | Budget authority | Outlays | BA growth (percent) | Outlay growth (percent) |
|---|---|---|---|---|
| 1990 | 43.9 | 49.4 | ..... | ..... |
| 1991 | 51.0 | 54.4 | 16.2 | 10.2 |
| 1992 | 60.1 | 58.5 | 17.9 | 7.5 |
| 1993 | 63.2 | 62.7 | 5.1 | 7.3 |
| 1994 | 68.1 | 68.7 | 7.8 | 9.6 |
| 1995 | 67.4 | 70.2 | −1.0 | 2.1 |
| 1996 | 63.4 | 69.1 | −5.9 | −1.6 |
| 1997 | 71.0 | 71.9 | 11.9 | 4.1 |
| 1998 | 80.7 | 76.2 | 13.7 | 6.1 |
| 1999 | 85.1 | 80.2 | 5.4 | 5.2 |
| 2000 | 86.5 | 86.3 | 1.6 | 7.7 |
| 2001 House Net | 97.2 | 91.1 | 12.4 | 5.5 |
| 2001 House Gross* | 101.8 | 94.3 | 17.8 | 9.2 |
| 2001 Senate Net | 98.1 | 93.1 | 13.5 | 7.9 |
| 2001 Senate Gross* | 104.1 | 96.7 | 20.4 | 12.0 |
| 2001 President | 105.8 | 94.6 | 22.3 | 9.6 |

*=Gross spending levels do not include mandatory offsets, contingent emergencies, or other adjustments.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I will take a couple minutes. I heard the Senator from Texas talking about there is never enough. Of course, he just talked about Democrats on this side offering amendments to increase funding. I thought what is good for the goose is good for the gander.

There are Senators on that side of the aisle who have amendments to increase spending in this bill: Senator COCHRAN, Senator COLLINS, Senator DEWINE, Senator INHOFE, Senator JEFFORDS. Those are the only ones I have right now from their side that I know of who add money to the bill. It is not only Democrats; Republicans, too. There are some on that side of the aisle, as well as on this side of the aisle, who understand we have unmet needs in this country when it comes to dealing with education, health, human services, and research.

I point out there is all this talk about how much this budget has increased. It all depends on how you look at it. It depends on your baseline. It depends on your numbers. The Senator from Texas probably knows that as well as anybody around here. So we can look at it a different way.

Let's look at it this way, for example: Twenty years ago, the share of the dollar that went for elementary and secondary education in this country that came from the Federal Government was a little over 11 cents. In other words, 20 years ago, 11 cents out of every dollar that was put into elementary and secondary education came from the Federal Government. Today, that is down to 7 cents. We are going backwards. We put the burden on our property taxpayers around the country. It is an unfair tax, a tax that can be highly regressive, especially in an area where there are a lot of elderly people who may not be working and live on Social Security, but they still have to pay the property taxes. When one looks at it that way, one can say we are shirking our responsibility. If we had just kept up that 11-percent level for the last 20 years, we would not be having all these amendments.

Second, the figures they are throwing out about a 20-percent increase is about as phony as the piece of paper it is written on because that takes into account a lot of things that are not figured into how much we are actually increasing programs. If one looks at the program increases—education and the other program increases—this year over last year, it comes in at a little over 9 percent, somewhere between 9 and 10 percent.

Mr. SPECTER. Mr. President, 8.2 percent.

Mr. HARKIN. My chairman is always ahead of me on these things—8.2 percent. If one looks at the increases we are making next year over this year, it comes to 8.2 percent, not 20 percent. I wanted to make the record clear. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have one sentence in reply, and that is, we will provide the details as to increasing 8.2 percent instead of the alleged 20.4 percent, but we want to do it at a later point so we can move ahead with amendments.

We have two amendments lined up: one from the Senator from Ohio, Mr. VOINOVICH, and one from the Senator from Louisiana, Ms. LANDRIEU. I ask unanimous consent that the pending amendments be set aside so we can proceed with the Voinovich amendment.

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

Ms. LANDRIEU. Reserving the right to object, will I be next in line for an amendment?

Mr. SPECTER. Mr. President, I ask unanimous consent that following the Voinovich amendment, we proceed to the Landrieu amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio.

AMENDMENT NO 3641

(Purpose: To permit appropriations to be used for programs under the Individuals with Disabilities Education Act)

Mr. VOINOVICH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH] proposes an amendment numbered 3641.

On page 59, line 10, insert ''; to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.);'' after ''qualified teachers''.

Mr. VOINOVICH. Mr. President, before I speak on this amendment I sent to the desk, I would like to say just a couple of words in regard to the point of order the Senator from Texas has just made.

I was one of the Members of the Senate who worked with the Senator from Texas to place in the budget resolution certain points of order which we believed we needed to have to make sure spending did not increase more than what the budget resolution provided for.

His point of order is directed at exactly what we were concerned about. It is what I might refer to, in all due respect, as a gimmick. In considering the 2001 budget, money that was put into the FY 2001 budget is being moved back into the 2000 budget in order to make available $2.4 billion more than could be spent otherwise.

What does that mean? That means that when you shove the cost back into the year 2000, you are going to use $2.4 billion of the on-budget surplus that many of us recently voted to use to pay down the national debt.

When we put a budget resolution together, at least—I thought it meant something. One of the things that disturbed me last year was that, at the end of the game, we did all kinds of things to exceed what we had originally anticipated to spend. So here we are today, trying to do the same kind of thing we did at the end of last year.

I think this Senate should sustain the point of order; that we ought to live by the budget resolution we agreed to earlier this year, and that the committee should make the hard choices.

One of the things that was brought up is that in order to pay for many of the new increases in spending in new programs, mandatory programs were cut, mandatory programs that I think are fundamental. Things such as the social services block grant, things such as the CHIP program. I have been told they will be taken care of later on.

My belief is that if we have a budget resolution and we agree to spend a certain amount of money, we ought to live within that budget resolution. I hope we sustain the point of order.

Mr. President, few will dispute that each and every child in this Nation deserves to be able to obtain a quality education, a fact Congress recognized 25 years ago when it passed the Individuals with Disabilities Education Act.

Since that time, IDEA has helped ensure that all students, regardless of their disability, are able to receive the educational services they need in order to attend their local school.

In my State of Ohio, IDEA has helped thousands of young men and women go beyond their disabilities and obtain a quality education.

Thanks to IDEA, Ohio students with debilitating problems like Cerebral Palsy and autism have been able to receive help in reading and writing from special education teachers. They can use programs like Dragon Dictate—a speech recognition program that can be used to control a word processor— in order to help them better understand their school work.

Before IDEA, these children would have been virtually forgotten elements in our education system. With IDEA, these children are in school, they are learning and they are growing. And IDEA doesn't just help disabled students. Alexandra Shannon, a 16 year old student from Beavercreek, OH, believes that ''enhanced educational opportunities help everyone.'' In a meeting with one of my staff members just a few months ago, she told of her friend, Peter, who had learned to walk at school with the help of his schoolmates. The entire school was brought closer together by the experience that Alexandra called, the ''joy of the year.''

However, even with all the success of IDEA across the Nation, the fact remains that the cost to implement this program is draining money from our schools and significantly impeding the ability of State and local educators to fund their own priorities—priorities that include some of the items my colleagues here in the Senate think should be funded at the Federal level.

The cost of serving a handicapped student is typically twice as much as the average amount spent per pupil, while in some school districts, the cost is higher still. Think of this. In Centerville, OH, Centerville High School superintendent, Frank DePalma estimates that in his school, special education services cost 4 to 5 times as much as do services for nonhandicapped students. He said:

> Costs for services such as occupational therapy, speech therapy and physical therapy continue to skyrocket.

Indeed, the Cincinnati Post wrote in an editorial just 2 months ago that the city's public schools spend:

> $40.3 million a year on disabilities education. That's nearly 11% of its $365 million budget.

That is 11 percent of their budget.

Many school districts recognize that students with disabilities require different, and often, expensive needs. They want to help their students, but they also need and want the financial help that the Federal Government has promised.

As many of my colleagues may recall, when IDEA was passed in 1975, Congress thought it was such a national priority, that it promised that the Federal Government would pay up to 40 percent of the cost of this program.

To date, the most that Washington has provided to our school districts under IDEA is 12.6 percent of the educational costs for each handicapped child; and that was in fiscal year 2000.

The remainder of the cost for IDEA still falls on State and local governments.

Because the Federal Government has not lived up to its commitment, IDEA amounts to a huge unfunded Federal mandate. When I was Governor of Ohio, I fought hard for passage of the Unfunded Mandates Reform Act in 1995 so that circumstances like this could be avoided in the future.

And just how large an unfunded mandate has IDEA become?

In fiscal year 2000, Congress allocated almost $5 billion for special education for school-age children. If we had funded IDEA at the 40 percent level that Congress had promised in 1975, we would have allocated $15.6 billion in fiscal year 2000 rather than $4.9 billion.

In essence, a $10.7 billion unfunded mandate was passed along to our State and local governments for IDEA. And that is on top of the 60 percent—or $23.3 billion—for which they are already responsible. So, for a federally created program, our State and local governments' ''share'' in this fiscal year will amount to $34 billion out of a total of $38.9 billion.

Indeed, Mr. R. Kirk Hamilton from Southwestern City School, Grove City, OH has written to me, stating that IDEA is:

> an enormous, unfunded mandate which is so expensive and so cumbersome that the funds are not available to deliver needed services to children.

Mr. President, that is just wrong.

For all programs under IDEA, the President of the United States assumes an expenditure of $6.3 billion in fiscal year 2001. That is only a $332 million increase from the $6 billion level of funding in fiscal year 2000.

However, the President's fiscal year 2001 budget contained a whopping $40.1 billion in discretionary education spending. That is almost double the $21.1 billion in discretionary education spending allocated by the Federal Government just 10 years ago in fiscal year 1991, and nearly 5 times the $8.2 billion spent on discretionary education spending 25 years ago in 1976. Where is that money going? Think of that. Where is it going?

It is important to understand that the White House and some of my colleagues on the other side of the aisle are very good at reading polls. They see that education is of high interest to the American people.

Even though the Federal Government only provides 7 percent of the funds for education in this country, the White House and these same colleagues consider themselves, sometimes, I think, to be members of a national school board.

They have other, new priorities that they believe Washington should fund instead of providing additional funding for the federally created IDEA—programs like school construction, after-school programs, hiring more teachers, improving technology and training in schools, and creating community learning centers. They are all great ideas.

They are important initiatives, but they are the responsibility of our States and local communities. Of course, the politically expedient thing to do is to support funding for all these programs at the federal level; it makes us look as if we are ''for'' education. They are high in the polls. Nevertheless, I believe in the delineation of Federal and State responsibility, and increased funding for IDEA is a Federal responsibility.

It is one that we mandated on the school districts. It is part of our responsibility. We said we would pay for 40 percent of it. It is about time we paid for 40 percent of it, rather than going off on a lot of new initiatives.

During our debate on the fiscal year 2001 budget resolution, I offered, and this body adopted, by a vote of 53–47, an amendment stating that before we fund new education programs, we should make funds available for IDEA.

The amendment that I am offering today makes good on the commitment we made in the budget resolution.

Specifically, my amendment would give local education agencies the flexibility to take $2.7 billion of Federal money under title VI of this appropriations bill and spend it on IDEA, if they choose. In other words, we are saying that school districts, if they choose, can use new money for IDEA.

If the Federal Government was fully funding IDEA, most of the education initiatives my colleagues are proposing—school construction, after-school programs—could be and likely would be taken care of at the State and local level. That is how our State and local education leaders want it.

In February, with the help of the Ohio School Board Association and the Buckeye Association of School Administrators, I contacted Ohio teachers, superintendents, and educational leaders from urban, suburban, and rural districts in every part of Ohio to ask what they would prefer: a full Federal commitment to IDEA or new Federal funding initiatives.

More than 90 percent of the responses I received so far have shown that Ohio's education community leaders prefer a full commitment to IDEA over new programs. I am confident this same poll conducted in other States would produce a similar result.

Let me read a few responses I received. Mr. Philip Warner, Superintendent of Ravenna City School wrote:

> I believe school districts would benefit the most if Congress met its obligations under IDEA, therefore allowing school districts to fund programs that would be specific in each school district.

David VanLeer, Director of Pupil Services, Euclid City Schools, right across the street from where I live:

> Congress should honor that pledge to provide 40 percent of the cost of IDEA before any new programs are funded.

Doreen Binnie, speech language pathologist at Colombia local School District responded, ''Absolutely,'' to the

question of whether Congress should fund IDEA before new programs.

We must stop acting as if we are the Nation's school board, trying to fund every education program possible. The truth is, many of the programs that Members of Congress and the President want to enact should be funded at the State and local level. In my view, those programs would have a better chance of being funded if State and local governments didn't have to divert such a large percentage of their funds to pay for IDEA. The Federal Government has a commitment to IDEA and that commitment should be fully honored. I believe our State and local leaders should be given the flexibility they need to spend new Federal education dollars that are allocated under this bill to honor the commitment of IDEA. I appreciate the fact that the appropriations committee provided increased money for IDEA in this budget.

The fact is, we should say to our local school districts that with the $2.7 billion which is allocated in title VI one of the options we should give them is to fund the Individuals with Disabilities Education Act.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair. Under the unanimous consent agreement, I have the right to offer my amendment at this time.

Mr. REID. Not until we finish the Voinovich amendment.

The PRESIDING OFFICER. The Voinovich amendment must be disposed of.

Mr. SPECTER. Mr. President, we have been consulting on the complexities of the bill. If I understand the amendment by the Senator from Ohio, it is that the title XI block grant of $2.7 billion, which is divided for class size and construction, may be used for other purposes at the discretion of the local boards. If they choose not to use it for construction or class size, it could be used at their discretion. He wants to be sure those funds can be used for special education.

Mr. VOINOVICH. That is correct.

Mr. SPECTER. That would be acceptable. It is our purpose that the local boards, having decided they do not want it for the other purposes—construction or reduction in class size—may use it as they decide. We are prepared to accept the Voinovich amendment. We are also anxious to proceed with the bill.

Mr. VOINOVICH. I thank the Senator.

Mr. REID. Mr. President, the minority has reviewed the amendment. I have spoken with Senator HARKIN. We have no objection to it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3641) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER. May we have a time agreement on the amendment of the Senator from Louisiana?

Ms. LANDRIEU. I would need about 20 minutes.

Mr. SPECTER. May we have a time agreement of 30 minutes, 20 minutes for the proponents of the measure and 10 minutes for the opponents, if there are opponents?

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

The Senator from Louisiana.

AMENDMENT NO. 3645

(Purpose: To provide funding for targeted grants under section 1125 of the Elementary and Secondary Education Act of 1965, and for other purposes)

Ms. LANDRIEU. Mr. President, I am hoping there will not be opponents because we think this amendment makes a lot of sense. We are happy to agree to a time limit because we are interested in moving this debate along.

I agree with our distinguished colleague from Ohio. I think his is a good amendment. I commend him for coming to the floor and bringing to the Senate an issue that is very important to Louisiana, to our educators, teachers, superintendents, and parents who are very interested in funding. I thank the Senator for continuing to advocate for us to fulfill our commitment and meet our promises to our special education students. I hope the leadership would consider accepting this amendment, which I offer in good faith, because it does not add money to the budget. It simply provides greater flexibility.

I send my amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU] proposes an amendment numbered 3645.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 55, strike line 21 and all that follows through page 56, line 8, and insert the following: ''Higher Education Act of 1965, $9,586,800,000, of which $2,912,222,521 shall become available on July 1, 2001, and shall remain available through September 30, 2002, and of which $6,674,577,479 shall become available on October 1, 2001, and shall remain available through September 30, 2002, for academic year 2000–2001: *Provided,* That $6,985,399,000 shall be available for basic grants under section 1124: *Provided further,* That up to $3,500,000 of these funds shall be available to the Secretary on October 1, 2000, to obtain updated local educational agency level census poverty data from the Bureau of the Census: *Provided further,* That $1,200,400,000 shall be available for concentration grants under section 1124A: *Provided further,* That $750,000,000 shall be available for targeted grants under section 1125 of the Elementary and Secondary Education Act of 1965: *Provided further,* That grant awards under sec-''.

Ms. LANDRIEU. Mr. President, this amendment will not require 60 votes because it does not seek to waive the Budget Act.

I am somewhat in agreement with what Senator GRAMM said and our ranking member, Senator HARKIN, about the fact that we do need to be concerned with the amount of spending. We need to be concerned about the amount of spending for education, for health, for our military. We want to make sure we are making smart and wise investments. We want to make sure we are not getting back into the era of big Government or irresponsible Government with irresponsible tax breaks. I am much inclined to support many of the comments that were made.

This amendment fits that debate exactly. I am hoping the leadership on both sides will see it that way.

Let me begin by telling my colleagues again what this amendment does not do. It does not ask to waive the Budget Act. It does not add any money to this budget. It does not reduce one penny of title I money to any State in the Nation.

It simply attempts to redistribute the moneys within this budget to reflect a value about which we all speak on both sides of the aisle each day; that is, the value of trying to target the money in this budget to those children, families, and communities that need the most help.

Many communities in Louisiana, California, New York, Michigan, and Mississippi are struggling to meet their obligations to provide a quality education for all children, regardless of their race, religion, or what side of the track they were born on, or whether they have a lot of money in their household or little money.

We believe that in America every child deserves a quality education. We say that on this floor over and over and over again. We speak these words. We say this. But when it comes to writing our budget, which we are doing today, we don't do it. We don't do it. We have the power to do it. Fifty votes, right now, could do this. But, unfortunately, I don't think we may get more than maybe one or two or three or four because we are very good at talking about equality, fairness and justice, but when it comes to writing a budget, we don't do it.

As a Democrat, it is hard for me to say, but I have to be honest and say I am not sure the President's budget reflects that value as closely as it should. I have to say the Republican budget doesn't reflect that value, and some of my own colleagues were not reflecting that value.

This amendment, with all due respect to the committee and to everybody who tried to work on this, attempts to say that with some portion of this increase, we should increase title I because it is the only title that attempts

to send money out in a way to this Nation where the poor children, the neediest children, get the help and attention, giving complete flexibility to the local government to decide whether it is additional teachers, additional resources. Title I has great flexibility. There are few limitations, but it says let's help the poorest children, whether it is in Louisiana or Arkansas or Mississippi or California, and there are many States that would benefit from this change.

All of the increases Senator GRAMM talked about, whether it is a 20-percent increase or an 8-percent increase, for the purpose of my amendment, are not really the issue because of all of the increase—whether 20 percent or 8 percent—a small amount, a few tiny pennies, have been devoted to title I. The poorest children in this Nation, who have no lobbyists, no big and powerful agencies to represent them up here, have literally been left out. In addition, the accountability money that was placed in this budget in past years to make sure the money was going to the poor districts, the middle-income districts, and the wealthy districts has been totally taken out.

So this bill we are debating, that has either a 20-percent or 8-percent increase, literally underfunds the poor children of the Nation, the moderate-income families, the lower income families, who are struggling to make the American dream possible for themselves. Yet we all come here every day and talk about widening the circle of opportunity, how we want to share the great wealth of this Nation. But when it comes to funding education for the kids who need it the most, so they can have a chance, we say no, no, and no. That ''no'' is being said on the Democratic side, the Republican side and, frankly, from the White House.

This is one Senator who thinks it is wrong. If I am the only vote on the bill, let it be so. I think there will be a few others. I don't think this amendment will pass. I am sure it will be second degreed because when we can't agree, we offer a commission—I am sure someone is going to do that—to study the issue because we have to keep studying the issue of how poor children are affected when their education is at a disadvantage.

I will vote against a study. I am going to vote for this amendment because it will simply move within the confines of this bill $750 million, which is still a reasonable amount of money, from one title into the title I.

I ask unanimous consent that this document be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE ALLOCATIONS AT $738 MILLION (THROUGH BASIC, CONCEN. AND TARGETED)

| State | Landrieu Amendment | Appropriations Committee |
|---|---|---|
| Alabama | 144,564 | 134,762+10 million |
| Alaska | 21,513 | 20,225+1 million |
| Arizona | 140,669 | 130,766+10 million |
| Arkansas | 89,736 | 84,016+5 million |
| California | 1,155,500 | 1,075,015+80 million |
| Colorado | 76,628 | 72,531+4 million |
| Connecticut | 83,202 | 77,575+6 million |
| Delaware | 23,653 | 22,429+1 million |
| DC | 31,071 | 28,611+3 million |
| Florida | 430,617 | 403,006+27 million |
| Georgia | 249,983 | 234,458+15 million |
| Hawaii | 23,306 | 21,956+2 million |
| Idaho | 26,254 | 24,716+2 million |
| Illinois | 362,951 | 332,172+30 million |
| Indiana | 129,110 | 122,037+7 million |
| Iowa | 57,129 | 54,715+3 million |
| Kansas | 62,627 | 59,452+3 million |
| Kentucky | 141,777 | 131,270+10 million |
| Louisiana | 209,188 | 191,242+18 million |
| Maine | 35,358 | 33,785+2 million |
| Maryland | 116,722 | 109,446+7 million |
| Massachusetts | 170,733 | 161,058+9 million |
| Michigan | 380,257 | 353,215+27 million |
| Minnesota | 94,030 | 89,526+5 million |
| Mississippi | 134,957 | 124,813+10 million |
| Missouri | 154,238 | 144,421+10 million |
| Montana | 29,986 | 28,346+1 million |
| Nebraska | 34,320 | 32,636+2 million |
| Nevada | 27,397 | 25,713+2 million |
| New Hampshire | 22,034 | 20,919+2 million |
| New Jersey | 202,046 | 189,679+13 million |
| New Mexico | 78,176 | 72,541+6 million |
| New York | 874,009 | 803,360+71 million |
| North Carolina | 174,860 | 167,151+7 million |
| North Dakota | 22,389 | 20,984+2 million |
| Ohio | 326,933 | 305,597+21 million |
| Oklahoma | 111,448 | 104,642+7 million |
| Oregon | 75,647 | 72,354+3 million |
| Pennsylvania | 376,332 | 351,631+25 million |
| Puerto Rico | 299,038 | 282,528+17 million |
| Rhode Island | 28,262 | 26,427+2 million |
| South Carolina | 116,887 | 110,255+6 million |
| South Dakota | 22,223 | 20,672+2 million |
| Tennessee | 147,499 | 138,396+9 million |
| Texas | 782,711 | 726,154+56 million |
| Utah | 37,139 | 35,293+2 million |
| Vermont | 19,834 | 18,659+1 million |
| Virginia | 136,709 | 128,802+8 million |
| Washington | 118,831 | 113,362+5 million |
| West Virginia | 80,579 | 74,627+6 million |
| Wisconsin | 136,280 | 126,519+10 million |
| Wyoming | 19,942 | 18,798+1 million |

Ms. LANDRIEU. Mr. President, this shows clearly that every State in the Union will benefit. The poor children in every State will benefit significantly by this amendment. I will read specifically into the RECORD the poorest States that will greatly benefit, and those States are: Louisiana, Mississippi, Alabama, Arkansas, California, District of Columbia, Georgia, Illinois, Kentucky, Michigan, New Mexico, New York, Texas, and West Virginia.

Just to read out a few pretty startling numbers, let's take California. This amendment, without adding one penny to the budget, will give California $80 million more because they have in certain areas a concentration of very poor children who need additional help. Louisiana will get an $18 million increase. Without this amendment, Senator BREAUX and I will basically go home empty-handed to a State where a headline in one of our major newspapers this week was: Louisiana's Children Suffer.

The Kids Count Data Book just came out. It clearly demonstrates which States need the help and which States could use the help. I don't believe in just throwing around new money. I am arguing for flexibility and accountability. But I am also arguing that we have an obligation to target our Federal resources better than we do. I am hoping my colleagues on both sides of the aisle will see the wisdom in this amendment.

I am going to yield a few minutes of my time to my colleague from Arkansas, Senator LINCOLN, who has waited patiently to speak. I thank her for her support, her passion, and her interest in helping us make our point. At this point, I yield 5 minutes to my colleague from Arkansas, and then I respectfully request the remainder of my time.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mrs. LINCOLN. Mr. President, I, too, join my colleague, Senator LANDRIEU, in applauding what our colleague from Ohio, Senator VOINOVICH, was doing previously in bringing up the importance of not only the program of IDEA but also the importance for us to be able to make good on commitments we have made, things we have asked our States and our localities to do and yet have not provided them the resources to do them.

This is just one of those requests. When we look at the targeted grants for the title I dollars, it is a program that was authorized over 6 years ago and never has been funded. That is all the Senator from Louisiana is asking—that we make good on our obligation that came about several years ago to target those dollars to the neediest of children across this Nation.

And to our colleague, Senator GRAMM from Texas, who mentioned that one of the most important things we need to do in this debate is to set priorities, I say: Exactly. Let's set the priorities of educating our children and understanding that we are only as strong as our weakest link, and that devoting the resources we have obligated long ago to the neediest of children should be done.

So I rise in support of the amendment offered by my good friend from Louisiana, Senator LANDRIEU, which would provide a modest increase in title I funding and target those additional resources to the neediest public schools. As I have said on many occasions, I believe strongly that we need to increase the Federal investment in public education to ensure that all students have access to quality education. But spending more money to help educators meet higher standards is only one part of that solution. We also have to ensure that Federal dollars are spent responsibly and that we allocate those resources where we can make a real difference.

Right now, in those title I funds, there are three categories. These targeted grants don't receive any of that funding. Eighty-five percent goes to basic grants and 15 percent goes to concentration grants. Statistics consistently demonstrate that, on average, children who attend schools with a high concentration of low-income students lag behind students from more affluent areas. This is certainly true in Arkansas, where students in the delta region score lower on academic achievement tests than students in our more prosperous regions of the State.

To me, these statistics are a clear indication that title I, which again was created to aid the education of disadvantaged children, isn't working as well as it should. We have diluted our title I program funds to so many different areas, until they have become less effective in the areas where they are supposed to be directed—to the disadvantaged.

Congress recognized that problem back in 1994 when it created those targeted grants for title I dollars. In the most recent ESEA Reauthorization Act, unlike basic and concentrated grants, targeted grants are designed so that school districts with a high percentage of low-income students receive a greater share of title I funding.

I think we were on to something, but unbelievably these targeted grants have never been funded.

This is unfortunate because these are the kids who need the Federal assistance the most, and it is where we could do the most good. Income status alone doesn't determine student achievement. It is the concentration of economically disadvantaged students in a school that makes the most difference.

After visiting dozens of schools and talking with hundreds of parents in my home State, I am convinced that we have to change our approach if we want to maintain public confidence and support for a strong role in education at the Federal level. In addition to more targeted funding, we need tough accountability standards to ensure students are learning core academic subjects, and more flexibility at the local level to allow school districts to meet their most pressing needs. Ultimately, we have to account for the money we spend in Washington and show our constituents results to sustain their support.

I also call on my colleagues to support an amendment Senator LIEBERMAN will be offering later which will address this issue. It calls for a comprehensive GAO study of targeting under title I. At the very least, I believe we have a responsibility to take a good, hard look at the current system because the status quo isn't good enough.

This amendment is an important step in the right direction. I applaud my colleague from Louisiana for the courage to stand up for what is right. Maybe it is not the most popular, but it is right.

I urge support for this proposal. This may not be a political issue, and this certainly may not be the most popular issue with those in this body who want to keep the status quo, but it is the right issue. It is the right decision to make, and it is the right amendment to support. If nothing else, this body should support this amendment on behalf of the neediest children in this Nation.

I applaud my colleague's courage, and I appreciate her leadership in this effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes.

Ms. LANDRIEU. Mr. President, I yield 4 of those minutes. But I ask for an additional 5 minutes.

Mr. COVERDELL. Mr. President, I have no objection.

Ms. LANDRIEU. I thank the Senator.

I yield 5 of those minutes to my colleague from Connecticut, and I would like 5 minutes to close.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair. I thank my friend and colleague from Louisiana.

Mr. President, I commend my friend and colleague from Louisiana, Senator LANDRIEU, and express my strong support for her amendment to better target our Federal education funding to the schools and children who need it most. I know from our collaboration on our comprehensive new Democrat education reform plan, the Three R's legislation, that Senator LANDRIEU's commitment to rescuing failing schools and providing every child with a quality education is unsurpassed in this body.

I also want to thank my friend and colleague from Arkansas for her devotion to this cause, and for her very eloquent statement on behalf of this amendment.

As Senator LANDRIEU and many others have rightly pointed out, we are facing an educational crisis in our poorest urban and rural communities, where learning too often is languishing, where dysfunction is too often the norm, and where as a result too many children are being denied the promise of equal opportunity. It is just not right or acceptable that 35 years after the passage of the Elementary and Secondary Education Act, that the average 17-year-old black and Latino student reads and performs math at the same level as the average 13-year-old Caucasian American student. We must begin to respond to this emergency with a greater sense of urgency, and that is exactly what the Landrieu amendment aims to do, infusing $1 billion in new funding for FY 2001 into the Title I program for disadvantaged students and allocating those resources to the districts with the highest concentrations of poverty.

We are currently spending $8 billion a year on Title I. No one in this body questions the value or mission of Title I, which was enacted in 1965 to compensate for local funding inequities and help level the playing field for low-income students. But the unpleasant truth is that this well-intentioned program is not nearly as focused on serving poor communities as it is perceived to be, leaving many poor children without any aid or hope whatsoever.

According to the Department of Education, 58 percent of all schools received at least some Title I funding, including many suburban schools with small pockets of low-income students. Of the 42 percent that don't receive any Title I support, a disturbing number have high concentrations of poor students. In fact, one out of every five schools with poverty rates between 50 percent and 75 percent do not get a dime from Title I. Let me repeat that startling statistic, because the first time I heard it I did not believe it—one of every five schools that have half to three quarters of its children living in poverty receives no Title I funding. None.

How does this happen? The formulas we are using to allocate these funds purposely spreads the money thin and wide. Any school district with at least 2 percent of its students living below the poverty level qualifies for funding under Title I's Basic Grants formula, through which 85 percent of all Title I funding is distributed. The rest of the money is channeled through the Concentration Grant formula, which is only marginally more targeted than the Basic formula, providing aid to districts with as few as 15 percent of their students at the poverty level. As a result, almost every school district in the country—9 out of every 10—receives some aid from this critical aid pool.

In fairness, Congress did make an effort to correct this imbalance in 1994 through the last reauthorization of the ESA. We approved the creation of a new Targeted formula, which puts a much heavier weight on poverty and therefore would direct a much higher percentage of funds to schools with higher concentrations of poor children. The key word there, of course, is would. Congress has unfortunately never appropriated funding through the Target formula. Not a penny, Instead, we have perpetuated a system that promises one thing and delivers another, that succeeds in letting us bring home funding to each of our districts but fails to meet its fundamental goal of helping those most in need.

That is exactly what this amendment introduced by the junior Senator from Louisiana will do. Once again, I congratulate her on her leadership. This is an amendment which would put our money where the needs generally are. I urge my colleagues to support it.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I will try to be brief as I conclude my remarks on this important amendment.

I thank my colleague from Connecticut for his extraordinary leadership in the area of education. It is particularly wonderful and refreshing to note that there are some Members of this body who will take their time and give their energy to speak on an amendment on the principles because States benefit from this—and Connecticut most certainly benefits from this. Connecticut is not one of the

poorer States in the Union. I thank my colleague for his extraordinary leadership and commitment, even though he doesn't come from a State where the per capita income is low. It is quite high. It makes his leadership on this issue all the more inspiring. I thank him for his help.

Connecticut will do well under this formula, as will many other States. But it is the States that have poorer rural students and poorer urban students that will do the best because that is what the Federal Government should be doing with a portion of our education money, helping to level the playing field.

We talk a lot about opportunities, and then we don't fund them.

We talk a lot about fairness, but we don't fund it. We talk a lot about equality, but we don't fund it.

Mr. President, talk is cheap. Whether it comes from this side, that side, or down Pennsylvania Avenue, that is what this amendment is about. That is why I am insisting on a vote. That is why, while a study may be helpful, what really would be helpful is a vote for the poor kids of this Nation.

One of the great Presidents of one of our distinguished universities said: If you think education is expensive, try ignorance.

I offer to this body that there is not any way in this world, not with any tax cut, not with any fancy new technology, not with any new program that anybody in this Chamber can think of, we can help sustain this economic miracle of growth if we don't fund a quality education for every child in this Nation.

Mr. President, this budget doesn't do it.

This amendment helps to target some money to the kids who need it the most. We need to put back our accountability money, put our money where we say our values are.

I yield the floor, and I ask for a vote on my amendment.

Mr. LOTT. Mr. President, parliamentary inquiry: I believe Senator REID was going to offer a second-degree amendment on this matter.

The PRESIDING OFFICER (Mr. BROWNBACK). A second degree amendment would not be in order until the time has been used.

Mr. LOTT. How much time remains?

The PRESIDING OFFICER. The Senator from Pennsylvania has 10 minutes and the Senator from Louisiana has 2 minutes.

Mr. LOTT. Mr. President, I renew the unanimous consent request with respect to the limit of first-degree amendments to the pending bill and send the list of amendments to the desk.

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

The list of amendments is as follows:

Ashcroft, Medicare; Baucus, Medicare; Baucus, Impact aid; Bayh, State children's health program, No. 3614; Bingaman, Energy, No. 3652; Bingaman, Drop out; Bingaman, Tribal colleges; Bingaman, Relevant.

Bingaman, Relevant; Bingaman, Relevant; Bingaman, Relevant; Bingaman, Relevant; Boxer, Relevant; Boxer, Relevant; Boxer, Relevant; Breaux, Point of order.

Brownback, Disease treatment, No. 3640; Brownback, Family research, No. 3646; Byrd, Relevant; Byrd, Relevant; Collins, Defibrillator, No. 3657; Collins, Defibrillator, No. 3643; Collins, Drug treatment for homeless, No. 3642; Collins, Rural education.

Conrad, Relevant; Conrad, Relevant; Coverdell, Contracts with criminals, No. 3647; Coverdell, Needles, No. 3648; Daschle, Discrimination; Daschle, Relevant; Daschle, Relevant to any on list; Daschle, Relevant to any on list.

Daschle, Relevant to any on list; DeWine, Troops to teachers, No. 3591; DeWine, Poison control, No. 3592; Dodd, After school program; Dodd, Restraints; Dodd, Relevant; Domenici, Telcom training center, No. 3651; Domenici, Telecom training center, No. 3662.

Dorgan, Relevant; Dorgan, Relevant; Dorgan, Institutional Development Award Program, No. 3611; Durbin, Asthma, No. 3606; Durbin, Asthma, No. 3607; Durbin, Immunization, No. 3608; Durbin, Immunization, No. 3609; Edwards, Relevant.

Edwards, Plan to eliminate syphilis, No. 3613; Enzi, OSHA (ERGO), No. 3660; Feingold, Defibrillations; Feingold, Relevant; Feingold, Campaign finance; Feingold, Campaign finance; Feinstein, Master teachers; Frist, Education research, No. 3654.

Graham, Social services, No. 3595; Graham, Healthcare providers, No. 3597; Graham, Health; Graham, Health; Graham, Relevant; Gramm, Budget limit, No. 3667; Gramm, Relevant; Harkin, School construction.

Harkin, Discrimination; Harkin, Relevant; Harkin, Relevant; Helms, School facilities; Hollings, Amendment; Hollings, Amendment; Hollings, Amendment; Hutchinson, NLRB, No. 3627.

Hutchinson, Medicaid waivers; Jeffords, IDEA, No. 3655; Jeffords, Medicine management, No. 3656; Jeffords, Public Health Service Act, No. 3677; Jeffords, High school, No. 3676; Kennedy, Mental health services; Kennedy, Health professionals; Kennedy, Job training.

Kennedy, Relevant; Kennedy, Relevant; Kennedy, Health care; Kennedy, Health care; Kerrey, Web-based education, No. 3605; Kerry, Technology literacy, No. 3636; Kerry, Technology, No. 3659; Landrieu, Adoption services, No. 3668.

Lautenberg, Health spending; Lautenberg, Relevant; Leahy, Office of Civil Rights; Levin, Relevant; Levin, Relevant; Lieberman, GAO study on Title I funds; Lieberman, Targeted education, No. 3650; Lott, Relevant.

Lott, Relevant to any on list; Lott, Relevant to any on list; Lott, Relevant to any on list; Lott, Energy, No. 3615; Murray, Class size; Nickles, Relevant to any on list; Nickles, Relevant to any on list; Nickles, Relevant to any on list.

Nickles, Relevant to any on list; Nickles, Relevant to any on list; Nickles, Health care; Reed, Gear-Up, Nos. 3637, 3638, 3639; Reed, Immunization; Reed, Summer job; Reed, Youth violence-drug and gun free schools; Reed, Relevant.

Reid, National Institute of Child Health, No. 3599; Reid, Relevant; Reid, Relevant; Robb, School Construction; Schumer, Vocational rehab; Schumer, Cancer funding; Schumer, Relevant; Smith, (NH) CHIMPS, No 3603.

Smith (NH), CHIMPS, No. 3670; Smith (NH), Invasive medical tests in schools; Smith (NH), Davis-Bacon; Smith (NH), Davis-Bacon; Smith (NH), Relevant; Smith (NH), Relevant; Specter, Managers amendment; Stevens, Relevant.

Stevens, Relevant; Torricelli, Fire sprinklers; Torricelli, HCFA regulation; Torricelli, Lead poisoning; Torricelli, Lead poisoning; Torricelli, Lead poisoning; Torricelli, Cost effective emergency transportation, No. 3612.

Wellstone, Perkins Loan cancellations; Wellstone, Stafford Loan forgiveness; Wellstone, NIH grants and drug pricing; Wellstone, Child care, No. 3644; Wellstone, Social services, No. 3596; Wellstone, Suicide prevention; Wellstone, 1.1 billion advance LIHEAP; Wellstone, Relevant; Wellstone, Relevant; Wyden, NIH.

Mr. LOTT. Mr. President, the Senator from Louisiana has 2 minutes remaining. Does she wish to use that time or reserve it?

Ms. LANDRIEU. I thank the distinguished leader. I have made my closing arguments. If there is no one else to speak, I am happy to receive a motion on the amendment so we can call for a vote.

Mr. SPECTER. Mr. President, I have a very short statement to make.

I applaud the Senator from Louisiana for this amendment. I do believe it is a very good idea to target funds for disadvantaged children under title I. The difficulty is that the $600 million will be taken from title VI, where we have already allocated the principal sum of those funds to meet the President's requirements for new school construction and for class size on the condition that local boards may use it for other purposes if they decide they do not need classroom construction or additional teachers.

When the Senator from Louisiana concludes, I will move to table the amendment.

Ms. LANDRIEU. I ask the Senator, is it not true that there is a $1.5 billion increase in title VI; yet there is a very small percentage or a $400 million increase for title I? If we are going to build schools or reduce class size, and this is a question, does the Senator think we should try to do it for the poorer communities first and then we can do it for everyone else? That is what my amendment attempts to do. I ask the Senator that.

Is that in the interest of the Nation, to do it for the poor schools first and then worry about everyone else?

Mr. SPECTER. If I may respond, my preference would be to move for the poor schools first.

In constructing this bill, there were many objections as to how the money was going to be allocated. The only way we could work through the complications was to put it in title VI. That was not my first choice, nor are the programs my first choice.

Working through a great many considerations, we ended up in title VI leaving the options to school districts, if they choose not to have construction, or if they choose not to have reduction in class size. That is an accommodation to very many disparate views.

Ms. LANDRIEU. I thank the Senator for his honesty, and I yield the floor.

Mr. SPECTER. Mr. President, I ask unanimous consent, and this has been cleared on the other side, that the vote

on the Landrieu amendment be set at 7:45.

Mr. LOTT. Mr. President, if I could amend that request to ask consent that votes occur on the pending amendments at 7:45 in the order which they were debated, with no second-degree amendments in order prior to the votes, and that there be 2 minutes for explanation prior to each vote.

Mr. REID. Reserving the right to object, there will be a motion to table on the Landrieu amendment. There will be a motion to table on the Jeffords amendment. We would not want a right taken away, in case a motion to table fails, to second degree.

Mr. LOTT. That is not limited by this.

I further ask consent that the time between now and 7:45 be equally divided on the Jeffords amendment.

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

The Senator from Vermont.

AMENDMENT NO. 3655

(Purpose: To increase the appropriations for carrying out the Individuals with Disabilities Education Act, with an offset)

Mr. JEFFORDS. Mr. President, I now send amendment No. 3655 to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself, Mr. GREGG, Mr. FRIST, Mr. ENZI, Mr. HUTCHINSON, Ms. COLLINS, Mr. HAGEL, Mr. SESSIONS, Mr. BROWNBACK, Mr. DEWINE, Mr. SANTORUM, and Mr. VOINOVICH, proposes an amendment numbered 3655.

Mr. JEFFORDS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 58, line 15, strike ''$4,672,534,000'' and insert ''$3,372,534,000''.

On page 58, line 17, strike ''$2,915,000,000'' and insert ''$1,615,000,000''.

On page 58, line 22, strike ''$3,100,000,000'' and insert ''$1,800,000,000''.

On page 58, line 26, strike ''$2,700,000,000'' and insert ''$1,400,000,000''.

On page 60, line 16, strike ''$7,352,341,000'' and insert ''$8,652,341,000''.

On page 60, line 19, strike ''$4,624,000,000'' and insert ''$5,924,000,000''.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Senators COVERDELL and CHAFEE be added to the other cosponsors of the amendment.

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

Mr. JEFFORDS. Mr. President, I begin by commending my colleague from Pennsylvania for his leadership as chairman of the Labor, HHS, Education, and related agencies subcommittee. His efforts to increase funding for education and health care often receive too little attention. I offer him my thanks on behalf of all Members who share our dedication to education.

He has had a challenging job crafting appropriations bills that balance the many real and competing needs of the Nation. He has been a strong advocate for education funding and an even stronger advocate for the funding of IDEA. He has been an equally strong advocate for more funding for the National Institutes of Health. This year he has once again taken up the challenge of balancing competing needs. The appropriations bill he brought to the Senate is a product of difficult negotiations between competing viewpoints.

Because of my respect for my friend from Pennsylvania, I come to the floor with an amendment only because of my conviction that there is an unmet Federal obligation that must now be met in full. Almost all the Members of this body have gone on record in support of fully funding our commitment to our local schools. We should fully fund IDEA for special education.

I also commend my good friend from Iowa, Senator HARKIN, who has been a tireless champion of education funding and health care funding.

I anticipate that the opponents of my amendment may argue that this amendment should be defeated because it takes funds from one education program and provides it to another. I, too, support increased funding for education, and have voted repeatedly over the past several days to waive the Budget Act in order to secure additional funds for education. It is clear, however, that this does not reflect the will of the Senate.

Because it is very clear that there is not sufficient support for an amendment which would exceed the budget caps, we must make difficult choices regarding which programs should be given priority. I have been a longtime advocate for funding for the title VI block grant program. This appropriations bill provides this program with a $2.7 billion increase, while providing a $1.3 billion increase for IDEA. I believe, and this belief is held by every school board in Vermont, that IDEA should be our very first priority.

In 1974 we made a commitment to fully fund IDEA. If 25 years later we cannot meet this commitment in an era of unprecedented economic prosperity and budgetary surpluses, when do we plan to keep this pledge?

When I first arrived in Congress, one of the very first bills that I had the privilege of working on was the Education of All Handicapped Act of 1975.

As a freshman Member of Congress, I was proud to sponsor that legislation and to be name as a member of the House and Senate conference committee along with my chairman Johns Brademus and then Vermont Senator Bob Stafford.

At that time, despite a clear Constitutional obligation to educate all children, regardless of disability, thousands of disabled students were denied access to a free and appropriate public education. Passage of the Education of All Handicapped Act offered financial incentives to states to fulfill this existing obligation.

Recognizing that the costs associated with educating these children was more than many school districts could bear alone, we pledged to pay 40 percent of these costs of educating students.

I know that there is some disagreement about whether or not a commitment was made. I want to tell you as someone that was there at the time that we made a pledge to fully fund this program.

I have in my hands a petition from every school board in my State. I urge all of my colleagues to come by my desk and look at these petitions. They know we made that commitment. Passing this amendment will do more to help our school districts meet their obligation to improve education in this country than nearly anything else we can do.

In 1997 Congress once again took up this landmark legislation. This a complex bill that has profound impact on classrooms across the Nation. With the strong leadership of Senator LOTT, Senator FRIST, Senator GREGG, Senator KENNEDY, Senator DODD, Senator HARKIN, and many others, we passed the first reauthorization of IDEA in 22 years. It is an accomplishment that many of us are very proud of.

At that time, we reaffirmed our commitment to pay 40 percent of the costs of educating children. We made this pledge to families, to school boards and to the Governors of our States. Over the past 3 years, we have made some progress.

But as my good friend from New Hampshire has pointed out several times over the past year, we are only supporting 13 percent of these costs. In 1975, we made a pledge which we did not keep. In 1997 we made that same pledge once again when we reauthorized IDEA.

In the 105th Congress we felt it important to reaffirm our commitment to full funding for IDEA. We added language to the fiscal year 1999 Budget that stated that IDEA should be fully funded as soon as feasible. And it is feasible now. We know that. This language was adopted unanimously by the Senate. At that time, we still faced budget deficits and it was argued that full funding was not feasible.

In the 106th Congress we continued to press for full funding for IDEA. The fiscal year 2000 appropriations provided a $600 million increase in funding for IDEA. During the debate over the 2001 Budget Resolution the Senate adopted language that I advocated calling for full funding of IDEA as soon as feasible.

The appropriations bill that is before us raises funding for IDEA by $1.3 billion in fiscal year 2001. I commend Senator SPECTER and Senator HARKIN for providing for this historic increase in funding for IDEA. Nonetheless, this increase does not put us on the path toward fully funding this program.

Our amendment is simple. It doubles the increase that is provided in the bill

and provides IDEA with an increase that is comparable to the increase that Senators SPECTER and HARKIN have provided for the National Institutes of Health.

It provides a path by which we will achieve full funding for IDEA by fiscal year 2005. It sends a clear message to the Nation that we, as a body, make good on the commitment we make.

I urge my colleagues to join me in supporting this amendment.

Good Lord, if we can't do it now with budget surpluses and the economy we have, if not now, when will we do it? I do not believe anyone can rationally argue this is not the time to fulfill that promise. I intend to do all I can to make sure we do.

Mr. President, I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa.

Mr. HARKIN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Iowa controls 14 minutes.

Mr. HARKIN. Mr. President, I rise in opposition to the amendment offered by my friend from Vermont. I want to make it clear I am not rising in opposition to his goal. Senator JEFFORDS' goal is the same goal I have. We both want to do everything we can to fully fund, on the Federal level, our stated goal of paying 40% of the costs of special education. We should do it. So I agree with the Senator on that. Senator JEFFORDS has been a stalwart supporter of that goal. I believe I have been, too. So I do not rise in opposition to what my friend from Vermont is trying to do Just like me, he wants to educate kids with disabilities and ensure the Federal Government meets its authorized funding goal that was stated in the bill, in IDEA, when it was passed 25 years ago.

I do, however, feel compelled to clarify once again, as I have every year that this issue has come up, usually presented by the Senator from New Hampshire, the terms of the 40 percent. The stated assumption that the Federal Government is to fund 40 percent of the cost of educating children with disabilities is not correct. You must look at the legislation. The authorizing legislation of 25 years ago authorized the maximum award per State as being the number of children served times 40 percent of the national average per pupil expenditure. It was not 40 percent of the cost of educating kids with disabilities.

Mr. JEFFORDS. I did not say it was. I carefully deleted that and said it is the cost of educating a child.

Mr HARKIN. A child? Then the Senator is correct. Usually it is stated the other way around. The Senator correctly stated the law.

But back to the point I wanted to make. Should we reach that 40-percent goal? Absolutely. We should have reached it a long time ago. I agree the Federal Government has fallen down on its effort to reach that goal.

What I rise in opposition to is how my friend from Vermont does this. What my friend is doing is he is taking money out of title VI, which was put in there for school construction and modernization—$1.3 billion.

He is taking that money and saying it should be used to help meet our goals on IDEA.

Again, it is a classic case of robbing Peter to pay Paul. Do we have a need for the Federal Government to educate kids with disabilities and meet its goals to our States? Yes. We ought to fully fund IDEA.

Do we also have a responsibility to help States and our local school districts rebuild our dilapidated and crumbling schools? I believe the answer to that is yes. The average school in America now is over 40 years old. They are crumbling. They need to be modernized. They need to be updated.

I say to my friend from Vermont—and he is my friend and he is a great supporter of education, I know that—but I ask my friend to consider this: When we modernize schools and rebuild schools, one of the biggest beneficiaries is a kid with a disability. I want the Senator to consider that because when many of our old schools were built, they were not accessible. The doors are too narrow, the bathrooms are not accessible, and even the drinking fountains are not accessible, especially for someone who uses a wheelchair.

When we talk about school construction and modernization, we talk about $1.3 billion, which is a mere pittance of what is required. What the Senator from Vermont is actually doing by taking that money and putting it into IDEA, is penalizing kids with disabilities who need these schools modernized and upgraded. But then the Senator proposes that he is putting the money in IDEA to help kids with disabilities. Please, someone make some sense out of that for me.

As I said, the Senator's intentions are very good and laudable to increase funding for IDEA. If he were to do this in an open way and say we ought to increase money for IDEA, I would be on his side, but not at the expense of school modernization and construction because it is kids with disabilities, maybe above all others, who need to have some of these schools modernized, I say to my friend from Vermont.

Second, we just adopted an amendment offered by Senator Voinovich from Ohio. I said: Yes, we will accept it. The amendment of the Senator from Ohio says the schools can use title VI money, an allowable expense, to meet the requirements of IDEA. I submit to my friend from Vermont that the acceptance of the Voinovich amendment takes care of that. It leaves the money in there for school modernization and construction. However, out of the total pot of title VI money, the VOINOVICH amendment says that one of the allowable uses would be to use it to meet the requirements of IDEA.

I hope that will satisfy the Senator from Vermont. It still leaves the money in there for construction and modernization. I want to make that clear. Because this is where I differ with my friend from Vermont. Under his amendment we will have zero dollars for school construction and modernization. Zero. At least with the Voinovich amendment, they will be able to decide what they want to do. They will have money in there for school modernization and construction.

I hope the Senator from Vermont will perhaps reconsider this amendment. I know the goal is laudable. Heck, I support that. We ought to fund IDEA, but not take it out of school construction and modernization.

I hope we can move beyond this and meet our obligations to all our children in this country in education and not penalize one group to help another group. In this case, we penalize kids with disabilities to help kids with disabilities. That does not seem to make much sense to this Senator. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I suggest to the Senator from Iowa, perhaps we can add a phrase to this amendment that says the communities should make it a high priority to fix any problems with access. Would he then support this amendment?

Mr. HARKIN. The Senator asks me a legitimate question. As I understand it, under the Voinovich amendment, IDEA is an allowable use under title VI. I believe that is well covered in the Voinovich amendment.

Again, the Senator wants to restrict the use of the construction and modernization money. A lot of it will be used for accessibility. Some may not be. Some may be used to repair a ceiling. A ceiling is leaking, and they need to repair it. It might not just help kids with disabilities, it would help all kids. I would not want to narrow it this way.

Mr. JEFFORDS. Again, I want to point out that the people's understanding of our responsibilities are pretty clear in this case. If there is a statutory obligation and a commitment to fully fund a program—as there is in IDEA—this should be our highest priority. And again, I remind my colleague that this body has gone on record in vote after vote that we should fully fund IDEA. To suggest that fully funding IDEA should not be given higher priority than our desire to create a new construction program, is to abandon our original commitment. Certainly, if you owe money to a bank, that is a first priority over putting money in your savings account.

We made these pledges. The people back home know that the best way to improve education using Federal money is to have financial relief from the pressures of IDEA. It should be obvious what our conscience is telling us. We should fully fund the obligations we made back in 1975. That should be our primary priority. We said it over and over again and now we are turning our

back on our commitment. We say: No, we are going to use it for other things, and we are going to use it for things for which we have not already made a commitment, and that is to help with the construction of schools. School construction has always been a state and local responsibility. Fully funding IDEA will allow local communities to fund their own priorities, including construction.

I urge my friends to recognize our commitment to fulfill the promise we made and to use these funds to fund IDEA.

Look at these petitions from every single school board in my state. Every school district in the state says that the first thing we should do is fulfill our promise to fully fund IDEA.

Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 4 minutes.

Mr. HARKIN. I just heard my friend from Vermont say some magical words with which I totally agree. I wrote them down as he said them: ''Take budget surpluses and meet our commitments.'' I agree with that.

Do you know what? Just this week we now found out we are going to have $1.9 trillion over the next 10 years we didn't know we were going to have in surplus.

If my friend from Vermont wants to offer an amendment to fully fund IDEA, and to take it out of the surpluses, I am with him 100 percent of the way because he would be right on. The Senator just said that: ''Let's take our budget surpluses.'' I agree with that.

That is not what my friend is doing. He is taking it out of school modernization and construction.

I say to my friend from Vermont, if you want to rewrite the amendment and take it out of surpluses in the future, I am with you.

Mr. JEFFORDS. If I may respond.

Mr. HARKIN. Sure.

Mr. JEFFORDS. I say to the Senator, as you know, I have voted that way. In fact, I offered the amendment to the budget resolution that would have done that. My amendment would have made mandatory money available for IDEA. But it was rejected. I agree with my friend from Iowa that we should dedicate more of the surplus to fully funding IDEA. It is the right route, but we were turned down by three votes. It failed.

Now I am trying to use a different route. I am interested in offering an amendment that I hope will be supported by a simple majority of this body. An amendment which funds education using the surplus is in violation of the budget resolution and must be approved by a sixty vote majority. The Senate has repeatedly voted to reject similar amendments.

This amendment is the one that has a chance to succeed in spite of the limitations imposed by the budget resolution. We can take the money from a brand new program, which we are doing, and shift it over to IDEA where I believe it ought to be our first priority. That is something we can do on this bill. We can't tap the surplus now, as I tried during the budget resolution. That was turned down.

Mr. HARKIN. As the Senator knows, I supported that when he offered it.

Mr. JEFFORDS. Right.

Mr. HARKIN. That was on the budget. This is on appropriations.

I say to my friend, offer an amendment. The Senator can offer an amendment right now to fully fund IDEA and take it out of budget surpluses. I will support him on it right now.

Mr. JEFFORDS. It will take 60 votes and fail.

Mr. HARKIN. Who knows if it will fail? Wouldn't it be nice to try?

Mr. JEFFORDS. Sure. If I fail, you can try. All right?

Mr. HARKIN. We should not be taking it out of school construction and modernization—not at all. Our local school districts need this money. Go out and talk to your school districts. The people who are paying our property taxes are getting hit pretty darn hard. Ceilings are falling down. They are leaking. They need this help from the Federal Government. We have the wherewithal to do it. And that is what we ought to stick with.

If the Senator wants to offer an amendment to fully fund IDEA, take it out of the $1.9 trillion budget surplus—''take it out of the budget surpluses,'' as my friend said, I am in lockstep with him because that is what we ought to be doing with that surplus. We ought to be meeting this basic goal of our Federal Government.

Of course, while I believe some of the surplus should be invested in quality education, we don't need to touch the surplus to meet the goal of fully funding IDEA. There are many savings we could achieve that could more than pay for the investment.

For example, look at Medicare fraud, waste and abuse. While we've cut it over the last few years, the HHS IG testified before our Subcommittee this March that last year Medicare made $13.5 billion in inappropriate payments. Eliminating that waste alone would more than pay for IDEA. Yet, the House passed Labor-HHS bill actually cuts funding for auditors and investigators. That means we would lose hundreds of millions more to fraud and abuse.

In addition, I've introduced The Fiscal Responsibility Act of 1999 to promote greater fiscal responsibility in the Federal government by eliminating special interest tax loopholes, reducing corporate welfare, eliminating unnecessary programs, reducing wasteful spending, enhancing government efficiency and requiring greater accountability. This bill would result in savings of approximately $20 billion this year and up to $140 billion over five years.

For example, by enhancing the government's ability to collect defaulted student loans, the bill would save $1 billion over five years. By ending tax deductions for tobacco promotions that entice our children to smoke, we'd save $10 billion. And by limiting the foreign tax credit that allows big oil and gas companies to escape paying their fair share of royalties, we'd save about $3.1 billion.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Vermont has 1 minute.

Mr. JEFFORDS. Good.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Iowa has 1 minute.

Mr. JEFFORDS. I am willing to yield back my 1 minute.

Mr. HARKIN. The Senator from Pennsylvania may want a minute.

The PRESIDING OFFICER. Does the Senator from Iowa yield back his minute?

Mr. HARKIN. I want to see if the chairman wants to say anything.

Mr. SPECTER. Mr. President, I know the Senator from Vermont believes very deeply about the importance of the IDEA program and the necessity and desirability of the Federal Government to fund it.

The difficulty is—and we wish we had more funds in the education budget, although this budget has $4.5 billion more than last year, and $100 million more than the President's figure—but when it comes out of the construction account, or any other account, they are very carefully calibrated to provide the appropriate balance.

The construction account is one of the President's priorities. We have met that, as with class size, subject to the discretion of the local school boards. If they make a finding they do not need additional buildings or additional teachers, they may use it for what they choose. It may be that they could use it for the purposes articulated by the distinguished Senator from Vermont. So it is with reluctance that we are opposing his amendment. And I move to table.

Mr. HARKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3645

The PRESIDING OFFICER. There are 2 minutes for debate prior to the vote on the Landrieu amendment.

Who yields time?

Mr. SPECTER. Mr. President, we would ask the proponent of the amendment to step forward to debate.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I move to table the Landrieu amendment and ask for the yeas and nays.

The PRESIDING OFFICER. The motion to table has already been made on the Landrieu amendment.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry: I just moved to table the Landrieu amendment, and the Chair advised me a motion had already been made to table. And I might ask, by whom was that made?

The PRESIDING OFFICER. The Senator from Pennsylvania, prior to the quorum call, made a motion to table.

Mr. HARKIN. I ask the Senator from Pennsylvania, I believe the Senator from Pennsylvania was moving to table the Jeffords amendment and not the Landrieu amendment.

The PRESIDING OFFICER. At 7:45, the Landrieu amendment was pending. The motion to table was made.

Mr. HARKIN. I believe the hour of 7:45 had not arrived at that point, and that Senator Jeffords had made his remarks. I believe the Senator from Pennsylvania was moving to table the Jeffords amendment.

Mr. SPECTER. Mr. President, if I moved to table, I withdraw the motion and yield to the Senator from Iowa to make a motion.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, now I understand the Senator from Louisiana is here, and she wants a minute. I will make my motion to table after her minute.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I was under the impression that perhaps the other amendment would go first on the vote, but I thank my colleagues for giving me a moment to get here.

I want to object, of course, to the tabling of this amendment. As I described earlier, I believe very strongly, as do some others, that this money should be better targeted. That is what this amendment does. It does not add new money to this bill. It simply says, of the money that we are going to spend—whether it is a 20-percent increase that Senator GRAMM earlier spoke about, or an 8-percent increase—whatever the increase, if we are going to increase funding in this bill, the money should go to help the poorer children first, the communities around this Nation that need the most help, whether they be in rural areas or urban areas.

Every State will gain. Every State will leave with additional money for title I. The States that need the most help will get that help. That is simply what this amendment does. I object to the tabling.

I thank the Senators for granting the time.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. HARKIN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to table Landrieu amendment No. 3645. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Hampshire (Mr. GREGG) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER (Mr. ALLARD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 75, nays 23, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—75

| | | |
|---|---|---|
| Abraham | Feingold | Murray |
| Akaka | Fitzgerald | Nickles |
| Allard | Frist | Reed |
| Ashcroft | Gorton | Reid |
| Baucus | Gramm | Robb |
| Bennett | Grams | Roberts |
| Bingaman | Grassley | Rockefeller |
| Bond | Hagel | Roth |
| Boxer | Harkin | Santorum |
| Brownback | Hatch | Sarbanes |
| Burns | Hollings | Schumer |
| Byrd | Hutchinson | Sessions |
| Campbell | Hutchison | Shelby |
| Chafee, L. | Inhofe | Smith (NH) |
| Cochran | Jeffords | Smith (OR) |
| Collins | Johnson | Snowe |
| Conrad | Kennedy | Specter |
| Coverdell | Kerry | Stevens |
| Craig | Lautenberg | Thomas |
| Crapo | Levin | Thompson |
| Daschle | Lott | Thurmond |
| Dodd | Lugar | Voinovich |
| Domenici | Mack | Warner |
| Dorgan | Mikulski | Wellstone |
| Enzi | Murkowski | Wyden |

NAYS—23

| | | |
|---|---|---|
| Bayh | Edwards | Leahy |
| Biden | Feinstein | Lieberman |
| Breaux | Graham | Lincoln |
| Bryan | Helms | McCain |
| Bunning | Kerrey | McConnell |
| Cleland | Kohl | Moynihan |
| DeWine | Kyl | Torricelli |
| Durbin | Landrieu | |

NOT VOTING—2

| | |
|---|---|
| Gregg | Inouye |

The motion was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3655

The PRESIDING OFFICER. There are now 2 minutes for debate on the Jeffords amendment.

The Senator from Iowa requested order in the Chamber. We need order in the Chamber. We will withhold business until there is order in the Chamber.

Who seeks recognition?

The Senator from Vermont.

Mr. JEFFORDS. Mr. President, this is the Jeffords amendment relating to title VI of the bill. It takes money which is dedicated to school construction and puts it into IDEA and special education.

We have over and over again pledged to fully fund up to 40 percent of the cost of educating children in special education. We have not done that. All of you committed to doing that. We have no comparable historical obligation to contribute money for school construction. That is an option under title VI and will remain an option even if my amendment is approved. We believe we should fund and pay for our current Federal obligations first before we take on new and open ended obligations. It is a promise we have all made. It is a promise we should keep.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I agree with my distinguished colleague from Vermont that it would be desirable to put more money into the program for individuals with disabilities. But in constructing this bill, we have tried to fashion it in a way that it will be signed by the President. We have put the money into construction to meet requests with the proviso that if the local boards do not need it for construction, or want it, they can use it as they choose. If we had additional funds, I would be delighted to acknowledge Senator JEFFORDS' request. But in its present form, we cannot take those funds without increasing the chance of a veto.

This carefully constructed bill ought to stand. Therefore, I move to table the Jeffords amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to table amendment No. 3655. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Hampshire (Mr. GREGG) is necessarily absent.

Mr. REID. I announce that the Senator from Hawaii (Mr. INOUYE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—51

| | | |
|---|---|---|
| Akaka | Feingold | Mikulski |
| Baucus | Feinstein | Moynihan |
| Bayh | Gorton | Murray |
| Bennett | Graham | Reed |
| Biden | Harkin | Reid |
| Bingaman | Hatch | Robb |
| Boxer | Hollings | Rockefeller |
| Breaux | Johnson | Roth |
| Bryan | Kennedy | Sarbanes |
| Byrd | Kerrey | Schumer |
| Cleland | Kerry | Specter |
| Conrad | Kohl | Stevens |
| Daschle | Landrieu | Thompson |
| Dodd | Lautenberg | Torricelli |
| Dorgan | Levin | Warner |
| Durbin | Lieberman | Wellstone |
| Edwards | Lincoln | Wyden |

NAYS—47

| | | |
|---|---|---|
| Abraham | Enzi | Mack |
| Allard | Fitzgerald | McCain |
| Ashcroft | Frist | McConnell |
| Bond | Gramm | Murkowski |
| Brownback | Grams | Nickles |
| Bunning | Grassley | Roberts |
| Burns | Hagel | Santorum |
| Campbell | Helms | Sessions |
| Chafee, L. | Hutchinson | Shelby |
| Cochran | Hutchison | Smith (NH) |
| Collins | Inhofe | Smith (OR) |
| Coverdell | Jeffords | Snowe |
| Craig | Kyl | Thomas |
| Crapo | Leahy | Thurmond |
| DeWine | Lott | Voinovich |
| Domenici | Lugar | |

NOT VOTING—2

| | |
|---|---|
| Gregg | Inouye |

The motion was agreed to.

Mr. COVERDELL. Mr. President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Georgia.

## UNANIMOUS CONSENT AGREEMENT—H.R. 4762

Mr. COVERDELL. Mr. President, I ask unanimous consent that when the Senate receives from the House the campaign disclosure bill, it be immediately placed on the calendar. I further ask unanimous consent that it become the pending business after the final vote this evening—just concluded—and that it be considered under the following agreement: 30 minutes for total debate on the bill to be equally divided in the usual form; that no amendments be in order; that following the disposition of the time, the bill be automatically advanced to third reading and passage occur, all without any intervening action or debate, with the vote occurring on passage at 9:40 a.m. on Thursday, with 7 minutes for closing remarks prior to the vote, with 5 of those minutes under the control of Senator MCCAIN. Finally, I ask unanimous consent that following the passage of the bill, the action on the McCain amendment No. 3214 be vitiated and the amendment then be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. Reserving the right to object, and I do not intend to object, I first say to my distinguished colleague and friend of almost a quarter of a century, JOHN MCCAIN, I judge this action will enable the defense bill then to no longer have this amendment, and at what point will that occur?

Mr. COVERDELL. That needs to be addressed to the Parliamentarian.

Mr. MCCAIN. Immediately following the vote.

The PRESIDING OFFICER. The amendment will be withdrawn following passage of the bill tomorrow.

Mr. WARNER. I want to make certain I hear. The Chair and the distinguished Senator from Arizona were speaking at the same time. Can it be repeated?

The PRESIDING OFFICER. Following final passage of the bill tomorrow, the amendment will be withdrawn.

Mr. WARNER. And that bill being?

The PRESIDING OFFICER. H.R. 4762.

Mr. WARNER. That clarifies it. I thank the leadership on both sides of the aisle.

The PRESIDING OFFICER. Is there objection?

Mr. WARNER. If I might just continue, I have consulted with the majority leader, and it is hoped at a subsequent time we can clarify when the Department of Defense bill can be brought up because I know the distinguished Democratic whip, who has helped tremendously on this bill, as have others, is anxious to see this Defense authorization bill move forward; am I not correct, I say to Senator REID?

Mr. REID. I say to my friend from Virginia, I have spoken with the comanager of the bill, Senator LEVIN, and we are anxious to get to this bill. We have a defined number of amendments. We have spoken to proponents of the amendments. I think it is something we can dispose of within a few hours.

Mr. WARNER. Good. That is interesting. I see my distinguished ranking member.

Mr. REID. I did not see Senator LEVIN. I am very sorry.

Mr. LEVIN. If the Senator will yield, I agree with our whip. It is our intention to, No. 1, limit amendments to relevant amendments, if we can, and, No. 2, begin to work through those amendments and eliminate as many as possible that do not need to be offered, modifying some, agreeing to some, and, if necessary, obviously voting on some. We will be working very hard with our good friend, the chairman of our committee, to proceed through the bill as soon as it is before the Senate, and the moment it is, we think we can make some real progress.

Mr. WARNER. Mr. President, I thank my distinguished colleagues. I hope germaneness will prevail as to the amendments that come up on this bill.

Mr. MCCAIN. I ask for the regular order.

The PRESIDING OFFICER. The regular order has been requested. Is there objection?

Mr. WARNER. There is no objection.

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

## THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS, 2001—Continued

Mr. COVERDELL. Mr. President, I ask unanimous consent that the pending motion to waive be laid aside and Senator FRIST be recognized to offer his amendment regarding education and that no second-degree amendments be in order prior to the vote in relation to the amendment. I further ask unanimous consent that the Senate turn to the Frist amendment immediately following the debate on H.R. 4762, and the vote occur in a stacked sequence beginning at 9:40 a.m. under the same terms as outlined for H.R. 4762.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Reserving the right to object, we have not seen a copy of the Frist amendment yet. I want to have it described or see a copy so we know to what we are agreeing. I do not think that is an unreasonable request.

Mr. COVERDELL. I am sorry, I thought the conference on this side was over the Frist amendment.

Mr. HARKIN. I heard conflicting things about it, and I want to see how it is written.

Mr. COVERDELL. Do we have a copy at the desk?

Mr. HARKIN. Just let us see it. I have no objection.

Mr. COVERDELL. I propound the unanimous consent I just read.

Mr. REID. Reserving the right to object, Mr. President, I ask the unanimous consent request be amended so that after the disposition of the Frist amendment, Senator DASCHLE be allowed to offer an amendment; following the disposition of that, the Republicans will offer an amendment; and following that, Senator DORGAN will offer an amendment.

Mr. COVERDELL. I amend it so that the Republican amendment will be the Ashcroft amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. Inquiry: We are asking unanimous consent that following the Frist amendment, Senator DASCHLE be recognized for an amendment, Senator ASHCROFT be recognized for an amendment, and then Senator DORGAN be recognized for an amendment?

The PRESIDING OFFICER. Following disposition of the Frist amendment.

Mr. HARKIN. Yes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

## INTERNAL REVENUE CODE OF 1986 AMENDMENT

The PRESIDING OFFICER. Under the previous order, the clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4762) to amend the Internal Revenue Code of 1986 to require 527 organizations to disclose their political activities.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am extremely pleased we have reached an agreement to consider and almost certainly pass H.R. 4762, which passed the House last night by an overwhelming vote of 385–39. Tomorrow will be a historic day. For the first time since 1979,

the Congress is going to pass a campaign finance reform bill. The bill we are going to pass is by no means a solution to all the problems of our campaign finance system, but it is a start—and an important start—because it will close the loophole that was opened at the intersection of the tax laws and election laws that allows unlimited amounts of completely secret contributions to flow into our campaign finance system and influence our elections.

I yield 3 minutes to the initial leader on this issue, the Senator from Connecticut, Mr. LIEBERMAN.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair, and I thank my friend from Wisconsin.

Mr. President, I rise to express my strong support for this bill, which contains nearly identical language to a bill I introduced earlier this session and to an amendment Senators MCCAIN, FEINGOLD, and I sponsored to the Defense authorization bill. This bill deals with the proliferation of so-called stealth PACs operating under section 527 of the Tax Code. These groups exploit a recently discovered loophole in the tax code that allows organizations seeking to influence federal elections to fund their election work with undisclosed and unlimited contributions at the same time as they claim exemption from both Federal taxation and the Federal election laws.

Section 527 of the Tax Code offers tax exemption to organizations primarily involved in election-related activities, like campaign committees, party committees and PACs. It defines the type of organization it covers as one whose function is, among other things, ''influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office. . . .'' Because the Federal Election Campaign Act, (FECA) uses near identical language to define the entities it regulates—organizations that spend or receive money ''for the purpose of influencing any election for Federal office''—section 527 formerly had been generally understood to apply only to those organizations that register as political committees under, and comply with, FECA, unless they focus on State or local activities or do not meet certain other specific FECA requirements.

Nevertheless, a number of groups engaged in what they term issue advocacy campaigns and other election-related activity recently began arguing that the near identical language of FECA and section 527 actually mean two different things. In their view, they can gain freedom from taxation by claiming that they are seeking to influence the election of individuals to Federal office, but may evade regulation under FECA, by asserting that they are not seeking to influence an election for Federal office. As a result—because, unlike other tax-exempt groups like 501(c)(3)s and (c)(4)s, section 527 groups do not even have to publicly disclose their existence—these groups gain both the public subsidy of tax exemption and the ability to shield from the American public the identity of those spending their money to try to influence our elections. Indeed, according to news reports, newly formed 527 organizations pushing the agenda of political parties are using the ability to mask the identities of their contributors as a means of courting wealthy donors seeking anonymity in their efforts to influence our elections.

Because section 527 organizations are not required to publicly disclose their existence, it is impossible to know the precise scope of this problem. The IRS's private letter rulings, though, make clear that organizations intent on running what they call issue ad campaigns and engaging in other election-related activity are free to assert Section 527 status, and news reports provide specific examples of groups taking advantage of these rulings. Roll Call reported the early signs of this phenomenon in late 1997, when it published an article on the decision of Citizens for Reform and Citizens for the Republic Education Fund, two Triad Management Services organizations that ran $2 million issue ad campaigns during the 1996 elections, to switch from 501(c)(4) status, which imposes limits on a group's political activity, to 527 status after the 1996 campaigns. A more recent Roll Call report recounted the efforts of a team of GOP lawyers and consultants to shop an organization called Citizens for the Republican Congress to donors as a way to bankroll up to $35 million in pro-Republican issue ads in the 30 most competitive House races. And Common Cause's recent report Under The Radar: The Attack of The ''Stealth PACs'' On Our Nation's Elections offers details on 527 groups set up by politicians, Congressmen J.C. WATTS and TOM DELAY industry groups; the pharmaceutical industry-funded Citizens for Better Medicare; and ideological groups from all sides of the political spectrum, the Wyly Brothers' Republicans for Clean Air, Ben & Jerry's Business Leaders for Sensible Priorities and a 527 set up by the Sierra Club. The advantages conferred by assuming the 527 form—the anonymity provided to both the organization and its donors, the ability to engage in unlimited political activity without losing tax-exempt status, and the exemption from the gift tax imposed on very large donors—leave no doubt that these groups will proliferate as the November election approaches.

None of us should doubt that the proliferation of these groups—with their potential to serve as secret slush funds for candidates and parties, their ability to run difficult-to-trace attack ads, and their promise of anonymity to those seeking to spend huge amounts of money to influence our elections—poses a real and significant threat to the integrity and fairness of our elections. We all know that the identity of the messenger has a lot of influence on how we view a message. In the case of a campaign, an ad or piece of direct mail attacking one candidate or lauding another carries a lot more weight when it is run or sent by a group called ''Citizens for Good Government'' or ''Committee for our Children'' than when a candidate, party or someone with a financial stake in the election publicly acknowledges sponsorship of the ad or mailing. Without a rule requiring a group involved in elections to disclose who is behind it and where the group gets its money, the public is deprived of vital information that allows it to judge the group's credibility and its message, throwing into doubt the very integrity of our elections. With this incredibly powerful tool in their hands, can anyone doubt that come November, we will see more and more candidates, parties and groups with financial interests in the outcome of our elections taking advantage of the 527 loophole to run more and more attack ads and issue more and more negative mailings in the name of groups with innocuous-sounding names?

The risk posed by the 527 loophole goes even farther than depriving the American people of critical information. I believe that it threatens the very heart of our democratic political process. Allowing these groups to operate in the shadows pose a real risk of corruption and makes it difficult for us to vigilantly guard against that risk. The press has reported that a growing number of 527 groups have connections to—or even have been set up by—candidates and elected officials. Allowing wealthy individuals to give to these groups—and allowing elected officials to solicit money for these groups—without ever having to disclose their dealings to the public, at a minimum, leads to an appearance of corruption and sets the conditions that would allow actual corruption to thrive. If politicians are allowed to continue secretly seeking money—particularly sums of money that exceed what the average American makes in a year—there is no telling what will be asked for in return.

The bill we are addressing today gives us hope for forestalling the conversion of yet another loophole into yet another sinkhole for the integrity of our elections. The bill aims at forcing section 527 organizations to emerge from the shadows and let the public know who they are, where they get their money and how they spend it. The bill would require 527 organizations to disclose their existence to the IRS, to file publicly available tax returns and to file with the IRS and make public reports specifying annual expenditures of at least $500 and identifying those who contribute at least $200 annually to the organization. Although this won't solve the whole problem, at least it will make sure that no group can hide in the shadows as it spends millions to influence the way we vote and who we choose to run this country.

Opponents of this legislation claim that our proposal infringes on their First Amendment rights to free speech and association. Nothing in our bills infringes on those cherished freedoms in the slightest bit. To begin with, the Supreme Court in Buckley versus Valeo made absolutely clear that Congress may require organizations whose major purpose is to elect candidates to disclose information about their donors and expenditures.

Even without that opinion, the constitutionality of this bill would be clear for an entirely different reason. And that is that this bill does not prohibit anyone from speaking, nor does it force any group that does not currently have to comply with FECA or disclose information about itself to do either of those things. Instead, the bill speaks only to what a group must do if it wants the public subsidy of tax exemption—something the Supreme Court has made clear no one has a constitutional right to have. As the Court explained in Regan versus Taxation with Representation of Washington, 461 U.S. 540, 544, 545, 549 (1983), ''[b]oth tax exemptions and tax-deductibility are a form of subsidy that is administered through the tax system,'' and ''Congressional selection of particular entities or persons for entitlement to this sort of largesse is obviously a matter of policy and discretion . . .'' Under this bill, any group not wanting to disclose information about itself or abide by the election laws would be able to continue doing whatever it is doing now—it would just have to do so without the public subsidy of tax exemption conferred by section 527.

Let me address one final issue: that it is somehow wrong to apply this bill to 527s but not to other tax exempt groups. I believe deeply in the cleansing tide of disclosure, whether the contributing organization involved is a labor union, a business association, a for-profit company or a tax-exempt organization. For that reason, I worked hard with a bipartisan bicameral group of reformers to come up with a fair proposal requiring across the board disclosure from all organizations that engage in election activity. I thought we had a good proposal, but we were unable to get enough support for it to see it pass the House at this time. We should continue to work to enact such disclosure, but we cannot let that goal stand in the way of passing this urgently needed legislation now, because there are real differences between 527 organizations and other tax exempts, and these differences justify closing the loophole, even if we can't enact broader reform.

First and foremost, section 527 organizations are different because they are the only tax-exempts that exist primarily to influence elections. That is not my characterization. That is the statutory definition. 527s are not lobbying organizations. They are not public-interest issue organizations. They are not labor organizations or business organizations. They are election organizations, plain and simple. You can't say the same about the AFL–CIO or the Chamber of Commerce, or Handgun Control or the NRA, whose primary purpose is to advocate a policy position or to represent specific constituencies. So I say to anyone who claims these groups are just like other tax-exempts, ''Read the tax code.''

Just as importantly, there is a greater need for improved disclosure by 527 organizations than there is for disclosure by other tax exempts. When the AFL or the Chamber of Commerce runs an ad, we know exactly who is behind it and where their money came from: union member dues in the case of the AFL, and business member dues in the case of the Chamber. These groups provide the basic information the public needs to evaluate the motivation of the messenger. The absolute opposite is the case with 527s. The public can't know what hidden agenda may lie behind the message because so many 527s have unidentifiable names and are funded by sources no one knows anything about.

In the best of all possible worlds, all money supporting election-related activity would be disclosed. But we should not allow our inability to achieve that goal now to stand in the way of closing the most egregious abuse of our hard-won campaign laws that we have seen during this election cycle. We all agree the American people have an absolute right to know the identity of those trying to influence their vote. So why let another day go by allowing these self-proclaimed election groups to operate in the shadows. Let's work together, across party lines, to close the 527 loophole.

We have become so used to our campaign finance system's long, slow descent into the muck that it sometimes is hard to ignite the kind of outrage that should result when a new loophole starts to shred the spirit of yet another law aimed at protecting the integrity of our system, but this new 527 loophole should outrage us, and we must act to stop it. On June 8, a bipartisan majority of the Senate said that we stand ready to do so when we adopted nearly this precise language as an amendment to the Defense authorization bill. An overwhelming majority of the House of Representatives did the same when it passed this bill on June 28. We cannot retreat from what we have already said we are ready to do. We must pass this bill now.

I am thrilled to support this bill. I pay appropriate tributes to Senators MCCAIN and FEINGOLD for their principled and persistent leadership of this movement to bring some sanity, openness, limits, and control back to our campaign finance laws. I have been honored to work with them in the front lines of this effort.

This is a turning point. The campaign finance laws of America adopted after Watergate say very clearly that individuals cannot give more than $2,000 to a campaign. Corporations and unions are prohibited by law from giving anything. Yet we know that unlimited contributions have been given by individuals, corporations, and unions, but at least that soft money, if anyone can say anything for it, is fully disclosed.

In this cycle, we have seen increasing use of the most egregious violation of the clear intention of our campaign finance laws: So-called 527 organizations that not only invite unlimited contributions from corporations, unions, and individuals, but keep them a secret.

Finally, we have come to a point in the abuse of our campaign finance laws that Members can no longer defend the indefensible. This is a victory for common sense, for our democracy, for the public's right to know. It has value in itself. But I hope it will also be a turning point that will lead us to further reform of our campaign finance laws.

I will say this: In the battle that has brought us to the eve of this victory—that we will enjoy tomorrow, I am confident—we have put together a broad bipartisan, bicameral group committed to cleaning up our election laws, our campaign finance laws.

I hope and believe the debate tonight and the vote tomorrow are the beginning of finally returning some limitation, some sanity, some disclosure, some public confidence to our campaign finance laws.

I thank the Chair and thank the leaders in this effort—Senator MCCAIN and Senator FEINGOLD—and am proud to walk behind them in this.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. I am delighted to yield 4 minutes to our fearless leader on this issue, the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I thank my friend from Wisconsin.

Mr. President, I am pleased that we are about to pass and send to the President the first piece of campaign finance legislation in 21 long years. This bill is simple, just, and the right thing to do in order to ensure that our electoral system is not further debased.

My friend from Wisconsin and my friend from Connecticut have described the details of the bill. I just want to point out again that making these requirements a contingency for certain tax credit status ensures that these requirements are clearly constitutional. The Constitution guarantees freedom of speech and association, not an entitlement to tax-exempt status. Further, because of the simplicity of this approach, no vagueness problems will arise and compliance will be easy.

What could be more American? What could be more democratic?

Before I go further, I want to take a moment to thank my colleagues in arms who fought so hard to bring this issue forward. I thank Senator SNOWE and Senator LEVIN for their hard work.

I thank my colleagues from the House: Congressmen CHRIS SHAYS, MARTY MEEHAN, MIKE CASTLE, LINDSEY GRAHAM, AMO HOUGHTON, and others. Without their courage to stand up and demand to do what is right, we would not be here tonight and on the verge of the vote tomorrow.

I especially thank Senators FEINGOLD and LIEBERMAN. Senator LIEBERMAN was the author of legislation mandating 527 disclosure. It was his bill that served as the basis for this debate. And, of course, I must again thank Senator FEINGOLD for all the courage he has shown in fighting for reform at any cost. I sincerely appreciate his efforts.

Just yesterday, the House of Representatives overwhelmingly voted in favor of this modest reform by a vote of 385–39. I hope the Senate vote will be equally overwhelming.

Would I have liked to accomplish more? Absolutely. Will I continue the fight, along with my good friend from Wisconsin, to enact more sweeping reform? I absolutely promise to do so. Will we continue to do whatever is necessary to restore the public's confidence in an electoral system perceived by many, if not most, to be corrupt? You can be assured of it.

But tomorrow—I say to all those across this great land who want reform—will be a great first step. It will, indeed, be a great day for democracy and a government accountable to the governed.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I yield 2 minutes of our time to the other co-initiator of this issue, Senator LEVIN.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first, I commend the real leaders in this effort, Senators MCCAIN and FEINGOLD. They have been extraordinary in their tenacity. We look forward to their continuing tenacity to close two egregious loopholes—the one we are closing through this bill, and the other one is the soft money loophole.

I thank Senator LIEBERMAN for his leadership in terms of the 527 loophole itself. We are about to take a step on a long journey. It is a journey to bring back some limits on campaign contributions. Those limits have been destroyed by two loopholes: The soft money loophole and the so-called 527 loophole.

We are about to shed some light, pour some sunshine on the 527 loophole. And the public will respond, I believe, when they see just how egregious this loophole is. When the disclosure required by this bill becomes law—as it will—the public will respond to the unlimited contributions which are also hidden. That disclosure, I believe, will lead to the closure of this loophole. And for that, we commend the leaders in this effort.

It is an ongoing struggle. It can only be said to be successful when the soft money loophole is closed, and when the 527 loophole is not just brought out into the sunshine but, hopefully, when it shrivels away and is closed because the public wants the restoration of limits on campaign contributions. They want them disclosed, but they want them limited.

We have taken the important step of disclosure relative to one of those loopholes, and for that we have to thank Senators MCCAIN, FEINGOLD, and LIEBERMAN. I very much express the gratitude of a bipartisan coalition to all of them.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I would like to make just a few comments about the legislation that is before the Senate.

First, everyone in the Senate supports disclosure by any group that: contributes to a federal candidate, or expressly advocates the election or defeat of a federal candidate. And, I might add that currently every organization set up under section 527 of the Internal Revenue Code that contributes to federal candidates, or expressly advocates the election or defeat of a federal candidate does, in fact, publicly disclose their contributions and expenditures.

So, let's be clear: nearly every 527 organization in America publicly discloses its donors and its expenditures.

Second, the narrow legislation before this body would target a handful of tax-exempt organizations established under section 527 of the tax code that do not make contributions to candidates, or engage in express advocacy, and thus, are not required to publicly disclose contributors or expenditures.

Although these 527 groups are small and few, the constitutional questions are real. The caselaw demonstrates that there are serious questions as to whether the government can require public donor disclosure of groups that are not engaging in express advocacy. In fact, the Supreme Court has rejected public disclosure of membership lists and contributors to issue groups as a violation of the First Amendment in landmark cases like Buckley v. Valeo, 424 U.S. 1, 80 (1976) and NAACP v. Alabama, 357 U.S. 449, 462 (1958). And, less than two weeks ago, yet another federal court—the United States Court of Appeals for the Second Circuit—struck down an attempt to regulate groups that do not engage in express advocacy. I would like to have two items printed in the RECORD that explain in detail the constitutional concerns with this legislation. The first item is a letter from the American Civil Liberties Union, and the second item is testimony by election law expert, James Bopp, Jr., of the James Madison Center for Free Speech. Mr. Bopp's testimony from a Senate Rules Committee hearing this year cites a long string of court decisions striking down this type of regulation over the past quarter century.

Mr. President, I ask unanimous consent that the material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN CIVIL LIBERTIES UNION,
*Washington, DC, June 8, 2000.*

DEAR SENATOR: I am writing to communicate the American Civil Liberties Union's opposition to the McCain Amendment No. 3214 concerning disclosure by organizations covered by Section 527 of the Internal Revenue Code.

The American Civil Liberties Union supports certain methods of disclosure for tax exempt issue organizations and for organizations that engage in express advocacy. However, different methods of disclosure are appropriate for express advocacy groups that are not appropriate for groups that engage in issue advocacy. It is appropriate to require a 527 group to provide the Internal Revenue Service (IRS) with the name and address of the organization, the purpose of the organization and other information that is now required of other issue advocacy organizations such as 501(c)(4)s, 501(c)(3)s and 501(c)(5)s.

However, it is certainly inappropriate and unconstitutional to require issue organizations to report donor lists and membership lists to the IRS, as they would be required to do under the McCain Amendment. This is not about protecting secrecy, this is about preserving the rights of all people to express their opinions on issues without requiring them to report to the government in order to do so. By participating in groups that elevate a particular issue, citizens are exercising their much cherished free speech rights. It would greatly chill free expression if the IRS or the Federal Election Commission (FEC) required donor lists of groups that represent unpopular viewpoints, minority viewpoints or views that are highly critical of government policies.

THIS IS NOT A NEW ISSUE

Three years after it passed the Federal Election Campaign Act of 1971, Congress amended the Act to require the disclosure to the Federal Election Commission of any group or individual engaged in: any act directed to the public for the purpose of influencing the outcome of an election, or . . . [who] publishes or broadcasts to the public any material referring to a candidate (by name, description, or other reference . . . setting forth the candidate's position on any public issue, [the candidate's] voting record, or other official acts . . . or [is] otherwise designed to influence individuals to cast their votes for or against such candidates or to withhold their votes from such candidates.

Such issue advocacy groups would have been required to disclose to the FEC in the same manner as a political committee or PAC. They would have to make available every source of funds that were used in accomplishing such acts. This unconstitutional regulatory scheme is the template for the McCain amendment now before you.

The ACLU challenged this provision of the 1974 amendments as part of the Buckley v. Valeo case. When the challenge came before the US Court of Appeals for the DC Circuit, the law was unanimously struck down because it was vague and imposed an undue burden on groups engaged in activity that is, and should be, protected by the First Amendment. The DC Circuit Court ruling stated: to be sure, any discussion of important public questions can possibly expert some influence

on the outcome of an election . . . But unlike contributions and expenditures made solely with a view to influencing the nomination or election of a candidate, issue discussions unwedded to the cause of a particular candidate hardly threaten the purity of the elections. Moreover, and very importantly, such discussions are vital and indispensable to a free society and an informed electorate. Thus the interest group engaging in nonpartisan discussions ascends to a high plane, while the governmental interest in disclosure correspondingly diminishes.

Because of the Court's unanimous and unambiguous ruling, the FEC did not even attempt to appeal this aspect of the courts ruling concerning issue group regulation disclosure, and that defective section of the Act was allowed to die.

The ACLU urges members of the Senate to vote against Amendment No. 3214, the McCain Amendment on 527 group disclosure.

Sincerely,

LAURA W. MURPHY,
*Director.*

TESTIMONY OF JAMES BOPP, JR., APRIL 26, 2000, SENATE RULES COMMITTEE

THE REFORMERS' ATTACK ON ISSUE ADVOCACY HAS ANOTHER FRONT—SECTION 527 OF THE INTERNAL REVENUE CODE

There is another bill that I want to discuss today that is also part of the unrelenting attack on citizens' ability to participate in public discourse. Not content with a frontal assault through the FECA, reformers have turned their attention to the Internal Revenue Code. HR 4168 proposes to amend the Internal Revenue Code of 1986 to require that federal election rules apply to groups formed under §527 of the Internal Revenue Code.

Before I talk about the specific effects of House Resolution 4168, some clarifying background information about §527 and the FECA is necessary. Section 527 was added to the Internal Revenue Code in 1974 to resolve longstanding issues relating to inclusion of political contributions in the gross income of candidates. Drafters were concerned that candidates would use their campaign committees to earn investment income free of tax, and so a tax on investment earnings became the major limitation on the exemption available under §527.

Section 527 of the Internal Revenue Code provides an exemption from corporate income taxes for political organizations that are organized primarily to intervene in political campaigns. Thus, to qualify for the tax exemption, the organization must be a ''political organization'' that meets both the organizational and operational tests under §527.

A ''political organization'' is a party, committee, association, fund, or other organization organized primarily for the purpose of directly or indirectly accepting contributions or making expenditures for an exempt function activity. Section 527(e)(1) of the Code defines the term ''exempt function'' to mean, in relevant part, the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not such individual or electors are selected, nominated, elected or appointed. A ''political organization'' meets the organizational test if its articles of incorporation provide that the primary purpose of the organization is to influence elections. Under the operational test, a ''political organization'' must primarily engage in activities that influence elections but it need not do so exclusively.

The IRS has issued no precedential guidance in this area, but it has issued private letter rulings which provide an indication of what constitutes evidence of political intervention for purposes of §527. Activities that are intended to influence, or attempt to influence, the election of individuals to public office may include encouraging support among the general public for certain issues, policies and programs being advocated by candidates and Members of Congress.

Thus, the IRS has found that expenditures for issue advocacy could qualify as intervention in a political campaign within the meaning of §527(e)(2). Moreover, the distinction between issue advocacy activities that were educational within the meaning of § 501(c)(3) and issue advocacy activities that were not educational and therefore qualified as §527(e)(2) expenditures intended to influence the outcome of elections, was not based on major differences in the nature of conduct of the activities. The IRS instead pointed to the targeting of the activities to particular areas, the timing of them to coincide with the election, and the selection of issues based on an agenda. As will be discussed in a moment, these factors have been rejected by the courts as irrelevant to any determination of whether an organization's speech, regardless of its tax status, is express advocacy.

In a recent private letter ruling to an organization under §527, made public on June 25, 1999, the IRS determined that a wide range of programs qualified as ''exempt functions'' for a §527 political organization. The IRS found a political nexus even though some of the materials to be distributed, and techniques to be used, resembled issue advocacy and other materials and techniques often used in the past by charitable organizations without violating section 501(c)(3) of the Internal Revenue Code. However, because the materials and techniques were designed to serve a primarily political purpose and would be inextricably linked to the political process, the political nexus was substantiated.

Of particular interest is the IRS's conclusion that voter education, which may include dissemination of voter guides and voting records, grass roots lobbying messages, telephone banks, public meetings, rallies, media events, and other forms of direct contact with the public, can be apolitical intervention when it links issues with candidates. Whether an organization is participating or intervening, directly or indirectly, in a political campaign, however, depends, in the view of the IRS, upon all of the facts and circumstances. Thus, while voter education may be both factual and educational, the selective content of the material, and the manner in which it is presented, is intended to influence voters to consider particular issues when casting their ballots. This intent was seen by the evident bias on the issues, the selection of issues, the language used in characterizing the issues, and in the format. The targeting and timing of the distribution was aimed at influencing the public's judgment about the positions of candidates on issues at the heart of the organization's legislative agenda. These activities are partisan in the sense that they are intended to increase the election prospects of certain candidates and, therefore, would appear to qualify under §527(e)(2).

It is the perceived intersection between the Internal Revenue Code and the FECA that reformers want to regulate. Section 527 organizations must convince the IRS that they are organized and operated for the exempt function of influencing elections as required under § 527(e)(2). However, because the organization is engaged in only issue advocacy and does not make contributions to candidates or engage in express advocacy, the organization is not subject to the FECA. However, H.R. 4168 would treat them as if they engaged in such activities and require them to register as PACs under the FECA.

However, the Supreme Court has made it clear that an organization cannot be treated as a PAC because it engages in issue advocacy—which was one of the purposes of the express advocacy test in the first place. The Supreme Court, in one of its most oft-quoted footnotes, has provided an illustrative list of which terms could be ''express words of advocacy:'' ''vote for,' 'elect,' 'support,' 'cast your ballot for,' 'Smith for Congress,' 'vote against,' 'defeat,' 'reject.'" Since the Court's ruling in Buckley, district and federal courts of appeal have followed this strict interpretation of the express advocacy test and have struck down any state or federal regulation purporting to regulate based on intent or purpose to influence an election. These courts have unanimously required express words of advocacy in the communication itself before government may regulate such speech.

Furthermore, the organizations ''major purpose'' must be making contributions and express advocacy communications to be treated as a PAC. The FECA defines a ''political committee'' as ''any committee, club, association, or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year. In Buckley, the U.S. Supreme Court narrowly construed this definition, holding that under the FECA's definition of political committee, an entity is a political committee only if its major purpose is the nomination or election of a candidate.

An organization's ''major purpose'' may be evidenced by its public statements of its purpose or by other means, such as its expenditures in cash or in kind to or for the benefit of a particular candidate or candidates. Even if the organization's major purpose is the election of a federal candidate(s), the organization does not become a political committee unless or until it makes expenditures in cash or in kind to support a person who has decided to become a candidate for federal office.

Recently, the Fourth Circuit found a definition of ''political committee,'' that included both entities that have as a primary or incidental purpose engaging in express advocacy, and those that merely wish to influence an election (engage in issue advocacy), as being overbroad and unconstitutional. The court found that the definition of ''political committee'' could not encompass groups that engage only in issue advocacy and groups that only incidentally engage in express advocacy.

Thus, only an organization that engages primarily in excess advocacy triggers FECA reporting and disclosure requirements. Issue advocacy in the context of electoral politics does not cause an organization to be deemed a political committee. Merely attempting to influence the result of an election is not enough. This classic form of issue advocacy, influencing an election without express words of advocacy, does not cause an entity to be subject to the reporting and disclosure requirements of political committees under the FECA. Only those expenditures that expressly advocate the election or defeat of a clearly identified candidate do so.

Thus, it is perfectly consistent that an organization may qualify for exemption under §527 of the Internal Revenue Code yet not qualify as a PAC under the FECA. Tax law provides for exemption from corporate tax and a shield against disclosure of contributors. Election law mandates PACs to report all their contributors and expenses, subjects them to contribution limits, and prohibits

them from receiving corporate or labor union contributions. These burdens on a PAC cannot be constitutionally applied to an issue advocacy organization.

Therefore, as discussed above, §527 casts a wider net than does the FECA. The FECA bases its requirements on narrowly defined activities, not on tax status. Thus, activities deemed political by the Internal Revenue Service, for purposes of determining tax exempt status, are not considered ''political'' under the FECA when there is no express advocacy of the election or defeat of a federal candidate.

With this background of how the provisions of §527 and the FECA work, it is apparent that the reformers are yet again attempting to regulate citizen participation in the form of protected issue advocacy. As a result of the IRS's amorphous definitions of ''social and welfare activities'' and ''political intervention,'' many §501(c)(4) organizations are now forced to organize under §527 for tax purposes. In fact, the Christian Coalition has filed suit against the IRS challenging its overbroad interpretation of what is political intervention which caused it to be denied its §501(c)(4) exemption.

House Resolution 4168, however, would require issue advocacy organizations exempt under §527 to be treated as PACs under the FECA. However, it is unconstitutional to require issue advocacy groups to register as PACs. What the government may not do directly, it may also not do indirectly by bootstrapping onto the Internal Revenue Code a requirement of ''political committee'' registration and reporting requirements. In other words, Congress may not condition a tax exempt status on reporting and disclosure requirements of issue advocacy when it may not constitutionally require in the first instance.

The fact that issue advocacy groups may engage in activities which influence an election, or even admit that their purpose is to influence an election, is totally irrelevant to the analysis. What is pertinent is whether these groups engage in any express advocacy. The Buckley Court left intact, as constitutionally protected, speech that influences an election.

To make it clear that speech that only influences an election, but does not contain express words of advocacy, is completely free from regulation, the Supreme court explicitly stated this both positively and negatively. First, the Court stated that ''[s]o long as persons and groups eschew expenditures that in express terms advocate the election or defeat of a clearly identified candidate, they are free to spend as much as they want to promote the candidate and his views. Second, the Court explained that the FECA did ''not reach all partisan discussion for it only requires disclosure of those expenditures that expressly advocate a particular election result.

Therefore, in order to protect speech, especially speech that may influence an election, the Court drew a bright-line so that the speaker would know exactly when he crossed into regulable territory—the express advocacy realm. Anything on the other side of the line, speech that may influence an election, whether intentionally or not, was to be protected from government regulation so as to promote the free discussion of issues and candidates. Thus, speech free from explicit words of advocacy, whether made with the intent to influence an election or not, is perfectly appropriate and legitimate.

This is not to say that Congress is completely without power to lawfully regulate §527 organizations. The Joint Committee on Taxation's recommendation that §527 organizations should be required to disclose tax returns (except for donor information) would create parity between §527 organizations and §501(c)(3) and §501(c)(4) organizations. However, any disclosure that goes beyond the public disclosure of tax returns violates the constitutional protection of issue advocacy.

Mr. MCCONNELL. The Senate has precious few legislative days this year to finish the important business of the American people, and there is no time for a meaningful debate on campaign finance reform. I think that even my colleagues on the other side would concede that there are not sixty votes on substantive issues like the antiquated hard money limits and the soft money question. In fact, after two weeks of discussions, neither the House nor the Senate could cobble together a majority for broad and meaningful disclosure.

But I do commend Senator GORDON SMITH for his efforts to find a reasonable middle ground. His bill, the Tax-Exempt Political Disclosure Act, sought a compromise between the McCain-Lieberman 527-only bill and the broad bill reported out of the House Ways and Means Committee that went so far as to cover tax-exempt social welfare organizations like the AARP, the NAACP, and the Disabled American Veterans.

The Smith bill targeted the key tax-exempt groups in America: labor and business organizations set up under sections 501(c)(5) and (c)(6) of the tax code, like the Chamber of Commerce, the Teamsters and the National Education Association. Recent news stories underscored the need for meaningful disclosure of tax-exempt labor and business organizations. Documents reviewed by the Associated Press demonstrate that the National Education Association has spent millions of tax-exempt dollars to influence elections while simultaneously reporting to the IRS that the organization has spent no money on political activities. This gross reporting disparity has prompted the filing of formal complaints with the IRS and the Federal Election Commission against the NEA. And, I think we all can agree to the obvious: neither the National Education Association nor any labor union will be covered or affected in any way by this legislation. They can continue to spend millions of dollars on political activity with no meaningful disclosure.

Nevertheless, I have chosen to allow this matter to move forward for a vote without offering amendments or extended debate. The Senate needs to focus on the important business of the American people and return to our first priority of ensuring that all of our appropriation bills are passed on time.

I plan to vote against this legislation because I believe that the best and most constitutionally sound solution is to require 527 issue advocacy organizations to file public returns with the IRS similar to those filed by issue advocacy organizations organized under section 501(c)(4) of the Internal Revenue Code. Such public returns would include, among other things: the name and address of the organization, including an electronic mailing address; the purpose of the organization; the names and addresses of officers, highly-compensated employees, members of its Board of Directors, a contact person and a custodian of records; and the name and address of any related entities.

I also would require the Secretary of the Treasury to make this information publicly available on the Internet within 5 business days after receiving the information. However, Mr. President, I would not cross the constitutional line of requiring that the organizations' confidential donor lists be made public.

Again, Mr. President, I think this is an important debate, but respectfully disagree with my colleagues on the constitutional propriety of requiring public disclosure of confidential donor lists for groups that do not contribute to federal candidates or engage in express advocacy.

With that, I yield back the remaining amount of time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, the Senator from Kentucky said that nearly every 527 publicly discloses their contributors and expenditures. I don't know how the Senator from Kentucky can make that claim because he doesn't know. No one knows how many 527 organizations there are. They currently don't file any reports whatsoever, so we can't know that. They currently don't even notify the IRS that they exist. That is exactly what this bill will change.

I now yield 2 minutes to one of our strongest allies on this issue and on the entire issue of campaign finance reform, the Senator from New York, Mr. SCHUMER.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank the Senator from Wisconsin for yielding.

Both to the Senator from Arizona and the Senator from Wisconsin, kudos on their exemplary leadership on this issue and the general issue of campaign finance reform, as well as my colleagues from Connecticut, Michigan, and Maine who have been such reform leaders.

A Chinese proverb says that a trip of 1,000 miles begins with the first step. This is the first step, but we do have 1,000 miles to go. It is the first step, and it is a significant one. Until this proposal becomes law, organized crime, drug lords, and other various bottom crawlers in society unknown to any of us could influence the political process by contributing money and running ads that we all know are, for all practical purposes, political ads. To have no disclosure, let alone no limits, on these kinds of activities puts a dagger in the heart of democracy. Sunlight is the disinfectant we need. Sunlight is the disinfectant provided by this provision. It does no less; it does no more.

We have many more miles to go. The distinction between hard money and

soft money, the fact that these days candidates don't have to worry about a $1,000 limit because soft money is so prevalent and so available and because of, in my judgment, recent misguided Supreme Court decisions that allow political parties to do political ads—we all know they are political ads; simply because they don't say vote for candidate X, they are not classified as political ads—makes our system a joke, makes our system a mockery.

What we are doing here is simply returning to the status quo of a year ago before these 527 accounts were founded. We have a very long way to go. The only confidence I have is that we do have leaders such as the Senator from Arizona and the Senator from Wisconsin to help us move forward.

If we were to rest on our laurels, if we were to think we had now cleaned up the system because we passed this legislation, we would be sadly mistaken. It is very much need because this is the part of campaign finance that remains under a rock with all the worms and critters crawling undiscovered. At the same time, we need to go much, much further. I will be glad to follow the banner of Senators MCCAIN and FEINGOLD to try to help make that a reality.

I thank the Chair and the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Senator from New York for everything he has done on this matter. I ask the Chair how much time remains on our side.

The PRESIDING OFFICER. Three minutes.

Mr. FEINGOLD. Mr. President, I ask unanimous consent for an additional 5 minutes.

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

Mr. FEINGOLD. Mr. President, let me note that there is no constitutional argument against this bill because these organizations receive a tax exemption. The public is entitled to this information in exchange for the substantial tax benefit these groups receive. I am so pleased this matter will be demonstrated in the courts because this bill is going to actually become law.

I would like to use the remaining time to remind my colleagues and the public of the scope of the loophole we are about to get rid of. This has been called the ''mother of all loopholes.'' If left unchecked, literally millions upon millions of dollars originating from foreign governments, foreign companies, and even, theoretically, organized crime could be spent in our elections without a single solitary bit of reporting and accountability—totally secret money in unlimited amounts, and no one would know where the money was coming from. It is hard to imagine anything that would be worse for the health of our democracy.

We have a chart here containing, word for word, what is essentially an advertisement by one of these groups. It is as plain as day. This group solicits contributions from extremely wealthy individuals and groups. Contributions, it says, can be given in unlimited amounts. They can be from any source. They are not political contributions and are not a matter of public record. They are not reported to the FEC, to any State agency, or to the IRS.

Today, we are wiping out what might be the most important part of this advertisement, that the contributions are not a matter of public record. From now on, these groups will disclose their contribution to the IRS. The public will be able to see where their money is coming from and understand what is behind the message.

I do want to mention a number of people who have been central to this effort. Of course, my friend and colleague, Senator MCCAIN, deserves a huge amount of the credit for putting forward our original amendment to the DOD bill and tenaciously continuing to push until it became law. Senators LIEBERMAN and LEVIN developed the original bill on 527s, recognizing the huge threat these stealth PACs posed. Their work over the past few weeks to make sure we finish the job has been extraordinary. Senator SNOWE, who has long been concerned about getting disclosure of phony issue ads run in the last days before an election, was a key supporter, as was Senator SCHUMER and many others. On the House side, Representative SHAYS, who is in the Chamber now, as well as Representatives MEEHAN, HOUGHTON, CASTLE, DOGGETT, and MOORE were crucial to getting the bill passed there, over the strong opposition of the House leadership. I am proud of how we worked in a bipartisan and bicameral fashion to get the bill done and close this loophole. This effort bodes well for the future of campaign finance reform.

This is my final point, Mr. President. This is not the end of the fight, as we have said. It is just the beginning. Now that we have cracked the wall of resistance to any reform at all, I think we are ready to move forward on truly cleaning up the corrupt campaign finance system. Now that we have disclosure of the unlimited amounts that are going to outside groups, I think we are ready to address the unlimited contributions from corporations, unions, and wealthy individuals that the soft money loophole permits to be given to the political parties.

Mr. President, I should have also mentioned Senator JEFFORDS, who is present in the Chamber, for his help on this issue.

I know that many of my colleagues want to clean up this system and are willing to work in good faith to find a way that we can do that.

In the few seconds I have remaining, I thank a number of staff for their incredibly hard work and dedication to the campaign finance issue and to this 527 disclosure will. We have not had many wins, and they are the ones responsible for keeping us in this fight. Mark Buse, Ann Choinere, Lloyd Ator of Senator MCCAIN's staff, Laurie Rubenstein of Senator LIEBERMAN's staff, Linda Gustitus with Senator LEVIN, Jane Calderwood and John Richter from Senator SNOWE's staff, Andrea LaRue with Senator DASCHLE, and Bob Schiff of my own staff worked very long hours to make sure that we got to this point, and we appreciate all of their efforts and look forward to future victories together.

I yield the floor.

The PRESIDING OFFICER. Does the Senator yield back his remaining time?

Mr. FEINGOLD. Yes.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 4762) was ordered to a third reading and was read the third time.

## THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS, 2001—Resumed

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 4577, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4577) making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized to call up an amendment.

AMENDMENT NO. 3654

(Purpose: To increase the amount appropriated for the Inter-agency Education Research Initiative)

Mr. FRIST. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. FRIST] proposes an amendment numbered 3654.

Mr. FRIST. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 18, line 7, insert before '': *Provided*,'' the following: ''(minus $10,000,000)''.

On page 68, line 23, strike ''$496,519,000'' and insert ''$506,519,000''.

On page 69, line 3, strike ''$40,000,000'' and insert ''$50,000,000''.

On page 69, line 6, insert after ''103–227'' the following: ''and $20,000,000 of that $50,000,000 shall be made available for the Interagency Education Research Initiative''.

Mr. FRIST. Mr. President, I have a modification to my amendment, which I send to the desk.

The PRESIDING OFFICER. The Senator has that right.

The amendment will be so modified.

The amendment (No. 3654), as modified, reads as follows:

On page 68, line 23, strike ''$496,519,000'' and insert ''$506,519,000''.

On page 69, line 3, strike ''$40,000,000'' and insert ''$50,000,000''.

On page 69, line 6, insert after ''103–227'' the following: ''and $20,000,000 of that $50,000,000 shall be made available for the Interagency Education Research Initiative''.

Amounts made available under this Act for the administrative and related expense of the Department of Health and Human Services, the Department of Labor, and the Department of Education shall be further reduced on a pro rata basis by $10,000,000.

Mr. FRIST. Mr. President, it is my understanding that a vote will be scheduled on my amendment tomorrow morning. Therefore, I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FRIST. Mr. President, I rise tonight to offer an amendment that I think goes to the heart of so many of our debates here on the Senate floor regarding education. My amendment would fully fund the Department of Education's share of the Interagency Education Research Initiative (IERI)—a collaborative effort of the Department of Education's research arm—the Office of Educational Research and Improvement (OERI)—the National Science Foundation (NSF), and the National Institute of Child Health and Human Development (NICHD). The primary objective of the IERI is to support the development and wide dissemination of research-proven, technology-enabled educational strategies that improve K–12 education.

We debate many new program ideas here in the Senate that have little to no research to back up them up. Members offer new program after new program in a mad attempt to cure what ails American education. I ask my colleagues, ''wouldn't it be better to know what works before we spend billions of dollars trying out things that may, in fact, not only not work, but harm student achievement?'' Reading is a good example of this. We tried many fads before the scientifically-based research evidence came in that you've got to have phonics.

As we all know, advances in education, as in most other areas, depend in no small part on vigorous and sustained research and development. Indeed, state and local policymakers, as well as school level administrators, are clamoring for information about ''what works'' to guide their decisions. However, historic investments in such educational research have been woefully inadequate, and the small federal investments that have been made through the Department of Education have not always resulted in the high-quality, scientifically credible research that we have come to expect from many other research agencies. Much of research that has come out of the Department of Education in years past has been politically driven and not always of the highest quality. IERI is a first step on the road to changing that. Teaming up with highly respected research institutions like NSF and NICHD, OERI is improving its research processes. In the 1997 PCAST ''Report to the President on the Use of Technology to Strengthen K–12 Education,'' an advisory panel of technology, business, and education leaders strongly urged that a significant Federal research investment be undertaken in education, with a focus on educational technology. The report pointed out that in 1997, we invested less than 0.1 percent of the more than $300 billion spent on K–12 public education each year to examine and improve educational practice; by contrast, the pharmaceutical industry invests nearly a quarter of its expenditures on the development and testing of new drugs. In addition to the President's 1997 Technology Advisory Report, the Budget Committee Task Force on Education's Interim Report, and this year's Republican Main Street Partnership Paper on ''Defining the Federal Role in Education, A Republican Perspective.'' both call for more spending on Education R&D. At our Budget Committee Task Force on Education hearing on education research, we learned that one of our main Federally funded research institutions was operating with a budget that was smaller than what a seed company expended in a facility devoted solely to breeding petunias down the road.

Dr. Robert Slavin, the Co-Director of the Center for Research on the Education of Students Placed At-Risk (CRESPAR), one of the Department of Education's research centers, likened our current expenditures in federal education research to health research that was limited to ''basic research and descriptions of how sick people are, but never produced any cures for anything.'' Additionally, another proponent of education research warns that ''poor research often leaves us with inadequately tested and replicated fads, masquerading as innovations, penetrating the system, frustrating the teachers, administrators, parents and, most importantly, the children, and leaving us all worse off than before.'' Unfortunately, it is often difficult to discern good research from bad.

The precursor to the Office of Educational Research and Improvement (OERI) was the National Institute of Education (NIE). Modeled after the National Institutes of Health, which is widely respected, the NIE never realized the same success as its role model. A Budget Committee Education Task Force heard in 1998 that progress at OERI was stymied by inadequate peer-review processes and a lack of good quality control measures. Recognizing these problems, OERI—most recently under Dr. Kent McGuire's leadership—has embarked on a number of promising reforms, including an overhaul of its peer review system in partnership with NIH. However, it is clear we must do more.

In response to the calls of practitioners and experts, the Federal government launched the Interagency Education Research Initiative (IERI) in FY1999. The ultimate objective of the IERI is to accelerate the translation of robust research findings into concrete lessons for educators to improve student achievement in preK–12 reading, mathematics, and science. To achieve this goal, the National Science Foundation, Department of Education, and National Institute of Child Health and Human Development are supporting a fundamentally new character of research in education that builds on the research portfolios of each agency while filling a gap no one agency could address alone. This research features interdisciplinary collaborations across learning-related disciplines, is substantively focused on key aspects of preK–12 education, and is conducted on a scale large enough to learn generalizable lessons about what works and why. Witnesses at hearings related to educational research in both the Senate and the House over the past year (e.g., June 1999 in the Senate Health, Education, Labor and Pensions Committee, and October 1999 in the House Basic Science Subcommittee) have urged the Congress to build upon and support the IERI model.

Calls for all levels of the educational system to be accountable for student learning are escalating at the same time that technologies offer exciting new ways to help all students meet high standards of excellence. Now more than ever is the time to elevate the role of rigorous, peer-reviewed educational research—with a focus on technology—in addressing the urgent challenges of educational reform. With $30 million in FY1999 funds, the IERI team has already laid the groundwork for this innovative research program with 14 new research awards averaging $2 million per year. Another joint program solicitation for $38 million in FY2000 funds has recently been released. My amendment will fully fund the Department of Education's share in order to continue to grow the IERI to leverage potentially vast gains in student achievement with a relatively modest investment in finding out ''what works.''

Education R&D is a young discipline. While the taxonomy for medicine has been in development for millennia, engineering for centuries, and biology for a few hundred years, the widespread public education of children has occurred for barely more than a century. Consequently, education R&D is even younger than that.

The Interagency Education Research Initiative will help expand our knowledge base and will be money well spent.

The amendment is fully offset, and I urge my colleagues to support this very worthwhile investment in our children's education.

Mr. ROBB. Mr. President, a majority of this body—myself included—just voted to table both the Landrieu and Jeffords amendments, each of which have the laudable goals of increasing funding for disadvantaged and special education students. The problem with both amendments is that they rob Peter to pay Paul. Both amendments reduce the amount of funding in Title VI, which has been substantially increased this year. The distinguished Chairman, the Senator from Pennsylvania, has indicated that the $2.7 billion allocated for Title VI this year is for the continuation of our class size reduction efforts and for funding, for the first time since the 1950's, a massive school modernization effort. The effect of these amendments is simply to reduce the number of new teachers schools can hire or reduce the money they'll have available to fix fire code violations or upgrade old schools with new technology. That's not the answer. What we ought to be doing is making a greater overall investment in public education.

I have co-sponsored a bill to increase the amount of Title I funding from $8 billion to $12 billion in this year alone, and I have co-sponsored a bill that puts us on track to fully fund our federal commitment to IDEA within ten years. Our economically disadvantaged and special needs students deserve more of a commitment from the federal level, but they also deserve small class sizes and safe, modern schools. It's simply wrong to pit these objectives against each other, because in the end, our children are the ones that suffer and that is why I voted to table two amendments that I would otherwise support.

Ms. MIKULSKI. Mr. President, I rise today to express my disappointment that this bill does not provide $125 million for supportive services for caregivers under the Older Americans Act (OAA). As an appropriator, I understand the difficult funding constraints under which Senator SPECTER and Senator HARKIN operate. However, I also know that providing and funding supportive services for caregivers has strong bipartisan support and would meet a compelling human need.

Many of us have had personal experiences caring for parents or other loved ones and understand firsthand the stresses and strains caregivers face. Last year, the Subcommittee on Aging heard the compelling testimony of Carolyn Erwin-Johnson, a family caregiver in Baltimore, Maryland. Ms. Johnson has been caring for her mother who has Multiple Sclerosis for sixteen years. She left Chicago and her work on a second Masters degree to come to Baltimore and care for her mother at home, rather than put her mother in a nursing home. She found a community-based care system that was fragmented, underfunded, and overburdened. After months of frustration and trying to find help, Ms. Johnson took to hiring nursing aides off the street and training them to care for her mother while she worked a forty hour work week. Even then, she could only afford to pay for eight hours of help when her mother needed 24-hour care. She and her mother ended up paying on average between $17,000 and $20,000 annually in out-of-pocket costs to care for her mother at home.

Caregiving has taken its toll on Ms. Johnson. Today, she has been diagnosed with two incurable, stress-related illnesses, changed jobs, and seen her income drop to levels that mean she can no longer afford to hire private aides. Ms. Johnson is helped by the 164 hours of respite care she receives annually from the Alzheimer's Respite Care Program. In the words of Ms. Johnson, ''Respite care programs are the key to the survival and longevity of family caregivers.''

Mr. President, currently about 12.8 million adults need assistance from others to carry out activities of daily living, such as bathing and feeding. One in four adults currently provides care for an adult with a chronic health condition. Many caregivers struggle with competing demands of paid employment, raising a family, and caring for a parent or other relative. Caregiving can take an emotional, physical, mental, and financial toll. A recent study found that on average, workers who take care of older relatives lose $659,139 in wages, pension benefits, and Social Security over a lifetime. Further, the estimated national economic value of informal caregiving was $196 billion in 1997.

The National Family Caregiver Support Program, originally proposed by the President, would provide respite care, information and assistance, caregiver counseling, training and peer support, and supplemental services to caregivers and their families. Full funding of $125 million would provide services to about 250,000 families. Senators DASCHLE, GRASSLEY and BREAUX, DEWINE, and I have all sponsored legislation in this Congress to establish this program. Twenty four Senators joined me earlier this year in urging the Labor/HHS Appropriations Subcommittee to fully fund these supportive services for caregivers. I know other colleagues of mine have also voiced support for funding these worthwhile services. This is truly a step we can take that will meet a compelling human need. It gets behind our Nation's families and helps those who practice self-help.

As this bill moves to conference, I strongly urge the conferees to re-evaluate the current decision not to fund caregiver support services. As the Ranking Member of the Subcommittee on Aging, I am working with my colleagues on the Health, Education, Labor, and Pensions Committee to reauthorize the OAA this year. I hope that we are able to reach agreement on outstanding issues to reauthorize the OAA this year. While we are working on reauthorization, I believe that we must also move forward on funding caregiver support services. American families are counting on us to act.

Mr. MACK. Mr, President, as many of my colleagues are aware, cancer has played a prominent role in my family's history. Some in our family—me, my wife Priscilla, our daughter Debbie—have been lucky enough to have fought cancer and won. Others in our family have not been so lucky. My father died of esophageal cancer, my mother died of kidney cancer and my younger brother Michael died of melanoma at the very young age of thirty-five.

As a result, Priscilla and I have become very active in the fight against cancer and in spreading the message that early detection saves lives. It's a part of who we are as a family.

And there are other families with their own stories. Michael J. Fox and his family are waging war against Parkinson's disease. Mary Tyler Moore and her family are fighting diabetes. Christopher Reeve and his family are searching for a cure to paralysis. And millions of other families across the United States are fighting their own battles against AIDS, sickle-cell anemia, Lou Gehrig's disease, Alzheimer's and the many, many other diseases that take our loved ones away from us.

What I've come to realize in my fight against cancer is the crucial role the federal government plays in funding basic medical research at the National Institutes of Health, and how important basic research is to finding breakthroughs not just for cancer but for all of the diseases which affect our families.

For several years now, doubling funding at NIH has been a primary goal of mine in the Senate. The Federal Government, mainly through the NIH, funds about 36 percent of all biomedical research in this country, and plays an especially large role in basic research.

Recently, the Joint Economic Committee, released a first-of-its kind study: ''The Benefits of Medical Research and the Role of the NIH,'' which examines how funding for the NIH cuts the high economic costs of disease, reduces suffering from illness, and helps Americans live longer, healthier lives. And I'd like to take a moment, Mr. President, to share with my colleagues some of the findings in this extensive report.

According to the JEC, the economic costs of illness in the U.S. are huge—approximately $3 trillion annually, or 31 percent of the nation's GDP. This includes the costs of public and private health care spending, and productivity losses from illness. Medical research can reduce these high costs. But, the NIH is fighting this $3 trillion battle with a budget of $16 billion. That's just half of a percent of the total economic cost of disease in the United States.

In addition to lowering the economic costs of illness, advances in medical research greatly help people live longer and healthier lives. A recent study found that longevity increases have created ''value of life'' gains to Americans of about $2.4 trillion every year. A

significant portion of these longevity gains stem from NIH-funded research in areas such as heart disease, stroke and cancer. If just 10 percent of the value of longevity increases, $240 billion, resulted from NIH research, that would mean a return of $15 for every $1 invested in NIH.

Also according to the JEC, NIH-funded research helped lead to the development of one-third of the top 21 drugs introduced over the last few decades. These drugs treat patients with ovarian cancer, AIDS, hypertension, depression, herpes, various cancers, and anemia. Future drug research holds great promise for curing many diseases and lowering the costs of illness by reducing hospital stays and invasive surgeries. In fact, one study found that a $1 increase in drug expenditures reduces hospital costs by about $3.65.

We know that past medical advances have dramatically reduced health care costs for such illnesses as tuberculosis, polio, peptic ulcers, and schizophrenia. For example, the savings from the polio vaccine, which was introduced in 1955, still produces a $30 billion savings per year, every year.

Medical advances will help cut costs by reducing lost economic output from disability and premature death. For example, new treatments for AIDS—some developed with NIH-funded research—caused the mortality rate from AIDS to drop over 60 percent in the mid-1990s, thus allowing tens of thousands of Americans to continue contributing to our society and economy.

And medical research spending isn't just about reducing the enormous current burdens of illness. The costs of illness may grow even higher if we fail to push ahead with further research. Infectious diseases, in particular, are continually creating new health costs. The recent emergence of Lyme disease, E. coli, and hantavirus, for example, show how nature continues to evolve new threats to health. In addition, dangerous bacteria are evolving at an alarming rate and grow resistant to every new round of antibiotics.

This report extensively shows the benefits of medical research and reaffirms the enormous benefits we achieve from funding the National Institutes of Health in our fight against disease. But there is still a lot more work to be done. I am hopeful my colleagues will take a few moments to look at this report and recognize the important work done by the scientists and researchers at the NIH. It can be read in its entirety on the JEC website at: jec.senate.gov.

Funding for NIH is really about—hope and opportunity. The challenge before us is great, but America has always responded when our people are behind the challenge. America landed a man on the moon. We pioneered computer technology. America won the Cold War. Now it is time to win the war against the diseases that plague our society. We have the knowledge. We have the technology. Most important, we have the support of the American people.

I ask my colleagues to join me in the effort to double funding for the National Institutes of Health. It's good economic policy, it's good public policy, and most importantly, it's good for all Americans.

## MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

## PROFILE OF SENATOR JOHN CHAFEE'S KOREAN WAR SERVICE

Mr. MOYNIHAN. Mr. President, I rise today to honor my friend John Chafee. On Sunday June 25, 2000, an article appeared in Parade Magazine entitled, ''Let Us Salute Those Who Served''. The article chronicled John's service in the Korean War. I ask that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

### HE WAS THE MOST ADMIRABLE MAN I'VE EVER KNOWN

(By James Brady)

(The author, a Marine who served in the Korean War, remembers his comrades in arms—and one extraordinary young leader in particular.)

Is Korea really America's ''forgotten war?''

Not if you ask the foot soldiers who fought there, Marines and Army both. How could any infantryman ever forget the ridgelines and the hills, the stunning cold, the wind out of Siberia, the blizzards off the Sea of Japan? How do you forget fighting—and stopping—the Chinese Army, 40 divisions of them against a half-dozen U.S. divisions, plus the Brits and some gallant others? And how can anyone forget the thousands upon thousands of Americans who died there in three years, in that small but bloody war?

Korea began 50 years ago today—a brutal, primitive war in what Genghis Khan called ''the land of the Mongols,'' a war in which I served under the most admirable man I've ever known, a 29-year-old Marine captain named John Chafee.

Most of us who fought the Korean War were reservists: Some, like me, were green kids just out of college. Others were combat-hardened, savvy veterans blooded by fighting against the Japanese only five years before—men like Chafee, my rifle-company commander, who would become a role model for life. I can see him still on that first November morning, squinting in the sun that bounced off the mountain snow as he welcomed a couple of replacement second lieutenants. Mack Allen and me, to Dog Company. He was tall, lean, ruddy-faced and physically tireless, a rather cool Rhode Islander from a patrician background with a luxuriant dark-brown mustache. ''We're a trifle understrength at the moment,'' he said, a half-smile playing on his face. ''We're two officers short.'' I was too awed to ask what happened to them.

Chafee didn't seem to carry a weapon, just a long alpine stave that he used as he loped, his long legs covering the rough ground in great strides. ''Got to stay in the trench from here on,'' he said as he showed us along the front line. This sector of ridge was jointly held by us and the North Koreans, the trenches less than a football field apart. Chafee questioned the Marines we passed—not idle chat but about enemy activity, addressing each man by his last name, the troops calling him ''Skipper.'' No one was uptight in the captain's presence, and the men spoke right up in answering. When enemy infantry are that close, both the questions and answers are important.

When I got there as a replacement rifle-platoon leader on Thanksgiving weekend of 1951, the 1st Marine Division was hanging on to a mountainous corner of North Korea along the Musan Ridge, about 3000 feet high. It took us a couple of hours to hike uphill, lugging rifles and packs along a narrow, icy footpath to where the rifle companies were dug in. As fresh meat, not knowing the terrain and nervous about mines, we followed close on the heels of Marines returning to duty after being hit in the hard fighting to take Hill 749 in September. In Korea they didn't send you home with wounds. Not if they could patch you up to fight again. These Marines, tough boys, understandably weren't thrilled to be going back. But they went. Dog Company of the 7th Marine Regiment needed them. There was already a foot of snow on the ground. When I think of Korea, it is always of the cold and the snow.

Yet the fighting began in summer on a Sunday morning—June 25, 1950—when the Soviet-backed army of Communist North Korea smashed across the 38th Parallel to attack the marginally democratic Republic of Korea with its U.S. trained and equipped (and not very good) army. Early in the war, Gen. Douglas MacArthur had bragged: ''The boys could be home for Christmas,'' But ''the boys' would be in Korea three Christmases—courtesy of the Chinese Army.

Every soldier thinks his own war was unique. But Korea did have its moments: proving a UN army could fight: ending MacArthur's career with a farewell address to Congress (''Old soldiers never die. They just fade away. . . . ''): helping elect Eisenhower, who pledged in '52, ''I will go to Korea''; demonstrating that Red China's huge army could be stopped; insulating Japan from attack; and enabling the South Korean economic miracle. But the war's lack of a clear-cut winner and loser may have set the stage for Vietnam.

As a junior officer, I had little grasp of such strategic matters. I commanded 40 Marines, combat veterans who had fought both the Chinese and the North Koreans. Captain Chafee led us: Red Philips was his No. 2; Bob Simonis, Mack Allen and I were his three rifle-platoon leaders.

Guided by Chafee, I saw my first combat. Mostly it was small firefights, patrols and ambushes, usually by night. I learned about staying cool and not doing stupid things. When darkness fell, we sent patrols through the barbed wire and down the ridgeline across a stream, the Soyang-Gang, trying to grab a prisoner or to kill North Koreans. Meanwhile, they came up Hill 749 and tried to kill us.

The second or third night I was there, the Koreans hit us with hundreds of mortar shells, then came swarming against the barbed wire, where our machine guns caught them. At dawn there were six dead Koreans hanging on the wire. Except for Catholic wakes at home, I'd never seen a dead man. That morning we tracked wounded Koreans from their blood in the snow. The following day, a single incoming mortar hit some Marines lazing in the sun. Two died; one lost his legs. I hadn't been in Korea a week.

Sergeants like Stoneking, Wooten, and Fitzgerald, and a commanding officer like

Chafee, got a scared boy through those early days. When I tripped a mine in deep snow the morning of January 13, 1952, and blew up Sergeant Fitzgerald and myself, the first man I saw as they hauled up out by rope was Captain Chafee. We fought the North Koreans into spring and then, when the snow melted and the Chinese threatened to retake Seoul, the Marines shifted west to fight the Chinese again.

In July 1953, the fighting finally ended—not in peace but in an uneasy truce. So uneasy that even today some 35,000 American troops are dug in, defending the same ridgelines and hilltops that we did a half-century ago.

If you've seen combat in any war, you have memories. Also a duty to remember absent friends. And if, like me, you become a writer, you have a duty to write about the dead, memorializing them: young men like Wild Horse Callan, off his daddy's New Mexico ranch; Doug Brandlee, the big, red-haired Harvard tackle who wanted to teach; handsome Dick Brennan, who worked in a Madison Avenue ad agency; Mack Allen, the engineer from the Virginia Military Institute, Bob Bjornsen, the giant forest ranger, and Carly Rand of the Rand McNally clan.

As the survivors grow older, we stay in touch: Jack Rowe, who won a Navy Cross and lost an eye, teaches school and has 10 children; Taffy Sceva, still back-packing in the High Sierra; my pal Bob Simonis, retired as a colonel; Joe Owens, who fought at the ''frozen Chosin'' Reservoir; John Fitzgerald, the Michigan cop, twice wounded on Hill 749. Each of us appreciates how fortunate we are to have fought the good fight and returned. No heroic posturing. Just another dirty job the country wanted done, and maybe a million of us went. If we got lucky, a John Chafee was there to lead us.

Chafee later carved out a brilliant political career, including governor of Rhode Island, Secretary of the Navy and four terms as a U.S. Senator from Rhode Island. I had dinner with John and his wife, Ginnie, last fall: a meal, a little wine, laughter and good talk, a few memories. I'm glad we did that. Because John Chafee won't be marking today's anniversary. Last Oct. 24, still serving as a Senator, Captain Chafee died, 57 years after he first left Yale to fight for his country.

The funeral was in Providence, and my daughter Fiona, and I drove up. The President and First Lady were there and 51 Senators, as well as Pentagon chief Bill Cohen, the Commandant of the Marine Corps, a marine honor guard, people from Yale and just plain citizens, Chafee's five children and 12 grandkids, and a few guys like me who served under him in war. His son Zechariah began the eulogy on a note not of grief but of joyous pride:

''What a man! What a life!''

So, when you think today of that small war long ago in a distant country, remember the dead, those thousands of Americans. And the thousands of U.S. troops still there, ready to confront a new invasion. Think too of the Skipper—my friend. Capt. John Chafee.

THE HEROIC CAREER OF JOHN CHAFEE

I didn't know it at the time, but John Chafee already was a kind of legend when I met him. A college wrestling star, he dropped out of Yale at 19 to join the Marines after Pearl Harbor, fighting on Guadalcanal as a private, then made officers candidate school and fought on Okinawa as a lieutenant. He went back to Yale (and the wrestling team), was tapped by Skull and Bones, the honor society, and took a law degree at Harvard. Then as a married man (to Virginia Coates) with a child on the way, he went back to commanding riflemen in combat. A man with money and connections (his great-grandfather and great-uncle both had served as governor), he never took the easy out.

Chafee went on to become governor of Rhode Island, Secretary of the Navy and a four-term Senator—a Republican elected in one of our most Democratic states. He died last Oct. 14.

IN MEMORY

In the 37 months that the Korean War raged, thousands of Americans died. (For years, the number was thought to be 54,000 but recently was revised to 36,900.) More than 8000 are still missing. Yet only in 1995 was a national memorial finally dedicated. It includes a black granite wall with murals and stainless-steel statues of infantrymen slogging up a Korean hill. You can visit it at the National Mall in Washington, D.C.

The Korean War began on June 25, 1950, when the Soviet-backed army of North Korea smashed across the 38th Parallel to attack the marginally democratic Republic of Korea. With UN approval, the U.S. intervened, halting the Communists at the Naktong River. Then came Gen. Douglas MacArthur's brilliant end run at Inchon, the recapture of Seoul and the sprint north. But as winter approached, with temperatures at −20°F, about half a million Chinese came south, prolonging the fighting. The war ended with an armistice on July 27, 1953. It was an uneasy truce: Today, 35,000 American troops still are dug in, their weapons pointing north.

## SEPARATING FACTS, FROM PARTISAN SMOKE

Mr. LEAHY. Mr. President, the Attorney General of the United States testified yesterday for almost 4 hours before the Senate Judiciary Committee to answer yet more questions about campaign finance investigations and independent counsel decisions. She did so with her typical candor and integrity.

Not willing to settle for the fact that this hearing revealed nothing new, certain Republican Members have today sought to muddy the waters and twist the facts. I would like to cut through this political haze and set the record straight.

These are rumored recommendation to appoint a special counsel.

It is not the ''established custom'' and ''practice'' of the Judiciary Committee or its subcommittees to announce publicly confidential Justice Department information relating to pending matters. Although Senator SPECTER did so this past week when he held a press conference and spoke on national television about a reported recommendation of the Justice Department's Campaign Finance Task Force Chief Robert Conrad, that disclosure was highly unusual. Although the Senator has characterized this information as obtained by way of ''official investigation,'' such information nor its source has been shared with me or, to my knowledge, with any Democratic Member of the Committee or the Senate.

The only public statements of Mr. Conrad were made at a Judiciary Subcommittee hearing on June 21, 2000. In response to questions from Senator SPECTER regarding recommendations to the Attorney General with respect to a special prosecutor, Mr. Conrad stated, ''That, I don't feel comfortable discussing in public. I would perceive whether I have done that or not as something that pertains to an ongoing investigation.'' (Subcommittee on Administrative Oversight and the Courts, ''Oversight Hearing on 1996 Campaign Finance Investigations''). Senator SPECTER pressed him to discuss the matter in private, to which Mr. Conrad responded a firm, ''no, I am not suggesting that. I am suggesting that my obligations as a prosecutor would prevent me from discussing that.''

At the Judiciary Committee hearing yesterday, the Attorney General also declined to respond to any questions on recommendations that may or may not have been made regarding appointment of a special counsel. She said, ''With respect to the present matter, as I said at the outset, I am not going to comment on pending investigations . . . I think it imperative for justice to be done that an investigation be conducted without public discussion so that it can be done the right way.''

Other than the Attorney General and Mr. Conrad's public refusals to confirm or deny the existence of any recommendation, or to reveal the subject matter of any such recommendation, we have only Senator SPECTER's representation of information purportedly obtained from unknown sources and press accounts from unidentified ''government officials'' that Mr. Conrad has made any recommendation to the Attorney General about appointment of a special counsel. We have no confirmation from the principals involved that such a recommendation has actually been made nor of the subject matter of any such recommendation. Before Members of Congress invite the American public to think the worst about the Vice President and put him in the position of trying to prove his innocence of allegations, which even the anonymous sources have not detailed, we should heed the advise of the Attorney General to ''be careful as you comment that you have the facts.''

Despite the fact that the Attorney General has appointed seven independent counsels to investigate matters involving the President and various Cabinet Officers, and appointed a special counsel to investigate the tragic events at the Branch Davidian compound in Waco, Texas, Republican Members continue to press the charge that Attorney General Reno refused to appoint an independent counsel for campaign finance matters for some illegitimate reason. This charge is unfounded and refuted even by those people who disagreed with the Attorney General's decisions not to seek appointment of independent counsels for campaign finance matters, including the following.

I do not believe for one moment that any of her decisions, but particularly her decisions in this matter, have been motivated by

anything other than the facts and the law which she is obligated to follow.

Quoting FBI Director Louis Freeh, August 4, 1998.

At the end of the process, I was completely comfortable with [the Attorney General's] decision not to seek an independent counsel and with the process by which she reached that decision.

Quoting Charles La Bella, Former Campaign Finance Task Force Supervisory Attorney, May 3, 1998.

The integrity and the independence of the Attorney General are ''beyond reproach,'' quoting Charles La Bella, Former Campaign Finance Task Force Supervisory Attorney, August 4, 2000.

The Attorney General ''made no decisions to protect anyone,'' quoting Charles La Bella, Former Campaign Finance Task Force Supervisory Attorney, May 2, 2000.

[A]ll of the Attorney General's decisions were made solely on the merits, after full—indeed exhaustive—consideration of the factual and legal issues involved and without any political influence at all.

Quoting Robert Litt, Former Principal Associate Deputy Attorney General, June 21, 2000.

In response to whether he had any doubt about Attorney General Reno's integrity: ''No, I do not,'' said Larry Parkinson, FBI General Counsel, May 24, 2000.

The only political pressure on the Attorney General has come from the Republican majority. I believe that it was on March 4, 1997 that Senator LOTT first introduced a Senate resolution proposing a sense of the Congress that the Attorney General should apply for the appointment of another independent counsel to investigate illegal fund-raising in the 1996 presidential election campaign.

Within 48 hours, on March 6, 1997, Senator HATCH had his own resolution to this effect added to the Judiciary Committee agenda. Ironically, Chairman HATCH made clear that we would not ask for an independent counsel to investigate the Vice President and telephone calls made from his White House office. He characterized the criticism of the Vice President as ''scurrilous criticism.'' He said that he did ''not think that the speculation surrounding the Vice President is as serious as some would make it'' and indicated that he would not participate in making a big deal out of it. Even assuming that he had been engaged in a technical violation, the Chairman said that he would not call in an independent counsel to investigate those matters.

Rather than act in a fair, balanced and bipartisan way, on March 13, 1997, the ten Republican Senators on the Judiciary Committee served a letter on the Attorney General requesting the appointment of an independent counsel to investigate possible fund-raising violations.

The very next day, March 14, 1997, we were called upon to debate on the Senate floor the Republican Senate resolution that the Attorney General should call for the appointment of an independent counsel. During the five days of Senate debate, Senator BENNETT observed that he viewed the coffees at the White House as inappropriate but not illegal:

[C]learly, it does not call for the appointment of an independent counsel. It is something we can talk about in the political arena. It is on the legal side of the line.

Nonetheless, when the time came to vote on the resolution the Republicans adopted it on a straight party-line vote. They then proceeded to table an alternative resolution, S.J. Res. 23, that would have called upon the Attorney General to exercise her best professional judgment, without regard to political pressures and in accordance with the standards of the law and the established policies of the Department of Justice to determine whether the independent counsel process should be invoked. That more even-handed language that did not prejudge the outcome or tell the Attorney General what to do was, likewise, opposed by every Republican Senator.

Thus, by their votes on March 14, 1997, every Republican Senator had evidenced that his or her mind was made up on these issues and as a party they marched lockstep to the conclusion that an independent counsel should be appointed. The House Republicans then refused to consider the resolution and it died without final action. Even after the multimillion dollar investigation by the Governmental Affairs Committee chaired by Senator THOMPSON into allegations of campaign finance, and the investigations by the Burton committee and in spite of the 20 convictions achieved by the Campaign Finance Task Force within the Department of Justice, the Specter investigation is now revisiting certain events from 1996.

The American people know a partisan endeavor when they see one. The American people know that the upcoming nomination and election of the next President of the United States are no justification for dragging these matters back into the Senate for more politics of personal destruction and innuendo and leaks and partisan investigating for short-term political gain. I had hoped that we had our fill of these efforts when the Senate rejected the efforts by Kenneth Starr and the House Republicans to force President Clinton out of the office to which he was twice elected by the American people. Regrettably, I was wrong and, apparently, some on this Committee are still engaged in destructive partisanship.

The Pendleton Act, 18 U.S.C. §607, prohibits the solicitation of campaign contributions, as defined by the Federal Election Campaign Act, on federal property. The Department of Justice has exercised a policy—through both Democratic and Republican Administrations—of declining to prosecute violations of section 607 that do not have some sort of aggravating factors like coercion of involuntary political donations. Indeed, the uncontroverted record of enforcement of the Pendleton Act demonstrates that both Republican and Democratic Justice Departments have applied this policy and declined to take action repeatedly over the past decades. By way of example, in 1976, the Justice Department declined to prosecute officials responsible for sending letters signed by President Ford to federal employees at their workplaces soliciting contributions on behalf of Republican congressional candidates. In 1988, prosecution was declined when two Republican Senators sent solicitation letters as part of a computerized direct-mailing to employees of the Criminal Division of the Justice Department. In response to my question at the hearing yesterday, the Attorney General confirmed that this remained the Justice Department's policy.

There is no evidence that fund-raising telephone calls, which the Vice President has acknowledged making from the White House, implicated any ''aggravating factors'' warranting prosecutorial attention. Nevertheless, and in the absence of such evidence, some have claimed that because a hard money component of the DNC media fund used to pay for television advertising in 1995 and 1996 may have been discussed at a meeting attended by the Vice President and fourteen others on November 21, 1995, the Vice President's statements two years later that he believed the media fund to be entirely of soft money were false. Yet, as the Attorney General testified yesterday, only two participants—not four as Senator SPECTER stated this morning—even recalled that the hard money component of the media fund had been mentioned at the 1995 meeting.

The Attorney General testified that thirteen participants did not recall any such discussion and:

[w]hile the Vice President was present at the meeting, there is no evidence that he heard the statements or understood their implications so as to suggest the falsity of his statements 2 years later that he believed the media fund was entirely soft money, nor does anyone recall the Vice President asking any questions or making any comments at the meeting about the media fund, much less questions or comments indicating an understanding of the issues of the blend of hard and soft money needed for DNC media expenditures.

The Attorney General explained that the Justice Department lawyers had:

concluded in this instance—that the range of impressions and vague misunderstandings among all the meeting attendees is striking and undercuts any reasonable inference that a mere attendance at the meeting should have served to communicate to the Vice President an accurate understanding of the facts.

The Attorney General did not ''discount'' the information provided by David Strauss, who was present at the time of the November 21, 1995 meeting in considering whether to appoint an independent counsel to investigate the Vice President and his knowledge of the hard money component of the

media fund. Rather, as the Attorney General patiently explained yesterday, she fully considered the notes and the fact that Strauss himself believed the media campaign had been financed entirely with soft money. Indeed, this issue is discussed in full in the ''Notification to the Court Pursuant to 28 U.S.C. 592(b) of Results of Preliminary Investigation'' publicly filed on November 24, 1998.

As the Attorney General explained, the fact that Strauss's contemporaneous notes reflect discussion of the hard/soft money split, does not bear on the Vice President's recollection of the matter. Any discussion about ''recorded recollection'' misses the boat. Federal Rule of Evidence 803(5) states that a:

> memorandum or record concerning a matter about which a witness once had knowledge but now has insufficient recollection to enable the witness to testify fully and accurately, shown to have been made or adopted by this witness when the matter was fresh in the witness' memory and to reflect that knowledge correctly

Will not be considered hearsay. However, regardless of whether Strauss's notes could be admissible at a hypothetical trial, the fact remains that they are irrelevant on the question of what the Vice President, not Strauss, knew or heard.

Although it was insinuated that thirteen memoranda from Harold Ickes are evidence as to the Vice President's knowledge of the hard money component of the media fund, as the Attorney General testified yesterday, only six or seven of those memoranda predated the telephone calls. In addition, as set forth in publicly filed court documents, there was no evidence that the Vice President had read them and the Attorney General testified that the Vice President's staff ''corroborated his statement that he did not, as a matter of practice, read Ickes' memos.''

As to the Standard of Proof to Move from a Preliminary Investigation to Independent Counsel, Republicans have repeatedly suggested that an independent counsel should have been appointed for the Vice President and have focused on whether there was ''specific and credible information'' regarding wrongdoing. This is a mischaracterization of the applicable standard under the now-lapsed Independent Counsel law. As the Attorney General clarified yesterday, that standard is only relevant to whether a preliminary investigation within the Justice Department should be commenced. Indeed, such an inquiry was conducted, and concluded, with regard to the Vice President on two occasions. The Attorney General also testified accurately that in order to seek an independent counsel following the conclusion of a preliminary investigation, she needed ''reasonable grounds to believe that further investigation is warranted'' of the matters that had been under investigation. This standard was also accurately reflected in the Attorney General's notifications to the court on this issue, in which she found no such ''reasonable grounds'' as to the Vice President.

Regarding the Hsi Lai Temple Matter, Republican Members questioned the Attorney General about the Vice President's visit on April 29, 1996 to the Hsi Lai Temple in Los Angeles and speculated that he was not fully forthcoming about his understanding of the nature of the event. The Vice President has consistently insisted that he was not aware this event was a fundraiser. Senator SMITH observed yesterday:

> I don't understand for the life of me why any individual would deny that he or she attended a fundraiser. Attending a fundraiser is not a bad thing.

Perhaps, the answer is as simple as this: that the Vice President did not know the temple event was a fund-raiser, just as he says.

The record is clear that the Vice President was initially scheduled to attend a fund-raising luncheon at a restaurant in Los Angeles on April 29, 1996, and that after the lunch, he was supposed to go to the temple, about 20 minutes away, for a community outreach event. No tickets were to be sold and no fund-raising was to take place at the temple. A few weeks before the events, the Vice President's schedulers determined there was not enough time for two events. The guests previously invited to the restaurant luncheon were told they could attend a luncheon at the temple dining hall after the formal ceremonies.

Although the luncheon at the temple was a DNC-sponsored event, no tickets were sold, no campaign materials were displayed, no table was set up to solicit or accept contributions, and the Vice President spoke about brotherhood and religious tolerance, not fund-raising. Attendees included a Republican member of the Los Angeles County Commission.

Notwithstanding these facts, Republican Senators have insisted that an email from an aide to the Vice President on March 15, 1996, suggests that the Vice President knew the Hsi Lai Temple event was a fund-raiser. This conclusion is wrong and ignores relevant facts. First, the original plan had been for the Vice President to participate both in a fund-raiser at a restaurant and a visit to the temple on April 29, 1996. Later that day he was to attend another fund-raiser at a private home in San Jose. The email to which the Republicans referred at the hearing, dated March 15, 1996, is from an aide and states in relevant part: ''we've confirmed the fundraisers for Monday, April 29th. The question is whether you wish to seriously consider [another invitation in New York.].'' The Vice President replied by email that ''if we have already booked the fundraisers then we have to decline.'' Obviously, the fund-raisers to which these emails refer are the one fundraiser originally scheduled at a restaurant in Los Angeles, later cancelled, and the fundraiser in San Jose. They do not refer to the Hsi Lai temple visit.

Regarding oversight of the Peter Lee case, Senator SPECTER has claimed that the Peter Lee case is a closed matter and that it was somehow appropriate to interview the district court judge in that case. The record should be clear that the Lee case is in fact pending in at least two respects. First, Lee filed a motion to terminate his probation on September 28, 1999. Opposition to the motion was filed by the government on October 6, 1999. A decision on that motion had not yet been rendered at the time of the Senator's interview of the judge in February 1999 and may remain pending today. In addition, until either this motion is granted or Lee's term of probation expires, Lee will remain under the supervision of the court and the Probation Department. Should he commit any violations, his probation could be revoked by the judge and he could be sentenced to a term of imprisonment.

Concerning the idea that Judiciary Committee Senators should have standing in independent counsel matters, I have heard the suggestion that the Judiciary Committee should have standing to seek judicial review of the Attorney General's decisions on special counsel matters. This proposal seeks yet again to politicize the integrity of the process. It also ignores the fact that the independent counsel law is no longer in effect. The special counsel process is simply governed by Attorney General regulations. Surely this Committee should not have standing to intervene in the application of internal Justice Department regulations.

I have expressed concern about the damage that can be done to the integrity of the criminal justice system if the majority in Congress politicizes prosecutorial decision-making, including by interfering in ongoing criminal matters and pending investigations. Authorizing the majority of a standing Congressional Committee to initiate a criminal investigation is a bad idea.

## VICTIMS OF GUN VIOLENCE

Mr. SCHUMER. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read some of the names of those who lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

June 28, 1999:

Shawn Anderson, 28, Baltimore, MD; James Bennett, 54, Houston, TX; Charles Johnson, 43, Houston, TX; John J. Juska, 58,

Cape Coral, FL; Kris Kempski, 32, St. Louis, MO; Samuel L. Leonard, 43, Chicago, IL; Keith McSwain, 21, Washington, DC; Alfredo Montano, 23, Chicago, IL; Ronald Posada, 22, Houston, TX; Latrell Thomas, 34, Chicago, IL; Robin Thompson, 21, Baltimore, MD; Taha Wheeler, 21, Detroit, MI; Willie Wilson, 44, Philadelphia, PA; Ronnie Woodall, 26, St. Louis, MO; and an unidentified male, 27, Portland, OR.

## RUSSIA HUMAN RIGHTS

Mr. FEINGOLD. Mr. President, I wish to voice my concern about the deteriorating human rights situation in Russia. A decade after the break-up of the Soviet Union, Russia still faces enormous obstacles to becoming a stable and prosperous nation. Russia's GDP is less than half of what it was before the break-up, with much of its population impoverished and uncertain about its future. Russia's medical system is in near collapse, and both life expectancy birthrates have declined sharply. Crime is escalating, and corruption is widespread.

This is a scenario that would challenge any government. It will require great leadership to turn things around in order to move Russia towards greater freedom and prosperity. But recent events have made me fearful that, rather than leading Russia forward, President Putin and his government are leading their country back into the regrettable past.

The apparently baseless arrest of Vladimir Gusinsky raises new concerns about President Putin's commitment to an independent media, particularly in light of his government's abuse of Radio Liberty journalist Andrey Babitsky in retaliation for critical reporting from Chechnya. The Russian government has not heeded international calls for an independent investigation into reports of escalating human rights abuses allegedly committed by Russian troops against Chechen civilians. The reported harassment by the Putin government against some religious minorities, including pressure placed on a prominent Jewish group, is also extremely troubling.

Mr. President, a Russia that is democratic and free and follows the rule of law will be a strong and prosperity country, a source of pride to its people, and an ally respected by all nations. I call on Congress and the Administration to do all that is possible to ensure that President Putin moves his country towards this goal.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, June 27, 2000, the Federal debt stood at $5,650,719,953,982.79 (Five trillion, six hundred fifty billion, seven hundred nineteen million, nine hundred fifty-three thousand, nine hundred eighty-two dollars and seventy-nine cents).

One year ago, June 27, 1999, the Federal debt stood at $5,640,526,000,000 (Five trillion, six hundred forty billion, five hundred twenty-six million).

Five years ago, June 27, 1995, the Federal debt stood at $4,948,217,000,000 (Four trillion, nine hundred forty-eight billion, two hundred seventeen million).

Ten years ago, June 27, 1990, the Federal debt stood at $3,165,289,000,000 (Three trillion, one hundred sixty-five billion, two hundred eighty-nine million) which reflects almost a doubling of the debt—an increase of almost $2.5 trillion—$2,485,430,953,982.79 (Two trillion, four hundred eighty-five billion, four hundred thirty million, nine hundred fifty-three thousand, nine hundred eighty-two dollars and seventy-nine cents) during the past 10 years.

## ADDITIONAL STATEMENTS

### PRESERVING TYRE, LEBANON

● Mr. ABRAHAM. Mr. President, I rise today to recognize the American National Committee for Tyre and the International Association to Save Tyre for all the good work they are doing to raise awareness on the issue of preserving this great historical site. As many may know, Tyre, Lebanon was one of the most important cities in the classical era. It served as an administrative center of life for the people of the Mediterranean region, and was the birthplace for the modern day alphabet and democracy. If restored to its original beauty, and its antiquities are carefully unearthed and preserved, Tyre could become a world center for cultural education of past civilizations.

I am pleased to serve as the Honorary Chairman of the American National Committee and I am honored to work with my colleague and friend, Senator Claiborne Pell, whose previous 20 years of leadership on this issue remains invaluable.

There is no dispute that underneath the present day soil of Tyre lies the great archeological treasures of eight successive civilizations: the Phoenician, Persian, Roman, Greek, Byzantine, Arab, and Ottoman, as well as that of the Crusaders. Many attempts have been made to unearth these treasures, but present day realities have made it very difficult to implement a full fledged plan to discover these antiquities.

Tyre has been designated as a World Heritage site, and as such, should be treated with great respect for the education of future generations. The Government of Lebanon is searching for ways to protect the archeological sites while planning realistically for economic expansion and tourism. However there are problems.

The Lebanese Government recently approved building the southern extension of the coastal highway near many of the archeological treasures. The government has also permitted some of the coastal sea area to be refilled for the construction of parking lots. In addition, there has been damaging activity surrounding Tell El-Mashouk.

It is my hope that the Lebanese government will institute a master plan, cultural resources assessment, and a management plan for Tyre which will clearly map out the best approach at uncovering, preserving, and displaying these vast treasures. I do hope that the government will cease it present activity in the area until it can develop a workable and enforceable plan.

It seems a particularly appropriate time for the Lebanese Government to be planning their approach to the city of Tyre. With the Israeli withdrawal from the South of Lebanon, and peace close at hand, Lebanon can begin the process of rebuilding through tourism. It is my hope that part of the agenda to rebuild Southern Lebanon includes the preservation of the great city of Tyre and its surroundings, and I offer my assistance to do what I can in the United States to help the government of Lebanon achieve this goal.●

### TRIBUTE TO WAYNE SHACKELFORD

● Mr. COVERDELL. Mr. President, I rise to pay tribute to a constituent, a distinguished public servant, and a friend—Wayne Shackelford, who recently retired as Commissioner of the Georgia Department of Transportation.

During his tenure, Commissioner Shackelford presided over the reshaping of Georgia's transportation network, helping build up our state's infrastructure for the 21st century. As one of the fastest growing states in the Union, with a population rapidly approaching 8 million, Georgia will face many challenges in the coming decades. We are well prepared to meet those challenges in large part thanks to the vision and leadership of Wayne Shackelford.

Since taking office in 1991, he has overseen the construction of more than 5,000 miles of new roads throughout the state, while stewarding such innovations as Georgia's first express lanes for buses and car pools and a computer system to monitor and manage traffic movement. In fact, Georgia DOT's Advanced Transportation Management System, NAVIGATOR, is the most complete model of an urban transportation management system in the United States and is being studied by transportation leaders worldwide.

Commissioner Shackelford is recognized for his interest in multimodal and intermodal transportation issues. He has refocused the efforts of Georgia DOT on the movement of people and goods, not just vehicles, and has looked beyond roads by initiating the development of passenger rail service and expanding rural airports to accommodate commuter aircraft.

His leadership extends to regional and national transportation policy development. He served as President of the Southeastern Association of State Highway and Transportation Officials in 1993 and was President of the American Association of State Highway and

Transportation Officials in 1995. He was also Chairman of the Board of Directors of the Intelligent Transportation Society of America from 1998 to 1999 and continues to serve on the Board. In addition, he became Chairman of the Executive Committee of the Transportation Research Board of the National Research Council in January, 1999 and was a member of the President's Council on Year 2000 Conversion.

He has earned many national and state awards, including the Key Citizen of 1996 Award from the Georgia Municipal Association. In September, 1997, the State Transportation Board dedicated the Transportation Management Center in Atlanta as the Wayne Shackelford Building.

The Georgia DOT has also won many top national awards under Commissioner Shackelford's leadership, including the top national awards for asphalt and concrete paving for 1996 and the top quality construction awards from the National Asphalt Paving Association in 1997 and 1998. Georgia has been rated for two consecutive years—and for many of the past 15 years—as having the best-maintained roads in the nation.

For these and many other achievements it is my great pleasure to commend Commissioner Shackelford, to thank him for his many years of hard work and dedication on behalf of the people of Georgia, and to wish him well in all his future endeavors.●

## TRIBUTE TO DR. NANCY FOSTER

● Mr. HOLLINGS. Mr. President, it is with the most heartfelt sadness that I rise today to commemorate the life of Dr. Nancy Foster, who passed away Tuesday at her home in Baltimore, Maryland. As I stand here today I recall that only a year ago I spoke to you about Dr. Foster's outstanding work as head of the National Ocean Service at the National Oceanic and Atmospheric Administration. The news of her passing was bitter pill. Not only was Dr. Foster a dedicated and visionary public servant, but she was also universally admired and loved. I know that her creativity, boundless energy, and compassion will be sorely missed both here and at NOAA. Dr. Foster's efforts in my home state of South Carolina both as head of NOS and then at NOAA's Fisheries Service were testaments to her skill at bringing groups together to solve incredibly complex coastal problems, from protecting our sea turtles to conserving and understanding our precious coastal resources. The world is a better place for her having served here with us.

Dr. Foster came to NOAA in 1977 and spent her career promoting programs to explore, map, protect and develop sustainably our Nation's coastal and fishery resources. She helped create the National Marine Sanctuary Program and Estuarine Research Reserve Program. These programs preserve America's near shore and offshore marine environments in the same manner as do the better known national parks and wildlife refuges on land. Nancy went on to serve as the Director of Protected Resources at NOAA's Fisheries Service, where she managed the Government's programs to protect and conserve whales, dolphins, sea turtles and other endangered and protected species. After that, Dr. Foster was named the Deputy Director of the Fisheries Service, where she forged alliances between fishing and conservation groups to ensure both the protection of our living marine resources and the sustainability of our human resources. I particularly recall her special efforts in South Carolina, where she worked hand in hand with our shrimpers to help them devise ways of keeping sea turtles out of their nets.

In 1977, Commerce Secretary Bill Daley and NOAA Under Secretary Jim Baker tapped Nancy to take over the National Ocean Service. Not only was she the first woman to direct a NOAA line office, but she was given one of the most senior levels a career professional can achieve; in other agencies or bureaus, such a position would be reserved for at least an Assistant Secretary-level official. NOS has the longest running mission of all the NOAA line offices—coastal mapping traces its lineage back to 1807—and she pioneered a reinvention effort that has made the Ocean Service one of the most modern and effective of the line offices. A proven innovator, she directed the total modernization of NOAA's essential nautical mapping and charting programs. In addition, along with Dr. Sylvia Earle she created a ground-breaking partnership with the National Geographic Society to launch a 5-year undersea exploration program called 'Sustainable Seas Expedition.' to rekindle our nation's interest in the oceans, and especially the national marine sanctuaries. This effort has sparked the kind of enthusiasm about the oceans that Jacques Cousteau created when I first came to the Senate.

While the Federal Government frequently recognized Dr. Foster's contributions through numerous important awards, she was also a person whom the rank and file employees at NOAA—the marine biologists, researchers, and managers—trusted and admired. She was a strong and enthusiastic mentor to young people and a staunch ally to her colleagues. She has, and always will, serve as a role model for professional women everywhere, especially those who work in the sciences. Nancy Foster was that rare official whom we in the Congress looked to for leadership, candor, and sensitivity, and we will all feel her loss deeply for years to come. I would like to offer my deepest appreciation for Dr. Foster's outstanding contribution to the Nation and send my sincerest condolences to her family and friends.●

## NATIONAL DAY OF PRAYER

● Mr. ALLARD. Mr. President, on May 4, 2000 those attending the National Day of Prayer luncheon in Denver, Colorado got to hear an electrifying talk by Dr. Condoleezza Rice. I found the speech so moving, so inspiring that I wanted to share it with those who could not be in attendance that day to her remarks. ''Condi,'' as she likes to be called, grew up in Denver, graduated Magna Cum Laude from Denver University and has served our country in many ways including service to former President George Bush as a chief expert on Russia. I ask that her speech be printed in the RECORD.

NATIONAL DAY OF PRAYER, DENVER, COLORADO, MAY 4, 2000

(By Dr. Condoleezza Rice)

Thank you very much. It is indeed a delight to be with you here in Denver for the Colorado Prayer Lunch. I do know quite a few people in the room, and there are good friends here from very far back in my history. I'm not going to tell you who they are because I don't want you to go up to them and ask them how I really was at fifteen or sixteen years old. But it's awfully nice to back here—home in Denver.

I bring you greetings from my family. My parents and I moved to Denver when I was twelve years old, and this is just a great place to live. I think the reason that it is such a great place to live is events like this. You look around and you see the love in the community, you see the strength in the community. It's nice to be back.

When I thought about what I'd like to talk with you about, I immediately reflected on the fact that this is of course our National Day of Prayer as well as the day for the Colorado Prayer Luncheon. And I thought about spending a few minutes with you talking about the relationship of personal faith, to faith in a community, to strength and forward movement in a community. Because very often we think about where we would like the community to go, we think about where we would like our leaders to take us. We very often forget that strong communities are built person by person, step by step, by the responsibility of each and every one of us. That responsibility and that strength, I believe, can come from many different sources, and certainly it comes from different sources for different people. But for many of us, and perhaps for most of the people in this room, it certainly relates to deep and abiding faith in God, whatever one's religious background. For me it comes from a deep and abiding faith in Jesus Christ.

Now I have to tell you that I was born into the church. I didn't have much choice. In fact, on the day that I was born which was a Sunday, at 11:48 my father was preaching a sermon. He had been told on Friday night that his child probably wasn't going to be born for a couple of days, so go ahead on Sunday and preach the sermon. And my goodness when he came out of the pulpit on Sunday, he had a little girl.

We lived in the back of the church until I was three and then moved into a parsonage. My grandparents were religious people. I studied piano from the age of three. I could read music before I could read. But the first song that I learned was ''What a Friend We Have in Jesus.'' And then I learned to play ''Amazing Grace,'' etc. etc.

My grandfather was a deeply religious person. Indeed I have a lot of heroes in my life, but Granddaddy Rice is perhaps the most remarkable because you see back in about 1920

he was a sharecropper's son in Ewtah, Alabama. One day he decided he wanted to get book learning, heaven knows why. And so he asked people how could a colored man go to college, and they said, ''Well, you see if you could get to Stillman College (which is this little Presbyterian college down the road) then you could go to college there.'' So he saved up his cotton, went to Stillman College, paid for his first year and then the second year they said, ''Now how do you plan to pay for your second year?'' And he said, ''Well, I've used all the money I have.'' And they said, ''Well, you'll have to go home,'' And he said, ''Well, how to those boys go to college?'' They said, ''Well, you see they have what's called a scholarship, and if you wanted to be a Presbyterian minister, then you could have a scholarship too.'' My grandfather said, ''You know, that's exactly what I had in mind,'' and he became college educated, and my family has been Presbyterian ever since.

So I was born into the church. My earliest memories are of Sunday school and choir practice and youth fellowship, and indeed if you're a minister's child, you have some kind of strange memories because you see when I heard that story about Christ coming again, I figured when I was about six years old that if he was going to come again anyway, He might as well come to Westminster Presbyterian Church because that would certainly help the flagging attendance in the summer. And so I would pray, ''If you're going to come, Christ, come to my father's church. He could use the help,'' You see you had different ways of thinking about religion when you were a preacher's child.

But because I was born into the church, I never really doubted the existence of God. I can tell you that I accepted from the earliest years the whole mystery of the faith, the birth, the life, the death, and the resurrection as truth. Mine then is not a story of conversion to faith. The existence of God was a given for me. That Jesus Christ was His son was a given for me. But while mine is not a story of conversion, it is a story of a journey to deepen my personal faith, and I would imagine that for many of you, a story that resonates, a story that has a familiar ring. You see, it's easy when you are born to religious faith to take that faith for granted, and not to deepen and to grow in it, not to question, and to become comfortable with it.

When we moved here to Denver, I was at Montview Boulevard Presbyterian Church. I was in the choir. I met some members of Montview Boulevard here today with whom I sang in the choir. It was a wonderful church, a large church. And then I moved to California, and for awhile I continued to go to church as I had done every Sunday since I could remember. But you know pretty soon things got busy. And so before you knew it, Sundays were for something else. Maybe I had to work. Maybe I had to do something about that lecture that I had to give on Monday. I was always traveling because I'm a specialist in international politics, so maybe I was in some other time zone, and when I got home I was just too tired to go to church. And slowly but surely my faith which I'd always taken for granted was there, but it was rather in the deeper recesses of my mind, not front and center in the way that I lived my life daily.

A funny thing happened in that period to me. One Sunday morning when I knew I should have been in church, I was in the Lucky Supermarket instead. And I was walking among the spices buying food, and I'll never forget running into a black man there. And if you know Palo Alto, that's a rare occurrence anyway. And he told me he was buying some food for his church picnic, and we talked a little, and then he looked right at me and he said, ''Do you play the piano?'' And I said ''Yes, I play the piano,'' And he said, ''You know my church, Jerusalem Baptist Church down the road here just a little bit, needs somebody to play the piano. Would you come and play the piano for us?'' And so I did for several months go and play the piano for Jerusalem Baptist Church. And I thought, ''If that's not the long reach of the Lord into the Lucky Supermarket on a Sunday morning, what is?'' But as a result of going there and playing and getting involved again with the church community, I began to see how much my faith, which I'd taken for granted, was becoming unpracticed, that it was no longer really becoming a part of the way that I lived my daily life.

And so I started seeking out a church home, and I found Menlo Park Presbyterian in Menlo Park right next to Palo Alto. And one of the first sermons that I heard at Menlo Park Presbyterian Church just reached out and grabbed me because it said where I was in my own faith. And it was the story of the prodigal son. But it was the story of the prodigal son told from the perspective of the older son, not from the son who had to come home, but the son who had always been there. And the minister talked about how the older son was really appalled, angry, and couldn't quite understand why while be had been there toiling in the fields and had been a good son and had supported his family, why there was all this excitement when the prodigal son came home.

And I thought about it, and maybe what Christ was saying here, what God was saying, was that the prodigal son who had to be born again to this faith was being brought powerfully back to his faith. While the older son who had always been there doing what he was supposed to do but maybe just doing it in the most routine fashion was losing what's most important about faith, and that's the deepening and the fire that comes from having it tested, from having to worry about it, from having to think about it, from having to bat it around in your mind from time to time so that it doesn't become stale. And I suddenly saw myself as the elder son. And I thought at that time, it's time to renew my faith and not to take it for granted. And you know, it's a good thing that I did because I was soon to learn why faith is so important in your daily life.

It was about a year and a half after coming back to my faith that I lost my mother, and I can tell you that I could not have gotten through that without a strong and robust faith. You see the preparation for struggle that faith accords you is not something that you can call on the day that it happens. You have to have honed it, you have to have worked at it, it has to have become a part of you. I began to understand during that period of time when I really was experiencing the peace that passeth all understanding, that faith is honed in struggle, that Paul was absolutely right when he wrote in Romans that we are justified in faith and that struggle brings patience, and patience hope, and hope is not disappointed. Because it is in that time of struggle that we learn that we are resilient human beings, that we have at our core the ability to rebound and to go on.

Over the years, I have become more and more interested in the stories of struggle—whether it is the death of a loved one, whether it is what Colorado went through in Columbine, whether it is the struggle that interestingly built Stanford University. Do you know that Stanford University was built by Governor and Mrs. Stanford to honor their only child who died of typhoid at sixteen years old? And Mrs. Stanford writes in her letters that she wanted to die too when her son and then her husband died shortly thereafter, but she understood that her faith was telling her to go on, to pick up the pieces, to do something for other people's children. And so Stanford University was from the Stanfords a living monument to other people's children, born of the test of faith, the test that is struggle. And I began to understand too the words of an old Negro spiritual that had always been somewhat confusing—''Nobody knows the trouble I've seen. Glory Hallelujah''? What does that mean? It means that out of struggle, faith is honed.

Now why is faith honed out of struggle? First of all, because you are at that time forced to confront the relationship between faith and doubt. When my mother died, I didn't have any good answers. Did I on the one hand pray to God for understanding and on the other hand doubt why this had happened? Of course when Columbine happened, did you on the one hand pray for understanding and doubt why had it happened? But faith, and indeed the lessons of Christ teach us that faith can be strengthened by doubt. It doesn't have to be weakened by it.

Some of my favorite stories in the Bible actually come from the time when Christ is preparing to die. And when the disciples—men who had walked with Him for the entire time of His ministry, men who knew Him better than anyone else—found themselves doubting and fearful of what was to come. He said, ''I'll go to prepare a place for you.'' They said, ''Take us with you because we don't actually know where you're going.'' This isn't very reassuring. And of course the story of Thomas which we had always been taught in a kind of pejorative sense ''the doubting Thomas,'' but in fact what did Christ say? ''Here, feel my side. Touch the wounds.'' He didn't say just ''Leave.'' Doubt and faith have gone together from the beginning of our religious experiences. And in times of struggle, we are forced to work through our doubts in order to re-energize our faith.

Times of struggle also challenge us on the relationship between faith and reason because most of us live most of our lives in our heads. We try and understand why. And if you are like me and you live in an intellectual community, if you can't prove it, if you can't see it, then you can't possibly believe it. And yet there are those times when reason just will not do the job. I noticed the little quote by Abraham Lincoln in the bulletin this morning. ''I've been driven many times to my knees by the overwhelming conviction that I had nowhere else to go. My own wisdom and that of all about me seemed insufficient for the day.'' How many times has your reason, your intellect failed you and you've had to fall back on faith? In times of struggle, we learn to trust, we learn to fall back on faith, we learn to fall back on that which cannot be seen and cannot be understood, and it makes us stronger.

Finally, in times of struggle, perhaps more than at other times, we are reminded also of the responsibilities of faith, particularly if we've been through struggles ourselves and we are called on to participate in, to be a part of someone else's struggle. And it is that relationship between personal faith and taking one's faith into the community to make it better that I want to explore for a moment now—to take the lessons and the power of faith outside of our own personal experiences and into the community at large.

Now in order to do that, you have to draw on other parts of your faith. You have to draw on what has been honed and toughened inside you when you yourself have struggled. But you also have to draw on the power that is there for you to first and foremost be optimistic. When I am very often asked what has

faith done for me that is most important, I say that yes it's been there for me in tough times and struggle, but I think it's also made me an optimistic person. It's made me a person who believes that there can be a better tomorrow.

If you don't believe that faith plays its role in making you an optimistic person, think of the people who built this country and the optimism that must have come from their faith. Have you ever wondered what it must have been like to come across the Continental Divide without roads? They must have had faith that they were going to make it. They must have had optimism about what was possible on the other side. They must have gone together and indeed from that they built a great country. Have you ever wondered about the faith and optimism of my ancestors, slaves who were three-fifths of a man who endured the most awful hardships of day-to-day life and yet somehow looked optimistically to a future? They must have done it out of the strength of their faith. They must have done it out of the optimism that only faith can give.

But imparting that optimism to people who are in need, imparting the mysteries and the lessons of faith to people who are in struggle is sometimes, oddly enough, easier than imparting and using the lessons of faith in everyday life. Sometimes we mobilize to use our faith when things are tough. This city mobilized around Columbine. People are able to bring themselves to love one another—Greeks and Turks after the earthquake in Turkey, because you're mobilized in your faith to help. But what about day to day in your interactions with people in the community? Can you mobilize your faith in the same way?

I think sometimes the biggest impediment to mobilizing our faith in our day to day interactions in trying to make our communities better is really in our lack of humility about what we as mere human beings can bring to the table. You know sometimes people of faith are wonderful at dealing with people in need. But in more normal times we're our own worst enemy because sometimes the shouting, the desire to lecture, overwhelms the desire to lecture, overwhelms the desire to listen and to understand. I think sometimes that the greatest impediment to people of faith in really making a difference in their communities to people on a daily basis—not just when we need to be mobilized—is that we sometimes have trouble, as people of faith, meeting people where they are, not where we would like them to be.

And hereto, I draw on a lesson from Christ. Have you ever noticed that when Christ was interacting with people, He found a way to meet them where they were? With the rich young leader, it was confrontational—to give up everything and to give it to the poor was pretty confrontational. With Lazarus and the sisters, it was dramatic—a miracle. With the woman at the well, it was kind and understanding and quiet. How many of us as people of faith have that entire repertoire at our disposal? When we deal with people, do we ever stop shouting so loud that they can hear through us the still, small voice of calm, remembering afterall that we will not personally work miracles in people's lives? That is the work of God. But if we are to be a conduit, we have to be a conduit that is willing to listen, a conduit that is willing to help with humility, and a conduit that is willing to meet people where they are.

Those I think are the lessons of faith—to hone our personal faith, to practice it every day, to pray for our leaders and for those who must carry the heavy burdens, and to try to use our faith and its lessons, not just when we need to be mobilized, but in our everyday interactions. Because only then can people of faith really make a difference in communities at home and communities abroad.

Thank you very much, and God bless you.●

## MR. LLOYD A. SEMPLE RECEIVES 2000 JUDGE LEARNED HAND AWARD

● Mr. ABRAHAM. Mr. President, each year, the American Jewish Committee's Metropolitan Detroit Chapter presents one individual with its Judge Learned Hand Human Relations Award. Recipients of this award are honored for their outstanding leadership within the legal profession, and for exemplifying the high principles for which Judge Learned Hand was renowned. I rise today to recognize Mr. Lloyd A. Semple, who will receive the 2000 Judge Learned Hand Award on June 29, 2000, in Detroit, Michigan.

Mr. Semple is the Chairman of one of Detroit's oldest and most prestigious law firms, Dykema Gossett, PLLC. Founded in 1926, Dykema Gossett provides legal services to a broad range of clients, from international and Fortune 500 companies to individuals and small ''Mom and Pop'' businesses. Its mission has remained constant throughout its almost seventy-five years: to provide the best possible legal advice and service to its clients. The firm has grown over 270 lawyers strong, and now has locations in the following Michigan cities: Ann Arbor, Bloomfield Hills, Grand Rapids, and Lansing; as well as offices in Chicago and Washington, D.C. In addition, Dykema Gossett has recently gone global, forming an affiliation with a firm in Bologna, Italy.

In his time as Chairman, Mr. Semple has overseen this growth and adaptation to the ''new economy'' while at the same time stressing the importance of pro bono work to the members and associates of Dykema Gossett. Twice in recent years the law firm has been recognized by the Detroit Metropolitan Bar Association for its efforts in this regard. In 1998, Dykema Gossett was selected by the Business Law Section of the American Bar Association as the firm that made the most outstanding pro bono contribution in the United States in transactional and business related areas. In addition, members and associates donate their time and resources to a host of charitable and civic organizations, recognizing the importance of being not only a community member, but a community leader. Much of this is attributable, I think, to the strong leadership of Mr. Semple, and his belief that a good business should also strive to be a good neighbor.

Mr. Semple himself practices general corporate law, including acquisitions, divestitures, mergers and financings. He received his Bachelor of Arts degree from Yale University, and his Jurist Doctorate from the University of Michigan. He is a member of the Detroit Metropolitan Bar Association, the American Bar Association, and the State Bar of Michigan. He is a Director and/or Officer of Interface Systems, Inc., Sensys Technologies Inc., Tracy Industries, Inc., and Civix, Inc.

In addition, Mr. Semple serves as Chairman of the Board of Trustees of the Detroit Medical Center; Chairman of the Executive Committee of the Detroit Zoological Society; and is a Trustee of Detroit Symphony Orchestra Hall. He is the Director and Corporate Secretary, as well as a Trustee, of the Barbara Ann Karmanos Cancer Center, an organization which raises funds for the awareness and prevention of breast cancer. He has served as Chairman of the Board of Harper Hospital, Councilman and Mayor Pro Tem of the City of Grosse Pointe Farms, President of the Yale Alumni Association of Michigan and President of the Country Club of Detroit.

I applaud Mr. Semple on his many achievements within the realm of the law, and his many charitable endeavors outside of that realm. Not only the City of Detroit, but the entire State of Michigan, has benefitted from his many great works. On behalf of the United States Senate, I congratulate Mr. Lloyd A. Semple on receiving the 2000 Judge Learned Hand Award, and wish him continued success in the future.●

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGES FROM THE HOUSE

At 11:47 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 809. An act to amend the Act of June 1, 1948, to provide for reform of the Federal Protective Service.

H.R. 1959. An act to designate the Federal building located at 743 East Durango Boulevard in San Antonio, Texas, as the ''Adrian A. Spears Judicial Training Center.''

H.R. 3323. An act to designate the Federal building located at 158–15 Liberty Avenue in Jamaica, Queens, New York, as the ''Floyd H. Flake Federal Building.''

H.R. 4608. An act to designate the United States courthouse located at 220 West Depot Street in Greeneville, Tennessee, as the ''James H. Quillen United States Courthouse.''

H.R. 4762. An act to amend the Internal Revenue Code of 1986 to require 527 organizations to disclose their political activities.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 312. Concurrent resolution expressing the sense of the Congress that the States should more closely regulate title pawn transactions and outlaw the imposition of usurious interest rates on title loans to consumers.

H. Con. Res. 333. Concurrent resolution providing for the acceptance of a statue of Chief Washakie, presented by the people of Wyoming, for placement in National Statutory Hall, and for other purposes.

H. Con. Res. 344. Concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to present the Congressional Gold Medal to Father Theodore Hesburgh.

The message also announced that the House has agreed to the amendment of the Senate to the bill (H.R. 2614) to amend the Small Business Investment Act to make improvements to the certified development company program, and for other purposes, with an amendment.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

S. 1309. An act to amend title I of the Employee Retirement Income Security Act of 1974 to provide for the preemption of State law in certain cases relating to certain church plans.

H.R. 2614. An act to amend the Small Business Investment Act to make improvements to the certified development company program, and for other purposes.

At 3:45 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 4733. An act making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes.

ENROLLED BILLS SIGNED

The enrolled bill (S. 1309) was signed subsequently by the President pro tempore (Mr. THURMOND).

## MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 809. an act to amend the Act of June 1, 1948, to provide for reform of the Federal Protective Service; to the Committee on Environment and Public Works.

H.R. 4608. An act to designate the United States courthouse located at 220 West Depot Street in Greeneville, Tennessee, as the ''James H. Quillen United States Courthouse''; to the Committee on Environment and Public Works.

H.R. 4733. An act making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes; to the Committee on Appropriations.

The following concurrent resolutions was read, and referred as indicated:

H. Con. Res. 312. Concurrent resolution expressing the sense of the Congress that the States should more closely regulate title pawn transactions and outlaw the imposition of usurious interest rates on title loans to consumers; to the Committee on Banking, Housing, and Urban Affairs.

## MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 2801. A bill to prohibit funding of the negotiation of the move of the Embassy of the People's Republic of China in the United States until the Secretary of State has required the divestiture of property purchased by the Xinhua News Agency in violation of the Foreign Missions Act.

The following bill was read the first and second times by unanimous consent, and ordered placed on the calendar:

H.R. 4762. An act to amend the Internal Revenue Code of 1986 to require 527 organizations to disclose their political activities.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–9427. A communication from the Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled ''Packaging, Handling, and Transportation'' received on June 14, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9428. A communication from the Associate Administrator of Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled ''Risk Management'' received on June 14, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9429. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Fishery Management Plans of the Gulf of Mexico; Addition to FMP Framework Provisions; Stone Crab Gear Requirements'' (RIN0648–AL81) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9430. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Fisheries of the Northeastern United States Final 2000 Fishing Quotas for Atlantic Surf Clams, Ocean Quahogs, and Maine Mahogany Quahogs'' (RIN0648–AM49) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9431. A communication from the Federal Highway Administration Regulations Officer, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Federal Motor Carrier Safety Regulations; General; Commercial Motor Vehicle Marking'' (RIN2126–AA14) received on June 15, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9432. A communication from the Regulations Officer, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Policy Guidance Concerning Application of Title VI of the Civil Rights Act of 1964 to Metropolitan and Statewide Planning'' received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9433. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Sturgeon Fishery'' (RIN0648–AL38) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9434. A communication from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Final Rule to Implement the Regulatory Amendment Under the Framework Provisions of the Fishery Management Plan for the Reef Fish Resources of the Gulf of Mexico to Set Gag/Black Grouper Management'' (RIN0648–AM70) received on May 22, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9435. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Reexamination of the Comparative Standards for Noncommercial Educational Applicants'' (MM Docket No. 95–31, FCC 00–120) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9436. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Cheyenne, Wyoming, and Gering, Nebraska)'' (MM Docket No. 97–106; RM–9044,9741) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9437. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Anniston and Ashland, Alabama, and College Park, Covington, Milledgeville and Social Circle, Georgia)'' (MM Docket No. 98–112) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9438. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Bayfield, Colorado and Teec Nos Pos, Arizona)'' (MM Docket No. 99–103; RM–9506; RM–9829) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9439. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations Drummond and Victor, Montana'' (MM Docket No. 99–134) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9440. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations Madisonville, Texas''

(MM Docket No. 99–236) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9441. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations Seymour, Texas'' (MM Docket No. 99–340) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9442. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Saranac Lake and Westport, New York)'' (MM Docket No. 99–83) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9443. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Moncks Corner, Kiawah Island, and Sampit, South Carolina)'' (MM Docket No. 94–70) received on June 6, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9444. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Cheyenne, Wyoming and Grover, Colorado)'' (MM Docket No. 96–242; RM–8940, RM–9243) received on June 6, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9445. A communication from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations Monahans and Gardendale, Texas'' (MM Docket No. 99–302) received on June 9, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9446. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Fireworks Display, East River, Wards Island (CGD01–00–113)'' (RIN2115–AA97(2000–0025)) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9447. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Fireworks Display, Naval Station Newport, Newport, RI (CGD01–99–197)'' (RIN2115–AA97(2000–0026)) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9448. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Parade of Tall Ships Newport 2000, Newport, RI (CGD01–99–198)'' (RIN2115–AA97(2000–0027)) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9449. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; China Basin, Mission Creek, San Francisco, CA (CGD11–00–003)'' (RIN2115–AE47(2000–0029)) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9450. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; OPSAIL 2000 Fireworks Displays and Search and Rescue Demonstrations, Port of New York/New Jersey (CGD01–00–009)'' (RIN2115–AA97(2000–0028)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9451. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Ocean View Beach Park, Chesapeake Bay, VA (CGD05–00–118)'' (RIN2115–AA97(2000–0029)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9452. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Coast Guard Activities New York Annual Fireworks Displays (CGD01–00–005)'' (RIN2115–AA97(2000–0030)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9453. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Fireworks Display, New York Harbor Ellis Island (CGD01–00–137)'' (RIN2115–AA97(2000–0031)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9454. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Pine River (Charlevoix), Michigan (CGD09–00–001)'' (RIN2115–AE47(2000–0030)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9455. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Atlantic Intracoastal Waterway, mile 1084.6, Miami, FL (CGD07–00–053)'' (RIN2115–AE47(2000–0031)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9456. A communication from the Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regulated Navigation Areas; Navigable Waters Within the First Coast Guard District (CGD01–98–151)'' (RIN2115–AE48(2000–0002)) received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9457. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fishing Capacity Reduction Program'' (RIN0648–AK76) received on May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9458. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Final rule to revise at-sea scales and observer sampling station and observer transmission of data requirements'' (RIN0648–AL88) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9459. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Tautog; Interstate Fishery Management Plans; Cancellation of Moratorium'' (RIN0648–AN48) received on June 7, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9460. A communication from the Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Designating the Cook Inlet, Alaska, Stock of Beluga Whale as Depleted Under the Marine Mammal Protection Act'' (RIN0648–AM84) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9461. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Closure for Hook-and-Line Gear Groundfish in the Gulf of Alaska, Except for Sablefish or Demersal Shelf Rockfish'' received on May 22, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9462. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Closes Bering Sea Subarea of the Bering Sea and Aleutian Islands to Directed Fishing for Greenland Turbot'' received on June 21, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9463. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska—Closes Gulf of Alaska for Shallow-Water Species Using Trawl Gear'' received on June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9464. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Summer Flounder, Scup, and Black Sea Bass Fisheries; 2000 Specifications'' (RIN0648–AM49) received on June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9465. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Extension of Expiration Date of an Emergency Interim Rule Implementing Stellar Sea Lion Protection Measures for the Pollock Fisheries Off Alaska'' (RIN0648–AM32) received on June 14, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9466. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Final Rule to

Implement Amendment 4 to the Fishery Management Plan for the Coral, Coral Reefs, and Live/Hard Bottom Habitat of the South Atlantic Region'' (RIN0648–AL43) received on June 14, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9467. A communication from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Interim rule; extension of effective date'' (RIN0648–AN41) received on June 14, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9468. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Highly Migratory Species Fisheries; Shark Fishing Season Notification'' (RIN: I.D.052500B) received on June 16, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9469. A communication from the Attorney Advisor, National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Uniform Tire Quality Grading Test Procedures'' (RIN2127–AG96) received by May 22, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9470. A communication from the Deputy Assistant Administrator, Office of Oceanic and Atmospheric Research, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Improved Methods for Ballast Water Treatment and Management and Prevention of Small Boat Transport of Invasive Species: Request for Proposals for Fiscal Year 2000'' received by May 24, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9471. A communication from the Chairman of the Office of General Counsel, Federal Maritime Commission, transmitting, pursuant to law, the report of a rule entitled ''Interpretations and Statements of Policy Regarding Ocean Transportation Intermediaries'' received by June 1, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9472. A communication from the Deputy Division Chief, Competitive Pricing Division, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''In the Matter of Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Low-Volume Long Distance Users, Federal-State Joint Board On Universal Service. CC Docket Nos. 96–262, 94–1, 99–249, and 96–45.'' (FCC00–193) received by June 1, 2000; to the Committee on Commerce, Science , and Transportation.

EC–9473. A communication from the Senior Attorney, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Smoking Aboard Aircraft'' (RIN2105–AC85) received by June 5, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9474. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of a rule entitled ''Privacy of Consumer Financial Information'' (RIN3084–AA85) received on June 16, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9475. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Maine Yankee Steam Generator and Pressurizer Removal Wiscasset, ME (CGD1–00–129)'' (RIN2115–AA97 (2000–0021)) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9476. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; OpSail Miami 2000, Port of Miami (COTP Miami 00–015)'' (RIN2115–AA97 (2000–0022)) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9477. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Transit of S/V Amerigo, Vespucci, Chesapeake Bay, Baltimore, MD (CGD05–00–004)'' (RIN2115–AA97 (2000–0023)) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9478. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; (Including 69 regulations)'' (RIN2115–AA97 (2000–0024)) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9479. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regatta Regulations; (Including 13 regulations)'' (RIN2115–AE46 (2000–0004)) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9480. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regulated Navigation Areas; Termination of Regulated Navigation Area: Monongahela River, Mile 81.0 to 83.0 (CGD08–00–010))'' (RIN2115–AE84 (2000–0001)) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

EC–9481. A communication from the Acting Chief of the Office of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety Zone; Outer Continental Shelf Platforms in the Gulf of Mexico (CGD08–99–023)'' (RIN2115–AF93) received on May 25, 2000; to the Committee on Commerce, Science, and Transportation.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Report to accompany S. 2071, a bill to benefit electricity consumers by promoting the reliability of the bulk-power system (Rept. No. 106–324).

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

H.R. 4249: An act to foster cross-border cooperation and environmental cleanup in Northern Europe.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 239: A resolution expressing the sense of the Senate that Nadia Dabbagh, who was abducted from the United States, should be returned home to her mother, Ms. Maureen Dabbagh.

S. Res. 309: A resolution expressing the sense of the Senate regarding conditions in Laos.

S. Res. 329: A resolution urging the Government of Argentina to pursue and punish those responsible for the 1994 attack on the AMIA Jewish Community Center in Buenos Aires, Argentina.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with an amended preamble:

S. Con. Res. 57: A concurrent resolution concerning the emancipation of the Iranian Baha'i community.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 122: Concurrent resolution recognizing the 60th anniversary of the United States nonrecognition policy of the Soviet takeover of Estonia, Latvia, and Lithuania, and calling for positive steps to promote a peaceful and democratic future for the Baltic region.

## EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. HELMS for the Committee on Foreign Relations.

Ross L. Wilson, of Maryland, a Career Member of the Senior Foreign Service Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Azerbaijan.

Nominee: Ross L. Wilson.

Post: Ambassador to Azerbaijan.

Nominated: February 1, 2000.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, Amount, Date, Donee:

1. Self: none.

2. Spouse: Marguerite H. Squire, none.

3. Children and Spouses: C. Blake Wilson, none; Grady S. Wilson, none.

4. Parents: John A. Wilson, none; Winnidell G. Wilson, approximately $50.00 (total), various 1995–2000, women candidates of Democratic Farmer Labor Party of Minnesota.

5. Grandparents: Osmyn B. Wilson, deceased; Edna B. Wilson, deceased; Andrew J. Gravitt, deceased; Winnidell Gravitt, deceased.

6. Brothers and Spouses: Murray D. Wilson, approximately $100.00 (total), various 1995–2000, Democratic Farmer-Labor Party of Minnesota; Becky Wilson, none.

7. Sisters and Spouses: Joanne Lindahl, approximately $200.00 annually, 1995–2000, American Express Political Action Committee; Duane Lindahl, none.

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Karl William Hofmann, of Maryland, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Togolese Republic.

Nominee: Karl Hofmann.

Post: Togo.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self: none.
2. Barrie F. Hofmann, spouse, none.
3. Elisabeth B. Hofmann, daughter, none; William K. Hofmann, son, none; Zoe R. Hofmann, daughter, none.
4. Janet R. Hofmann, mother, $100—1994, $200—1995, $175—1996, $200—1998, Representative Anna Eshoo; $60—1994, $35—1995, Senator Diane Feinstein; $125—1998, Senator Barbara Boxer; William W. Hofmann, father, none.
5. George J. Reese, grandfather, deceased; Florence R. Reese, grandmother, deceased; William Hofmann, grandfather, deceased; Madeleine W. Hofmann, grandmother, deceased.
6. Mark R. Hofmann, brother, none; Janice Hofmann, sister-in-law, none.
7. Marilyn Hofmann Jones, sister, none; Steven Jones, brother-in-law, none;

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Janet A. Sanderson, of Arizona, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic and Popular Republic of Algeria.

Nominee: Janet A. Sanderson.

Post: Ambassador to Algeria.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self: none.
2. Spouse:
3. Children and Spouses names, none.
4. Parents names: John M. Sanderson, none; Patricia M. Sanderson, none.
5. Grandparents names: Emil and Marjorie Budde, deceased; John and Gail Sanderson, deceased.
6. Brothers and Spouses names: Michael J. Sanderson, none.
7. Sisters and Spouses names, none.

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Donald Y. Yamamoto, of New York, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Djibouti.

Nominee: Donald Y. Yamamoto.

Post: Ambassador to Djibouti.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self: Donald Yamamoto, none.
2. Spouse: Margaret Yamamoto, none.
3. Children and Spouses, names: Michael Yamamoto, none; Laura Yamamoto, none.
4. Parents names: Mr. & Mrs. Hideo & Lillian Yamamoto, none.
5. Grandparents names: Mr. and Mrs. Yamamoto, deceased; Mr. and Mrs. Matsuura, deceased.
6. Brothers and Spouses, names: Mr. Ronald Yamamoto, none.
7. Sisters and Spouses names: No Sister.

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John W. Limbert, of Vermont, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Islamic Republic of Mauritania.

Nominee: John W. Limbert.

Post: Ambassador to Mauritania.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self, none.
2. Spouse, none.
3. Children and Spouses names: Mandana Limbert, Shervin Limbert, none.
4. Parents: deceased.
5. Grandparents: deceased.
6. Brothers and Spouses, none.
7. Sisters and Spouses names: Ms. Lois Witt, none; Mr. Hal Witt, none; Ms. Valerie Olson, none; Spouse deceased.

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Roger A. Meece, of Washington, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America, to the Republic of Malawi.

Nominee: Roger A. Meece.

Post: Ambassador to Malawi.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee
1. Self: none.
2. Spouse: N/A.
3. Children and Spouses: N/A.
4. Parents names: Mary Jane Meece, none.
5. Grandparents names: N/A.
6. Brothers and Spouses, names: Stephen and Victoria Meece, none; Lawrence and Barbara Meece, $35.00 2/1/99, Sen. Slade Gorton, $25.00 10/2/98, Wash. State Repub. Committee, $25.00 1/15/95 Sen. Slade Gorton.
7. Sisters and Spouses names: N/A.

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Mary Ann Peters, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bangladesh.

Nominee Mary Ann Peters.

Post Ambassador to Bangladesh.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self: none.
2. Spouse: Timothy M. McMahon, none.
3. Children and Spouses Names: Margaret McMahon, none; Anthony McMahon, none.
4. Parents Names: Margaret C. Peters, none; Robert M. Peters none.
5. Grandparents Names: Anthony Camarata deceased; Mark W. Peters, deceased, Cornelia Camarata deceased; Margaret D. Peters deceased.
6. Brothers and Spouses, Names: Mark W. Peters, none.
7. Sisters and Spouses Names: Margaret Peters Fox, none, Theodore P. Fox none; Susan P. Peters, $250, May 19/99, Rep. Anne Northrup (R-Ky), $500, July 2/98, GEPAC (Rep. Anne Northrup), $200, Sept. 5/97, GEPAC (Rep. Anne Northrup), $50, Aug. 7/96, GEPAC, $30, Sept. 5/95, GEPAC, $25, Sept. 13/94, GEPAC; Constance Peters Murphy none; Brian P. Murphy, $100, 1997, Tom Davis (R-Va), $100, 1997, Jim Moran (D-Va); Virginia M. Peters, none; Robert A Peters Bigley, none, Mark Bidley none.

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John Edward Herbst, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uzbekistan.

Nominee: John E. Hebst.

Post: Uzbekistan.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self: none.
2. Spouse: None.
3. Children and Spouses Names: Maria Herbst, Ksenia Herbst, Alexsandra Herbst, Nicholas Herbst, John Herbst, none.
4. Parents: Christopher Herbst, deceased; Mary Herbst, deceased.
5. Grandparents Names: John Herbst and Sadia Herbst, deceased; Egidio Vaccheli and Ierene Vaccheli, deceased.
6. Brothers and Spouses Names: none.
7. Sisters and Spouses. Names: Christine Herbst: none; Mitchelle Stern: none.

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E. Ashley Wills, of Georgia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

Nominee: E. Ashley Wills.

Post: Sri Lanka and the Maldives.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self: 0.
2. Spouse: 0.
3. Children and Spouses Names: Zachary, 0, Olivia, 0.
4. Parents Names: James A. Wills, 0, Frankie B. Wills, 0.
5. Grandparents Names: All deceased years ago.
6. Brothers and Spouses Names: James A. Wills III, 0, Kadi Wills, 0.
7. Sisters and Spouses Names: Joan L. Wills, 0.

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Carlos Pascual, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ukraine.

Nominee: Carlos Pascual.

Post: Ambassador to Ukraine.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:
1. Self: $100.
2. Spouse: $100.
3. Children and Spouses names: no children.
4. Parents names: none.
5. Grandparents names: deceased.
6. Brothers and Spouses names: no brothers.
7. Sisters and Spouses names: no sisters.

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Sharon P. Wilkinson, of New York, a Career Member of the Senior Foreign Service,

Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Mozambique.

Nominee: Sharon P. Wilkinson.

Post: Ambassador to Mozambique.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self: none.
2. Spouse: NA.
3. Children and Spouses Names: NA.
4. Parents Names: Fred Wilkinson (deceased), Jeane Ann Wilkinson, none.
5. Grandparents Names: Deceased.
6. Brothers and Spouses Names: Frederick D. Wilkinson III, none.
7. Sisters and Spouses Names: Dayna J. Wilkinson, none.

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Owen James Sheaks, of Virginia, a Career Member of the Senior Executive Service, to be an Assistant Secretary of State (Verification and Compliance). (New Position)

Pamela E. Bridgewater, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Benin.

Nominee: Pamela E. Bridgewater.

Post: Ambassador to the Republic of Benin.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self: none.
2. Spouse: no spouse.
3. Children and Spouses Names: no children.
4. Parents Names: Mary E. Bridgewater, $200.00, April 2000, Lawrence Davies for Congress campaign; Joseph N. Bridgewater (deceased).
5. Grandparents Names: Rev. B.H. and Blance A. Hester (deceased); Mrs. Ethel Bridgewater (deceased).
6. Brothers and Spouses Names: Joseph Bridgewater III (stepbrother), none; no spouse.
7. Sisters and Spouses Names: Claudia Walton (stepsister) none; Michael Walton (spouse), none.

(The above nominations were reported with the recommendations that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. FEINSTEIN:

S. 2803. A bill to provide for infant crib safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAYH (for himself and Mr. LUGAR):

S. 2804. A bill to designate the facility of the United States Postal Service located at 424 South Michigan Street in South Bend, Indiana, as the ''John Brademas Post Office''; to the Committee on Governmental Affairs.

By Mr. THOMPSON (for himself and Mr. LIEBERMAN) (by request):

S. 2805. To amend the Federal Property and Administrative Services Act of 1949, as amended, to enhance Federal asset management, and for other purposes; to the Committee on Governmental Affairs.

By Mr. SARBANES (for himself and Ms. MIKULSKI):

S. 2806. A bill to amend the National Housing Act to clarify the authority of the Secretary of Housing and Urban Development to terminate mortgagee origination approval for poorly performing mortgagees; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BREAUX (for himself Mr. FRIST, Mr. KERREY, Mr. BOND, Mr. SANTORUM, Ms. LANDRIEU, Mr. ASHCROFT, and Ms. COLLINS):

S. 2807. A bill to amend the Social Security Act to establish a Medicare Prescription Drug and Supplemental Benefit Program and to stabilize and improve the Medicare+Choice program, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. FITZGERALD, Mrs. HUTCHISON, and Mr. GRAMS):

S. 2808. A bill to amend the Internal Revenue Code of 1986 to temporarily suspend the Federal fuels tax; read the first time.

By Mr. DODD (for himself and Mr. DEWINE):

S. 2809. A bill to protect the health and welfare of children involved in research; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KERRY (for himself and Mr. DEWINE):

S. 2810. A bill to amend the Consumer Product Safety Act to confirm the Consumer Product Safety Commission's jurisdiction over child safety devices for handguns, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE (for himself and Mr. CONRAD):

S. 2811. A bill to amend the Consolidated Farm and Rural Development Act to make communities with high levels of out-migration or population loss eligible for community facilities grants; to the Committee on Agriculture, Nutrition, and Forestry.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. L. CHAFEE (for himself and Mr. HELMS):

S. Res. 329. A resolution urging the Government of Argentina to pursue and punish those responsible for the 1994 attack on the AMIA Jewish Community Center in Buenos Aires, Argentina; placed on the calendar.

By Mr. LOTT:

S. Con. Res. 125. A concurrent resolution providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mrs. FEINSTEIN:

S. 2803. A bill to provide for infant crib safety, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE INFANT CRIB SAFETY ACT

Mrs. FEINSTEIN. Mr. President, today, I am introducing legislation designed to eliminate injuries and deaths that result from crib accidents.

While there are strict guidelines on the manufacture and sale of new cribs, there are still 25 to 30 million unsafe cribs sold throughout the U.S. in ''secondary markets,'' such as thrift stores and resale furniture stores. These cribs should be taken off the market, and either made safe, or destroyed.

There are a number of reasons why unsafe cribs should be taken off the market:

Each year, at least 45 children die from injuries sustained in cribs. That is almost one child a week.

The number of deaths from crib incidents exceeds deaths from all other nursery products combined.

Over 9,000 children are hospitalized each year as a result of injuries sustained in cribs.

To illustrate the need for this legislation, I want to share with you the story of Danny Lineweaver.

At the age of 23 months, Danny was injured during an attempt to climb out of his crib. Danny caught his shirt on a decorative knob on the cornerpost of his crib and hanged himself.

Though his mother was able to perform CPR the moment she found him, Danny lived in a semi-comatose state for nine years and died in 1993. This injury and subsequent death could have been prevented.

Since Danny's accident, we have passed laws mandating safety standards for the manufacture of new cribs. But this is not enough.

There are nearly four million infants born in this country each year, but only one million new cribs sold. As many as half of all infants are placed in secondhand, hand-me-down, or heirloom cribs—cribs that are sold in thrift stores or resale furniture stores. These cribs may be unsafe, and may in fact threaten the life of the infants placed in them.

This legislation requires thrift stores and retail furniture stores to remove decorative knobs on the cornerposts of cribs before selling those cribs.

Additionally, the bill prohibits hotels and motels from providing unsafe cribs to guests, or risk being fined up to $1,000.

The Infant Crib Safety Act makes the sale of used, unsafe cribs illegal. I hope my colleagues will join me in putting a stop to preventable injuries and deaths resulting from unsafe cribs.

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By Mr. BAYH (for himself and Mr. LUGAR):

S. 2804. A bill to designate the facility of the United States Postal Service located at 424 South Michigan Street in South Bend, Indiana, as the ''John Brademas Post Office''; to the Committee on Governmental Affairs.

DESIGNATION OF THE ''JOHN BRADEMAS POST OFFICE''

● Mr. BAYH. Mr. President. It is with great pride that I rise today to pay tribute to a good friend and a great man, former United States Congressman John Brademas. I am honored to introduce legislation designating the United States Post Office located at 424 South Michigan Street in South Bend, Indiana, as the ''John Brademas Post Office.''

John Brademas was born on March 2, 1927, in Mishawaka, Indiana, a small town in Indiana's third congressional district, which he would later represent for more than two decades (1959–1981). John's father was a Greek immigrant restauranteur and his mother was a Hoosier school teacher. Upon graduation from high school, John joined the Navy and soon thereafter became a Veterans National Scholar at Harvard University, from which he graduated with a B.A., Magna Cum Laude, in 1949. From 1950 to 1953, he studied as a Rhodes Scholar at Oxford University, England, receiving the degree of Doctor of Philosophy in Social Studies.

From 1955 to 1956, John Brademas served as Executive Assistant to the late Adlai E. Stevenson, where he assumed research responsibilities during the 1956 Presidential campaign. Three years later, John Brademas became the first native-born American of Greek origin to be elected to Congress. In the House, he quickly became a leader in the areas of education, the arts and humanities, as well as a staunch defender of the rights of the disabled and the elderly. During his service on the House Committee on Education and Labor, Congressman Brademas was largely responsible for writing major federal legislation concerning elementary and secondary education, higher education, vocational education, as well as support for libraries, museums, and the arts and humanities.

Congressman Brademas was also the chief House sponsor of the Education for all Handicapped Children Act; the Arts, Humanities, and Cultural Affairs Act; and the Older Americans Comprehensive Services Act. In 1977, Congressman Brademas was chosen by his colleagues for the influential position of House Majority Whip, in which he served for his last four years in office. Among his numerous accomplishments, Congressman Brademas was responsible for attaining the necessary funding for the very same Post Office that I seek to name in his honor.

Today, Congressman Brademas is President Emeritus of New York University, where he served as President from 1981–1992. During that time, he led the transition of New York University from a regional commuter school to a national and international research university. In addition to his responsibilities at New York University, he is the Chairman of the National Endowment for Democracy and serves as co-chairman for the Center on Science, Technology and Congress at the American Association for the Advancement of Science. He also serves on the Consultants' Panel to the Comptroller General of the United States.

During his long and distinguished service, both as a leader in government and a leader in higher education, John Brademas has provided inspiration and guidance to two generations of men and women committed to public service and to education. I want to thank Congressman Brademas for his enduring contributions to the State of Indiana and the nation.

Mr. President, it is my hope that the Postal facility located at 424 South Michigan Street will soon bear the name of my good friend and fellow Hoosier, former Congressman John Brademas.●

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By Mr. THOMPSON (for himself and Mr. LIEBERMAN) (by request):

S. 2805. To amend the Federal Property and Administrative Services Act of 1949, as amended, to enhance Federal asset management, and for other purposes; to the Committee on Governmental Affairs.

THE FEDERAL PROPERTY ASSET MANAGEMENT REFORM ACT OF 2000

● Mr. THOMPSON. Mr. President, today Senator Lieberman and I are introducing, by request, the Federal Asset Management Reform Act of 2000. This legislation is the result of the work of the General Services Administration, under the leadership of its Administrator David Barram, to modernize and reform the management, use and disposal of the Federal government's real property and surplus personal property.

The Federal government owns or controls over 24 million acres of land and facilities which have been acquired for use and operation by Federal agencies in support of their missions. Since 1949, the Federal Property and Administrative Services Act has provided the foundation for the management and disposal of these properties as well as for surplus personal property. This legislative proposal is intended to improve life cycle planning and management of Federal assets.

We are introducing this proposal today for the purpose of encouraging study and comment by all interested parties. Key participants in the current property disposal process are state and local governments, non-profit organizations and federal agencies. The Governmental Affairs Committee intends to review this legislative measure and all comments received about it to better understand what changes are desirable in the management of the Federal government's billions of dollars worth of real and surplus property. The Committee expects to follow through with further legislative action in the next Congress.

Mr. President, I ask unanimous consent that the full text of the Federal Asset Management Reform Act of 2000 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2805

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE 1. SHORT TITLE.

This Act may be cited as the ''Federal Property Asset Management Reform Act of 2000''.

TITLE 2. DEFINITIONS.

Section 3 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §472), is amended by adding at the end the following:

''(m) The term ''landholding agency'' means any Federal agency that, by specific or general statutory authority, has jurisdiction, custody, and control over real property, or interests therein. The ten-n does not include agencies, when they are acting as the sponsors of real property conveyances for public benefit purposes pursuant to section 203 of the Act (40 U.S.C. 33 §484).

TITLE 3. LIFE CYCLE PLANNING AND MANAGEMENT

Title 11 of the Federal Property and Administrative Services Act of 1949, as amended, is amended by adding at the end thereof the following new sections:

''SEC. 213. (a) In accordance with the authorities vested in the Administrator under section 205(c) of this Act, the Administrator, in collaboration with the heads of affected Federal agencies, shall establish and maintain current asset management principles to be used as guidance by such agencies in making major decisions concerning the planning, acquisition, use, maintenance, and disposal of real and personal property assets subject to this Act and under the jurisdiction, custody and control of such agencies.

''(b) In order to accumulate and maintain a single, comprehensive descriptive listing of all Federal real property interests under the custody and control of each Federal agency, the Administrator, in coordination with the heads of affected Federal agencies, shall collect such descriptive information, except for classified information, as the Administrator deems will best describe the nature, use, and extent of the real property holdings of the United States. For purposes of this section, real property holdings include all public lands of the United States and all real property of the United States located outside the States of the Union, to include, but not be limited to the District of Columbia, Puerto Rico, American Samoa, Guam, the Trust Territory of the Pacific Islands and the Virgin Islands. To facilitate the reporting on a uniform basis, the Administrator is authorized to establish data and other information technology standards for use by Federal agencies in developing or upgrading agency real property infon-nation systems.

''(c) The listing compiled pursuant to this section shall be public record; however, the Administrator is authorized to withhold infon-nation, including the location of classified facilities, when it is determined that withholding such information would be in the public interest. Nothing herein shall require the public release of information which is exempt from disclosure pursuant to the Freedom of Information Act (5 U.S.C. §552).

''(d) Nothing in this section shall authorize the Administrator to assume jurisdiction over the acquisition, management, or disposal of real property not subject to this Act.

''SEC. 214. (a) Within ISO days of the effective date of this section, the head of each landholding agency shall appoint, or designate from among persons who are employees within such agency, a Senior Real Property Officer. The head of any landholding

agency who so desires may also appoint a Real Property Officer for any major component part of an agency, and such Real Property Officers, for the purposes of complying with this Act, shall report to the Senior Real Property Officer.

''(b) The Senior Real Property Officer for each agency shall be responsible for continuously monitoring agency real property assets to:

''(1) ensure that the management of each asset, including but not limited to its functional use, occupancy, reinvestment requirements and future utility, is fully consistent with and supportive of the goals and objectives set forth in the agency's Strategic Plan required under section 3 of the Government Performance and Results Act of 1993, Public Law 103–62 (5 U.S.C. §306), consistent with the framework provided by the real property asset management principles published by the Administrator pursuant to section 213(a) of this Act, and reflected in an agency asset management plan. The asset management plan shall be prepared according to guidelines issued by the Administrator, shall be maintained to reflect current agency program and budget priorities, and be consistent with capital planning and programming guidance issued by the Office of Management and Budget;

''(2) identify real property assets that can benefit from the application of the enhanced asset management tools described in section 216 of this Act;

''(3) ensure, in those cases where a real property asset can benefit from application of an enhanced asset management tool, that any resulting transaction will result in a fair return on the Federal government investment and protect the Federal government from unreasonable financial or other risks; and

''(4) ensure that a listing and description of the real property assets, under the jurisdiction, custody and control of that agency, including public lands of the United States and property located in foreign lands, is provided to the Administrator, along with any other relevant information the Administrator may request, for inclusion in a govemment-wide listing of all Federal real property interests established and maintained in accordance with section 213(b) of this Act.

''(c) Except as otherwise provided by Federal law, prior to a Federal agency acquiring any interests in real property from any non-Federal source, the Senior Real Property Officer of the acquiring agency shall give first consideration to available Federal real property holdings.''.

TITLE 4. ENHANCED AUTHORITIES FOR REAL PROPERTY ASSET MANAGEMENT

SEC. 401. Title 11 of the Federal Property and Administrative Services Act of 1949, as amended, is amended by adding at the end thereof the following new sections:

''SEC. 215. CRITERIA FOR USING ENHANCED ASSET MANAGEMENT TOOLS.—

''(a) Subject to the requirements of subsection (b) of this section, the head of a landholding agency may apply an enhanced asset management tool described in section 216 of this Title to a real property interest under the agency's jurisdiction, custody and control when the head of the agency has determined that such real property interest—

''(1) when used to acquire replacement real property, is not excess property within the meaning given in subsection 3(e) of this Act (40 U.S.C. §472(e));

''(2) is used to fulfill or support a continuing mission requirement of the agency; and

''(3) can, by applying an enhanced asset management tool, improve the support of such mission.

''(b) Before applying an enhanced asset management tool defined in section 216 to a real property interest identified under subsection (a) of this section, the head of the agency shall determine that such application meets all of the following criteria:

''(1) supports the goals and objectives set forth in the agency's Strategic Plan required under section 3 of the Government Performance and Results Act of 1993, Public Law 103–62 (5 U.S.C. §306) and the agency's real property asset management plan as required in section 214;

''(2) is the most economical and cost effective option available for the use of the real property; and

''(3) is documented in a business plan which, commensurate with the nature of the selected tool, analyzes all reasonable options for using the property; takes into account applicable provisions of law including but not limited to the National Environmental Policy Act; and evidences compliance with the requirements of the Stewart B. McKinney Homeless Assistance Act, including (i) describing the result of the determination by the Department of Housing and Urban Development of the suitability of the property for use to assist the homeless; and (ii) explaining the rationale for the landholding agency's decision not to make the property available for use to assist the homeless.

''SEC. 216. ENHANCED ASSET MANAGEMENT TOOLS.—

''(a) INTERAGENCY TRANSFERS OR EXCHANGES.—Any landholding agency may acquire replacement real property by transfer or exchange of real property subject to this Act with other Federal agencies under terms mutually agreeable to the agencies involved.

''(b) SALES TO OR EXCHANGES WITH NON-FEDERAL SOURCES.—Any landholding agency may acquire replacement real property by selling or exchanging a real property asset or interests therein with any non Federal source; provided that: (1) this transaction does not conflict with other applicable laws governing the acquisition of interests in real property by Federal agencies; (2) the agency first made the property available for transfer or exchange to other Federal agencies; and (3) the transaction results in the agency receiving fair market value consideration, as determined by the agency head, for the asset sold or exchanged.

''(c) SUBLEASES.—The head of any landholding agency, by lease, permit, license or similar instrument, may make available to other Federal agencies and to non-Federal entities the unexpired portion of any government lease for real property; provided that the term of any sublease shall not exceed the unexpired portion of the term of the original government lease of the property and the sublease results in the agency receiving fair market rental value for the asset. Prior to subleasing to any private person or private sector entity, the Federal landholding agency shall give consideration to the needs of the following entities with the needs of entities listed in paragraph (1) being considered before the needs of entities listed in paragraph (2):

''(1) FIRST PRIORITY.—The needs of each of the following entities, equally, shall be given first priority by the agency:

''(A) Federal agencies; and

''(B) Indian tribes (as defined by section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603)), urban Indian organizations (as defined by that section), and tribal organizations (as defined by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) when the property is to be used in connection with an Indian self-determination contract or grant pursuant to the Indian Self-Determination Act (25 U.S.C. 450f et seq.); and

''(C) urban Indian organizations (defined as in subparagraph (B)) when the property is to be used in connection with a contract or grant pursuant to title V of the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.).

''(2) SECOND PRIORITY.—The needs of each of the following entities, equally, shall be given second priority by the agency:

''(A) State and local governments; and

''(B) Indian tribes, tribal organizations, and urban Indian organizations (defined as in paragraph (1)(B)) when the property is to be used other than as described in paragraph (1).

''(d) OUTLEASES.—The head of any landholding agency may make available by outlease agreements with other Federal agencies and non-Federal entities any unused or underused portion of or interest in any agency real and related personal property after finding that (i) there is no long-term mission requirement for the property, but the Federal government is not permitted to dispose of it; or (11) there is a continuing long-term mission requirement for the property to remain in Government ownership but no known agency need for the property over the term of the outlease and (iii) the use of the real property by the lessee will not be inconsistent with the statutory mission of the landholding agency; provided that such an outlease transaction is conducted competitively.

''(1) OUTLEASE AGREEMENTS.—Any outlease agreements authorized under this subsection:

''(A) shall be for a term no longer than 20 years; with the exception that property that cannot be sold may be outleased for up to 35 years provided any such agency head determination of whether property cannot be sold shall be based on criteria established by the Administrator;

''(B) shall result in the agency receiving fair market value consideration, as defined by the agency head, for the asset, including cash, services, and/or in-kind consideration;

''(C) shall not provide a leaseback option to the Federal government to occupy space in any facilities acquired, constructed, repaired, renovated or rehabilitated by the non-govemmental entity, unless the net present value, including the market value of the land provided through the outlease, of such an outlease and leaseback arrangement is less expensive for the Federal government than a simple Government-financed renovation or construction project; provided further that any subsequent agreements to leaseback space in such facilities must be in accordance with the competition requirements of Title III of this Act (41 U.S.C. §253 et seq.) and meet the guidelines for operating leases set forth in Conference Report No. 105–217, to accompany the Balanced Budget Act of 1997.

''(D) shall provide (i) that neither the United States, nor its agencies or employees, shall be liable for any actions, debts or liability of the lessee, and (ii) that the lessee shall not be authorized to execute and shall not execute any instrument or document creating or evidencing any indebtedness unless such instrument or document specifically disclaims any liability of the United States, and of any Federal agency or employee, thereunder; and

(E) may contain such other terms and conditions as the head of the agency making the property available deems necessary to protect the interests of the Federal government.

''(2) ORDER OF CONSIDERATION.—In making property available for outlease, the landholding agency shall follow the order of consideration listed in subsection (c) of this section.

''(3) PREREQUISITES TO AGREEMENTS.—Prior to the head of any landholding agency executing any agreement authorized under subsection (d) of this section which would result in the development or major rehabilitation/renovation of Federal assets in partnership with a non-Federal entity, the head of such agency shall undertake an analysis of the proposed arrangement or transaction, which provides that any Federal real property, financial capital or other resources committed to the transaction are not placed at unreasonable financial risk or legal jeopardy.

''(4) OTHER AUTHORITIES.—The authority under this subsection shall not be construed to affect any other authority of any agency to outlease property or to otherwise make property available for any reason.

''SEC. 217. FORMS OF CONSIDERATION.—Notwithstanding any other provision of law, the forms of consideration received from an enhanced asset management tool as described in section 216 may include cash or cash equivalents, in-kind assets, services, or any combination thereof.

''SEC. 218. TRANSACTIONAL REPORTS.—For those transactions authorized under section 216 involving the sale, exchange or outlease to a non-Federal source of any asset valued in excess of $2 million at the time of the transaction, the head of the landholding agency sponsoring the transaction shall submit the business plan required by subsection 215(b)(3) to the Office of Management and Budget and to the appropriate Committees of the United States Senate and the House of Representatives at least 30 calendar days prior to final execution of such transaction. The $2 million reporting threshold in this subsection may be adjusted upward or downward by the Administrator to reflect the annual inflation/deflation factor as determined by the Department of Commerce Consumer Price Index.

''SEC. 219. ANNUAL REPORTS.—The head of each landholding agency shall include a list of all transactions using enhanced asset management tools under section 216 during the previous fiscal year with the materials the agency annually submits under section 3515 of Title 3 1, United States Code.''

SEC. 402. Section 321 of the Act of June 30, 1932, 47 Stat. 412 (40 U.S.C. §303b), is repealed.

SEC. 403. Subsection 203(b) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §484(b)), is amended to read as follows:

''(b)(1) The care and handling of surplus personal property, pending its disposition, and the disposal of such property, may be performed by the General Services Administration or, when so determined by the Administrator, by the executive agency in possession thereof or by any other executive agency consenting thereto.

''(2) The responsibilities and authorities for the care and handling of surplus real and related personal property, pending its disposition, and for the disposal of such property, provided to the Administrator elsewhere in this Act, are hereby transferred to the head of the landholding agency. The head of the landholding agency may request the General Services Administration or any other entity to provide disposal services, as long as the landholding agency retains the authority to make disposal decisions and agrees to reimburse the related disposal costs. The head of the affected landholding agency may also delegate the authority to manage the disposal process (including responsibility for the related disposal costs) and to make disposal decisions to the General Services Administration. In the latter event, the landholding agency foregoes any claim to any related disposal proceeds pursuant to section 204 of this Act and the General Services Administration, after deducting any disposal expenses incurred, shall deposit any net proceeds in the Treasury. The Administrator of General Services retains the authority to promulgate general policies and procedures for disposing of such property. These policies and procedures shall require that the General Services Administration:

(A) notify the agencies responsible elsewhere in this Act for sponsoring public benefit conveyances of the availability of excess property as soon as it has been declared excess and solicit their input on whether their public benefit represents the highest and best use of such property;

(B) serve as the central point of contact for agencies, prospective donees, and the public on the availability of surplus property as soon as it has been declared surplus;

(C) assure that the agencies with the authority to make disposal decisions give full consideration to the public benefit uses of surplus Federal property in making their disposal decisions; and

(D) serve as a clearinghouse for information on all phases of the surplus property disposal process, including appeals from sponsoring agencies and prospective donees that insufficient consideration was given to public benefit donations.

TITLE 5. INCENTIVES FOR REAL AND PERSONAL PROPERTY MANAGEMENT IMPROVEMENT

SEC. 501. Section 204 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §485), is amended as follows:

(a) in paragraph (2) of subsection (h) by striking ''(b)'' and inserting in lieu thereof ''(c)'', and by striking the phrase '', to the extent provided in appropriations Acts,'';

(b) by revising subsection (i) to read as follows:

''Federal agencies may retain from the proceeds of the sale of personal property amounts necessary to recover, to the extent practicable, the full costs, direct and indirect, incurred by the agencies in disposing of such property including but not limited to the costs for warehousing, storage, environmental services, advertising, appraisal, and transportation. Such amounts shall be deposited into an account available for such expenses without regard to fiscal year limitations. Amounts that are not needed to pay such costs shall be transferred at least annually to the general fund or to a specific account in the Treasury as required by statute.'';

(c) by redesignating subsections (c), (d), (e), (f), (g), (h) and (i), as subsections (d), (e), (f), (g), (h), (i) and (j), respectively; and

(d) by striking subsections (a) and (b) and by inserting in lieu thereof the following subsections (a), (b), and (c):

''SEC. 204. PROCEEDS FROM TRANSFER OR DISPOSITION OF PROPERTY—

''(a)(1) AGENCY RETENTION OF PROCEEDS FROM REAL PROPERTY.—Proceeds resulting from the transfer or disposition of real and related property under this Title shall be credited to the fund, account or appropriation of the agency which made the property available and shall be treated as provided in subsections (b) and (c) of this section.

''(2) PROCEEDS FROM PERSONAL PROPERTY.—Proceeds from any transfer of excess personal property to a Federal agency or from any sale, lease, or other disposition of surplus personal property shall be treated as prescribed in subsection (j) or permitted by law or otherwise.

''(3) OTHER PROCEEDS.—All proceeds under this title not deposited or credited to a specific agency account, shall be covered into the Treasury as miscellaneous receipts except as provided in subsections (d), (e), (f), (g), (h), (i) and (j) of this section or permitted by law or otherwise.

''(b) MONETARY PROCEEDS TO AGENCY CAPITAL ASSET ACCOUNTS.—Monetary proceeds received by agencies from the transfer or disposition of real and related personal property shall be credited to an existing account or an account to be established in the Treasury to pay for the capital expenditures of the particular agency making the property available, which account shall be known as the agency's capital asset account. Subject to subsection (c), any amounts credited or deposited to such account under this section, along with such other amounts as may be appropriated or credited from time to time in annual appropriations acts, shall be devoted to the sole purpose of funding that agency's capital asset expenditures, including any expenses necessary and incident to the agency's real property capital acquisitions, improvements, and dispositions, and such funds shall remain available until expended, in accordance with the agency's asset management plan as required in Section 214, without further authorization: *Provided*, That monies from an exchange or sale of real property, or a portion of a real property holding, under subsection 216(b) of this Act shall be applied only to the replacement of that property or to the rehabilitation of the portion of that real property holding that remains in Federal ownership.''.

''(c) TRANSACTIONAL AND OTHER COSTS.—Agencies may be reimbursed, from the monetary proceeds of real property dispositions or from other available resources including from the agency's capital asset account, the full costs, direct and indirect, to the agency of disposing of such property, including but not limited to the costs of site remediation or other environmental services, relocating affected tenants and occupants, advertising, surveying, appraisal, brokerage, historic preservation services, title insurance, document notarization and recording services and the costs of managing leases and providing necessary services to the lessees.''.

SEC. 502. Nothing in Act shall be construed to repeal or supersede any other provision of Federal law directing the use of proceeds from specific real property transactions or directing how or where a particular Federal agency is to deposit, credit or use the proceeds from the sale, exchange or other disposition of Federal property except as expressly provided for herein.

SEC. 503. (a) Section 2(a) of the Land and Water Conservation Act of 1965 as amended (16 U.S.C. §4601–5(a)), is superseded only to the extent that the Federal Property and Administrative Services Act of 1949, as amended, or a provision of this Act, provide for an alternative disposition of the proceeds from the disposal of any surplus real property and related personal property subject to this Act, or the disposal of any interest therein.

(b) Subsection 3302(b) of Title 31, United States Code, is superseded only to the extent that this Act or any other Act provides for the disposition of money received by the Government.

SEC. 504. For purposes of implementing Title V of this Act, the following shall apply:

(a) For fiscal years 2001 through 2005, OMB shall allocate by agency a prorata share of the baseline estimate of total surplus real property sales receipts transferred to the Land and Water Conservation Fund that were contained in the President's Budget for Fiscal year 2001, made pursuant to section 1109 of title 31 U.S. Code. OMB shall notify the affected agencies and Appropriation Committees of the U.S. House of Representatives and Senate in writing of this allocation within 30 days of enactment of this Act and shall not subsequently revise the allocation.

(b) On September 30 of each fiscal year, each agency shall transfer to the Treasury an amount equal to its allocation for that

fiscal year, out of the proceeds realized from any sales of the agency's surplus real property assets during that fiscal year.

(c) If an agency's actual sale proceeds in any fiscal year are less than the amount allocated to it by OMB for that fiscal year, the agency shall transfer all of its sale proceeds to the Treasury, and its allocation for the subsequent fiscal year shall be increased by the difference.

(d) On September 30, 2005, if an agency has transferred less sale proceeds to the Treasury than its total allocation for the five years, the agency shall transfer the difference out of any other funds available to the agency.

TITLE 6. STREAMLINED AND ENHANCED DISPOSAL AUTHORITIES

SEC. 601. (a) Section 203 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §484), is amended in paragraph (k)(3) as follows—

(1) by striking ''or municipality'' and inserting in lieu thereof ''municipality, or qualified nonprofit organization established for the primary purpose of preserving historic monuments''; and

(2) by inserting after the first sentence ''Such property may be conveyed to a nonprofit organization only if the State, political subdivision, instrumentalities thereof, and municipality in which the property is located do not request conveyance under this section within thirty days after notice to them of the proposed conveyance by the Administrator to that nonprofit organization.''.

(b) Section 203 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C.§484), is amended by revising paragraph (k)(4)(C) to read as follows—

''(C) the Secretary of the Interior, in the case of property transferred pursuant to the surplus Property Act of 1944, as amended, and pursuant to this Act, to States, political subdivisions, and instrumentalities thereof, and municipalities for use as a public park or public recreation area, and to State, political subdivisions, and instrumentalities thereof, municipalities, and nonprofit organizations for use as an historic monument for the benefit of the public; or''.

SEC. 602. (a) Section 203 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §484), is amended in subsection (e) as follows—

(1) by striking subparagraphs (3)(A), (3)(B), (3)(C) and (3)(E);

(2) by redesignating subparagraph (3)(D) and subparagraphs (3)(F) through (3)(I), as subparagraphs (3)(A) through (3)(E), respectively;

(3) by amending redesignated subparagraph (3)(E) to read as follows:

''(E) otherwise authorized by this Act or other law or with respect to personal property deemed advantageous to the Government.''; and

(4) by amending subparagraph (6)(A) to read as follows:

''(6)(A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of any real property that has an estimated fair market value in excess of the threshold value for which transactional reports are required under Section 218.''; and

(5) by deleting subparagraphs (6)(C) and (6)(D).

(b) Section 203 of the Federal Property and Administrative Services Act of 1949, as amended, is further amended by adding to the end thereof the following new subsection:

''(s) The authority of any department, agency, or instrumentality of the executive branch or wholly owned Government corporation to convey or give surplus real and related personal property for public airport purposes under Subchapter II of Title 49, United States Code, shall be subject to the requirements of this Act, and any surplus real property available for conveyance under that subchapter shall first be made available to the Administrator for disposal under this section, including conveyance for any public benefit purposes, including public airport use, as the Administrator, after consultation with the affected agencies, deems advisable.''.

SEC. 603. Subsection 201(c) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §481(c)), is revised to read as follows:

''(c) In acquiring personal property or related services, or a combination thereof, any executive agency, under regulations to be prescribed by the Administrator, subject to regulations prescribed by the Administrator for Federal Procurement Policy pursuant to the Office of Federal Procurement Policy Act (41 U.S.C. §401 et seq.), may exchange or sell personal property and may apply the exchange allowance or proceeds of sale in such cases in whole or in part payment for similar property or related services, or a combination thereof, acquired: Provided, That any transaction carried out under the authority of this subsection shall be evidenced in writing. Sales of property pursuant to this subsection shall be governed by subsection 203(e) of this title, and shall be exempted from the provisions of section 5 of Title 41.''.

SEC. 604. Subsection 202(h) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §483(h)), is amended to read as follows:

''(h) The Administrator may authorize the abandonment, destruction, or other disposal of property which has no commercial value or of which the estimated cost of continued care and handling would exceed the estimated fair market value.''.

SEC. 605. Subsection 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. §484(j)), is further amended as follows:

(a) Paragraph (j)(1) is amended—

(1) by striking the phrase ''the fair and equitable distribution, through donation,'' and inserting in lieu thereof ''donation on a fair and equitable basis''; and

(2) by striking ''paragraphs (2) and (3)'' and inserting in lieu thereof ''paragraph (2)''.

(b) Paragraph (j)(2) is deleted.

(c) Paragraph (j)(3) is renumbered (j)(2) and amended as follows:

(1) by deleting the introductory paragraph and inserting in lieu thereof the following:

''(2) The Administrator shall, pursuant to criteria which are based on need and utilization and established after such consultation with State agencies as is feasible, allocate surplus personal property among the States on a fair and equitable basis, taking into account the condition of the property as well as the original acquisition cost thereof, and transfer to the State agency property selected by it for purposes of donation within the State—'';

(2) in subparagraph (B) by—

(A) deleting ''providers of assistance to homeless individuals, providers of assistance to families or individuals whose annual incomes are below the poverty line (as that term is defined in section 673 of the Community Services Block Grant Act),'';

(B) striking out ''schools for the mentally retarded, schools for the physically handicapped'' and by inserting in lieu thereof ''schools for persons with mental or physical disabilities'';

(C) striking the word ''and'' before ''libraries''; and

(D) inserting ''and educational activities identified by the Secretary of Defense as being of special interest to the Armed Services,'' following the word ''region,''; and

(3) by adding a new subparagraph (C) to read as follows:

''(C) to nonprofit institutions or organizations which are exempt from taxation under section 501 of Title 26, and which have for their primary function the provision of food, shelter, or other necessities to homeless individuals or families or individuals whose annual income is below the poverty line (as that term is defined in section 673 of the Community Services Block Grant Act) for use in assisting the poor and homeless.''.

(d) Paragraph (j)(4) is renumbered (j)(3) and amended as follows:

(1) in subparagraph (C)(ii) by inserting before the period at the end thereof the following: ''*: Provided*, That such requirement shall not apply to property identified by the Administrator in subparagraph (E) of this paragraph as property for which no terms, conditions, reservations, or restrictions shall be imposed.'';

(2) by deleting subparagraph (E) and inserting the following new paragraph:

''(E) The State plan of operation shall provide that the State agency may impose reasonable terms, conditions, reservations, and restrictions on the use of property to be donated under paragraph (2) of this subsection and shall impose such terms, conditions, reservations, and restrictions as required by the Administrator. The Administrator shall determine the condition, age, value, or cost of property for which no terms, conditions, reservations or restrictions shall be imposed and for property so identified, title shall pass to the recipient immediately upon transfer by the State agency. If the Administrator finds that an item or items have characteristics that require special handling or use limitations, the Administrator may impose appropriate conditions on the donation of such property.''.

(e) Paragraph (j)(5) is renumbered (j)(4).

SEC. 606. (a) Section 501 of the Stewart B. McKinney Homeless Assistance Act, as amended, and as codified at section 11411 of title 42, United States Code, is amended as follows:

(1) in the first sentence of subsection (a), by inserting before the period the following: '', and that have not been previously reported on by an agency under this subsection'';

(2) in the second sentence of subsection (a), by inserting after ''to the Secretary'' the following: '', which shall not include information previously reported on by an agency under this subsection'';

(3) in subsection (b)(1), (c)(1)(A), and (c)(2)(A), by striking ''45'' and inserting ''30'';

(4) in subsection (c)(1)(A)(i), by inserting after ''(a)'' the following: ''that have not been previously published'';

(5) in subsection (c)(1)(A)(ii), by inserting after ''properties'' the following: ''which have not been previously published'';

(6) by striking subsections (c)(1)(D) and (c)(4);

(7) in subsections (d)(1) and (d)(2), by striking ''60 and inserting ''90'';

(8) in subsection (d)(4)(A), by striking ''after the 60–day period described in paragraph (1) has expired.'' and inserting ''during the 90–day period described in paragraph (1).'' and by striking the remainder of the paragraph;

(9) in subsection (e)(3), by inserting the following sentence immediately after the first sentence: ''The Secretary of Health and Human Services shall give a preference to applications that contain a certification that their proposal is consistent with the local Continuum of Care strategy for homeless assistance.'';

(10) in subsection (h) heading, by striking ''APPLICABILITY TO PROPERTY UNDER BASE CLOSURE PROCESS'' and inserting ''EXEMPTIONS''; and

(11) in subsection (h), by adding the following new paragraph at the end:

''(3) The provisions of this section shall not apply to buildings and property that are—

(A) in a secured area for national defense purposes; or

(B) inaccessible by road and can be reached only by crossing private property.''.

(b) Within 30 days of the date of enactment of this section, the Secretary of Housing and Urban Development shall survey landholding agencies to determine whether the properties included in the last comprehensive list of properties published pursuant to section 501(c)(1)(A) of the Stewart B. McKinney Homeless Assistance Act remain available for application for use to assist homeless. The Secretary shall publish in the Federal Register a list of all such properties. Such properties shall remain available for application for use to assist the homeless in accordance with sections 501(d) and 501(e) of such Act (as amended by subsection (a) of this section) as if such properties had been published under section 501(c)(1)(A)(ii) of such Act.

TITLE 7. MISCELLANEOUS

SEC. 701. SCOPE AND CONSTRUCTION.—The authorities granted by this Act to the heads of Federal agencies for the management of real and personal property and the conduct of transactions involving such property, including the disposition of the proceeds therefrom, shall be in addition to, and not in lieu of, any authorities provided in any law existing on the date of enactment hereof. Except as expressly provided herein, nothing in this Act shall be construed to repeal or supersede any such authorities.

SEC. 702. SEVERABILITY.—Although this Act is intended to be integrated legislation, should any portion or provision of this Act be found to be invalid or otherwise unenforceable by a court of competent jurisdiction, such portion or portions of this Act shall be considered independent and severable for all other provisions of this Act and such invalidity shall not, by itself, invalidate any other provisions of this Act, which remaining provisions shall have the full force and effect of law.

SEC. 703. JUDICIAL REVIEW.—Any determination or any asset management decision by an authorized agency official to transfer, outlease, sell, exchange or dispose of Federal real property or an interest therein in accordance with applicable law shall be at the sole discretion of the authorized agency official and shall not be the basis of any suit, claim or action.

SEC. 704. NO WAIVER.—Nothing in this Act should be construed to limit or waive any right, remedy, immunity, or jurisdiction of any Federal agency or any claim, judgement, lien or benefit due the United States of America.

SEC. 705. EFFECTIVE DATE.—This Act and the amendments made by its provisions shall be effective upon enactment except as otherwise specifically provided for herein.●

● Mr. LIEBERMAN. Mr. President, today, along with Senator THOMPSON, I am introducing a bill at the request of the administration to amend the Federal Property and Administrative Services Act of 1949. The bill is designed to improve the federal government's role in managing both its personal and real property. By granting agencies enhanced tools to handle their assets, the bill's goal is to bring federal asset management into the 21st century. I invite comments on the administration's proposal and look forward to reviewing them.●

By Mr. SARBANES (for himself and Ms. MIKULSKI):

S. 2806. A bill to amend the National Housing Act to clarify the authority of the Secretary of Housing and Urban Development to terminate mortgagee origination approval for poorly performing mortgagees; to the Committee on Banking, Housing, and Urban Affairs.

CREDIT WATCH ACT OF 2000

● Mr. SARBANES. Mr. President, today I am introducing, ''Credit Watch,'' a bill that will authorize the Federal Housing Administration (FHA) to identify lenders who have excessively high early default and claim rates and terminate their origination approval. This legislation is necessary to protect the FHA fund and take action against lenders who are contributing to the deterioration of our neighborhoods.

A recent rash of FHA loan defaults have led to foreclosures and vacant properties in a number of cities around the country. In Baltimore, the effects of high foreclosure rates are acute. In some neighborhoods, there are numerous foreclosed homes, now abandoned, within just a few blocks of each other. This can often be the beginning of a neighborhood's decline. It creates a perception that the property and the neighborhood is not highly valued. In turn, these neighborhoods become physically deteriorated and often attract criminal activity.

It's like a rotten apple in a barrel. The rundown appearance of one home spreads to the surrounding neighborhood. Neighborhoods that are struggling to stabilize and revitalize find their efforts undermined by the presence of abandoned homes.

The Department of Housing and Urban Development (HUD), community activists, and local law makers have come together to examine the loans being made in neighborhoods with high foreclosure rates.

In Baltimore and other cities, these groups found that careless lenders are offering FHA insured loans to families who cannot afford to pay them back. Early default or claim of these loans frequently leads to foreclosure of the home. A foreclosed property can easily turn into an uninhabited home, which can either begin or continue a cycle of decline.

In an effort to reduce the number of loans that end in foreclosure, the FHA developed several new oversight methods. One of which is ''Credit Watch.''

''Credit Watch'' is an automated system that compares the number of early foreclosures and claims of lenders in the same area. This legislation authorizes FHA to revoke the origination approval of lenders who have significantly higher rates of early defaults and claims than the other lenders in the same area. FHA is currently targeting lenders with default rates over 300% of the area average. They estimate that in Baltimore this threshold would allow them to terminate the origination privileges of three major lenders that account for 40% of early defaults and claims.

The legislation accounts for differing regional economies by ensuring that lenders are only compared to others making loans in the same community. It also provides a manner by which terminated lenders may appeal the decision of the FHA, if they believe there are mitigating factors that may justify higher rates.

When lenders make loans with no regard for the consumer or the health of the community, the FHA must be able to take action in a timely manner. This practice is a costly abuse of the FHA insurance fund. Quick action not only protects the health of the Mutual Mortgage Insurance (MMI) fund, but it protects neighborhoods from the detrimental effects of high vacancy rates and consumers from the pain of foreclosure and serious damage to their credit.

Lenders that offer loans to individuals who cannot afford them should not be able to continue making those loans. It is a bad deal for taxpayers. It is a bad deal for neighborhoods. It is a bad deal for the families who take out the loan.

Credit Watch is an effective and efficient way that the FHA can prevent these unfortunate foreclosures from happening. While we need to address the larger issue of predatory lending in our communities, ''Credit Watch'' is an obvious and immediate solution to one part of the problem.●

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By Mr. BREAUX (for himself, Mr. FRIST, Mr. KERREY, Mr. BOND, Mr. SANTORUM, Ms. LANDRIEU, Mr. ASHCROFT, and Ms. COLLINS):

S. 2807. A bill to amend the Social Security Act to establish a Medicare Prescription Drug and Supplemental Benefit Program and to stabilize and improve the Medicare+Choice program, and for other purposes; to the Committee on Finance.

MEDICARE PRESCRIPTION DRUG AND MODERNIZATION ACT OF 2000

● Mr. FRIST. Mr. President, I am pleased to be here today to join Senators BREAUX, KERREY, BOND, SANTORUM, LANDRIEU, ASHCROFT, and COLLINS in introducing the ''Medicare Prescription Drug and Modernization Act of 2000''—a truly bipartisan effort to address the real need to provide seniors the prescription drugs they deserve and strengthen and improve the Medicare program overall.

Last fall, I introduced the ''Medicare Preservation and Improvement Act of 1999'', with Senators BREAUX, KERREY, and HAGEL. This was the first bipartisan attempt to comprehensively reform Medicare in the program's 35 year history. When Medicare was first enacted in 1965, it had the goal of providing seniors necessary acute health care that would otherwise have been unaffordable. However today's health care delivery systems are far more advanced than the program's creators

ever imagined. Our goal over the past year was to create an atmosphere for further discussion on ways to strengthen and improve the Medicare program, including proposals for an outpatient prescription drug benefit. Today, we take the first step in the right direction—a direction to bring Medicare in line with the benefits and delivery systems commonplace in the 21st century today.

Building on last year's bill and the findings of the Bipartisan Commission on the Future of Medicare, the ''Medicare Prescription Drug and Modernization Act of 2000'' takes the first steps towards long-term Medicare reform while adding a much needed outpatient prescription drug benefit to the program. Unlike in 1965, prescription drugs are integral to the delivery of health care and treating diseases prevalent among the elderly population. We must include a prescription drug benefit in the Medicare system. However, we must also address some of the other problems facing Medicare.

For instance, we must recognize the need to update the total benefit package and increase the flexibility of the program. Today's Medicare coverage is inadequate, covering only 53 percent of beneficiary's average health costs, and still does not include coverage for many preventive services, eyeglasses, or dental care, much less prescription drugs.

Medicare is also facing a doubling of beneficiaries over the coming decades. Today, there are 39 million Medicare beneficiaries, but within the next 10 years, 77 million baby boomers will begin entering the program. Our ability to effectively respond to this increased demand is further limited by the declining number of workers paying payroll taxes, which fund Medicare obligations each year, as the number of workers per retiree has continued to decline, from 4.5 in 1960 to 3.9 today. This figure is expected to further decline to 2.8 in 2020.

We all know that Medicare spending consumes much of the federal budget. But this will only get worse. Currently absorbing nearly 12 percent of the federal outlays, Medicare will balloon to 25 percent of the federal budget by 2030. The program, which relies on general revenues to pay for close to 40 percent of total program expenditures today, will continue to use an increasing share of general revenues, leaving fewer and fewer federal dollars available to support other federal programs.

Finally, with over hundred thousand pages of HCFA regulations governing Medicare, the program has become so bloated and heavily micro-managed that it cannot adopt to the daily advances in medicine and health care delivery. Even when life-saving diagnostic tests become available, such as a breakthrough prostate cancer-screening test that came on the market in the early 1990s, it takes years before they can be approved. Medicare has only recently begun reimbursing for prostate screening and only because a new law was passed to allow it.

The very fact that Congress must past such laws illustrates perfectly the problem with a heavily micro-managed system. No government program can possibly keep up with the increasingly rapid rate at which new drugs and technologies are brought to the market. As a physician, I know that today, more than ever, access to lifesaving drugs and technology as they become available is the key to providing quality health care, and we must modernize Medicare to meet these demands.

The need to modernize Medicare has never been more apparent. The measures included in the ''Medicare Prescription Drug and Modernization Act of 2000'' will provide seniors the option to choose the kind of health care coverage that best suit their individual needs, including enhanced benefits, outpatient prescription drug coverage, and protections against high out-of-pocket drug costs.

The ''Medicare Prescription Drug and Modernization Act of 2000'' establishes that Competitive Medicare Agency (CMA), an independent, executive-branch agency to spearhead an advanced level of Medicare management and oversight—leaving behind the intransigent bureaucracy and outdated mindset infecting the program and instead guaranteeing seniors choice, health care security, and improved benefits and delivery of care. Modeled after the Social Security Administration, the CMA functions in a manner similar to the Office of Personnel Management, which has a 40-year track record of success in providing quality comprehensive health coverage for the millions of federal employees and their families through the Federal Employees Health Benefits Program.

Vital to this bill is the Prescription Drug and Supplemental Benefit Program that provides beneficiaries outpatient prescription drugs and other additional benefits through new Medicare Prescription Plus plans offered by private entities or through Medicare+Choice plans. The drug benefit will provide, at a minimum, a standard prescription drug package consisting of a $250 deductible, 50 percent cost-sharing up to $2,100, and stop-loss protection at $6,000. Seniors are guaranteed this minimum benefits, but also have the choice of other drug benefit packages. I recognize more than anyone that a one-size-fits-all approach to health care does not work. It is important to pass along the same choices we, as members of Congress, have, Seniors deserve no less.

We ensure that low-income beneficiaries receive necessary drug coverage by providing premium subsidies. Beneficiaries below 135 percent of poverty, beneficiaries receive a 100 percent premium subsidy and 95 percent of all cost-sharing. Beneficiaries between 135% and 150 percent of poverty receive premium subsidiaries on a sliding scale from a much as 100 percent to no less than 25 percent, and all beneficiaries, regardless of income, will receive a 25% premium subsidy. Since 39 percent of beneficiaries below 150 percent of poverty have no drug coverage, this provision alone will provide comprehensive drug coverage for over 5 million seniors and individuals with disabilities.

We also address the high costs of drugs by ensuring that no beneficiary will ever pay retail prices for prescription drugs again. We do this through a prescription drug discount card program that passes on price discounts negotiated between pharmaceutical companies and insurers to beneficiaries. For example, today a senior may pay $100 for a particular drug. Under the ''Medicare Prescription Drug and Modernization Act of 2000'', this senior would have access to the insurers negotiated rate of $70, but then would also receive an even further discount through coinsurance, reducing the total price of the drug by over 60 percent down to just $35.

The ''Medicare Prescription Drug and Modernization Act of 2000'' modernizes Medicare by establishing a new competitive system under Medicare+Choice where plans bid for the costs of delivering care and compete with traditional Medicare based on benefits, price, and quality so that beneficiaries receive the highest-quality, affordable health care possible. Under this new system, plans are allowed maximum flexibility to reduce current beneficiary Part B premiums and cost-sharing as well as offer new and additional benefits to beneficiaries, including outpatient prescription drug coverage.

Finally, the ''Medicare Prescription Drug and Modernization Act of 2000'', for the first time in Medicare's history provides lawmakers and the public a better measure for evaluating Medicare's financial health and establishes strong reporting requirements for the Medicare program as a whole.

Medicare must be modernized to provide seniors integrated health care choices, including outpatient prescription drug coverage. This afternoon my colleagues and I have moved beyond the demagoguery and disinformation campaigns and have come together to propose bipartisan legislation that balances the very real need for outpatient prescription drug coverage with the need for meaningful modernizations. By moving forward on this legislation, I believe we can truly provide choice and security for our Medicare beneficiaries to ensure their individual health care needs are met, today and well into the future.●

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By Mr. DODD (for himself and Mr. DEWINE):

S. 2809. A bill to protect the health and welfare of children involved in research; to the Committee on Health, Education, Labor, and Pensions.

CHILDREN'S RESEARCH PROTECTION ACT

Mr. DODD. Mr. President, I rise today with my colleague from Ohio, Senator DEWINE, to introduce important legislation to enhance the safety

of our children. The Children's Research Protection Act will strengthen protections for children participating in research and also increase the number researchers expert in pediatric pharmacology.

Three years ago, Senator DEWINE and I were successful in enacting legislation to reverse a troubling statistic—the fact that only 20 percent of drugs on the market have been tested specifically for their safety and efficacy in children. Our legislation, The Better Pharmaceuticals for Children Act, for the first time provided a incentive for drug companies to test their products for use with children. The results of that legislation have been overwhelming. In the 2 years since this initiative was started, drug manufacturers have launched more than 300 new pediatric studies of 127 drugs. In contrast, in the 5 years prior to enactment of our legislation, the industry conducted only 11 pediatric safety studies for drugs already on the market—11 studies in five years versus over 300 in just 2 years. The most immediate consequence of this surge in the industry's interest in testing their products in children is the rapid increase in the number of children being signed up to participate in research studies—more than 18,000 children will eventually be needed just for the 300 trials that have been proposed so far.

While we're thrilled with the success of our legislation, it has forced us to take a hard look at the adequacy of the safety protections for children participating in research. All experimental treatments, by their very nature, contain some risk. Research involving children is no exception. Yet, despite the risks, each year thousands of parents agree to allow their children to participate in a clinical trial, either in hopes of improving their own health or the health of other children. In doing so, they place their trust in the expertise and ethics of the researchers and in strong oversight by the federal government. The vast majority of the time that trust is well-founded. But recent isolated incidents involving children harmed during clinical trials, as well as increasing concerns about the adequacy of federal oversight for clinical trials, generally point to the need to proactively address the issue of the safety of children in research.

It is that need to be proactive that has led Senator DEWINE and I to introduce the Children's Research Protection Act. This legislation will address critical safety issues in children's research by:

(1) Requiring the Secretary of Health and Human Services (HHS) to review the current regulations for the protection of children participating in research and to clarify and update them to ensure the highest standards of safety.

Requiring that all HHS funded and regulated research comply with these strengthened federal protections. (Currently research overseen by the Food and Drug Administration, but funded by private pharmaceutical companies, is not required to comply with the additional children's protections, although many pharmaceutical companies do so voluntarily.)

(3) Requiring the 15 federal agencies that don't currently have special guidelines for children's research to develop them within 12 months.

(4) Asking the Secretary of HHS to review the adequacy of the IRB (Institutional Review Board) process for protecting children in clinical trials and to report to Congress within 6 months on the question of whether we should have a national board(s) to review adverse events arising out of research on children.

(5) Increasing the number of researchers that are experts in conducting drug research with children by providing grants for fellowship training and creating a loan repayment program for pediatric drug researchers. Only 20 physicians complete clinical pharmacology speciality training programs each year—of these, only 2 or fewer specialize in pediatric pharmacology.

We still have a long way to go to make sure that children are not an afterthought when it comes to drug research, but we can start by making sure that when they volunteer to help other children by participating in research, their safety is paramount. This measure prescribes a strong dose of safety for our children. It provides critically important safeguards and protections when it comes to pediatric medicine testing, allowing us to increase our knowledge of children's medication without increasing the danger to children.

I am pleased to join Senator DEWINE in this effort and I look forward to working with my colleague to pass this legislation.

I ask unanimous consent that the attached letters and a copy of the bill be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

S. 2809

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Children's Research Protection Act''.

**SEC. 2. FINDINGS, PURPOSES, AND DEFINITION.**

(a) FINDINGS.—Congress makes the following findings:

(1) Children are the future of the Nation and the preservation and improvement of child health is in the national interest.

(2) The preservation and improvement of child health may require the use of pharmaceutical products.

(3) Currently only 1 out of 5 drugs on the market in the United States have been approved for use by children. The enactment of the provisions of the Food and Drug Administration Modernization Act (Public Law 105-115) relating to pediatric studies of drugs, however, is expected to increase the pediatric testing of pharmaceuticals and thus to increase the numbers of children involved in research.

(4) Children are a vulnerable population and thus need additional protections for their involvement in research relative to adults. Yet, current Federal guidelines for the protection of children involved in research have not been updated since 1981, do not currently apply to Food and Drug Administration-regulated research that is not Federally funded, and have not been adopted by all Federal agencies that conduct research involving children.

(5) Currently, in the United States, there is a shortage of pharmacologists trained to address the unique aspects of developing therapies for children. There are fewer than 200 academic-based clinical pharmacologists in the United States, of which 20 percent or fewer are pediatricians. Currently, only 20 physicians complete clinical pharmacology specialty training programs each year, and of these, only 2 or fewer specialize in pediatric pharmacology.

(b) PURPOSES.—It is the purpose of this Act to—

(1) ensure the adequate and appropriate protection of children involved in research by—

(A) reviewing and updating as needed the Federal regulations that provide additional protections for children participating in research as contained in subpart D of part 45 of title 46, Code of Federal Regulations;

(B) extending such subpart D to all research regulated by the Secretary of Health and Human Services; and

(C) requiring that all Federal agencies adopt regulations for additional protections for children involved in research that is conducted, supported, or regulated by the Federal Government; and

(2) ensure that an adequate number of pediatric clinical pharmacologists are trained and retained, in order to meet the increased demand for expertise in this area created by the pediatric studies provisions of the Food and Drug Administration Modernization Act (Public law 105-115), so that all children have access to medications that have been adequately and properly tested on children.

(c) DEFINITION.—In this Act, the term ''pediatric clinical pharmacologist'' means an individual—

(1) who is board certified in pediatrics; and

(2) who has additional formal training and expertise in human pharmacology.

**SEC. 3. REVIEW OF REGULATIONS.**

(a) REVIEW.—By not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall have conducted a review of the regulations under subpart D of part 45 of title 46, Code of Federal Regulations, considered any modifications necessary to ensure the adequate and appropriate protection of children participating in research, and report the findings of the Secretary back to Congress.

(b) AREAS OF REVIEW.—In conducting the review under subsection (a), the Secretary of Health and Human Services shall consider—

(1) the appropriateness of the regulations for children of differing ages and maturity levels, including legal status;

(2) the definition of ''minimal risk'' and the manner in which such definition varies for a healthy child as compared to a child with an illness;

(3) the definitions of ''assent'' and ''permission'' for child clinical research participants and their parents or guardians and of ''adequate provisions'' for soliciting assent or permission in research as such definitions relate to the process of obtaining the informed consent of children participating in research and the parents or guardians of such children;

(4) the definitions of ''direct benefit to the individual subjects'' and ''generalizable

knowledge about the subject's disorder or condition'';

(5) whether or not payment (financial or otherwise) may be provided to a child or his or her parent or guardian for the participation of the child in research, and if so, the amount and type given;

(6) the expectations of child research participants and their parent or guardian for the direct benefits of the child's research involvement;

(7) safeguards for research involving children conducted in emergency situations with a waiver of informed assent;

(8) parent and child notification in instances in which the regulations have not been complied with;

(9) compliance with the regulations in effect on the date of enactment of this Act, the monitoring of such compliance, and enforcement actions for violations of such regulations; and

(10) the appropriateness of current practices for recruiting children for participation in research.

(c) CONSULTATION.—In conducting the review under subsection (a), the Secretary of Health and Human Services shall consult broadly with experts in the field, including pediatric pharmacologists, pediatricians, bioethics experts, clinical investigators, institutional review boards, industry experts, and children who have participated in research studies and the parents or guardians of such children.

(d) CONSIDERATION OF ADDITIONAL PROVISIONS.—In conducting the review under subsection (a), the Secretary of Health and Human Services shall consider and, not later than 6 months after the date of enactment of this Act, report back to Congress concerning—

(1) whether the Secretary should establish national data and safety monitoring boards to review adverse events associated with research involving children; and

(2) whether the institutional review board oversight of clinical trials involving children is adequate to protect the children.

**SEC. 4. REQUIREMENT FOR ADDITIONAL PROTECTIONS FOR CHILDREN INVOLVED IN RESEARCH.**

(a) IN GENERAL.—Notwithstanding any other provision of law, not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall require that all research involving children that is conducted, supported, or regulated by the Department of Health and Human Services be in compliance with subpart D of part 45 of title 46, Code of Federal Regulations.

''(b) OTHER FEDERAL AGENCIES.—Not later than 12 months after the date of enactment of this Act, all Federal agencies shall have promulgated regulations to provide additional protections for children involved in research.

**SEC. 5. GRANTS FOR PEDIATRIC PHARMACOLOGY.**

(a) IN GENERAL.—The Secretary of Health and Human Services shall award grants to qualified academic research institutions and research networks with the appropriate expertise to provide training in pediatric clinical pharmacology, such as the Pediatric Pharmacology Research Units of the National Institute of Child Health and Human Development, and the Research Units of the National Institute of Mental Health, to enable such entities to provide fellowship training to individuals who hold an M.D. in order to ensure the specialized training of pediatric clinical pharmacologists.

(b) AMOUNT OF GRANT.—In awarding grants under subsection (a), the Secretary of Health and Human Services shall ensure that each grantee receive adequate amounts under the grant to enable the grantee to fund at least 1 fellow each year for a 3-year period, at a total of $100,000 per fellowship per year.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each fiscal year.

**SEC. 6. LOAN REPAYMENT PROGRAM REGARDING CLINICAL RESEARCHERS.**

Part G of title IV of the Public Health Service Act is amended by inserting after section 487E (42 U.S.C. 288–5) the following:

**''SEC. 487F. LOAN REPAYMENT PROGRAM REGARDING PEDIATRIC PHARMACOLOGY.**

''(a) IN GENERAL.—The Secretary, acting through the Director of the National Institutes of Health, shall establish a program to enter into contracts with qualified individuals who hold an M.D. under which such individuals agree to undergo training in, and practice, pediatric pharmacology, in consideration of the Federal Government agreeing to repay, for each year of service as a pediatric pharmacologist, not more than $35,000 of the principal and interest of the educational loans of such individuals.

''(b) APPLICATION OF PROVISIONS.—The provisions of sections 338B, 338C, and 338E shall, except as inconsistent with subsection (a) of this section, apply to the program established under subsection (a) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III.

''(c) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each fiscal year.

''(2) AVAILABILITY.—Amounts appropriated for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were made available.''.

**SEC. 7. EFFECTIVE DATE.**

The provisions of sections 5 and 6 shall take effect on the date that is 6 months after the date of enactment of this Act.

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*May 1, 2000.*

DEAR SENATOR DODD, I am addressing you today in support of proposed senate bill, AAC: ''Children's Research Protection Act'' ''. . . that will protect the health and welfare of children involved in research.'' Additionally, this bill will serve to ascertain whether specific guidelines should be included in the Code of Federal Regulations for conducting research with other vulnerable members of our society.

As a long time advocate and provider of services for persons with disabilities, families and children, my ongoing research of the informed consent process as it relates to clinical trials dates back to 1979. At that time, I focused on some very complex issues of conducting medical research with children who had mental retardation and were being placed under state care.

We are a wealthy and powerful nation and I believe that our children are our greatest treasure. They deserve the highest ethical standards that we can provide in all areas of their lives including medical research and health. With the passage of the Food and Drug Administration Modernization Act, we have widened the field of pediatric clinical research, as should be the case since until this time it has been seriously lacking attention. Due to this surge in new research, it is the opportune time to review federal regulations that provide guidelines for clinical trials. We need to close gaps and better define protections so that our children will be offered the safest environment possible during research efforts. Furthermore, the parents and guardians of our children need to have every advantage and possible opportunity afforded them so they can more fully understand the experimental nature of any research before giving consent.

I am particularly excited that there are provisions in this bill to help increase the number of pediatric clinical pharmacologists and clinical investigators. This action will strengthen the quality of research and treatment prescribed for children.

In closing, this bill helps reach a goal of optimal health therapy for our children. As always, I appreciate the hard work and time that has been expended to bring this issue forward for legislative action. Thank you.

Sincerely,

SHEILA S. MULVEY.

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*May 1, 2000.*

TO WHOM IT MAY CONCERN: My name is David Krol and I am a pediatrician in New Haven, Connecticut and a recent graduate of pediatric residency training. I am writing in support of the Children's Research Protection Act. As both a practicing pediatrican and a child health researcher I am very interested in studies that can improve the lives of children. These studies, however, need to keep in mind the unique biology of children as well as the developmental needs of those who would participate in these studies. Children are most definitely a unique population and require protections in the research environment that are adequate, appropriate, and different from adults. I am pleased to see that the Children's Research and Protection Act addresses these issues.

In addition, as a recent graduate from medical school with a debt burden hovering near $90,000, I am very aware of the difficult decision that many medical school graduates face in choosing a specialty. It can be a very difficult decision to pursue further training and postpone the reduction of the significant debt many of us face. Those who pursue pediatric subspecialty training, including pediatric pharmacologists, are no exception to this fact. I am very happy to see that the Children's Research Protection Act provides both funding for pediatric pharmacology positions and loan repayment for those who would choose to further their education in such an important and rewarding specialty. I hope we can extend this opportunity to all who pursue pediatric subspecialty training. Pediatric research requires not only experts in pediatric pharmacology but also in the specific diseases that need to be researched.

It is with great pleasure that I write this letter in support of the Children's Research Protection Act. I ask for your support concerning this important issue in child health.

Sincerely,

DAVID M. KROL, MD.

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AMERICAN ACADEMY OF PEDIATRICS,

*May 1, 2000.*

Hon. CHRISTOPHER DODD,
*U.S. Senate,*
Washington, DC.
Hon. MIKE DEWINE,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATORS DODD AND DEWINE: The American Academy of Pediatrics, representing 55,000 pediatricians throughout the United States, is pleased to support the Children's Research Protection Act. This legislation provides appropriate and needed requirements for the inclusion of children in any research conducted, supported, or regulated by the U.S. Department of Health and Human Services.

Protection of children in all research settings is an imperative. Under your strong

leadership, important advances are being made in therapeutic research for children through the Food and Drug Administration Modernization Act (FDAMA). As a result of FDAMA, the increase in the number of new clinical trials involving pediatric patients is unprecedented. The Children's Research Protection Act balances the need to continue and encourage more and better clinical trials involving children while at the same time ensuring that children are protected by requiring that all research be in compliance with subpart D of part 45 of title 46, Code of Federal Regulations.

This legislation also recognizes the importance of increasing the number of pediatric clinical researchers through the grant and loan repayment provisions. We strongly believe that this kind of greater support is needed for all pediatric research scientists. Still, we recognize that this legislation specifically addresses FDAMA's significant increase on the need for additional pediatric clinical pharmacologists to conduct pediatric drug studies. The grant program and loan repayment provisions of this bill are important incentives to securing greater numbers of well-trained experts of pediatric clinical pharmacology, and can hopefully be used as models for promoting a broader scope of pediatric research.

Throughout the years, you have been a strong and successful advocate for children and their needs and the American Academy of Pediatrics is grateful to you. The Children's Research Protection Act will be an advance for children. We offer our assistance as this bill moves through the Congress.

Sincerely,

DONALD E. COOK, MD, FAAP,
*President.*

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PHARMACEUTICAL RESEARCH AND MANUFACTURERS OF AMERICA,
*Washington, DC, June 26, 2000.*

Hon. MIKE DEWINE,
*U.S. Senate,*
*Washington, DC.*
Hon. CHRISTOPHER J. DODD,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATORS DEWINE AND DODD: The Pharmaceutical Research and Manufacturers of America (PhRMA) is pleased to offer its support for The Children's Research Protection Act. This piece of legislation addresses several key gaps towards the successful implementation of Section 111 of the Food and Drug Modernization Act of 1997 (FDAMA). This particular section of FDAMA has had an enormous impact on the investigation of important medicines in children. There has been a remarkable increase in the number of medicines being studied by pharmaceutical companies. The pharmaceutical industry has proposed pediatric studies on 177 medicines and the FDA has issued 145 written requests for studies as of May 1, 2000. In the short time since its inception, the legislation has fundamentally changed our approach to the study of medicines in children and holds enormous promise for improved treatment of sick children.

Several issues have become apparent as we have embarked on this new era of clinical investigation. There is clearly a shortage of experienced pediatric clinical pharmacologists, and those active in the field are generally quite senior. There is thus a need for training the next generation of investigators. If children are to receive the benefits of the new medicines now under development, and of the exciting therapies of the future, we will need highly qualified pediatric investigators, knowledgeable in the safe, ethical, and efficient study of medicines in children. The NICHD Pediatric Pharmacology Research Unit network has been instrumental in doing excellent studies in this area, and is an exemplary training ground for young pediatric investigators. It is vital that pediatric clinical investigation be performed by our best physician/scientists, in centers fully equipped to ensure a positive environment for children who participate in studies, and to ensure that all studies are done with the very highest standards of clinical investigation and clinical care.

It is also crucial, as the number of patients studied is expanding, to re-emphasize the ethical standards for conducting studies in children. The FDA has held meetings of its Pediatric Pharmacology Subcommittee, and one issue of concern was that the DHHS Guidelines in investigation of vulnerable subjects, 45 CRF 46, Subpart D does not cover all of the studies or investigative centers where studies of medicines under FDAMA might be done. It is clear that it is in the interest of children, and of the clinical investigative process, that the provision be reviewed and that all studies of medicines in children be covered under this provision.

To assure career paths for the new trainees in pediatric clinical pharmacology, renewal of Section 111 of FDAMA is particularly important since it assures continued pediatric clinical investigation of new medicines. These two legislative initiatives will have a major impact on the future of the health of our children.

Sincerely,

STEPHEN P. SPIELBERG, MD, Ph.D.,
*Vice President, Pediatric Drug Development, Janssen Research Foundation, Chair, Pediatric Task Force, PhRMA.*
ALAN GOLDHAMMER, Ph.D.,
*Associate Vice President, US Regulatory Affairs PhRMA.*

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AMERICAN SOCIETY FOR CLINICAL PHARMACOLOGY AND THERAPEUTICS,
*Alexandria, VA, May 16, 2000.*

Hon. CHRISTOPHER DODD,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR DODD: The American Society for Clinical Pharmacology and Therapeutics is pleased to express support of the Children's Research Protection Act. Our society is the largest academic society of clinical pharmacologists in the United States and consists of member scientists, clinicians and researchers from the academic, regulatory and industry sectors including physicians, PhDs and PharmDs. We endorse the great need for this legislation as a means of improving the care of children by improving medications available to them and by increasing the effective use of medicines that are already on the market for children. In addition, we believe that the provisions of this legislation will ultimately lead to a reduced incidence of side effects and the rate of medication errors in children.

There are only two pediatric clinical pharmacology training programs in this country, and it is estimated that the number of practicing pediatric clinical pharmacologists may be as few as 20. Consequently, it is little wonder that 80% of the drugs already on the market have yet to be approved for use in children. We must expand the cadre of well-trained pediatric clinical pharmacologists who can focus their scientific and clinical skills on assuring that children have access to the same therapies readily available to adult patients. Further, special studies are required regarding the proper dosage and safe use of medications in children. The ASCPT applauds your recognition of these needs, and we believe that your bill includes the means to these ends: a program to increase the number of funded pediatric clinical pharmacology fellowships and a loan repayment program to attract physicians to careers in clinical pharmacology will improve the health of children through the safe use of available medications.

Thank you for your leadership on children's health care, and please add the American Society for Clinical Pharmacology and Therapeutics to the list of organizations endorsing the Children's Research Protection Act.

Yours sincerely,

RAYMOND L. WOOSLEY, M.D.,
*President.*

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NATIONAL ASSOCIATION OF CHILDREN'S HOSPITALS,
*Alexandria, VA, May 9, 2000.*

Hon. CHRISTOPHER DODD,
*U.S. Senate,*
*Washington, DC.*
Hon. MIKE DEWINE,
*U.S. Senate, Washington, DC.*

DEAR SENATORS DODD AND DEWINE. On behalf of the National Association of Children's Hospitals (N.A.C.H.), an organization representing more than 100 freestanding children's hospitals and pediatric departments of major medical centers, I am writing to support the ''Children's Research Protection Act.'' This legislation represents an important step in assuring that children enrolled in federally supported and/or regulated research receive important protections for their safety and well-being when participating as research subjects.

Children's hospitals are major centers for pediatric clinical research—research supported by the federal government, as well as private industry. The biomedical research efforts undertaken by children's hospitals recognize that ''children are not little adults'' and that their unique needs must be taken into account when developing and monitoring research protocols to address pediatric diseases and conditions. With the relatively recent adoption of the Food and Drug Administration Modernization Act (FDAMA), the number of children enrolled in pediatric clinical trials is rising. Therefore, it is especially important that a consistent set of additional protections for children participating in research, such as those included within subpart D of part 45 of title 46, Code of Federal Regulations (i.e. the ''common rule''), be reviewed and extended to all federally conducted, supported, or regulated clinical research.

The ''Children's Research Protection Act'' also establishes a grant program and loan repayment provision to help address the expected shortage of pediatric clinical pharmacologists and clinical investigators trained to develop therapies for children. This is especially important given the increased demand for expertise in this area created by the pediatric studies provisions of FDAMA. In addition, we are hopeful that such a model of grant and loan repayment can eventually be replicated to provide added incentives to increase the overall pediatric research workforce, such as is proposed in Sen. Bond's ''Healthy Kids 2000 Act.''

N.A.C.H. applauds your efforts for introducing this important piece of legislation. Please feel free to contact me if I can be of further assistance as this bill moves through Congress.

Sincerely,

LAWRENCE A. MCANDREWS.

Mr. DEWINE. Mr. President, I rise today to join my friend and colleague from Connecticut, Senator DODD, in introducing the Children's Research Protection Act. This bill is a logical and

necessary follow-up to the Better Pharmaceuticals for Children Act, which Senator DODD and I got passed and enacted into law in 1997 as part of the FDA Modernization Act. This law created incentives for drug manufacturers for use by children. Since the law has been in place, more children than ever before are participating in clinical trials for drug testing.

Mr. President, it is imperative that we test drugs for children—on children. There are several reasons that such testing is necessary. Children have different physical make-ups from adults, which means they metabolize drugs differently. They likely need different doses and different amounts of time between doses for medications to be safe and effective. Also, because the same disease can manifest itself very differently in children and adults, we need to thoroughly test the drugs that we are using for children to treat the same illness.

As I noted already, since our Better Pharmaceuticals Act was enacted, we have seen a rapid increase in the number of children being enrolled in clinical trials. More than 18,000 children will be needed just for the 300 studies that have been proposed so far. Research has been completed and exclusivity granted on 22 drugs that were previously used for children without safety information, and more than 300 pediatric studies of 127 products are currently underway. Of those 22 drugs for which studies have been completed, eight drugs have already been re-labeled to reflect, the new pediatric safety information.

In contrast, in the five years prior to enactment of our Better Pharmaceuticals Act, only 11 studies to gather additional pediatric safety information about drugs already on the market were conducted—that's 11 studies in five years versus over 125 in just two years since this legislation was enacted. The increase in pediatric studies is good news for children and parents and is certainly a welcome improvement at a time when only one in five drugs currently on the market in the United States has been approved for use by children.

While we want to encourage better drug testing for children, we also need to ensure that strong federal protections are in place to protect children who participate in such research. Tragically, there are parts of the current law that do not protect children who participate in HHS federally-regulated research, unless it is also federally funded research. These federal protections for children also have not been updated since 1981, and have not been adopted by all of the federal agents that conduct research involving children.

That's why the Children's Research Protection Act we are introducing would require the Secretary of Health and Human Services (HHS) to review the current regulations governing the protection of children participating in research and update them to ensure that the strongest federal protections exist for such children.

Now, only HHS federally funded and federally regulated research has to comply with certain protections for children.

Our bill also would extend research protections for children to all research regulated by the Secretary of HHS, even if it is not federally funded.

Furthermore, our bill would require that all other federal agencies that conduct, support, or regulate research involving children must adopt regulations to provide greater protections for those children.

Finally, our bill would address the shortage of pediatric clinical pharmacologists whose specialized expertise is essential in performing pediatric studies, because the bill would authorize grants to ensure that an adequate number of pediatric clinical pharmacologists and clinical investigators are trained and retained to meet the increased demand for expertise created by the Better Pharmaceuticals law. There are fewer than 200 academic-based clinical pharmacologists in the United States, of whom 20 percent are pediatricians. Moreover, the bill would authorize the Secretary of HHS to enter into loan repayment contracts with doctors who agree to train and practice in pediatric pharmacology.

Mr. President, it is very important that we pass our legislation this year. While we have successfully encouraged better drug testing for children through the incentives in the ''Better Pharmaceuticals for Children Act,'' we must take the next step and ensure that strong federal protections are in place to protect the children who participate in such research.

The children who are participating in clinical trials are medical pioneers. They will help to ensure that drugs used for children will be proven to be safe and appropriate for use in children. At the very least, we should make certain that strong federal safeguards exist to ensure their safety as they participate in these trials.

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By Mr. KERRY (for himself and Mr. DEWINE):

S. 2810. A bill to amend the Consumer Product Safety Act to confirm the Consumer Product Safety Commission's jurisdiction over child safety devices for handguns, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE CHILD HANDGUN INJURY PREVENTION ACT

Mr. DEWINE. Mr. President, I rise today as an original cosponsor of the Child Handgun Injury Prevention Act being introduced by my friend and colleague from Massachusetts, Senator KERRY. I support this bill because I believe it will save lives.

Recently, we have all witnessed a disturbing trend. Day after day after day, we see shocking news reports about children dying because they got their hands on a loaded, unlocked firearm. In 1999 alone, this was an almost daily occurrence. Last year, more than 300 children died in gun accidents. Most of these accidents occurred in a child's own home, or in the home of a close friend or relative—the very places where these children should feel the safest.

Mr. President, the mixture of children and loaded firearms is deadly. An estimated 3.3 million children in the United States live in homes with firearms—firearms that are always or sometimes loaded and unlocked. I believe that the majority of parents with firearms believe they are being responsible about gun storage and other safety measures dealing with firearms. But, the sad fact is that some parents simply have a fundamental misunderstanding of a child's ability to access and fire a gun, to distinguish between real and toy guns, to make good judgments about handling a gun, and to consistently follow rules about gun safety. These are children, after all, and we can't expect them to understand completely what is involved with handling a gun safely.

Here's a startling fact: Nearly two-thirds of parents with school-age children who keep a gun in the home believe that the firearm is safe from their children. However, another study found that when a gun was in the home, 75 to 80 percent of first and second graders knew where the gun was kept.

Many gun owners, state and local governments, as well as this Senate, have started to recognize the combustible relationship between children and loaded, accessible firearms. This recognition has led many gun owners to purchase gun safety locks to ensure the safe storage of their handguns. In some states, gun locks are required at the time handguns are purchased. Seventeen states have Child Firearm Access Prevention laws that permit prosecution of adults if their firearm is left unsecured and a child uses that firearm to harm themselves or others. And, also, the Senate passed an amendment to the juvenile justice bill last year that would require the use of gun safety locks.

Despite the fact that gun owners are buying more firearm safety devices and governments are rushing to mandate their use, surprisingly there are no minimum safety standards for these devices. Currently, there are many different types of trigger locks, safety locks, lock boxes, and other devices available. And, there is a wide range in the quality and effectiveness of these devices. Some are inadequate to prevent the accidental discharge of the firearm or to prevent a child access to the firearm.

As governments move toward mandated safety devices, it is crucial that consumers know whether or not the devices they are buying will actually keep children from harming themselves. If states are going to prosecute adults when a child uses a firearm, these gun owners should—at the very

least—have some peace of mind that their gun storage or safety lock device is adequate.

The legislation I am introducing today with Senator KERRY would help responsible gun owners and parents know that the safety devices they buy are at least minimally adequate. This legislation just makes sense. It requires the Consumer Product Safety Commission (CPSC) to formulate minimum safety standards for gun safety locks and to ensure that only adequate locks meeting those standards are available for purchase by consumers. The standards to be used by the Commission require that gun safety locks are sufficiently difficult for children to deactivate or remove and that the safety locks prevent the discharge of the handgun unless the lock has been deactivated or removed.

Mr. President, I would also like to note what this bill does not do. First of all, it does not give CPSC any say in standards of firearms or ammunition. In other words, it is not intended to regulate firearms, themselves, in any way whatsoever. Second, it would not mandate which type of gun lock device consumers use.

As I said earlier, there are many different types of gun locks currently available. Some of these allow for easy access and use of firearms for adults should they decide that is important to them. Other devices are more cumbersome and do not provide quick and easy access. Gun owners would be free to decide what device is best for them. This legislation would have no effect on that issue. Finally, this legislation does not require the use of gun safety locks. While the Senate has already passed legislation to do this, if that language is removed in conference, this legislation will not affect that.

As I have stated already, Mr. President, I believe that this legislation will save lives. But, more than that, this legislation will empower parents—parents who decide that they want to have a gun safety lock but are awash in a sea of different devices—to purchase only gun safety locks that provide adequate protection for their children. I urge my colleagues to join Senator KERRY and me in support of this bill.

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By Mr. DASCHLE (for himself and Mr. CONRAD):

S. 2811. A bill to amend the Consolidated Farm and Rural Development Act to make communities with high levels of out-migration or population loss eligible for community facilities grants; to the Committee on Agriculture, Nutrition, and Forestry.

AMENDING THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Mr. DASCHLE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2811

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. COMMUNITY FACILITIES GRANT PROGRAM FOR RURAL COMMUNITIES WITH HIGH LEVELS OF OUT-MIGRATION OR LOSS OF POPULATION.**

(a) IN GENERAL.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

''(20) COMMUNITY FACILITIES GRANT PROGRAM FOR RURAL COMMUNITIES WITH HIGH LEVELS OF OUT-MIGRATION OR LOSS OF POPULATION.—

''(A) GRANT AUTHORITY.—The Secretary may make grants to associations, units of general local government, nonprofit corporations, and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) in a State to provide the Federal share of the cost of developing specific essential community facilities in any geographic area—

''(i) that is represented by—

''(I) any political subdivision of a State;

''(II) an Indian tribe on a Federal or State reservation; or

''(III) other federally recognized Indian tribal group;

''(ii) that is located in a rural area (as defined in section 381A);

''(iii) with respect to which, during the most recent 5-year period, the net out-migration of inhabitants, or other population loss, from the area equals or exceeds 5 percent of the population of the area; and

''(iv) that has a median household income that is less than the nonmetropolitan median household income of the United States.

''(B) FEDERAL SHARE.—Paragraph (19)(B) shall apply to a grant made under this paragraph.

''(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $50,000,000 for fiscal year 2001 and such sums as are necessary for each subsequent fiscal year, of which not more than 5 percent of the amount made available for a fiscal year shall be available for community planning and implementation.''.

(b) CONFORMING AMENDMENT.—Section 381E(d)(1)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(d)(1)(B)) is amended by striking ''section 306(a)(19)'' and inserting ''paragraph (19) or (20) of section 306(a)''.

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## ADDITIONAL COSPONSORS

S. 345

At the request of Mr. ALLARD, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 635

At the request of Mr. MACK, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 635, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 1197

At the request of Mr. ROTH, the names of the Senator from Colorado (Mr. ALLARD) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 1197, a bill to prohibit the importation of products made with dog or cat fur, to prohibit the sale, manufacture, offer for sale, transportation, and distribution of products made with dog or cat fur in the United States, and for other purposes.

S. 1858

At the request of Mr. BREAUX, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 1858, a bill to revitalize the international competitiveness of the United States-flag maritime industry through tax relief.

S. 1874

At the request of Mr. GRAHAM, the name of the Senator from Rhode Island (Mr. L. CHAFEE) was added as a cosponsor of S. 1874, a bill to improve academic and social outcomes for youth and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities conducted by law enforcement personnel during non-school hours.

S. 1997

At the request of Mr. BINGAMAN, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1997, a bill to simplify Federal oil and gas revenue distributions, and for other purposes.

S. 2274

At the request of Mr. GRASSLEY, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 2274, a bill to amend title XIX of the Social Security Act to provide families and disabled children with the opportunity to purchase coverage under the medicaid program for such children.

S. 2330

At the request of Mr. ROTH, the name of the Senator from Maine (Ms . SNOWE) was added as a cosponsor of S. 2330, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communication services.

S. 2413

At the request of Mr. CAMPBELL, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 2413, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to clarify the procedures and conditions for the award of matching grants for the purchase of armor vests.

S. 2417

At the request of Mr. CRAPO, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2417, a bill to amend the Federal Water Pollution Control Act to increase funding for State nonpoint source pollution control programs, and for other purposes.

S. 2459

At the request of Mr. DODD, his name was added as a cosponsor of S . 2459, a bill to provide for the award of a gold medal on behalf of the Congress to former President Ronald Reagan and his wife Nancy Reagan in recognition of their service to the Nation.

At the request of Mr. GRAHAM, his name was added as a cosponsor of S. 2459, supra.

At the request of Mr. CONRAD, his name was added as a cosponsor of S. 2459, supra.

At the request of Mr. KERREY, his name was added as a cosponsor of S. 2459, supra.

At the request of Mr. LIEBERMAN, his name was added as a cosponsor of S. 2459, supra.

At the request of Mr. DORGAN, his name was added as a cosponsor of S. 2459, supra.

At the request of Mr. DURBIN, his name was added as a cosponsor of S. 2459, supra.

At the request of Mrs. LINCOLN, her name was added as a cosponsor of S. 2459, supra.

S. 2557

At the request of Mr. LOTT, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 2557, a bill to protect the energy security of the United States and decrease America's dependency on foreign oil sources to 50 percent by the Year 2010 by enhancing the use of renewable energy resources, conserving energy resources, improving energy efficiencies, and increasing domestic energy supplies, mitigating the effect of increases in energy prices on the American consumer, including the poor and the elderly, and for other purposes.

S. 2608

At the request of Mr. GRASSLEY, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 2608, a bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers.

S. 2641

At the request of Mr. CLELAND, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 2641, a bill to authorize the President to present a gold medal on behalf of Congress to former President Jimmy Carter and his wife Rosalynn Carter in recognition of their service to the Nation.

S. 2644

At the request of Mr. GORTON, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2644, a bill to amend title XVIII of the Social Security Act to expand medicare coverage of certain self-injected biologicals.

S. 2700

At the request of Mr. L. CHAFEE, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from New York (Mr. SCHUMER), the Senator from Maine (Ms. SNOWE), the Senator from New York (Mr. MOYNIHAN), the Senator from Iowa (Mr. GRASSLEY), the Senator from Maryland (Ms. MIKULSKI), the Senator from Washington (Mr. GORTON), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Virginia (Mr. WARNER), the Senator from Vermont (Mr. LEAHY), the Senator from North Carolina (Mr. HELMS), the Senator from Hawaii (Mr. AKAKA), the Senator from Florida (Mr. MACK), the Senator from Michigan (Mr. LEVIN), the Senator from Minnesota (Mr. GRAMS), the Senator from Nevada (Mr. BRYAN), the Senator from Ohio (Mr. DEWINE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Oregon (Mr. SMITH), the Senator from Maryland (Mr. SARBANES), the Senator from Maine (Ms. COLLINS), the Senator from Connecticut (Mr. DODD), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Louisiana (Mr. BREAUX), the Senator from Kansas (Mr. BROWNBACK), the Senator from Nebraska (Mr. KERREY), the Senator from Iowa (Mr. HARKIN), the Senator from Nevada (Mr. REID), the Senator from Georgia (Mr. CLELAND), the Senator from Virginia (Mr. ROBB), the Senator from Florida (Mr. GRAHAM), the Senator from North Carolina (Mr. EDWARDS), the Senator from California (Mrs. FEINSTEIN), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 2700, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, and for other purposes.

S. 2718

At the request of Mr. SMITH of New Hampshire, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2718, a bill to amend the Internal Revenue Code of 1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 2739

At the request of Mr. LAUTENBERG, the names of the Senator from Louisiana (Ms. LANDRIEU), the Senator from Michigan (Mr. ABRAHAM), the Senator from North Carolina (Mr. EDWARDS), the Senator from North Dakota (Mr. CONRAD), and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S. 2739, a bill to amend title 39, United States Code, to provide for the issuance of a semipostal stamp in order to afford the public a convenient way to contribute to funding for the establishment of the World War II Memorial.

S. 2775

At the request of Mr. DORGAN, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 2775, to foster innovation and technological advancement in the development of the Internet and electronic commerce, and to assist the States in simplifying their sales and use taxes.

S. 2779

At the request of Mr. SANTORUM, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 2779, a bill to provide for the designation of renewal communities and to provide tax incentives relating to such communities, to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities, and to provide for the establishment of Individual Development Accounts (IDAs), and for other purposes.

S. 2787

At the request of Mr. BIDEN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2793

At the request of Mr. HOLLINGS, the names of the Senator from Alaska (Mr. STEVENS) and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 2793, a bill to amend the Communications Act of 1934 to strengthen the limitation on holding and transfer of broadcast licenses to foreign persons, and to apply a similar limitation to holding and transfer of other telecommunications media by or to foreign governments.

S. RES. 268

At the request of Mr. EDWARDS, the names of the Senator from Pennsylvania (Mr. SPECTER) and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. Res. 268, a resolution designating July 17 through July 23 as ''National Fragile X Awareness Week.''

S. RES. 294

At the request of Mr. ABRAHAM, the names of the Senator from Alaska (Mr. MURKOWSKI), the Senator from Washington (Mr. GORTON), and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. Res. 294, a resolution designating the month of October 2000 as ''Children's Internet Safety Month.''

S. RES. 304

At the request of Mr. BIDEN, the names of the Senator from South Carolina (Mr. THURMOND) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. Res. 304, a resolution expressing the sense of the Senate regarding the development of educational programs on veterans' contributions to the country and the designation of the week that includes Veterans Day as ''National Veterans Awareness Week'' for the presentation of such educational programs.

AMENDMENT NO. 3602

At the request of Mr. BOND, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of amendment No. 3602 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

AMENDMENT NO. 3641

At the request of Ms. LANDRIEU, her name was added as a cosponsor of amendment No. 3641 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and

Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

AMENDMENT NO. 3644

At the request of Mr. WELLSTONE, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of amendment No. 3644 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

AMENDMENT NO. 3655

At the request of Mr. JEFFORDS, the names of the Senator from Georgia (Mr. COVERDELL) and the Senator from Rhode Island (Mr. L. CHAFEE) were added as cosponsors of amendment No. 3655 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

At the request of Mr. CAMPBELL, his name was added as a cosponsor of amendment No. 3655 proposed to H.R. 4577, supra.

AMENDMENT NO. 3658

At the request of Mr. DASCHLE, the names of the Senator from North Dakota (Mr. DORGAN), and the Senator from Washington (Mr. GORTON) were added as cosponsors of amendment No. 3658 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

## SENATE CONCURRENT RESOLUTION 125—PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE AND A CONDITIONAL ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

Mr. SPECTER (for Mr. LOTT) submitted the following concurrent resolution; which was considered and agreed to.

S. CON. RES. 125

*Resolved by the Senate (the House of Representatives concurring),* That when the Senate recesses or adjourns at the close of business on Thursday, June 29, 2000, Friday, June 30, 2000, or on Saturday, July 1, 2000, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, July 10, 2000, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the House adjourns on the legislative day of Thursday, June 29, 2000, or Friday, June 30, 2000, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 12:30 p.m. on Monday, July 10, 2000, for morning-hour debate, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Majority Leader of the Senate and the Speaker of the House, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify the Members of the Senate and House, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

## SENATE RESOLUTION SUBMITTED ON JUNE 27, 2000

## SENATE RESOLUTION 328—TO COMMEND AND CONGRATULATE THE LOUISIANA STATE UNIVERSITY TIGERS ON WINNING THE 2000 COLLEGE WORLD SERIES

Ms. LANDRIEU (for herself and Mr. BREAUX) submitted the following resolution; which was considered and agreed to:

S. RES. 328

Whereas the Louisiana State University baseball team completed the year with 13 consecutive wins, with a record of 4–0 in the Southeastern Conference tournament, 3–0 in Subregional action, 2–0 in Super Regional contests and 4–0 in the College World Series, ending its exciting season by defeating the previously undefeated Stanford Cardinal 6–5 on June 17, 2000, in Omaha, Nebraska, to win its fifth national championship in 10 years;

Whereas Louisiana State University firmly established itself as the dominant college baseball team of the decade, winning the College World Series title in 1991, 1993, 1996, and 1997;

Whereas Louisiana State University finished with a regular season record of 46-12 and a team batting average of .341;

Whereas Louisiana State University's senior catcher, Brad Cresse, distinguished himself in the championship game and throughout the season as one of the premier players in all of college baseball, leading the nation by hitting a total of 30 home runs in 2000;

Whereas Louisiana State University's senior right-handed pitcher, Trey Hodges, who earned the Most Outstanding Player Award of the College World Series, gave up just 2 hits and 1 walk in 4 innings while striking out 4 batters in his second victory of the College World Series, personifying the persistence and competitiveness that carried Louisiana State University throughout the year;

Whereas Louisiana State University's coach, Skip Bertman, named The Collegiate Baseball Newspaper's National Coach of The Year, has never allowed the Tigers to lose a College World Series championship game;

Whereas Coach Skip Bertman has instilled in his players unceasing dedication and teamwork, and has inspired in the rest of us an appreciation for what it means to win with dignity, integrity, and true sportsmanship;

Whereas Louisiana State University's thrilling victory in the College World Series championship game enraptured their loyal and loving fans from Baton Rouge to Shreveport, taking ''Tigermania'' to new heights and filling the people of Louisiana with an overwhelming sense of pride, honor, and community; and

Whereas Louisiana State University's national championship spotlights one of the nation's premier State universities, which is committed to academic and athletic excellence: Now, therefore, be it

*Resolved,*

**SECTION 1. COMMENDING AND CONGRATULATING LOUISIANA STATE UNIVERSITY ON WINNING THE 2000 COLLEGE WORLD SERIES CHAMPIONSHIP.**

The Senate commends and congratulates the Tigers of Louisiana State University on winning the 2000 College World Series championship.

**SEC. 2. TRANSMITTAL OF RESOLUTION.**

The Secretary of the Senate shall transmit an enrolled copy of this resolution to the chancellor of the Louisiana State University and Agriculture and Mechanical College in Baton Rouge, Louisiana.

## SENATE RESOLUTION SUBMITTED ON JUNE 28, 2000

## SENATE RESOLUTION 329—URGING THE GOVERNMENT OF ARGENTINA TO PURSUE AND PUNISH THOSE RESPONSIBLE FOR THE 1994 ATTACK ON THE AMIA JEWISH COMMUNITY CENTER IN BUENOS AIRES, ARGENTIA

Mr. L. CHAFEE (for himself and Mr. HELMS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 329

Whereas on July 18, 1994, 86 innocent persons were killed and 300 were wounded when the AMIA Jewish Community Center was bombed in Buenos Aires, Argentina;

Whereas the United States welcomes Argentine President Fernando de la Rua's political will to pursue the investigation of the bombing of the AMIA Jewish Community Center to its ultimate conclusion;

Whereas circumstantial evidence attributes the attack to the terrorist group Hezbollah, based in Lebanon and sponsored by Iran;

Whereas the investigation indicates that this bombing could not have been carried out without assistance from former elements of local security forces;

Whereas additional evidence indicates that the tri-border area where Argentina, Paraguay, and Brazil meet was used to channel resources for the purpose of carrying out the bombing attack;

Whereas Argentine officials have acknowledged that there was negligence in the initial phases of the investigation and that the institutional and political conditions must be created to advance the investigation of this terrorist attack;

Whereas on March 17, 1992, terrorists bombed the Embassy of Israel in Buenos Aires, killing 29 persons and injuring more than 200 others, and the Government of Argentina has not yet brought anyone to justice for that act of terrorism;

Whereas failure to duly punish the culprits of these acts serves to reward these terrorists and help spread terrorism throughout the Western Hemisphere;

Whereas the democratic leaders of the Western Hemisphere issued mandates at the 1994 and 1998 Summits of the Americas that condemned terrorism in all its forms and that committed governments to combat terrorist acts anywhere in the Americas with unity and vigor; and

Whereas it is the long-standing policy of the United States to stand firm against terrorist attacks wherever and whenever they occur and to work with its allies to ensure that justice is done: Now, therefore, be it

*Resolved,* That the Senate—

(1) reiterates its condemnation of the attack on the AMIA Jewish Community Center in Buenos Aires, Argentina, in July 1994, and remembers the victims of this heinous act;

(2) strongly urges the Government of Argentina to fulfill its international obligations and commitments and its promise to the Argentine people by pursuing the local and international connections to this act of terrorism, wherever they may lead, and to duly punish all those who were involved;

(3) urges the Government of Argentina to pursue and prosecute any person with ties to Hezbollah or any other terrorist organization;

(4) calls on the President to raise this issue in bilateral discussions with Argentine officials and to underscore the United States concern regarding the 6-year delay in the resolution of this case;

(5) recommends that the United States Permanent Representative to the Organization of American States should seek support from the countries comprising the Inter-American Committee Against Terrorism to assist, if requested by the Government of Argentina, in the investigation of this terrorist attack;

(6) encourages the President to direct United States law enforcement agencies to provide support and cooperation to the Government of Argentina, if requested, for purposes of the investigation into this and other terrorist activities in the tri-border area; and

(7) desires a lasting and positive relationship between the United States and Argentina based on a mutual commitment to the rule of law and democracy in the Western Hemisphere and mutual abhorrence of terrorism.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and the United States Permanent Representative to the Organization of American States.

## AMENDMENTS SUBMITTED

### DEPARTMENT OF LABOR APPROPRIATIONS ACT, 2001

### KERRY (AND OTHERS) AMENDMENT NO. 3659

(Ordered to lie on the table.)

Mr. KERRY (for himself, Mr. BINGAMAN, and Ms. MIKULSKI) submitted an amendment intended to be proposed by them to the bill (H.R. 4577) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes; as follows:

At the end of title III, insert the following:

SEC. . Notwithstanding any other provision of this Act, the total amount made available under this title to carry out the technology literacy challenge fund under section 3132 of the Elementary and Secondary Education Act of 1965 shall be $517,000,000.

### ENZI AMENDMENT NO. 3660

(Ordered to lie on the table.)

Mr. ENZI submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 13, line 20, strike ''*Provided*'' and insert the following: '': *Provided*, That of the amount appropriated under this heading that is in excess of the amount appropriated for such purposes for fiscal year 2000, at least $22,200,000 shall be used to carry out education, training, and consultation activities as described in subsections (c) and (d) of section 21 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 670(c) and (d)): *Provided further*,''.

### KENNEDY (AND OTHERS) AMENDMENT NO. 3661

Mr. KENNEDY (for himself, Mr. REED, Mr. BINGAMAN, Mr. WELLSTONE, Mr. DODD, Mrs. MURRAY, Mr. LEVIN, Mr. SCHUMER, and Mr. DURBIN) proposed an amendment to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

**SEC. . TEACHER QUALITY ENHANCEMENT.**

In addition to any other funds appropriated under this Act to carry out title II of the Higher Education Act of 1965, there are appropriated $202,000,000 to carry out such title.

(Ordered to lie on the table.)

### DOMENICI AMENDMENT NO. 3662

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 4, between lines 6 and 7, insert the following:

Of the funds made available under this heading for dislocated worker employment and training activities, $5,000,000 shall be made available to the New Mexico Telecommunications Call Center Training Consortium for such activities.

### LIEBERMAN (AND OTHERS) AMENDMENTS NOS. 3663–3664

(Ordered to lie on the table.)

Mr. LIEBERMAN (for himself, Mr. GORTON, Mr. BAYH, Mr. BRYAN, Ms. LANDRIEU, Mrs. LINCOLN, Mr. KOHL, Mr. ROBB, and Mr. BREAUX) submitted two amendments intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

AMENDMENT NO. 3663

On page 57, between lines 19 and 20, insert the following:

TITLE I TARGETING STUDY

For carrying out a study by the Comptroller General of the United States, evaluating the extent to which funds made available under part A of title I of the Elementary and Secondary Education Act of 1965 are allocated to schools and local educational agencies with the greatest concentrations of school-age children from low-income families, the extent to which allocations of such funds adjust to shifts in concentrations of pupils from low-income families in different regions, States, and substate areas, the extent to which the allocation of such funds encourage the targeting of state funds to areas with higher concentrations of children from low-income families, the implications of current distribution methods for such funds, and formula and other policy recommendations to improve the targeting of such funds to more effectively serve low-income children in both rural and urban areas, and for preparing interim and final reports based on the results of the study, to be submitted to Congress not later than February 1, 2001, and April 1, 2001, respectively, $10,000, which shall become available on October 1, 2000.

On page 70, line 7, strike ''$396,672,000'' and insert ''$396,662,000''.

AMENDMENT NO. 3664

In lieu of the matter proposed to be inserted, insert the following: ''Higher Education Act of 1965, $8,986,800,000, of which $2,729,958,000 shall become available on July 1, 2001, and shall remain available through September 30, 2002, and of which $6,223,342,000 shall become available on October 1, 2001 and shall remain available through September 30, 2002, for academic year 2000–2001: *Provided*, That $7,113,403,000 shall be available for basic grants under section 1124 of the Elementary and Secondary Education Act of 1965: *Provided further*, That up to $3,500,000 of those funds shall be available to the Secretary on October 1, 2000, to obtain updated local educational agency level census poverty data from the Bureau of the Census: *Provided further*, That $1,222,397,000 shall be available for concentration grants under section 1124A of that Act: *Provided further*, That, in addition to the amounts otherwise made available under this heading, an amount of $1,000 (which shall become available on October 1, 2000) shall be transferred to the account under this heading from the amount appropriated under the heading ''PROGRAM ADMINISTRATION'' under the heading ''DEPARTMENTAL MANAGEMENT'' in title III, for carrying out a study by the Comptroller General of the United States, evaluating the extent to which funds made available under part A of title I of the Elementary and Secondary Education Act of 1965 are allocated to schools and local educational agencies with the greatest concentrations of school-age children from low-income families, the extent to which allocations of such funds adjust to shifts in concentrations of pupils from low-income families in different regions, States, and substate areas, the extent to which the allocation of such funds encourage the targeting of state funds to areas with higher concentrations of children from low-income families, the implications of current distribution methods for such funds, and formula and other policy recommendations to improve the targeting of such funds to more effectively serve low-income children in both rural and urban areas, and for preparing interim and final reports based on the results of the study, to be submitted to Congress not later than February 1, 2001, and April 1, 2001, respectively: *Provided further*, That grant awards under sec-''.

### FEINSTEIN AMENDMENT NO. 3665

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, H.R. 4577, supra; as follows:

On page 71, after line 25, add the following:

SEC. 305. (a) DEFINITIONS.—In this section:

(1) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) MASTER TEACHER.—The term ''master teacher'' means a teacher who—

(A) is licensed or credentialed under State law;

(B) has been teaching for at least 5 years in a public or private school or institution of higher education;

(C) is selected upon application, is judged to be an excellent teacher, and is recommended by administrators and other teachers who are knowledgeable of the individual's performance;

(D) at the time of submission of such application, is teaching and based in a public school;

(E) assists other teachers in improving instructional strategies, improves the skills of other teachers, performs mentoring, develops curriculum, and offers other professional development; and

(F) enters into a contract with the local educational agency to continue to teach and serve as a master teacher for at least 5 additional years.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(b) ESTABLISHMENT OF DEMONSTRATION PROJECT.—

(1) IN GENERAL.—Not later than July 1, 2001, the Secretary shall conduct a demonstration project under which the Secretary shall award competitive grants to local educational agencies to increase teacher salaries and employee benefits for teachers who enter into contracts with the local educational agencies to serve as master teachers.

(2) REQUIREMENTS.—In awarding grants under the demonstration project, the Secretary shall—

(A) ensure that grants are awarded under the demonstration project to a diversity of local educational agencies in terms of size of school district, location of school district, ethnic and economic composition of students, and experience of teachers; and

(B) give priority to local educational agencies in school districts that have schools with a high proportion of economically disadvantaged students.

(c) APPLICATIONS.—In order to receive a grant under the demonstration project, a local educational agency shall submit an application to the Secretary that contains—

(1) an assurance that funds received under the grant will be used in accordance with this section; and

(2) a detailed description of how the local educational agency will use the grant funds to pay the salaries and employee benefits for positions designated by the local educational agency as master teacher positions.

(d) MATCHING REQUIREMENT.—The Secretary may not award a grant to a local educational agency under the demonstration project unless the local educational agency agrees that, with respect to costs to be incurred by the agency in carrying out activities for which the grant was awarded, the agency shall provide (directly, through the State, or through a combination thereof) in non-Federal contributions an amount equal to the amount of the grant awarded to the agency.

(e) STUDY AND REPORT.—

(1) IN GENERAL.—Not later than July 1, 2005, the Secretary shall conduct a study and transmit a report to Congress analyzing the results of the demonstration project conducted under this section.

(2) CONTENTS OF REPORT.—The report shall include—

(A) an analysis of the results of the project on—

(i) the recruitment and retention of experienced teachers;

(ii) the effect of master teachers on teaching by less experienced teachers;

(iii) the impact of mentoring new teachers by master teachers; and

(iv) the impact of master teachers on student achievement; and

(B) recommendations regarding—

(i) continuing or terminating the demonstration project; and

(ii) establishing a grant program to expand the project to additional local educational agencies and school districts.

(f) FUNDING.—Of the amount made available under this title under the heading relating to school improvement programs for carrying out activities under title VI of the Elementary and Secondary Education Act of 1965, $50,000,000 shall become available on October 1, 2000, and shall remain available through September 30, 2005, for making grants under this section.

## HARKIN (AND OTHERS) AMENDMENT NO. 3666

(Ordered to lie on the table.)

Mr. HARKIN (for himself, Mr. ROBB, Mr. BINGAMAN, Mr. KENNEDY, Mr. WELLSTONE, Mr. CONRAD, Mr. REED, Mr. DODD, and Mr. DURBIN) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

**SEC. ___. EDUCATION INFRASTRUCTURE.**

Notwithstanding any other provision of this Act—

(1) from the amount appropriated under this title under the heading ''SCHOOL IMPROVEMENT PROGRAMS'' the Secretary of Education shall make available $1,300,000,000 to carry out the Education Infrastructure Act of 1994;

(2) the total amount made available under this title to carry out title VI of the Elementary and Secondary Education Act of 1965 shall be $1,800,000,000; and

(3) $1,400,000,000 of such $1,800,000,000—

(A) shall be available for purposes described in the second proviso under such heading; and

(B) may be used for purposes described in the third proviso under such heading.

## GRAMM AMENDMENT NO. 3667

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 91, strike section 515.

## LANDRIEU AMENDMENT NO. 3668

(Ordered to lie on the table.)

Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill, H.R. 4577, supra; as follows:

On page 41, lines 11 and 12, strike ''$7,881,586,000, of which $41,791,000'' and insert ''$7,895,723,000, of which $55,928,000''.

## LEAHY AMENDMENT NO. 3669

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 45, line 4, insert before the period the following: '': *Provided*, That an additional $2,500,000 shall be made available for the Office for Civil Rights: *Provided further*, That amounts made available under this title for the administrative and related expenses of the Department of Health and Human Services shall be reduced by $2,500,000''.

## SMITH OF NEW HAMPSHIRE (AND OTHERS) AMENDMENT NO. 3670

(Ordered to lie on the table.)

Mr. SMITH of New Hampshire (for himself, Ms. LANDRIEU, and Mr. DURBIN) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

At the appropriate place, add the following: ''None of the funds appropriated under this Act shall be expended by the National Institutes of Health on a contract for the care of the 288 chimpanzees acquired by the National Institutes of Health from the Coulston Foundation, unless the contractor is accredited by the Association for the Assessment and Accreditation of Laboratory Animal Care International or has a Public Health Services assurance, and has not been charged multiple times with egregious violations of the Animal Welfare Act.''.

## WELLSTONE AMENDMENT NO. 3671

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 71, after line 25, add the following:

SEC. ____. (a) In addition to any amounts appropriated under this title for the Perkin's loan cancellation program under section 465 of the Higher Education Act of 1965 (20 U.S.C. 1087ee), an additional $30,000,000 is appropriated to carry out such program.

(b) Notwithstanding any other provision of this Act, amounts made available under titles I and II, and this title, for salaries and expenses at the Departments of Labor, Health and Human Services, and Education, respectively, shall be reduced on a pro rata basis by $30,000,000.

## DODD (AND OTHERS) AMENDMENT NO. 3672

Mr. DODD (for himself, Mr. KENNEDY, and Mr. WELLSTONE) proposed an amendment to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

**SEC. . 21ST CENTURY COMMUNITY LEARNING CENTERS.**

Notwithstanding any other provision of this Act, the total amount appropriated under this Act to carry out part I of title X of the Elementary and Secondary Education Act of 1965 shall be $1,000,000,000.

## WELLSTONE (AND OTHERS) AMENDMENT NO. 3673

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. REID, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 34, line 17, insert before the period the following: '': *Provided further*, That in addition to amounts provided herein, $3,000,000 shall be available for the Center for Mental Health Services: *Provided further*, That amounts made available under this title for the administrative and related expenses of the Department of Health and Human Services shall be reduced on a pro rata basis by $3,000,000''.

## WELLSTONE AMENDMENT NO. 3674

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 92, between lines 4 and 5, insert the following:

SEC. ____. (a) LIMITATION ON USE OF FUNDS FOR CERTAIN AGREEMENTS.—Except as provided in subsection (b), none of the funds made available under this Act may be used by the Secretary of Health and Human Services to enter into—

(1) an agreement on the conveyance or licensing of a patent for a drug, or on another exclusive right to a drug;

(2) an agreement on the use of information derived from animal tests or human clinical trials that are conducted by the Department of Health and Human Services with respect to a drug, including an agreement under which such information is provided by the Department to another Federal agency on an exclusive basis; or

(3) a cooperative research and development agreement under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) pertaining to a drug.

(b) EXCEPTIONS.—Subsection (a) shall not apply to an agreement where—

(1) the sale of the drug involved is subject to a price agreement that is reasonable (as defined by the Secretary of Health and Human Services); or

(2) a reasonable price agreement with respect to the sale of the drug involved is not required by the public interest (as defined by such Secretary).

## BINGAMAN (AND OTHERS) AMENDMENT NO. 3675

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself, Mr. REID, Ms. COLLINS, and Mr. DEWINE) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 59, line 12, strike the period and insert the following: ''*Provided further,* That of the amount made available under this heading for activities carried out through the Fund for the Improvement of Education under part A of title X, $20,000,000 shall be made available to enable the Secretary of Education to award grants to develop and implement school dropout prevention programs.''.

## JEFFORDS AMENDMENTS NOS. 3676–3677

(Ordered to lie on the table.)

Mr. JEFFORDS submitted two amendments intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

AMENDMENT NO. 3676

(a) On page 59, between lines 12 and 13, insert the following:

''HIGH SCHOOL ACADEMIC ACHIEVEMENT PROGRAM

For necessary expenses to help school students reach their full academic and technical skills potential through enriched learning experiences, $20,000,000.''

(b) OFFSET.—Amounts made available under this Act for the administrative and related expenses for departmental management for the Department of Labor, the Department of Health and Human Services, and the Department of Education shall be reduced on a pro rata basis by $20,000,000.

AMENDMENT NO. 3677

On page 92, between lines 4 and 5, insert the following:

**SEC. ___. AMENDMENT TO THE PUBLIC HEALTH SERVICE ACT.**

Section 2111(c)(1)(D) of the Public Health Service Act (42 U.S.C. 300aa–11(c)(1)(D)) is amended by striking ''and'' at the end and inserting ''or (iii) suffered such illness, disability, injury or condition from the vaccine which resulted in inpatient hospitalization and surgical intervention to correct such illness, disability, injury or condition, and''.

## KENNEDY (AND OTHERS) AMENDMENT NO. 3678

Mr. KENNEDY (for himself, Mr. WELLSTONE, Mr. ROBB, Mr. BINGAMAN, Mr. ROCKEFELLER, Mr. REED, Mr. DODD, Mr. AKAKA, Mr. DURBIN, Mr. KERRY, and Mr. BAYH) proposed an amendment to the bill, H.R. 4577, supra; as follows:

On page 2, line 12, strike ''$2,990,141,000'' and insert ''$3,889,387,000''.

On page 2, line 13, strike ''$1,718,801,000'' and insert ''$2,239,547,000''.

On page 2, line 15, strike ''$1,250,965,000'' and insert ''$1,629,465,000''.

On page 2, line 17, strike ''$1,000,965,000'' and insert ''$1,254,465,000''.

On page 2, line 18, strike ''$250,000,000'' and insert ''$375,000,000''.

On page 5, line 6, strike ''$153,452,000'' and insert ''$197,452,000''.

On page 5, line 7, strike ''$3,095,978,000'' and insert ''$3,196,746,000''.

On page 5, line 26, strike ''$153,452,000'' and insert ''$197,452,000''.

On page 6, line 1, strike ''$763,283,000'' and insert ''$788,283,000''.

On page 20, line 1, strike ''$19,800,000'' and insert ''$22,300,000''.

## BREAUX AMENDMENT NO. 3679

(Ordered to lie on the table.)

Mr. BREAUX submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

At the appropriate place, insert the following:

**SEC. ___. POINT OF ORDER AGAINST CONSIDERATION OF OMNIBUS APPROPRIATIONS CONFERENCE REPORTS IF NOT AVAILABLE FOR 2 DAYS.**

It shall not be in order in the Senate to consider a conference report on an Omnibus Appropriations bill (an appropriations bill containing 2 or more of the 13 regular appropriations Acts) unless that conference report has been available at least 2 days prior to consideration.

## WELLSTONE (AND OTHERS) AMENDMENT NO. 3680

Mr. REID (for Mr. WELLSTONE (for himself, Mr. KENNEDY, and Mr. REID)) proosed an amendment to the bill, H.R. 4577, supra; as follows:

On page 34, line 17, insert before the period the following: ''*:Provided further,* That within the amounts provided herein $3,000,000 shall be available for the Center for Mental Health Services to support through grants a certification program to improve and evaluate the effectiveness and responsiveness of suicide hotlines and crisis centers in the United States and to help support and evaluate''. a national hotline and crisis center network.

## TORRICELLI AMENDMENTS NOS. 3681–3682

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed to him to the bill, H.R. 4577, supra; as follows:

AMENDMENT NO. 3681

On page 27, line 24, strike the period and insert the following: ''*: Provided further,* That the funds made available under this heading for section 317A of the Public Health Service Act may be made available for programs operated in accordance with a strategy (developed and implemented by the Director for the Centers for Disease Control and Prevention) to identify and target resources for childhood lead poisoning prevention to high-risk populations, including ensuring that any individual or entity that receives a grant under that section to carry out activities relating to childhood lead poisoning prevention shall use 10 percent of the grant funds awarded for the purpose of funding screening assessments and referrals at sites of operation of the Early Head Start programs under the Head Start Act.''.

AMENDMENT NO. 3682

On page 42, line 12, strike the period and insert the following: ''*: Provided further,* That the funds made available under this heading for section 645A of the Head Start Act shall be made available for Early Head Start programs in which the entity carrying out such a program may—

''(1) determine whether a child eligible to participate in the program has received a blood lead screening test, using a test that is appropriate for age and risk factors, upon the enrollment of the child in the program; and

''(2) in the case of a child who has not received such a blood lead screening test, ensure that each enrolled child receives such a test either by referral or by performing the test (under contract or otherwise).''.

## TORRICELLI AMENDMENT NO. 3683

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 92, between lines 4 and 5, insert the following:

**PART ___—MISCELLANEOUS PROVISIONS**

**SEC. ___01. DISCLOSURE OF FIRE SAFETY STANDARDS AND MEASURES WITH RESPECT TO CAMPUS BUILDINGS.**

(a) SHORT TITLE.—This section may be cited as the ''Campus Fire Safety Right to Know Act''.

(b) AMENDMENT.—Section 485 of the Higher Education Act of 1965 (20 U.S.C. 1092) is amended—

(1) in subsection (a)(1)—

(A) by striking ''and'' at the end of subparagraph (N);

(B) by striking the period at the end of subparagraph (O) and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(P) the fire safety report prepared by the institution pursuant to subsection (h).''; and

(2) by adding at the end the following new subsection:

''(h) DISCLOSURE OF FIRE SAFETY STANDARDS AND MEASURES.—

''(1) FIRE SAFETY REPORTS REQUIRED.—Each eligible institution participating in any program under this title shall, beginning in academic year 2001-2002, and each year thereafter, prepare, publish, and distribute, through appropriate publications or mailings, to all current students and employees, and to any applicant for enrollment or employment upon request, an annual fire safety report containing at least the following information with respect to the campus fire safety practices and standards of that institution:

''(A) A statement that identifies each student housing facility of the institution, and whether or not each such facility is equipped with a fire sprinkler system or another equally protective fire safety system.

''(B) Statistics concerning the occurrence on campus, during the 2 preceding calendar years for which data are available, of fires and false fire alarms.

''(C) For each such occurrence, a statement of the human injuries or deaths and the structural damage caused by the occurrence.

''(D) Information regarding fire alarms, smoke alarms, the presence of adequate fire

escape planning or protocols (as defined in local fire codes), rules on portable electrical appliances, smoking and open flames (such as candles), regular mandatory supervised fire drills, and planned and future improvement in fire safety.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the Secretary to require particular policies, procedures, or practices by institutions of higher education with respect to fire safety.

''(3) REPORTS.—Each institution participating in any program under this title shall make periodic reports to the campus community on fires and false fire alarms that are reported to local fire departments in a manner that will aid in the prevention of similar occurrences.

''(4) REPORTS TO SECRETARY.—On an annual basis, each institution participating in any program under this title shall submit to the Secretary a copy of the statistics required to be made available under paragraph (1)(B). The Secretary shall—

''(A) review such statistics;

''(B) make copies of the statistics submitted to the Secretary available to the public; and

''(C) in coordination with representatives of institutions of higher education, identify exemplary fire safety policies, procedures, and practices and disseminate information concerning those policies, procedures, and practices that have proven effective in the reduction of campus fires.

''(5) DEFINITION OF CAMPUS.—In this subsection the term 'campus' has the meaning provided in subsection (f)(6).''.

(c) REPORT TO CONGRESS BY SECRETARY OF EDUCATION.—Not later than 1 year after the date of enactment of this Act, the Secretary of Education shall prepare and submit to the Congress a report containing—

(1) an analysis of the current status of fire safety systems in college and university facilities, including sprinkler systems;

(2) an analysis of the appropriate fire safety standards to apply to these facilities, which the Secretary shall prepare after consultation with such fire safety experts, representatives of institutions of higher education, and other Federal agencies as the Secretary, in the Secretary's discretion, considers appropriate;

(3) an estimate of the cost of bringing all nonconforming dormitories and other campus buildings up to current new building codes; and

(4) recommendations from the Secretary concerning the best means of meeting fire safety standards in all college and university facilities, including recommendations for methods to fund such cost.

## BAUCUS (AND JEFFORDS) AMENDMENT NO. 3684

(Ordered to lie on the table.)

Mr. BAUCUS (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 54, between lines 10 and 11, insert the following:

**SEC. ___. SENSE OF THE SENATE REGARDING IMPACTS OF THE BALANCED BUDGET ACT OF 1997.**

(a) FINDINGS.—The Senate makes the following findings:

(1) Since its passage in 1997, the Balanced Budget Act of 1997 has drastically cut payments under the medicare program under title XVIII of the Social Security Act in the areas of hospital, home health, and skilled nursing care, among others. While Congress intended to cut approximately $100,000,000,000 from the medicare program over 5 years, recent estimates put the actual cut at over $200,000,000,000.

(2) A recent study on home health care found that nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(3) According to the Medicare Payment Advisory Commission, rural hospitals were disproportionately affected by the Balanced Budget Act of 1997, dropping the inpatient margins of such hospitals over 4 percentage points in 1998.

(b) SENSE OF SENATE.—It is the sense of the Senate that Congress and the President should act expeditiously to alleviate the adverse impacts of the Balanced Budget Act of 1997 on beneficiaries under the medicare program under title XVIII of the Social Security Act and health care providers participating in such program.

## BAUCUS (AND OTHERS) AMENDMENT NO. 3685

(Ordered to lie on the table.)

Mr. BAUCUS (for himself, Mr. BINGAMAN, Mr. DOMENICI, and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

SEC. ___. Notwithstanding any other provision of this Act—

(1) the total amount made available under this title to carry out section 8007 of the Elementary and Secondary Education Act of 1965 shall be $50,000,000; and

(2) the amount of funds provided to each Federal agency that receives appropriations under this Act in an amount greater than $20,000,000 shall be reduced by a uniform percentage necessary to achieve an aggregate reduction of $25,000,000 in funds provided to all such agencies under this Act.

## WELLSTONE (AND OTHERS) AMENDMENT NO. 3686

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. JEFFORDS, Mr. KOHL, Mr. LIEBERMAN, Mr. LEVIN, Mr. SCHUMER, and Mr. REED) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 37, between lines 21 and 22, insert the following:

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, $1,100,000,000, to be available for obligation in the period October 1, 2001 through September 30, 2002.

## BAUCUS (AND OTHERS) AMENDMENT NO. 3687

Mr. BAUCUS (for himself, Mr. BINGAMAN, Mr. DOMENICI, and Mrs. HUTCHISON) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

SEC. . Notwithstanding any other provision of this Act—

(1) the total amount made available under this title to carry out section 8007 of the Elementary and Secondary Education Act of 1965 shall be $50,000,000; and

(2) Amounts made available under this Act for the administrative and related expenses of the Department of Health and Human Services, the Department of Labor, and the Department of Education shall be reduced on a pro rata basis by $25,000,000.

## NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

SUBCOMMITTEE ON WATER AND POWER

Mr. SMITH of Oregon. Mr. President, I would like to announce for the information of the Senate and the public that a legislative hearing has been scheduled before the Subcommittee on Water and Power.

The hearing will take place on Tuesday, July 11, 2000, at 2:30 p.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 2195, a bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee watershed reclamation project for the reclamation and reuse of water; S. 2350, a bill to direct the Secretary of the Interior to convey certain water rights to Duchesne City, Utah; and S. 2672, a bill to provide for the conveyance of various reclamation projects to local water authorities.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Water and Power, Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please call Trici Heninger, Staff Assistant, or Colleen Deegan, Counsel, at (202) 224–8115.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, June 28, 2000, at 9:30 a.m., on airline customer service.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the session of the Senate on Wednesday, June 28, for purposes of conducting a full committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, June 28, 9:30 a.m., Hearing Room (SD–406), to conduct a business meeting to consider the following items: Everglades Restoration, Water Resources development, and GSA Authorizations—(a) Multiple FY01 Prospectuses and (b) One FY02 Design Project.

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

COMMITTEE ON FINANCE

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, June 28, 2000, for an Open Executive Session to consider the chairman's Mark of the Marriage Tax Relief Reconciliation Act of 2000.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 28, 2000, at 11 a.m., to hold a business meeting.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, June 28, 2000, at 2:30 p.m., in room 485 of the Russell Senate Building to mark up pending committee business to be followed by a hearing on S. 2283, to amend the Transportation Equity Act (TEA–21) to make certain amendments with respect to Indian tribes.

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

COMMITTEE ON THE JUDICIARY

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, June 28, 2000, at 10 a.m., in SD226.

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

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Subcommittee on European Affairs be authorized to meet during the session of the Senate on Wednesday, June 28, 2000, at 2 p.m., to hold a hearing.

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

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Subcommittee on Near Eastern and South Asian Affairs be authorized to meet during the session of the Senate on Wednesday, June 28, 2000, at 9 a.m. to hold a hearing.

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

SUBCOMMITTEE ON TECHNOLOGY, TERRORISM AND GOVERNMENT INFORMATION

Mr. SPECTER. Mr. President, I ask unanimous consent that the Subcommittee on Technology, Terrorism and Government Information be authorized to meet to conduct a hearing on Wednesday, June 28 at 2 p.m., in SD226.

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

## PRIVILEGE OF THE FLOOR—H.R. 4577

Mr. DODD. I ask unanimous consent that Meredith Miller and Kathy HoganBruen, of my staff, be granted the privilege of the floor for the remainder of the debate on this bill.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent that Laura Chow, a legislative fellow in my office, be granted floor privileges during the debate on the Labor-HHS bill.

Mr. JEFFORDS. Mr. President, I further ask consent that Diane Lenz be granted access to the floor during consideration of my amendment.

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

Mr. WELLSTONE. Mr. President, I ask unanimous consent that Vinu Pillai, an intern, Nina Rossomando, a fellow, and Ellen Gerrity be allowed the privilege of the floor this afternoon.

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

## GAMBLING ON COLLEGE ATHLETICS

Mr. BROWNBACK. Mr. President, I draw quick attention of the body to the amendment I hope to bring up sometime during the session—or on a freestanding bill—banning gambling on college athletics. There is currently only one State in the Union where you can bet on college sports. That is in Nevada. It is called the ''Vegas Exception.'' That has led to a lot of problems of gambling on college athletics and on college campuses.

Also, one of the aspects I want to point out briefly—and why I want to bring this up yet this session of Congress because of the impact it is having on our young people—is the expansion into gambling and getting addicted.

We are finding that one of the leading gateways for young people to get into gambling is through sports gambling—betting on sporting events. That is one of the top two ways of getting young people involved. They are among the most susceptible to becoming addicted to gambling.

There is a study by the Harvard Medical School on addiction. It reported that college students are three times as likely to develop a severe gambling problem as compared with other adults. It shows that the leading gateway for college students becoming addicted is through sports betting.

There is only one place in the country where it is legal. That is in Nevada. It is the ''Vegas Exception.'' That provides this atmosphere where it is legal or thought to be legal in many places, and we are seeing this problem grow.

The NCAA is strongly supportive of this amendment. They want to get at this issue of gambling that is expanding exponentially across the country, and the problems they are having they want to be able to deal with so people will know there is a fair game that is going on. They want to deal with it now.

Some Members are opposed to this amendment. I simply stand here to say I am prepared to bring this amendment up at any time with limited debate—1 hour of debate equally divided between each side—and I am willing to go late into the night, as it is obvious now at this hour—to talk about this issue, get an up-or-down vote on it, and simply move forward. If the body agrees, let the body work its will. If the body disagrees, so be it. Let's move on.

This is an important issue to our young people, to our colleges, and to college athletics. These games should remain honest and not be influenced by gambling. We are even hearing of some referees now who are betting on games. It is causing people to question whether these are legitimate sporting events or fixed events on the point spread.

I simply continue to state to my colleagues that this is an important amendment on which I want to get a vote in this session of Congress. I am prepared to have limited debate at any point in time or bring the matter up as a freestanding bill so we are able to address it. I don't want to hold up other bills. I want to be able to get a vote on this particular item. We can do so in a limited time fashion. It is important that we get this addressed now.

## FEASIBILITY STUDY ON THE JICARILLA APACHE RESERVATION

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 625, H.R. 3051.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3051) to direct the Secretary of the Interior, the Bureau of Reclamation, to conduct a feasibility study on the Jicarilla Apache Reservation in the State of New Mexico, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 3051) was read the third time and passed.

## NATIVE AMERICAN BUSINESS DEVELOPMENT, TRADE PROMOTION, AND TOURISM ACT OF 2000

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 630, S. 2719.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2719) to provide for business development and trade promotion for Native Americans, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (S. 2719) was read the third time and passed, as follows:

S. 2719

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Native American Business Development, Trade Promotion, and Tourism Act of 2000''.

**SEC. 2. FINDINGS; PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) clause 3 of section 8 of article I of the United States Constitution recognizes the special relationship between the United States and Indian tribes;

(2) beginning in 1970, with the inauguration by the Nixon Administration of the Indian self-determination era, each President has reaffirmed the special government-to-government relationship between Indian tribes and the United States.

(3) in 1994, President Clinton issued an Executive memorandum to the heads of departments and agencies that obligated all Federal departments and agencies, particularly those that have an impact on economic development, to evaluate the potential impacts of their actions on Indian tribes;

(4) consistent with the principles of inherent tribal sovereignty and the special relationship between Indian tribes and the United States, Indian tribes retain the right to enter into contracts and agreements to trade freely, and seek enforcement of treaty and trade rights;

(5) Congress has carried out the responsibility of the United States for the protection and preservation of Indian tribes and the resources of Indian tribes through the endorsement of treaties, and the enactment of other laws, including laws that provide for the exercise of administrative authorizes.

(6) the United States has an obligation to guard and preserve the sovereignty of Indian tribes in order to foster strong tribal governments, Indian self-determination, and economic self-sufficiency among Indian tribes;

(7) the capacity of Indian tribes to build strong tribal governments and vigorous economies is hindered by the inability of Indian tribes to engage communities that surround Indian lands and outside investors in economic activities on Indian lands;

(8) despite the availability of abundant natural resources on Indian lands and a rich cultural legacy that accords great value to self-determination, self-reliance, and independence, native Americans suffer high rates of unemployment, poverty, poor health, substandard housing, and associated social ills than those of any other group in the United States;

(9) the United States has an obligation to assist Indian tribes with the creation of appropriate economic and political conditions with respect to Indian lands to—

(A) encourage investment from outside sources that do not originate with the tribes; and

(B) facilitate economic ventures with outside entities that are not tribal entities;

(10) the economic success and material well-being of Native American communities depends on the combined efforts of the Federal Government, tribal governments, the private sector, and individuals;

(11) the lack of employment and entrepreneurial opportunities in the communities referred to in paragraph (7) has resulted in a multigenerational dependence on Federal assistance that is—

(A) insufficient to address the magnitude of needs; and

(B) unreliable in availability; and

(12) the twin goals of economic self-sufficiency and political self-determination for Native Americans can best be served by marking available to address the challenges faced by those groups—

(A) the resources of the private market;

(B) adequate capital; and

(C) technical expertise.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To revitalize economically and physically distressed Native American economies by—

(A) encouraging the formation of new businesses by eligible entities, and the expansion of existing businesses; and

(B) facilitating the movement of goods to and from Indian lands and the provision of services by Indians.

(2) To promote private investment in the economies of Indian tribes and to encourage the sustainable development of resources of Indian tribes and Indian-owned businesses.

(3) To promote the long-range sustained growth of the economies of Indian tribes.

(4) To raise incomes of Indians in order to reduce the number of Indians at poverty levels and provide the means for achieving a higher standard of living on Indian reservations.

(5) To encourage intertribal, regional, and international trade and business development in order to assist in increasing productivity and the standard of living of members of Indian tribes and improving the economic self-sufficiency of the governing bodies of Indian tribes.

(6) To promote economic self-sufficiency and political self-determination for Indian tribes and members of Indian tribes.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) ELIGIBILITY ENTITY.—The term ''eligible entity'' means an Indian tribe or tribal organization, an Indian arts and crafts organization, as that term is defined in section 2 of the Act of August 27, 1935 (commonly known as the ''Indian Arts and Crafts Act'') (49 Stat. 891, chapter 748; 25 U.S.C. 305a), a tribal enterprise, a tribal marketing cooperative (as that term is defined by the Secretary, in consultation with the Secretary of the Interior), or any other Indian-owned business.

(2) INDIAN.—The term ''Indian'' has the meaning given that term in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d)).

(3) INDIAN GOODS AND SERVICES.—The term ''Indian goods and services'' means—

(A) Indian goods, within the meaning of section 2 of the Act of August 27, 1935 (commonly known as the ''Indian Arts and Crafts Act'') (49 Stat. 891, chapter 748; 25 U.S.C. 305a);

(B) goods produced or originated by an eligible entity; and

(C) services provided by eligible entities.

(4) INDIAN LANDS.—

(A) IN GENERAL.—The term ''Indian lands'' includes lands under the definition of—

(i) the term ''Indian country'' under section 1151 of title 18, United States Code; or

(ii) the term ''reservation'' under—

(I) section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)); or

(II) section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)).

(B) FORMER INDIAN RESERVATIONS IN OKLAHOMA.—For purposes of applying section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)) under subparagraph (A)(ii), the term ''former Indian reservations in Oklahoma'' shall be construed to include lands that are—

(i) within the jurisdictional areas of an Oklahoma Indian tribe (as determined by the Secretary of the Interior); and

(ii) recognized by the Secretary of the Interior as eligible for trust land status under part 151 of title 25, Code of Federal Regulations (as in effect on the date of enactment of this Act).

(5) INDIAN-OWNED BUSINESS.—The term ''Indian-owned business'' means an entity organized for the conduct of trade or commerce with respect to which at least 50 percent of the property interests of the entity are owned by Indians or Indian tribes (or a combination thereof).

(6) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given that term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)).

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(8) TRIBAL ENTERPRISE.—The term ''tribal enterprise'' means a commercial activity or business managed or controlled by an Indian tribe.

(9) TRIBAL ORGANIZATION.—The term ''tribal organization'' has the meaning given that term in section 4(l) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(l)).

**SEC. 4. OFFICE OF NATIVE AMERICAN BUSINESS DEVELOPMENT.**

(a) IN GENERAL.—

(1) ESTABLISHMENT.—There is established within the Department of Commerce an office known as the Office of Native American Business Development (referred to in this Act as the ''Office'').

(2) DIRECTOR.—The Office shall be headed by a Director, appointed by the Secretary, whose title shall be the Director of Native American Business Development (referred to in this Act as the ''Director''). The Director shall be compensated at a rate not to exceed level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) DUTIES OF THE SECRETARY.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall ensure the coordination of Federal programs that provide assistance, including financial and technical assistance, to eligible entities for increased business, the expansion of trade by eligible entities, and economic development on Indian lands.

(2) INTERAGENCY COORDINATION.—The Secretary, acting through the Director, shall coordinate Federal programs relating to Indian economic development, including any such program of the Department of the Interior, the Small Business Administration, the Department of Labor, or any other Federal agency charged with Indian economic development responsibilities.

(3) ACTIVITIES.—In carrying out the duties described in paragraph (1), the Secretary, acting through the Director, shall ensure the coordination of, or, as appropriate, carry out—

(A) Federal programs designed to provide legal, accounting, or financial assistance to eligible entities;

(B) market surveys;

(C) the development of promotional materials;

(D) the financing of business development seminars;

(E) the facilitation of marketing;

(F) the participation of appropriate Federal agencies or eligible entities in trade fairs;

(G) any activity that is not described in subparagraphs (A) through (F) that is related to the development of appropriate markets; and

(H) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(4) ASSISTANCE.—In conjunction with the activities described in paragraph (3), the Secretary, acting through the Director, shall provide—

(A) financial assistance, technical assistance, and administrative services to eligible entities to assist those entities with—

(i) identifying and taking advantage of business development opportunities; and

(ii) compliance with appropriate laws and regulatory practices; and

(B) such other assistance as the Secretary, in consultation with the Director, determines to be necessary for the development of business opportunities for eligible entities to enhance the economies of Indian tribes.

(5) PRIORITIES.—In carrying out the duties and activities described in paragraphs (3) and (4), the Secretary, acting through the Director, shall give priority to activities that—

(A) provide the greatest degree of economic benefits to Indians; and

(B) foster long-term stable economies of Indian tribes.

(6) PROHIBITION.—The Secretary may not provide under this section assistance for any activity related to the operation of a gaming activity on Indian lands pursuant to the Indian Gaming Regulatory Act (25 U.S.C. 2710 et seq.).

**SEC. 5. NATIVE AMERICAN TRADE AND EXPORT PROMOTION.**

(a) IN GENERAL.—The Secretary, acting through the Director, shall carry out a Native American export and trade promotion program (referred to in this section as the ''program'').

(b) COORDINATION OF FEDERAL PROGRAMS AND SERVICES.—In carrying out the program, the Secretary, acting through the Director, and in cooperation with the heads of appropriate Federal agencies, shall ensure the coordination of Federal programs and services designed to—

(1) develop the economies of Indian tribes; and

(2) stimulate the demand for Indian goods and services that are available for eligible entities.

(c) ACTIVITIES.—In carrying out the duties described in subsection (b), the Secretary, acting through the Director, shall ensure the coordination of, or, as appropriate carry out—

(1) Federal programs designed to provide technical or financial assistance to eligible entities;

(2) the development of promotional materials;

(3) the financing of appropriate trade missions;

(4) the marketing of Indian goods and services;

(5) the participation of appropriate Federal agencies or eligible entities in international trade fairs; and

(6) any other activity related to the development of markets for Indian goods and services.

(d) TECHNICAL ASSISTANCE.—In conjunction with the activities described in subsection (c), the Secretary, acting through the Director, shall provide technical assistance and administrative services to eligible entities to assist those entities with—

(1) the identification of appropriate markets for Indian goods and services;

(2) entering the markets referred to in paragraph (1);

(3) compliance with foreign or domestic laws and practices with respect to financial institutions with respect to the export and import of Indian goods and services; and

(4) entering into financial arrangements to provide for the export and import of Indian goods and services.

(e) PRIORITIES.—In carrying out the duties and activities described in subsections (b) and (c), the Secretary, acting through the Director, shall give priority to activities that—

(1) provide the greatest degree of economic benefits to Indians; and

(2) foster long-term stable international markets for Indian goods and services.

**SEC. 6. INTERTRIBAL TOURISM DEMONSTRATION PROJECTS.**

(a) PROGRAM TO CONDUCT TOURISM PROJECTS.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall conduct a Native American tourism program to facilitate the development and conduct of tourism demonstration projects by Indian tribes, on a tribal, intertribal, or regional basis.

(2) DEMONSTRATION PROJECTS.—

(A) IN GENERAL.—Under the program established under this section, in order to assist in the development and promotion of tourism on and in the vicinity of Indian lands, the Secretary, acting through the Director, shall, in coordination with the Under Secretary of Agriculture for Rural Development, assist eligible entities in the planning, development, and implementation of tourism development demonstration projects that meet the criteria described in subparagraph (B).

(B) PROJECTS DESCRIBED.—In selecting tourism development demonstration projects under this section, the Secretary, acting through the Director, shall select projects that have the potential to increase travel and tourism revenues by attracting visitors to Indian lands and lands in the vicinity of Indian lands, including projects that provide for—

(i) the development and distribution of educational and promotional materials pertaining to attractions located on and near Indian lands;

(ii) the development of educational resources to assist in private and public tourism development on and in the vicinity of Indian lands; and

(iii) the coordination of tourism-related joint revenues and cooperative efforts between eligible entities and appropriate State and local governments that have jurisdiction over areas in the vicinity of Indian lands.

(3) GRANTS.—To carry out the program under this section, the Secretary, acting through the Director, may award grants or enter into other appropriate arrangements with Indian tribes, tribal organizations, intertribal consortia, or other tribal entities that the Secretary, in consultation with the Director, determines to be appropriate.

(4) LOCATIONS.—In providing for tourism development demonstration projects under the program under this section, the Secretary, acting through the Director, shall provide for a demonstration project to be conducted—

(A) for Indians of the Four Corners area located in the area adjacent to the border between Arizona, Utah, Colorado, and New Mexico;

(B) for Indians of the northwestern area that is commonly known as the Great Northwest (as determined by the Secretary);

(C) for the Oklahoma Indians in Oklahoma;

(D) for the Indians of the Great Plains area (as determined by the Secretary); and

(E) for Alaska Natives in Alaska.

(b) ASSISTANCE.—The Secretary, acting through the Director, shall provide financial assistance, technical assistance, and administrative services to participants that the Secretary, acting through the Director, selects to carry out a tourism development project under this section, with respect to—

(1) feasibility studies conducted as part of that project;

(2) market analyses;

(3) participation in tourism and trade missions; and

(4) any other activity that the Secretary, in consultation with the Director, determines to be appropriate to carry out this section.

(c) INFRASTRUCTURE DEVELOPMENT.—The demonstration projects conducted under this section shall include provisions to facilitate the development and financing of infrastructure, including the development of Indian reservation roads in a manner consistent with title 23, United States Code.

**SEC. 7. REPORT TO CONGRESS.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary, in consultation with the Director, shall prepare and submit to the Committee on Indian Affairs of the Senate and the Committee on Resources of the House of Representatives a report on the operation of the Office.

(b) CONTENTS OF REPORT.—Each report prepared under subsection (a) shall include—

(1) for the period covered by the report, a summary of the activities conducted by the Secretary, acting through the Director, in carrying out sections 4 through 6; and

(2) any recommendations for legislation that the Secretary, in consultation with the Director, determines to be necessary to carry out sections 4 through 6.

**SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as are necessary to carry out this Act, to remain available until expended.

## ACCEPTANCE OF STATUE OF CHIEF WASHAKIE

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H. Con. Res. 333, which is at the desk.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 333) providing for the acceptance of a statue of Chief Washakie, presented by the people of Wyoming, for placement in National Statuary Hall, and for other purposes.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 333) was agreed to.

The preamble was agreed to.

## AUTHORIZING USE OF ROTUNDA OF THE CAPITOL

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of H. Con. Res. 344, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 344) permitting the use of the Rotunda of the Capitol for a ceremony to present the Congressional Gold Medal to Father Theodore Hesburgh.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BROWNBACK. I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 344) was agreed to.

## RADIATION EXPOSURE COMPENSATION ACT AMENDMENTS OF 2000

Mr. BROWNBACK. I ask unanimous consent the Chair lay before the Senate a message from the House of Representatives to accompany S. 1515, an Act to amend the Radiation Exposure Compensation Act, and for other purposes.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

*Resolved*, That the bill from the Senate (S. 1515) entitled ''An Act to amend the Radiation Exposure Compensation Act, and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

***SECTION 1. SHORT TITLE.***

*This Act may be cited as the ''Radiation Exposure Compensation Act Amendments of 2000''.*

***SEC. 2. FINDINGS.***

*Congress finds that—*

*(1) the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) recognized the responsibility of the Federal Government to compensate individuals who were harmed by the mining of radioactive materials or fallout from nuclear arms testing;*

*(2) a congressional oversight hearing conducted by the Committee on Labor and Human Resources of the Senate demonstrated that since enactment of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note), regulatory burdens have made it too difficult for some deserving individuals to be fairly and efficiently compensated;*

*(3) reports of the Atomic Energy Commission and the National Institute for Occupational Safety and Health testify to the need to extend eligibility to States in which the Federal Government sponsored uranium mining and milling from 1941 through 1971;*

*(4) scientific data resulting from the enactment of the Radiation Exposed Veterans Compensation Act of 1988 (38 U.S.C. 101 note), and obtained from the Committee on the Biological Effects of Ionizing Radiations, and the President's Advisory Committee on Human Radiation Experiments provide medical validation for the extension of compensable radiogenic pathologies;*

*(5) above-ground uranium miners, millers and individuals who transported ore should be fairly compensated, in a manner similar to that provided for underground uranium miners, in cases in which those individuals suffered disease or resultant death, associated with radiation exposure, due to the failure of the Federal Government to warn and otherwise help protect citizens from the health hazards addressed by the Radiation Exposure Compensation Act of 1990 (42 U.S.C. 2210 note); and*

*(6) it should be the responsibility of the Federal Government in partnership with State and local governments and appropriate healthcare organizations, to initiate and support programs designed for the early detection, prevention and education on radiogenic diseases in approved States to aid the thousands of individuals adversely affected by the mining of uranium and the testing of nuclear weapons for the Nation's weapons arsenal.*

***SEC. 3. AMENDMENTS TO THE RADIATION EXPOSURE COMPENSATION ACT.***

*(a) CLAIMS RELATING TO ATMOSPHERIC NUCLEAR TESTING.—Section 4(a)(1) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:*

*''(1) CLAIMS RELATING TO LEUKEMIA.—*

*''(A) IN GENERAL.—An individual described in this subparagraph shall receive an amount specified in subparagraph (B) if the conditions described in subparagraph (C) are met. An individual referred to in the preceding sentence is an individual who—*

*''(i)(I) was physically present in an affected area for a period of at least 1 year during the period beginning on January 21, 1951, and ending on October 31, 1958;*

*''(II) was physically present in the affected area for the period beginning on June 30, 1962, and ending on July 31, 1962; or*

*''(III) participated onsite in a test involving the atmospheric detonation of a nuclear device; and*

*''(ii) submits written documentation that such individual developed leukemia—*

*''(I) after the applicable period of physical presence described in subclause (I) or (II) of clause (i) or onsite participation described in clause (i)(III) (as the case may be); and*

*''(II) more that 2 years after first exposure to fallout.*

*''(B) AMOUNTS.—If the conditions described in subparagraph (C) are met, an individual—*

*''(i) who is described in subclause (I) or (II) of subparagraph (A)(i) shall receive $50,000; or*

*''(ii) who is described in subclause (III) of subparagraph (A)(i) shall receive $75,000.*

*''(C) CONDITIONS.—The conditions described in this subparagraph are as follows:*

*''(i) Initial exposure occurred prior to age 21.*

*''(ii) The claim for a payment under subparagraph (B) is filed with the Attorney General by or on behalf of the individual.*

*''(iii) The Attorney General determines, in accordance with section 6, that the claim meets the requirements of this Act.''.*

*(b) DEFINITIONS.—Section 4(b) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—*

*(1) in paragraph (1)—*

*(A) in subparagraph (A) by inserting ''Wayne, San Juan,'' after ''Millard,''; and*

*(B) by amending subparagraph (C) to read as follows:*

*''(C) in the State of Arizona, the counties of Coconino, Yavapai, Navajo, Apache, and Gila; and''; and*

*(2) in paragraph (2)—*

*(A) by striking ''the onset of the disease was between 2 and 30 years of first exposure,'' and inserting ''the onset of the disease was at least 2 years after first exposure, lung cancer (other than in situ lung cancer that is discovered during or after a post-mortem exam),'';*

*(B) by striking ''(provided initial exposure occurred by the age of 20)'' after ''thyroid'';*

*(C) by inserting ''male or'' before ''female breast'';*

*(D) by striking ''(provided initial exposure occurred prior to age 40)'' after ''female breast'';*

*(E) by striking ''(provided low alcohol consumption and not a heavy smoker)'' after ''esophagus'';*

*(F) by striking ''(provided initial exposure occurred before age 30)'' after ''stomach'';*

*(G) by striking ''(provided not a heavy smoker)'' after ''pharynx'';*

*(H) by striking ''(provided not a heavy smoker and low coffee consumption)'' after ''pancreas''; and*

*(I) by inserting ''salivary gland, urinary bladder, brain, colon, ovary,'' after ''gall bladder,''.*

*(c) CLAIMS RELATING TO URANIUM MINING.—*

*(1) IN GENERAL.—Section 5(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:*

*''(a) ELIGIBILITY OF INDIVIDUALS.—*

*''(1) IN GENERAL.—An individual shall receive $100,000 for a claim made under this Act if—*

*''(A) that individual—*

*''(i) was employed in a uranium mine or uranium mill (including any individual who was employed in the transport of uranium ore or vanadium-uranium ore from such mine or mill) located in Colorado, New Mexico, Arizona, Wyoming, South Dakota, Washington, Utah, Idaho, North Dakota, Oregon, and Texas at any time during the period beginning on January 1, 1942, and ending on December 31, 1971; and*

*''(ii)(I) was a miner exposed to 40 or more working level months of radiation and submits written medical documentation that the individual, after that exposure, developed lung cancer or a nonmalignant respiratory disease; or*

*''(II) was a miller or ore transporter who worked for at least 1 year during the period described under clause (i) and submits written medical documentation that the individual, after that exposure, developed lung cancer or a nonmalignant respiratory disease or renal cancers and other chronic renal disease including nephritis and kidney tubal tissue injury;*

*''(B) the claim for that payment is filed with the Attorney General by or on behalf of that individual; and*

*''(C) the Attorney General determines, in accordance with section 6, that the claim meets the requirements of this Act.*

*''(2) INCLUSION OF ADDITIONAL STATES.—Paragraph (1)(A)(i) shall apply to a State, in addition to the States named under such clause, if—*

*''(A) an Atomic Energy Commission uranium mine was operated in such State at any time during the period beginning on January 1, 1942, and ending on December 31, 1971;*

*''(B) the State submits an application to the Department of Justice to include such State; and*

*''(C) the Attorney General makes a determination to include such State.*

*''(3) PAYMENT REQUIREMENT.—Each payment under this section may be made only in accordance with section 6.''.*

*(2) DEFINITIONS.—Section 5(b) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—*

*(A) in paragraph (3)—*

*(i) by striking ''and'' before ''corpulmonale''; and*

*(ii) by striking ''; and if the claimant,'' and all that follows through the end of the paragraph and inserting '', silicosis, and pneumoconiosis;'';*

*(B) by striking the period at the end of paragraph (4) and inserting a semicolon; and*

*(C) by adding at the end the following:*

''(5) the term 'written medical documentation' for purposes of proving a nonmalignant respiratory disease or lung cancer means, in any case in which the claimant is living—

''(A)(i) an arterial blood gas study; or

''(ii) a written diagnosis by a physician meeting the requirements of subsection (c)(1); and

''(B)(i) a chest x-ray administered in accordance with standard techniques and the interpretive reports of a maximum of two National Institute of Occupational Health and Safety certified 'B' readers classifying the existence of the nonmalignant respiratory disease of category 1/0 or higher according to a 1989 report of the International Labor Office (known as the 'ILO'), or subsequent revisions;

''(ii) high resolution computed tomography scans (commonly known as 'HRCT scans') (including computer assisted tomography scans (commonly known as 'CAT scans'), magnetic resonance imaging scans (commonly known as 'MRI scans'), and positron emission tomography scans (commonly known as 'PET scans')) and interpretive reports of such scans;

''(iii) pathology reports of tissue biopsies; or

''(iv) pulmonary function tests indicating restrictive lung function, as defined by the American Thoracic Society;

''(6) the term 'lung cancer'—

''(A) means any physiological condition of the lung, trachea, or bronchus that is recognized as lung cancer by the National Cancer Institute; and

''(B) includes in situ lung cancers;

''(7) the term 'uranium mine' means any underground excavation, including 'dog holes', as well as open pit, strip, rim, surface, or other aboveground mines, where uranium ore or vanadium-uranium ore was mined or otherwise extracted; and

''(8) the term 'uranium mill' includes milling operations involving the processing of uranium ore or vanadium-uranium ore, including both carbonate and acid leach plants.''.

(3) WRITTEN DOCUMENTATION.—Section 5 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by adding at the end the following:

''(c) WRITTEN DOCUMENTATION.—

''(1) DIAGNOSIS ALTERNATIVE TO ARTERIAL BLOOD GAS STUDY.—

''(A) IN GENERAL.—For purposes of this Act, the written diagnosis and the accompanying interpretive reports described in subsection (b)(5)(A) shall—

''(i) be considered to be conclusive; and

''(ii) be subject to a fair and random audit procedure established by the Attorney General.

''(B) CERTAIN WRITTEN DIAGNOSES.—

''(i) IN GENERAL.—For purposes of this Act, a written diagnosis made by a physician described under clause (ii) of a nonmalignant pulmonary disease or lung cancer of a claimant that is accompanied by written documentation shall be considered to be conclusive evidence of that disease.

''(ii) DESCRIPTION OF PHYSICIANS.—A physician referred to under clause (i) is a physician who—

''(I) is employed by the Indian Health Service or the Department of Veterans Affairs; or

''(II) is a board certified physician; and

''(III) has a documented ongoing physician patient relationship with the claimant.

''(2) CHEST X-RAYS.—

''(A) IN GENERAL.—For purposes of this Act, a chest x-ray and the accompanying interpretive reports described in subsection (b)(5)(B) shall—

''(i) be considered to be conclusive; and

''(ii) be subject to a fair and random audit procedure established by the Attorney General.

''(B) CERTAIN WRITTEN DIAGNOSES.—

''(i) IN GENERAL.—For purposes of this Act, a written diagnosis made by a physician described in clause (ii) of a nonmalignant pulmonary disease or lung cancer of a claimant that is accompanied by written documentation that meets the definition of that term under subsection (b)(5) shall be considered to be conclusive evidence of that disease.

''(ii) DESCRIPTION OF PHYSICIANS.—A physician referred to under clause (i) is a physician who—

''(I) is employed by—

''(aa) the Indian Health Service; or

''(bb) the Department of Veterans Affairs; and

''(II) has a documented ongoing physician patient relationship with the claimant.''.

(d) DETERMINATION AND PAYMENT OF CLAIMS.—

(1) FILING PROCEDURES.—Section 6(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by adding at the end the following: ''In establishing procedures under this subsection, the Attorney General shall take into account and make allowances for the law, tradition, and customs of Indian tribes (as that term is defined in section 5(b)) and members of Indian tribes, to the maximum extent practicable.''.

(2) DETERMINATION AND PAYMENT OF CLAIMS, GENERALLY.—Section 6(b)(1) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by adding at the end the following: ''All reasonable doubt with regard to whether a claim meets the requirements of this Act shall be resolved in favor of the claimant.''.

(3) OFFSET FOR CERTAIN PAYMENTS.—Section 6(c)(2)(B) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(A) in clause (i), by inserting ''(other than a claim for workers' compensation)'' after ''claim''; and

(B) in clause (ii), by striking ''Federal Government'' and inserting ''Department of Veterans Affairs''.

(4) APPLICATION OF NATIVE AMERICAN LAW TO CLAIMS.—Section 6(c)(4) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by adding at the end the following:

''(D) APPLICATION OF NATIVE AMERICAN LAW.—In determining those individuals eligible to receive compensation by virtue of marriage, relationship, or survivorship, such determination shall take into consideration and give effect to established law, tradition, and custom of the particular affected Indian tribe.''.

(5) ACTION ON CLAIMS.—Section 6(d) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(A) by inserting ''(1) IN GENERAL.—'' before ''The Attorney General'';

(B) by inserting at the end the following: ''For purposes of determining when the 12-month period ends, a claim under this Act shall be deemed filed as of the date of its receipt by the Attorney General. In the event of the denial of a claim, the claimant shall be permitted a reasonable period in which to seek administrative review of the denial by the Attorney General. The Attorney General shall make a final determination with respect to any administrative review within 90 days after the receipt of the claimant's request for such review. In the event the Attorney General fails to render a determination within 12 months after the date of the receipt of such request, the claim shall be deemed awarded as a matter of law and paid.''; and

(C) by adding at the end the following:

''(2) ADDITIONAL INFORMATION.—The Attorney General may request from any claimant under this Act, or from any individual or entity on behalf of any such claimant, any reasonable additional information or documentation necessary to complete the determination on the claim in accordance with the procedures established under subsection (a).

''(3) TREATMENT OF PERIOD ASSOCIATED WITH REQUEST.—

''(A) IN GENERAL.—The period described in subparagraph (B) shall not apply to the 12-month limitation under paragraph (1).

''(B) PERIOD.—The period described in this subparagraph is the period—

''(i) beginning on the date on which the Attorney General makes a request for additional information or documentation under paragraph (2); and

''(ii) ending on the date on which the claimant or individual or entity acting on behalf of that claimant submits that information or documentation or informs the Attorney General that it is not possible to provide that information or that the claimant or individual or entity will not provide that information.

''(4) PAYMENT WITHIN 6 WEEKS.—The Attorney General shall ensure that an approved claim is paid not later than 6 weeks after the date on which such claim is approved.

''(5) NATIVE AMERICAN CONSIDERATIONS.—Any procedures under this subsection shall take into consideration and incorporate, to the fullest extent feasible, Native American law, tradition, and custom with respect to the submission and processing of claims by Native Americans.''.

(e) REGULATIONS.—

(1) IN GENERAL.—Section 6(i) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by adding at the end the following: ''Not later than 180 days after the date of the enactment of the Radiation Exposure Compensation Act Amendments of 2000, the Attorney General shall issue revised regulations to carry out this Act.''.

(2) AFFIDAVITS.—

(A) IN GENERAL.—The Attorney General shall take such action as may be necessary to ensure that the procedures established by the Attorney General under section 6 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) provide that, in addition to any other material that may be used to substantiate employment history for purposes of determining working level months, an individual filing a claim under those procedures may make such a substantiation by means of an affidavit described in subparagraph (B).

(B) AFFIDAVITS.—An affidavit referred to under subparagraph (A) is an affidavit—

(i) that meets such requirements as the Attorney General may establish; and

(ii) is made by a person other than the individual filing the claim that attests to the employment history of the claimant.

(f) LIMITATIONS ON CLAIMS.—Section 8 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''A claim''; and

(2) by adding at the end the following:

''(b) RESUBMITTAL OF CLAIMS.—After the date of the enactment of the Radiation Exposure Compensation Act Amendments of 2000, any claimant who has been denied compensation under this Act may resubmit a claim for consideration by the Attorney General in accordance with this Act not more than three times. Any resubmittal made before the date of the enactment of the Radiation Exposure Compensation Act Amendments of 2000 shall not be applied to the limitation under the preceding sentence.''.

(g) EXTENSION OF CLAIMS AND FUND.—

(1) EXTENSION OF CLAIMS.—Section 8 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended by striking ''20 years after the date of the enactment of this Act'' and inserting ''22 years after the date of the enactment of the Radiation Exposure Compensation Act Amendments of 2000''.

(2) EXTENSION OF FUND.—Section 3(d) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended in the first sentence by striking ''date of the enactment of this Act'' and inserting ''date of the enactment of the Radiation Exposure Compensation Act Amendments of 2000''.

(h) ATTORNEY FEES LIMITATION.—Section 9 of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) is amended to read as follows:

**''SEC. 9. ATTORNEY FEES.**

''(a) GENERAL RULE.—Notwithstanding any contract, the representative of an individual may not receive, for services rendered in connection with the claim of an individual under this

*Act, more than that percentage specified in subsection (b) of a payment made under this Act on such claim.*

*''(b) APPLICABLE PERCENTAGE LIMITATIONS.—The percentage referred to in subsection (a) is—*

*''(1) 2 percent for the filing of an initial claim; and*

*''(2) 10 percent with respect to—*

*''(A) any claim with respect to which a representative has made a contract for services before the date of the enactment of the Radiation Exposure Compensation Act Amendments of 2000; or*

*''(B) a resubmission of a denied claim.*

*''(c) PENALTY.—Any such representative who violates this section shall be fined not more than $5,000.''.*

*(i) GAO REPORTS.—*

*(1) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, and every 18 months thereafter, the General Accounting Office shall submit a report to Congress containing a detailed accounting of the administration of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) by the Department of Justice.*

*(2) CONTENTS.—Each report submitted under this subsection shall include an analysis of—*

*(A) claims, awards, and administrative costs under the Radiation Exposure Compensation Act (42 U.S.C. 2210 note); and*

*(B) the budget of the Department of Justice relating to such Act.*

***SEC. 4. ESTABLISHMENT OF PROGRAM OF GRANTS TO STATES FOR EDUCATION, PREVENTION, AND EARLY DETECTION OF RADIOGENIC CANCERS AND DISEASES.***

*Subpart I of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following:*

***''SEC. 417C. GRANTS FOR EDUCATION, PREVENTION, AND EARLY DETECTION OF RADIOGENIC CANCERS AND DISEASES.***

*''(a) DEFINITION.—In this section the term 'entity' means any—*

*''(1) National Cancer Institute-designated cancer center;*

*''(2) Department of Veterans Affairs hospital or medical center;*

*''(3) Federally Qualified Health Center, community health center, or hospital;*

*''(4) agency of any State or local government, including any State department of health; or*

*''(5) nonprofit organization.*

*''(b) IN GENERAL.—The Secretary, acting through the Administrator of the Health Resources and Services Administration in consultation with the Director of the National Institutes of Health and the Director of the Indian Health Service, may make competitive grants to any entity for the purpose of carrying out programs to—*

*''(1) screen individuals described under section 4(a)(1)(A)(i) or 5(a)(1)(A) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) for cancer as a preventative health measure;*

*''(2) provide appropriate referrals for medical treatment of individuals screened under paragraph (1) and to ensure, to the extent practicable, the provision of appropriate follow-up services;*

*''(3) develop and disseminate public information and education programs for the detection, prevention, and treatment of radiogenic cancers and diseases; and*

*''(4) facilitate putative applicants in the documentation of claims as described in section 5(a) of the Radiation Exposure Compensation Act (42 U.S.C. 2210 note).*

*''(c) INDIAN HEALTH SERVICE.—The programs under subsection (a) shall include programs provided through the Indian Health Service or through tribal contracts, compacts, grants, or cooperative agreements with the Indian Health Service and which are determined appropriate to raising the health status of Indians.*

*''(d) GRANT AND CONTRACT AUTHORITY.—Entities receiving a grant under subsection (b) may expend the grant to carry out the purpose described in such subsection.*

*''(e) HEALTH COVERAGE UNAFFECTED.—Nothing in this section shall be construed to affect any coverage obligation of a governmental or private health plan or program relating to an individual referred to under subsection (b)(1).*

*''(f) REPORT TO CONGRESS.—Beginning on October 1 of the year following the date on which amounts are first appropriated to carry out this section and annually on each October 1 thereafter, the Secretary shall submit a report to the Committee on the Judiciary and the Committee on Health, Education, Labor, and Pensions of the Senate and to the Committee on the Judiciary and the Committee on Commerce of the House of Representatives. Each report shall summarize the expenditures and programs funded under this section as the Secretary determines to be appropriate.*

*''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purpose of carrying out this section $20,000,000 for fiscal year 1999 and such sums as may be necessary for each of the fiscal years 2000 through 2009.''.*

Mr. HATCH. Mr. President, I am pleased that the Congress is approving one of my top legislative priorities, the ''Radiation Exposure Compensation Act Amendments of 2000,'' (S. 1515) which will update the compensation program Congress enacted a decade ago. The amendments we pass tonight will make certain that more Utahns who were exposed to radiation during the Cold War can now be granted deserved compensation to recognize the injuries and hardship they and their families have suffered. It will also streamline the application process, making it easier for eligible claimants to qualify.

Mr. President, we our government can never truly make right the unanticipated illness and injury caused by our Nation's nuclear testing program. But we should do all we can, and it is my fervent hope these amendments show Congress' commitment to righting a wrong in which the government played such a substantial role.

S. 1515 is aimed at improving a program which provides a measure of compensation to individuals who have sustained illness due to radiation exposure. These are fellow Americans who have suffered terribly from cancer and other debilitating diseases resulting from exposure to fallout and uranium mining during this narrow period of our history.

In meetings with constituents over the past several years, I have heard countless heart-rending stories about the devastating effects families have felt due to their exposure to radiation. I recall so vividly one young woman in St. George, Utah talking about the ''beautiful sky'' that her mother called all the children outside to view, thus exposing every family member to radiation. Tragically, many of those family members were eventually diagnosed with cancer.

Through advances in science, we now know so much more about the effects of that radiation than we did in the late 1950s and 1960s. In fact, we know so much more today than we did in 1990 when Congress passed the original compensation program, the Radiation Exposure Compensation Act. Our current state of scientific knowledge allows us to pinpoint with more accuracy which diseases are reasonably believed to be related to radiation exposure, and that is what necessitated the legislation we are considering today.

The RECA amendments of 2000 updates that 1990 law in a number of important areas. Let me briefly take this opportunity to summarize the improvements to RECA that S. 1515 makes:

1. It expands the list eligible diseases (leukemia) and other cancers eligible for compensation to include: lung; thyroid; breast (male and female); esophagus; stomach; pharynx, small intestine; pancreas; bile ducts; salivary gland; urinary bladder; brain, colon; ovary; gall bladder, or liver in those claimants referred to as ''downwinders'' and onsite test participants.

2. It extends eligibility to other diseases (non-cancers) including pulmonary fibrosis, silicosis and pneumoconiosis to millers and miners.

3. It includes two new counties, Wayne and San Juan, as well as several other counties from other states.

4. It extends eligibility for compensation to include above-ground and open-pit uranium mine workers, uranium mill workers, and individuals who transported uranium ore. Under the 1990 law, only underground miners of uranium were included.

5. In an important change, it eliminates a distinction between smokers and nonsmokers. While I appreciate the concern of government officials that smokers who became ill could not reasonably attribute that illness to radiation exposure, many constituents have explained to me that it was virtually impossible to provide reliable documentation about as to whether they had smoked or not. Thus, I insisted in this change so that claimants no longer need to prove they were nonsmokers. For many individuals, this will ease the application process immeasurably.

6. It allows for certified physician/patient written documentation and appropriate tests (e.g. CAT scans and MRIs) to be used in the verification of a claim. This will also ease the claimant's application process tremendously. Before, claimants had to search for specific documentation that may have never existed or was disposed of years earlier.

7. In another important provision, these amendments respect Native American law in claims processing as it applies to survivor eligibility based on law, tradition, and custom of a particular Indian tribe (i.e. martial status).

8. While the bill retains the RECA'90 levels of compensation and does not alter the documentation requirements showing that a person was present during the atomic testings, at the request

of Senator DASCHLE, the bill does extend compensation to a new group of individuals: millers (and ore transporters) who are also eligible for $100,000.

9. In the case of millers, miners, and ore transporters, the bill lowers the amount of documented radiation from 200 Working Level Months (WLM) to 40 Working Level Months. If a miller or ore transporter applies for compensation, their exposure documentation can be either proof of 40 WLM or one year documented employment. This is a big change, for with RECA 90, millers and ore transporters were not even eligible for compensation and miners were required to show proof of 200 WLMs.

10. Miners and millers are eligible for compensation if they meet the eligibility criteria for lung cancer and chronic lung diseases mentioned above in #2. Millers are eligible for compensation if they develop renal cancers, chronic renal disease including nephritis and kidney tubal tissue injury. The compensation would be $100,000.

11. Finally, at the suggestion of several Washington County, Utah constituents, the bill includes a new grant program that will help with early detection, prevention and screening of radiogenic diseases. These programs will screen for the early warning signs of cancer, provide medical referrals and educate individuals on prevention and treatment of radiogenic diseases. The grant program is designed to be available to a wide range of community-based groups, including cancer centers, hospitals, Veterans Affairs medical centers, community health centers and state departments of health.

I am extremely grateful to the interested and concerned constituents who helped in the drafting of the RECA amendments. Many times, their heartfelt stories helped lead to provisions in the legislation which can only help improve the program. For example, in one meeting on the bill held in St. George, Utah, a woman explained to my office that the compensation program, while well-intended, could never make families who had experienced radiation-caused illness whole again. She expressed her feeling that the greater good could come not from compensating individuals, but from instituting programs which will help families detect potential illness earlier, allowing them to be treated more successfully and cost-effectively. From that conversation was born the new prevention grant program, which I believe will prove to be extremely successful.

Our nation has a commitment to the thousands who suffered ill-effects from radiation exposure during a period of nuclear testing critical to our Nation's defense capabilities. I believe we have an obligation to those who were injured, especially since they were not adequately warned about the potential health hazards involved in their exposure.

This legislation was made possible by a staunch group of bipartisan supporters who have worked several years to see these program modernizations through. In particular, I want to thank my colleagues from the Beehive State, Representative CHRIS CANNON, a Judiciary Committee member who worked so hard to get this bill through, and Senator BOB BENNETT, for his support on this measure.

Likewise, I want to thank a number of other Senators for their help in passing this legislation—Senators BEN NIGHTHORSE CAMPBELL, JON KYL, and PETE DOMENICI, and Minority Leader TOM DASCHLE and Senator JEFF BINGAMAN. All of these Senators assisted substantially in developing this legislation.

I would be remiss if I did not thank members of the Senate Judiciary Committee, and especially Senator PAT LEAHY, for their help and cooperation on this issue. And, I want to pay special tribute to my counterpart in the House, Chairman HENRY HYDE, as well as to Representative LAMAR SMITH, Chairman of the Subcommittee on Immigration and Claims.

Finally, I would also like to thank the ranking member of the House Judiciary Committee, Representative JOHN CONYERS, Representative BARNEY FRANK, and Representative JOE SKEEN for their generous support and contributions toward the passage of this bill. I would also be remiss if I did not mention the contributions made to this bill by Stewart Udall, whose substantial work on RECA and these amendments should not go unnoticed.

I want to offer sincere appreciation for the assistance and cooperation of key staff, including Cindy Blackston of the House Judiciary Committee, Trudy Vincent of Senator BINGAMAN's staff, Peter Hansen and Mark Childress of Senator DASCHLE's staff, and Ed Pagano of Senator LEAHY's staff.

Also, I want to recognize the hard work by my own staff on this legislation. I have often thought that the probability of any bill passing by unanimous consent is an inverse relationship to the number of hours spent developing it. This bill has been a long time in development. Dr. Marlon Priest began the research phase for this bill over two years ago. Dr. David Russell has brought the legislation to its completion. Pattie DeLoatche, Rob Foreman, Shawn Bently, Troy Dow, Jeannine Holt, and Patricia Knight have worked tirelessly together on behalf of this legislation.

And last, but not least, I want to thank the many constituents who offered helpful suggestions to me as we worked to enact S. 1515. I have a tremendous appreciation for their determination, dedication and hard work which was such a necessary part of crafting this legislation.

The Radiation Exposure Compensation Act Amendment of 2000 is an important piece of legislation which will speed up the application process as well as modernize the criteria for compensation, helping thousands of fellow Utahns and other deserving Americans who were injured by our nation's nuclear development and testing programs. I am hopeful that President Clinton will sign this bipartisan bill into law on a priority basis.

Mr. DASCHLE. Mr. President, I am delighted that the Senate is passing S. 1515, the Radiation Exposure Compensation Improvement Act Amendments of 2000. I deeply appreciate the hard work of my colleague, Senator HATCH, in developing this legislation and bringing it to this point.

Hundreds of former uranium workers in South Dakota and thousands across the nation have developed cancer and other life-threatening diseases as a result of their work producing uranium on behalf of the United States government. Although the federal government knew that this work put the health of these men and women at risk, it failed to take appropriate steps to warn or protect them.

In 1990, Congress passed landmark legislation to compensate these individuals. The legislation before us today takes critically-needed steps to amend this act to make it easier for victims to apply for and receive compensation. It also broadens the availability of compensation by updating the list of compensable diseases to take into account the latest science and by extending compensation to groups of workers excluded from the original law. Most importantly, it makes compensation available to workers in all states, including my home state of South Dakota. The original law limited compensation to workers in five states only, despite the fact that workers in other states faced identical circumstances.

It is critical that we pass this legislation as quickly as possible in order to provide these individuals with compensation. Many are sick, and unable to afford adequate health insurance. This compensation will provide them with vital assistance.

While I believe we need to send this legislation to the President immediately, there is one issue I hope to address as quickly as possible. The current version of this legislation sets different standards of eligibility for compensation for uranium millers and uranium miners. Uranium millers must demonstrate that they worked in a mill for a year. However, miners must demonstrate that they were exposed to 40 or more working level months of radiation. Given that miners' records about their level of exposure have now been lost, or were kept inaccurately, I believe we should set the one year standard for both categories of workers. Would the Senator from Utah agree at the first available opportunity to seek to amend this legislation to state that miners must simply demonstrate that they worked in a mine for one year to be eligible to receive compensation?

Mr. HATCH. I agree to work with the Democratic Leader. While we cannot

afford a delay in sending the current bill to the resident, a strong argument can be made that both miners and mill workers should have the same standard of eligibility for compensation. I will work with the Senator in an expeditious manner to address this issue and make any necessary amendment.

Mr. DASCHLE. I thank my colleague and once again commend him for his outstanding work on this issue.

Mr. LEAHY. Mr. President, I am pleased that the Senate is passing S. 1515, the Radiation Exposure Compensation Act Amendments of 2000, and sending it to President Clinton for his signature into law. I want to congratulate the Chairman of the Judiciary Committee, Senator HATCH, and the Senator from New Mexico, Senator BINGAMAN, for their leadership on this bill.

During the Senate Judiciary Committee consideration of this legislation last year, I offered an amendment on behalf of Senator BINGAMAN to add the category of renal disease affecting uranium miners to the coverage of the Radiation Exposure Compensation Act. I am pleased to report that our amendment has been retained in the final version of this legislation. I know that Senator BINGAMAN sought higher compensation levels for radiation exposure victims in his original legislation, but has agreed to this bipartisan compromise to ensure the bill's final passage into law this year and to expedite compensation to radiation exposure victims in New Mexico.

I want to commend Senator HATCH and Senator BINGAMAN for a job well done.

Mr. BINGAMAN. Mr. President, I rise today with my colleague from Utah, Senator HATCH, and others, to recognize we are passing S. 1515, which makes long overdue improvements to the Radiation Exposure Compensation Act of 1990.

Mr. President, RECA was originally enacted in 1990 as a means of compensating the individuals who suffered from exposure to radiation as a result of the U.S. government's nuclear testing program and federal uranium mining activities. While the government can never fully compensate for the loss of a life or the reduction in the quality of life, RECA serves as a cornerstone for the national apology Congress extended to those adversely affected by the various radiation tragedies. In keeping with the spirit of that apology, the legislation the Senate is passing today will further correct existing injustices and provide compassionate compensation for those whose lives and health were sacrificed as part of our nation's effort to win the Cold War. While this bill does not go as far as the bill I originally introduced in the Senate this Congress, I am pleased that we have been able to take these important steps to begin to compensate our citizens for the sacrifices they made.

During the period of 1947 to 1961, the Federal Government controlled all aspects of the production of nuclear fuel. One of these aspects was the mining of uranium in New Mexico, Colorado, Arizona, Wyoming and Utah. Even though the Federal Government had adequate knowledge of the hazards involved in uranium mining, these miners, many of whom were Native Americans, were sent into inadequately ventilated mines with virtually no instruction regarding the dangers of ionizing radiation. These miners had no idea of those dangers. Consequently, they inhaled radon particles that eventually yielded substantial doses of ionizing radiation. As a result, these miners have a substantially elevated cancer rate and incidence of incapacitating respiratory disease. The health effects of uranium mining in the fifties and sixties remain the single greatest concern of many former uranium miners and millers and their families and friends.

In 1990, I was pleased to co-sponsor the original RECA legislation to provide compassionate compensation to uranium miners. I believe that our efforts in 1990 were well intentioned but have not proven to be as effective as we had hoped in providing redress to those individuals who suffered the effects of working in uranium mines or mills or transporting the ore. The government has the responsibility to compensate all those adversely affected and who have suffered health problems because they were not adequately informed of the risks they faced while mining, milling, and transporting uranium ore.

Now we are getting ready to pass this comprehensive amendment to RECA to correct omissions, make RECA consistent with current medical knowledge, and to address what have become administrative horror stories for the claimants. With passage of this bill, we're now a Presidential signature away from offering compensation to thousands more uranium workers than ever.

Mr. President, the success of this bill is due in large part to Paul Hicks, who stood up for uranium workers, and strongly encouraged Congress to do the right thing by passing this bill. Paul was President of the Uranium Workers of New Mexico, and his passing just two months ago makes today's action bittersweet. But I hope his family can take comfort in the fact that he made a tremendously positive impact on the lives of thousands of uranium workers.

Mr. President, I am appreciative of all the hard work done on this bill by Senator HATCH and others, and I hope the President will sign this bill as soon as possible so that justice will be delayed no longer.

Mr. BROWNBACK. I ask unanimous consent that the Senate agree to the amendment of the House.

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

## MEASURE READ FOR THE FIRST TIME—S. 2808

Mr. BROWNBACK. Mr. President, I understand that S. 2808 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

A bill (S. 2808) to amend the Internal Revenue Code of 1986 to temporarily suspend the Federal fuels tax.

Mr. BROWNBACK. Mr. President, I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

## ORDERS FOR THURSDAY, JUNE 29, 2000

Mr. BROWNBACK. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Thursday, June 29. I further ask that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of H.R. 4762, the disclosure bill under the previous order.

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

## PROGRAM

Mr. BROWNBACK. For the information of all Senators, on Thursday the Senate will resume consideration of the disclosure bill at 9:30 a.m. Under the previous order, there will be closing remarks on the bill with a vote on final passage to occur at approximately 9:40 a.m. Under the order, a vote in relation to the Frist amendment to the Labor-HHS appropriations bill will immediately follow the disposition of the disclosure bill.

As a reminder, there is a finite list of amendments to the Labor appropriations bill. Those Senators who have amendments on the list should work with the bill managers on a time to offer their amendments during tomorrow's session. Final passage on the bill is expected to occur by midafternoon.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BROWNBACK. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:32 p.m., adjourned until Thursday, June 29, 2000, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate June 28, 2000:

### DEPARTMENT OF DEFENSE

DONALD MANCUSO, OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE, VICE ELEANOR HILL.

### CORPORATION FOR PUBLIC BROADCASTING

KENNETH Y. TOMLINSON, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR PUBLIC BROADCASTING FOR A TERM EXPIRING JANUARY 31, 2006, VICE HENRY J. CAUTHEN, TERM EXPIRED.

# EXTENSIONS OF REMARKS

## NATIONAL JUNETEENTH CELEBRATION

### HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. CUMMINGS. Mr. Speaker, today I pay tribute to the Juneteenth National Museum, located in my home district of Baltimore, MD., and in observance of the National Juneteenth Celebration.

On June 17–18, 2000, the Juneteenth National Museum held its 12th annual ''Juneteenth'' celebration commemorating the Emancipation Proclamation. Juneteenth is generally celebrated on June 19, which is considered as the day of emancipation from slavery of African-Americans in Texas. It was this day in 1866 that Union Major General Gordon Granger read General Order #3 to the people of Galveston, Texas, informing them of their new status as free men. Since then, Juneteenth was celebrated in Texas, and quickly spread to other southern states, such as Louisiana, Arkansas, Oklahoma, and eventually the rest of the country. In addition to a festival, the celebration included the purchase of lands or ''emancipation grounds'' by freed slaves in honor of the celebration. On January 1, 1980, under the provisions of House Bill No. 1016, the 66th Congress of the United States declared June 19th ''Emancipation Day in Texas,'' making Juneteenth a legal state holiday.

Juneteenth is an important event in Baltimore that celebrates American history and historical figures. The annual occurrence of Juneteenth attracts people from across the state to downtown Baltimore in observance of this event. Among the various festivities, the celebration included lectures on important historical figures and events, spoken word readings, and food venues that satisfied every taste imaginable. There were shopping opportunities for antique buffs, and a vast array of arts and crafts available for purchase. Attendees were able to tour the Underground Railroad site, the Mother Seton House, the Hampton National Park, Auburn Cemetery, and Historic East Baltimore on one of the Juneteenth van tours. Festivalgoers were also able to see slave artifacts and collect the Juneteenth commerative plates by Terra Treasures. Stamp collectors appreciated the first Juneteenth Post Office cachet.

Further, the Juneteenth festival also featured a Sweet Potato Pie contest, folklore and street dance, a Musical Craft Show, Double Dutch rope, and an Islamic Exhibit. Lastly, the festival would not be complete without the sounds of gospel and jazz. The attendees celebrated the 100th anniversary of the Negro National Anthem ''Lift Every Voice and Sing'' and the winner of the Billie Holiday Blues Contest graced all with moving hymns.

The Juneteenth Festival has grown to be a vitally important part of not only Baltimore, but African-American culture as well. True to tradition, this year's celebration proved to be as exciting as ever.

I congratulate Juneteenth National Museum on a successful Juneteenth celebration!

## IN HONOR OF THE LATE WILLIAM SENQUIZ

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. KUCINICH. Mr. Speaker, today I honor the memory of William Senquiz on the tenth anniversary of his death.

William Senquiz was the first director of Esperanza, Inc., a non-profit organization which provides educational services to Hispanic students from elementary school through college. This organization, whose name, Esperanza, means ''hope'' in Spanish, has given assistance to Hispanic students in the Greater Cleveland area since 1983.

William Senquiz, the first director of the program, was a native of Lorain, Ohio, and a graduate of Bowling Green State University. He died in June, 1990, at the young age of 32. In his honor, Esperanza, Inc., along with several other organizations, established the William Senquiz Endowment Fund in 1990 to realize Willie's dream of establishing a fund that would serve as a continual source of scholarship funds for the Hispanic community.

Willie Senquiz was a mentor and teacher whose deep commitment to the Hispanic youth in the Greater Cleveland area is an example to us all.

My fellow colleagues, please join with me in honoring William Senquiz's memory on the tenth anniversary of his death.

## INTRODUCTION OF THE CLASSROOM MODERNIZATION ACT

### HON. HOWARD P. ''BUCK'' McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. MCKEON. Mr. Speaker, today, I join with my other colleagues on the Education and the Workforce Committee—Committee Chairman BILL GOODLING, Early Childhood Subcommittee Chairman MIKE CASTLE, and JOHNNY ISAKSON—to introduce the Classroom Modernization Act.

I support this legislation because it is a reasonable and, more importantly, a responsible solution to our nation's school improvement and construction needs from a federal level. The building of new schools or the major renovations of existing ones has always been left to the states and local school districts. And it should continue to be that way.

Instead, the Classroom Modernization Act is responsible to the needs of the American taxpayer, our school boards, and our children.

It is responsible to the American taxpayer because it provides for a limited program aimed at fulfilling the most important needs of America's schools. We do not open the federal coffers to a broad, new—and potentially very costly—construction plan.

It is responsible to our school boards because it doesn't make promises the federal government cannot keep. Instead of promising them new schools paid for with federal dollars, we are promising them assistance to meet mandates and standards imposed on them by the federal government.

Finally, it is responsible to our children because through this legislation, we will give special needs students access to school buildings; we will make schools safer; and we will provide them with the resources they need to be ready to join the New Economy of the 2st Century.

To conclude, I want to thank Chairman GOODLING, Chairman CASTLE, Mr. ISAKSON, and the other Members who have worked to put this legislation together. It was truly a collaborative process.

I want to urge all my colleagues to support this legislation. Thank you.

## H.R. 4365, THE CHILDREN'S HEALTH ACT

### HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. HAYWORTH. Mr. Speaker, autism is a severe, lifelong neurological disorder that usually manifests itself in children during the first two years of life and causes impairment in language, cognition and communication. For over forty years autism was thought to be an emotional disorder caused by trauma or bad parenting. This tragic mistake resulted in the loss of an entire generation of children to medical progress. Now that we know that autism is, in fact, a medical disorder for which medical treatments and a cure can and will be found, we must devote appropriate resources.

Autism is the third most common developmental disorder to affect children, following mental retardation and cerebral palsy. Autism currently affects over 400,000 individuals in the U.S. and I in every 500 children born today. Autism is more prevalent than Down syndrome, childhood cancer or cystic fibrosis.

Because we currently don't know what causes autism, it is imperative that we seek a better understanding of its origins. Some believe passionately that vaccines cause autism. Some evidence links the disorder to environmental factors, as evidenced by autism ''clusters''. Others point to genetic causes, and still some others to a combination of the two. The bottom line is that we just don't know. This illustrates the need for a greater federal commitment to epidemiological and basic clinical research to get to the root cause of this devastating developmental disorder.

I strongly support legislative efforts to improve surveillance of autism and enhance federal research to prevent, treat and one day cure this developmental disorder. H.R. 4365, the Children's Health Act, would expand research and prevention activities in a number of childhood diseases.

Importantly, H.R. 4365 would help unravel the mystery of autism. This legislation would create up to five Centers of Excellence for autism. The bill would create a centralized and open facility for gene and brain banking, which is essential for scientific progress in autism. H.R. 4365 would also develop an autism awareness campaign for the public and physicians. Finally, it would bring together the resources of NIH, CSC, and DHHS to attack the problem of autism.

I look forward to working with my colleagues toward the enactment of this important legislation and other measures that will help move us toward finding a cure for autism.

## TURKEY IN THE KOREAN WAR

### HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. MURTHA. Mr. Speaker, as someone who joined the Marine Corps during the Korean War, I've always felt strongly about our allies in Turkey.

As we mark the 50-year anniversary of the start of the Korean War on June 25th, the Turkish military's bravery and heroism deserve great praise. The Turkish Brigade demonstrated superior combat capability and courage from the critical moment it entered the battlefield in October 1950, through the cease-fire agreement of July 1953.

Turkey provided the fifth-largest military contingent among United Nations forces—5,453 soldiers at the peak of the war. The Turkish Brigade is credited with saving the U.S. Eighth Army and the IX Army Corps from encirclement by communist enemies, and the 2nd Division from total destruction during critical battles in November 1950.

United Nations' Forces Commander in Chief General Douglas MacArthur said ''The Turks are the hero of heroes. There is no impossibility for the Turkish Brigade.''

No enemy attack succeeded in penetrating the front of the Turkish Brigade, while British and American forces were forced to withdraw from defensive lines. Even though out of ammunition, the Turks affixed their bayonets and attacked the enemy, eventually in hand-to-hand combat. The Turks succeeded in withdrawing by continuous combat and carrying their injured comrades from the battlefield on their backs.

Among the twenty U.N. Members contributing military forces in Korea, Time Magazine praised the Turkish Brigade for its courageous battles and for ''creating a favorable effect on the whole United Nations Forces.'' A U.S. radio commentary in December 1950 thanked the Turkish Brigade's heroism for giving hope to a demoralized American nation.

Although the Korean War is often called ''the Forgotten War,'' partly because it ended inconclusively with no real winner, the fierce combat ability of the Turkish Brigade should never be forgotten. The 717 Turkish soldiers killed in action, and the 2,413 wounded in action, represent the highest casualty rate of any U.N. element engaged in the fighting. The simple white grave markers in a green field near Pusan will eternally remind us of the heroic soldiers of a heroic nation.

## IN HONOR OF TIGER WOODS

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. KUCINICH. Mr. Speaker, I rise today, to honor a living sports hero of our time. Having entertained millions around the world with his incredible skill and superb sportsmanship, the great Tiger Woods has most certainly earned the title of American Sports Legend. With a record-breaking 15-shot win at the U.S. Open last week, Tiger Woods once again amazed the golf world. This latest victory is now added to the long list of accomplishments that Tiger has achieved in his very impressive career.

Tiger Woods showed himself to be an exceptional athlete from very early on. He has had a remarkable beginning since becoming a professional golfer in the summer of 1996. He has won an impressive 22 tournaments, with 16 of those being on the PGA Tour. Most memorable was Tiger's victory in the 1999 PGA Championship and the 1997 Masters Tournament. With the latter, Tiger set yet another record by becoming the youngest Masters Champion in the history of golf; he was 21 years old.

This, however, is not the only record Mr. Woods has set. His 21 victories at age 23 exceed the career start of any other professional golfer. He won four consecutive PGA Tour events to end 1999, and started the millennium off with a fifth straight victory. This streak has only been surpassed by two other golfers more than 50 years ago. And possibly even more impressive is the fact that in Tiger Woods' last 21 PGA Tour starts, he has won 12 of them.

But how can any of us forget the sight of Tiger Woods this past weekend? As I watched Mr. Woods outshine his already astounding performances, I felt inspired by his motivation, his spirit, and his poise. I must admit, however, that I was most impressed by his drive. His drive not only to perform, but also his drive on the ball.

In the words of Tom Watson ''Tiger has raised the bar.'' He has become, in the opinion of many, the best in professional golf. His story illustrates the value of practice, hard work, and positive character. The most astounding idea, however, is that his story is only beginning. America will watch in wonder at how much more Mr. Woods will accomplish in his future matches.

Mr. Speaker, I ask you and our colleagues to join me in congratulating Tiger Woods for his outstanding accomplishments. America should be proud to have such a fine athlete and such a fine citizen.

## INTEREST RATE RESOLUTION

### HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. BALDACCI. Mr. Speaker, I rise this evening to introduce a sense of the House resolution with respect to interest rates.

As we all know, the Federal Reserve Board met today, and will meet again tomorrow, after which we will find out if interest rates will rise yet again, or remain at the current level. With six increases over the last year, we have seen a significant rise in rates. I recognize the Federal Reserve is doing the best job it can to maintain the longest economic expansion in U.S. history by keeping any signs of inflation in check. However, at this point I am convinced that any further increases could seriously impact ordinary working Americans without providing any sort of benefit.

Recent economic reports suggest that the economy is slowing in response to prior rate increases. Retail sales dropped in April and May, unemployment increased in May, and new home starts have decreased by 10% since December.

Just a few weeks ago, a number of our colleagues sent a letter to the Federal Reserve urging the board not to raise interest rates at their next meeting. They maintained that it could ''lead to an unnecessary and socially damaging increase in unemployment without any significant offsetting advantage.''

I agree with that sentiment. In addition to increased unemployment, it would raise borrowing costs yet again for working people and make it more difficult to purchase a home. While I understand the Fed's intent to engineer a ''soft landing,'' do we really need additional actions to slow the economy when it is clear that is already occurring? As a follow up to the letter our colleagues sent to the Federal Reserve, I am introducing a resolution expressing the sense of the House that the Board of Governors should take action to decrease, or at a minimum not raise interest rates further at this time. I think it's important that we send the Fed a message about the impact continued increases will have on working families back in our districts. I hope you will join me in supporting this resolution.

## RECOGNITION OF KOREAN WAR VETERAN STAFF SERGEANT MIGUEL BACH

### HON. NYDIA M. VELAZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Ms. VELAZQUEZ. Mr. Speaker, today, on the 50th anniversary of the day President Harry S Truman ordered military intervention in Korea, I honor the combat veterans of that war. I would specifically like to recognize the efforts of one of my constituents, Staff Sergeant Miguel Bach, a highly decorated veteran.

Visitors to our Nation's Korean War Memorial, here in Washington DC will read a simple, yet true phrase inscribed on the wall: ''Freedom is not free.'' Few know the complete truth of this quote so well as our veterans of the

Korean war. We owe them a debt of gratitude which we can never repay. For these are the men and women who risked their lives to defend the freedom of another country, and in doing so defended our own freedom.

I am very proud to represent the many veterans who reside in New York's 12th District. Today, however, I would like to take a moment to commemorate the valor of one of those veterans. Mr. Miguel Bach, who is one of my constituents, is highly decorated veteran of the Korean war. He served in Korea with the 7th Infantry Division and the 45th Infantry Division. While on active duty in Korea in December of 1952, then Private First Class Bach was wounded during a battle in North Korea. For this he was awarded the Purple Heart. He later attained the rank of staff sergeant. In addition to the Purple Heart, Staff Sgt. Bach has been awarded with the Silver Star, Legion of Merit and the Bronze Star for his service to the nation.

This nation owes its many freedoms to the thousands of men and women who have shown courage, such as that displayed by Staff Sgt. Bach. I wish to personally thank each and every one of our combat veterans. On this day I specifically wish to extend my warmest thanks to our veterans of the Korean war and say how proud I am to represent Staff Sergeant Bach and his many fellow Korean war veterans in New York's 12th District. Our nation is forever in their debt.

## TRIBUTE TO CAPTAIN DAVID MOORE

### HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. ORTIZ. Mr. Speaker, I rise to pay tribute to a special service officer, Captain David Moore, commander of Coast Guard Group and Air Station Corpus Christi, who retires this week.

Captain Moore is the model service officer for the Coast Guard. In addition to just being an outstanding man, he deals squarely with whatever comes up, and he is a tireless advocate for the United States Coast Guard and the men and women who serve in his command.

This Coastie from the heartland (Iowa) began his service with the U.S. Coast Guard as a deck watch officer aboard the Coast Guard Icebreaker *Glacier*, deployed to both the Arctic and Antarctica, where he developed a love of the earth's polar regions. He later earned his Naval aviator wings in Pensacola, FL.

While stationed in Alabama, after his first Coast Guard aviation tour, he was the operational commander for recovery operations after the onslaught of Hurricane Frederick. More importantly, while there, he met and married the former Lisa Scott of Mobile, Alabama.

Returning to the Arctic, Captain Moore was stationed at Kodiak, Alaska. Following that, he moved to Air Station San Francisco where he deployed support to the Exxon Valdez cleanup and responded to the San Francisco Bay Area earthquake in 1988.

In 1994, he returned to Alaska, stationed at Coast Guard Air Station Sitka, the area to which he and Lisa will return upon his retirement. In 1996, he went south again, this time as chief of the Intelligence Division, Coast Guard Pacific Area in Alameda, California. He came to South Texas in 1998, assuming command of Group and Air Station Corpus Christi.

During his time in South Texas, he has overseen a growth in the Coast Guard facilities in Port Isabel/South Padre Island and was the incident commander for Hurricane Brett last year.

He is highly decorated; his personal awards for service include: 4 Coast Guard Commendation Medals, 4 Coast Guard Unit Commendations, 6 Coast Guard Meritorious Unit Commendations, a Navy Meritorious Unit Commendation, 5 Humanitarian Service Medals and both the Arctic and Antarctica Service Medals. Captain Moore has accumulated over 6,000 flight hours, and his flight accomplishments include instructor pilot and chief of the Training Division at the Aviation Training Center in Mobile, AL.

I ask my colleagues to join me in commending this unique patriot as he and his wife leave South Texas for life as civilians in Alaska.

## IN HONOR OF LAKE COUNTY, CALIFORNIA'S TEN YEARS OF AIR QUALITY

### HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. THOMPSON of California. Mr. Speaker, today I rise in honor of the outstanding environmental achievements of Lake County, California. June 28th of this year will mark the tenth consecutive year that the California Air Resources Board has designated Lake County as the only air district in California to attain all state ambient air quality standards. This is a great accomplishment for Lake County, as the State of California's Ambient Air Quality Standards are far more stringent than Federal standards, which makes this accomplishment even more remarkable.

The attainment of these air standards is a shared community achievement by the people of Lake County. The agencies, industries and individuals of this region have all contributed to the superior air quality of Lake County. There are many factors which have been involved in Lake County's success. All the best available control technologies in the geothermal, plastic fabrication and mining industries have been implemented. There has been a massive retrofitting of older gasoline stations and asphalt plants and a successful burn ban has been invoked during the summer season to decrease smog levels. Along with help from the public, these projects have been key factors in Lake County's continuous achievement in meeting state air quality standards.

There are thirteen official air basins in the state of California and the Lake County basin is the only one which complies with all ten of the state standards and has been the only one able to do so on a consistent basis. By implementing the Geyser's Air Monitoring Program, the Lake County Geyser industry has been able to drastically reduce the naturally occurring emissions of hydrogen sulfide gas, which is a known air contaminant. Yet, these geysers are still able to generate electricity for nineteen power plants which themselves create enough electricity to power 880,000 homes.

Mr. Speaker, it is proper that we honor the people, industries. and government of Lake County, California for their outstanding success in creating a healthy environment. They have been able to achieve standards of air quality which all communities should strive for. It is an honor for me to represent the people of Lake County, first as their State Senator and now as their Congressman. Through their efforts they have created a community which is both a safe and healthy place to live for all its citizens.

## CATHOLIC PRIEST MURDERED IN INDIA

### HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. BURTON of Indiana. Mr. Speaker, a publication entitled the Burning Punjab reported recently that another priest was murdered in India on Tuesday, June 6, 2000 by militant Hindu fundamentalist extremists. He was murdered in his mission near Mathura in the state of Uttar Pradesh. The priest, Brother George, was a 35-year-old member of the Borivili order.

According to reports, the killers locked up Brother George's servant, broke into his room, and beat him to death. The assailants quickly escaped following the brutal attack. Because the crime seems to form a pattern with a previous incident in which a priest and two nuns were beaten in their rooms in Kosi Kalan, many people are beginning to believe that this act was the work of Hindu nationalist militants associated with a branch of the RSS, the parent organization of the ruling BJP. Several Christian organizations in India, including the All-India Catholic Union, the United Christian Forum of Human Rights, and the All-India Christian Council, have lodged strong protests about the incident with the government. They also condemned the attempt by the National Human Rights Commission to minimize two violent incidents against Christians in April. Unless the National Human Rights Commission begins taking these incidents seriously, it unfortunately will be regarded as a puppet for the government.

Mr. Speaker, just recently I informed my colleagues that many people already believe that the March massacre of 35 Sikhs at Chatti Singhpora was the responsibility of government forces. In fact, two separate investigations have already implicated Indian government counterinsurgency forces in that brutal massacre.

If we discover that these recent crimes have been committed by this group of BJP militants or government forces, India will have much explaining to do to this Congress. In fact, they should be held accountable for all their senseless actions. For years, I have been providing this Congress with reports that the Indian government has murdered over 250,000 Sikhs since 1984; 200,000 Christians in Nagaland since 1947; more than 65,000 Kashmiri Muslims since 1988; and tens of thousands of Assamese, Manipuris, Tamils, and Dalits.

As a result, I still believe we should cut off U.S. development aid to India until it respects the hurpan rights of its people. Also, if we are looking for terrorism in South Asia, why are we completely ignoring India? Finally, we should openly support self-determination for the people of Christian Nagaland, of Khalistan, of Kashmir, and all the other nations seeking their freedom from India.

We must make it clear that oppression in India must end and all people in South Asia must enjoy freedom. This pattern of oppression of Christians, Sikhs, Muslims, and other minorities is not going to end until America, the only superpower in the world, takes a strong stand and makes it clear to India that these actions are not acceptable, especially in a country that claims to be democratic.

I am placing the article from Burning Punjab into the RECORD.

[From the Burning Punjab News, June 7, 2000]

CATHOLIC PRIEST MURDERED IN HIS MISSION HOME

New Delhi—A Catholic priest was murdered in his mission home near Mathura in Uttar Pradesh last night, All-India Catholic Union (AICU) alleged here. Quoting information from Archbishop of Agra Diocese Vincent Concessao, AICU said in a statement that ''brother George, a 35-year-old member of the Borivili order, was found battered to death in Nevada in the Adviki post area on the Mathura bypass.'' The Union also alleged that though there were no indications about the motives, the crime seemed to follow the pattern of violence at Kosi Kalan earlier this year in which a priest and two nuns were assaulted and their rooms ransacked. ''Early information said some persons, still to be identified, entered the house, locked up the servant, and then entered George's room. They beat him up till he was dead and then escaped in the night,'' the statement said. Besides AICU, other church and human rights groups, including the United Christian Forum for Human Rights and the All-India Christian Council, lodged strong protests with the Government on the violence. The church groups also condemned the alleged attempt by the National Commission for Minorities, which sent a team to Mathura and Agra in April to probe the attacks on Christians, to ''trivialise'' the violence in its report.

## THE CLASSROOM MODERNIZATION ACT OF 2000

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. GOODLING. Mr. Speaker, today, I am pleased to introduce, along with several of my colleagues, the Classroom Modernization Act of 2000, otherwise known as the CMA. This legislation will provide the necessary federal response to ensure that all children receive a high-quality education in a safe, suitable, and fully equipped classroom.

Research shows that academic performance suffers when students are in school buildings that are below par. Safety code violations, outdated science equipment, inadequate vocational education laboratories, environmental hazards, structural impediments to personal safety, and facilities that are not user friendly for disabled students, can all adversely affect the degree to which students learn.

Joining me today in the introduction of CMA are three Members of the Committee on Education and the Workforce who have been involved from the beginning in developing the legislation. Representatives ISAKSON, CASTLE, and MCKEON have devoted considerable time and effort to this initiative, and the results bear their imprints.

I have said repeatedly that the primary responsibility for school construction is and should remain at the state and local level. In FY 1995, President Clinton chose to rescind funds that Congress appropriated for the school construction program authorized in the Elementary and Secondary Education Act. In FY 1996, the administration did not request any construction funds, and Department of Education budget documents stated:

The construction and renovation of school facilities has traditionally been, the responsibility of state and local governments, financed primarily by local taxpayers; we are opposed to the creation of a new federal grant program for school construction. . . . No funds are requested for this program. . . . For the reason explained above, the Administration opposes the creation of a new federal grant program for school construction.

However, I have come to believe that the federal government can provide a measured response to this urgent need without usurping state and local decision-making. That is exactly what the Classroom Modernization Act does. It assists states and local educational agencies, including charter schools, with the expenses of federal statutory requirements and priorities relating to infrastructure, technology, and equipment needs.

Specifically, it provides assistance to states and local schools to help them comply with federal statutory and regulatory requirements. Increasingly, states and school districts are finding that they must spend local funds on federal mandates. The CMA would help alleviate that burden. It is only proper that the federal government provide financing for such activities as facilities modifications in order to comply with the Americans with Disabilities Act, and asbestos removal from school buildings in order to comply with the Asbestos School Hazard Abatement Act.

It is also important that internet wiring, improvements in vocational and science laboratories and equipment, and school facility renovations undertaken to comply with fire and safety codes should be allowable uses of funds at the local level.

Charter schools should also benefit significantly through CMA. Charter schools are public schools established under state law. Although a relatively new concept, charter schools are making great strides in improving and reforming public education. Initial reports show parental satisfaction is high, students are eager to learn, teachers are enjoying teaching again, administrators are set free from bureaucratic red-tape, and more dollars are getting to the classroom.

Unfortunately, charter schools have faced roadblocks in financing the construction and acquisition of school facilities. Often those states that do allow charter schools do not provide a dedicated funding stream for capital improvements or new construction for charter schools. The bill I am introducing today remedies this situation by assisting with the infrastructure expenses of charter schools.

CMA provides flexibility in the use of funds for charter schools. Specifically, as an incentive for states to direct funds to charter schools, the bill does not require a match for federal funds directed toward charter school infrastructure activities. As an incentive for states to operate a state guaranteed loan program in which charter schools participate, CMA allows states to retain funds for the administrative costs of operating such a program.

I ask my colleagues in the House to take a look at the Classroom Modernization Act of 2000 and consider it as a carefully measured approach to dealing with school facilities.

## INTRODUCTION OF THE CLASSROOM MODERNIZATION ACT

### HON. JOHNNY ISAKSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. ISAKSON. Mr. Speaker, I am pleased to join Chairman Goodling as a co-sponsor the Classroom Modernization Act of 2000 to pay for federally mandated construction cost and start-up costs for charter school construction.

For years, the Federal Government has passed construction-related mandates on to local school boards for everything from asbestos removal and handicap access, to special education classrooms and IDEA related cost. Each requirement has failed to include a single dollar of federal money. Our proposal will fund these unfunded mandates and free up local dollars for school improvement.

The $150 Million dollars for start-up charter school related construction cost would be meaningful in expanding new charter school applications, and for more private sector and parental involvement in local schools. Both the White House and the Congress have verbally promoted the public charter school movement, and now we are making a meaningful financial commitment to charter schools.

## HONORING TROOPER RODNEY GOODSON

### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. SAXTON. Mr. Speaker, I rise today to honor Trooper Rodney Goodson for performing above and beyond the call of duty.

While on duty at the Red Lion Barracks, Mr. Goodson witnessed a traffic accident on a busy highway. One of the cars involved in the accident began to spin uncontrollably. Mr. Goodson attempted to stop the circling automobile but was unsuccessful. He then ran after the still spinning car, and reached through the broken drivers side window in order to steer the vehicle. When this too failed, Mr. Goodson steered the damaged car into his own.

In honor of this heroic achievement, Mr. Goodson received the Prosecutor's Commendation award at the PROCOPS Banquet on May 18.

Mr. Speaker, please join me in commending Mr. Goodson for his heroism, above and beyond the call of duty. He risked his life to protect the lives of others. In doing so, he has

brought pride to his family, his community, and his country.

## PERSONAL EXPLANATION

### HON. JIM RYUN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. RYUN of Kansas. Mr. Speaker, flight delays and cancellations from Chicago yesterday June 26th caused me to be absent for several roll call votes. Had I been present, I would have voted yes on roll call vote 322, no on roll call vote 323, yes on roll call vote 324, yes on roll call vote 325, yes on roll call vote 326 and yes on roll call vote 327.

## RECOGNIZING THE 50TH ANNIVERSARY OF THE KOREAN WAR

### HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. HAYES. Mr. Speaker, I want to recognize the many veterans from the 8th District and across North Carolina who served in the Korean War. June 25 marks the 50th anniversary of the Korean War, which is also called ''the forgotten war'' by many historians.

On June 25, 1950 Communist forces invaded South Korea and two days later, American military forces were called to intervene. Over the next 3 years, there would be a tremendous toll of sacrifice: 5.72 million Americans answered the call to service, more than 92,000 were wounded; 54,260 Americans died; and 8,176 were either prisoners of war or missing in action.

Last year, I had the opportunity to visit with our troops who are stationed at the 38th Parallel. They continue to bravely defend freedom for South Korea and the world. They remind us of the bravery and sacrifice made by the men and women in our Armed Forces 50 years ago.

We should take time out of every day to thank all veterans for the service they have given to our nation. I hope, however, that we will make a special effort to thank our Korean veterans and mark the contribution they made to defeat communism 50 years ago.

## CONGRATULATING LARRY AND SALLY QUIST

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. RADANOVICH. Mr. Speaker, today I congratulate Larry and Sally Quist, as they celebrate their 50th wedding anniversary. Larry and Sally Quist were married on July 9, 1950.

Larry met Sally (previously Sally Doering) while he was attending Western State College in Gunnison, Colorado. At the time, Sally was still in high school in Montrose, Colorado. She later attended Western State College on a music scholarship.

Larry, a retired World War II Navy veteran, was a Park Service naturalist and manager. He retired from the Western Region at San Francisco after 33 years of service. While employed with the Park Service, Larry was stationed at Black Canyon National Park, Carlsbad Caverns National Park, Hot Springs National Park, and Zion National Park. He was also the Superintendent of Stones River National Battlefield. Larry was the first Park Superintendent at Herbert Hoover National Historic Site. He served as head of public relations for Yosemite National Park from 1969 to 1971. After his work with Yosemite, he moved to the Park Service Western Region in San Francisco and continued to work in public relations.

Sally Quist, a stay-at-home mom, left Western State College to join Larry when he began working with the Park Service. Since moving to the San Francisco Bay area, both she and Larry have been heavily involved in philanthropic support of Sunny Hills Retirement Home in Marin Country, near their home in Novato.

Among the Quist's many joys are their sons Kirt and Kris. Kirt is a retired Army officer, who has become a successful insurance and finance executive near Chicago, Illinois. He and his wife, Lynn, have two sons, Kyle and Kevin. Kris is the head curator for the State of California Parks in Monterey, California. He and his wife, Andrea, have a daughter, Lily, and a son, Jameson.

Mr. Speaker, I congratulate Larry and Sally Quist as they celebrate their 50th wedding anniversary and I urge my colleagues to join me in wishing them many more years of happiness.

## REGARDING THE KOREAN-AMERICAN ASSOCIATION OF GREATER NEW YORK

### HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. ACKERMAN. Mr. Speaker, it is my pleasure to bring to the House's attention the 40th anniversary of the Korean-American Association of Greater New York, a community institution representing the interests, hopes and dreams of thousands of Korean-Americans. Mr. Speaker, the Korean-American community in New York epitomizes the American dream.

Decades ago, thousands of immigrants, fleeing from war, poverty and desolation came to our nation's gateway of opportunity: New York City. Without knowing the language, without great wealth, but with strong family ties, robust community support and countless hours of hard work, Korean-Americans, like waves of immigrants before them have taken root and thrived in America.

Critical to their success was their ability to organize themselves for mutual support and assistance. At the heart of the Korean-American community's efforts were organizations like the Korean-American Association of Greater New York. Beginning in 1960, the Korean-American Association of Greater New York has helped Korean immigrants in learning English, organizing themselves within the blue-collar industries where they were able to find work, registering to vote, and developing youth and government outreach programs.

Now, as is obvious to anyone who travels in the New York metropolitan area, second generation Korean-Americans have moved into every branch and comer of American life and have succeeded beyond the wildest expectations of their ancestors, who came to this country with so little in tangible goods, but with a wealth of determination and perseverance.

As we recalled so recently, on the anniversary of the Korean War, Korea and the United States are joined inseparably by a bond of allegiance formed in war and bound in the blood of the fallen soldiers of both nations. Similarly, Korean-Americans, whose presence here in the United States is tied with the great tragedy of that war, remember the great sorrow of the war for Korea together with an immeasurable appreciation for their adopted homeland. The courage and loyalty of the American soldier in answering the Republic of Korea in its hour of need is now matched by the devotion of Korean-Americans to this nation.

Just as the Republic of Korea and its relations with the United States have flourished and grown stronger in the years since the war, so too the Korean-American community has prospered and given back to this nation double what they have received. Nowhere is this fact more obvious than in New York.

I am honored, therefore, to pay tribute in this House to the Korean-American Association of Greater New York and its president, Sie Jong Lee, for their critical role in the success of the Korean-American community. I would also like to recognize all the current officers of the Association, Yong Sang Yoon, Jeong Ho Kim, Bok Ja Chang, Heon Gae Lee, Jay Joonseok Oh, Piljae Im, Hyun Woo Han, Myung Sook Chun, Daehong Kim, Mi Kyung Choi, Young-Joo Rhee, and Bo Young Jung, and to wish them all the best of success in the decades to come.

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 26, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 3, 2001, and for other purposes:

Mr. UDALL of Colorado. Mr. Chairman, this is a very important bill for the country and for Colorado. I would like to be able to support it.

However, I cannot vote for it as it stands now, for a number of reasons.

For one thing, I am very concerned about the bill's funding for the National Oceanic and Atmospheric Administration.

NOAA operates six of its twelve Environmental Research Laboratories in Colorado, and my own hometown of Boulder has the largest concentration of NOAA research Federal staff in one area—300—as well as the

largest concentration of university staff funded by NOAA research. So, NOAA is very important for Colorado.

Funding for NOAA in this bill is $113 million below this year's levels, and fully $530 million below the levels of the request. These cuts will have a devastating effect on NOAA's ability to maintain a top quality scientific workforce and to conduct crucial research into climate change and weather phenomenon.

In particular, the Committee has recommended a cut of $34 million to NOAA's Office of Oceanic and Atmospheric Research (OAR) from this year's levels. OAR's dedicated scientists forecast solar storms and conduct research activities into diverse atmospheric phenomenon such as air pollution, climate change, hurricanes and tornadoes. A cut of $34 million would result in layoffs of 10 percent of OAR's workforce, and the elimination of 41 university positions that NOAA currently supports through research grants. In addition to these workforce reductions, the vital research projects that these staff are engaged in will be delayed or terminated while other nations move forward with these important scientific endeavors.

The Appropriations Committee also failed to provide funding for several key research initiatives that are important to this country's future. For example, NOAA had requested $28 million for a Climate Observations and Services Initiative to make the transition from climate research to climate forecasting. Improving our forecasts of the future climate, including seasonal predictions and even into future decades, would result in billions of dollars in economic benefits to the agriculture and transportation industries.

A shortfall that directly impacts researchers in my district is in rent and related costs for the new NOAA research facility in Boulder. This facility, which became fully occupied in May of 1999, consolidates all of the six NOAA laboratories and two NOAA data centers in the Boulder area. The $1.5 million increase is needed to fund the incremental charges assessed by the General Services Administration (GSA) for space, above standard utilities, maintenance and security. A failure to provide this requested amount will result in a reduction in NOAA's Boulder base programs of approximately 5 percent, which will impact key programs in climate, weather research and data collection management. I hope that this oversight will be corrected as the appropriations process moves forward.

I am also concerned about funding for the National Polar-orbiting Operational Environmental Satellite System (NPOESS), a program that will replace two aging environmental satellite systems currently operated by NOAA and DOD.

The Committee cut NPOESS by $6.6 million from the request, but did include favorable language in its report, noting that ''the NPOESS program should be the first priority for any reprogramming of funds.'' A failure to provide adequate funding for NPOESS would greatly jeopardize the U.S. ability to provide reliable meteorological support to NOAA for weather forecasting, to NASA for its science mission, and to support the Department of Defense's combat forces. This cut would also result in a loss of as many as 70 jobs in my district, where Ball Aerospace is deeply engaged in the NPOESS program. I am hopeful that NPOESS will be fully funded in the course of the appropriations process.

I am also concerned about the bill's provisions for the National Institute of Standards and Technology. NIST also has a laboratory in Boulder, where a staff of about 530 scientists, engineers, technicians, and visiting researchers conduct research in a wide range of chemical, physical, materials, and information sciences and engineering. Their worthwhile contributions to NIST's work cannot continue at funding levels that are 34 percent below the numbers for fiscal 2000.

NIST's laboratories in Boulder have a backlog of critically needed repairs and maintenance, approaching $70 million. As technology advances, the measurement and standards requirements become more and more demanding, requiring measurement laboratories that are clean, have reliable electric power, are free from vibrations, and maintain constant temperature and humidity. Most of the NIST Boulder labs are 45 years old, many have deteriorated so much that they can't be used for the most demanding measurements needed by industry, and the rest are deteriorating rapidly. Every day these problems go unaddressed means added costs, program delays, and inefficient use of staff time, but the bill eliminates the very modest fiscal 2001 request to begin to address the maintenance and construction needs.

The bill also insufficiently funds NIST initiatives for eCommerce, nanotechnologies, computer security, and assistance to small manufacturers in the area of eCommerce. It also completely eliminates funding for NIST's Advanced Technology Program, which has helped develop high-risk technologies with significant commercial potential through cost-shared projects. These funding decreases—at a time when we have all acknowledged the important role that technology has played in driving our current prosperity—make no to sense.

The bill also has other serious shortcomings. It does not provide adequate funding for the Legal Service Corporation, the Justice Department's Civil Rights Division, and the Equal Employment Opportunities Commission. It does not do enough for community-based crime prevention. It also fails to provide enough for coastal protection or for management of fishery resources.

Finally, the bill cuts $240 million from international peacekeeping efforts, denying funding for UN missions in Africa, including Sierra Leone, Congo, Ethiopia, Eritrea, Angola, and Western Sahara. In supporting funding for peacekeeping, I am not necessarily endorsing any single peacekeeping mission. However, we have a responsibility to pay our fair share to the troop-contributing countries, and we shouldn't abrogate that responsibility. In addition, I find it unfathomable that the Committee would ask us to place an upper limit on this funding even though we can't know a year in advance whether hostilities in different parts of the world will result in peace agreements requiring UN peacekeepers.

For all these reasons, I cannot support the bill.

## A TRIBUTE TO LORNA McNEILL, MISS NORTH CAROLINA 2000

**HON. MIKE McINTYRE**

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. McINTYRE. Mr. Speaker, today I pay tribute to Lorna McNeill who was recently crowned Miss North Carolina 2000. A native of Saddletree Township which is near Lumberton, in my home county of Robeson, Lorna's recent accomplishment is a source of immense pride throughout our county and all of southeastern North Carolina. She is also the first Lumbee Indian to win the title of Miss North Carolina.

The American historian, James Truslow Adams, once said, ''Seek out that particular mental attribute which makes you feel most deeply and vitally alive, along with which comes the inner voice which says, 'This is the real me,' and when you have found that attitude, follow it.'' With decision, dedication, and determination, Lorna has followed her heart and mind and become Miss North Carolina 2000.

Lorna is a woman of decision who trusts in her instincts, her deeply-rooted religious beliefs, and the guidance of her wonderful parents in setting her goals. She is a woman of decision who is always looking for ways to help others. She is a woman of decision who always asks, ''How can I best serve my community?''

Lorna is a woman of dedication who does not rest on her laurels. A winner of the first pageant she entered at the age of 15—Miss St. Pauls—and subsequent crowns of Miss Lumbee in 1994, Miss Fayetteville in 1998, and Miss Topsail Island in 2000, Loma has kept the fire and energy alive to reach her dream of Miss North Carolina. She is a woman of dedication who provides a positive example for all to follow. A woman of dedication who has served as a substance abuse counselor with the Palmer Drug Prevention Program in Lumberton, Lorna will now inform young people all across North Carolina of the danger of drugs and alcohol.

Finally, Lorna is a woman of determination: a woman determined to make a difference, a woman of determination who understands that we face challenges that will define our future, a woman of determination who knows that we must address these challenges, a woman of determination motivated by the hope of making life better for all.

Personally, my family and I have come to know and love Lorna over the last few years. She sang when I first announced I was running for Congress on September 25, 1995, in Lumberton's Downtown Plaza, and she also sang during my announcement for re-election on October 2, 1997. More recently, my wife, Dee, and Lorna have been ''working out'' together at a local fitness center for the last six months, leading up to her recent coronation. Lorna and Dee have even been taking boxing together under the same instructor, Staff Sgt. Andrew Baker, who is retired from the U.S. Army.

Mr. Speaker, Lorna often uses the words of Pastor Robert Schuller when speaking before young people on the importance of achieving their dreams—''If it's gonna be, it's up to me.''

Lorna, thank you for fulfilling those words through your decision, your dedication, and

your determination. We wish you continued success, and may God's strength, peace and joy be with you as you begin your reign as Miss North Carolina 2000 and as you compete for the title of Miss America!

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 22, 2000*

Ms. MILLENDER-McDONALD. Mr. Chairman, I rise in support of the amendment offered by Representatives LOWEY, MCCARTHY, DELAURO and STABENOW. This amendment would increase by $150 million the bill's appropriation for the Community Oriented Policing Service (COPS) program. The COPS program adds officers to the beat, enhances crime-fighting technology, and supports crime prevention initiatives.

The COPS program is a Clinton/Gore initiative that has been successful in adding cops to the beat and advancing community policing nationwide. To date, the COPS program has funded more than 104,000 officers. Community policing is a crime fighting strategy that encourages law enforcement to work in partnership with the community to solve crime problems. Mr. Chairman, this is a proven crime fighting initiative that has worked in my district and throughout the nation.

COPS is making a difference in our schools. Many communities are discovering that trained, sworn law enforcement officers assigned to schools make a difference. The presence of these officers provides schools with on-site security and a direct link to local enforcement agencies.

Community policing officers typically perform a variety of functions within the school. From teaching crime prevention and substance-abuse classes to monitoring troubled students to building respect for law enforcement among students, School Resource Officers combine the functions of law enforcement and education.

These funds will allow the COPS program to award grants to add up to 7,000 officers to our nation's streets and to provide added safety in our schools. These funds will be used to equip law enforcement with 21st century tools to fight 21st century crime. Grants will be used to invest in interagency information networks, technology centers, ballistics testing, DNA research and backlog reduction, crime lab enhancement, and crime mapping and analysis.

Mr. Chairman, my district is comprised of cities like Watts and Compton which struggle to meet the demands of crime fighting. While the rest of the nation is experiencing unprecedented drops in crime, our nation's urban centers are being left behind. I want to urge my colleagues to support this amendment which provides additional funding for a program that has truly taken a bite out of crime.

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 26, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2001, and for other purposes:

Mr. COSTELLO. Mr. Chairman, I regret having to oppose this amendment offered by my good friend colleague from Illinois. While I appreciate what the gentleman is trying to do, I cannot support a reduction of $15 million dollars in the National Weather Service budget.

This bill does not provide sufficient funding for many valuable programs, and it fails to provide any funding for many others. The funding level provided in the bill for NOAA, which administers the National Weather Service is already $500 million below the Administration's request and the gentleman's amendment would essentially level fund the weather service at last year's level. That is simply unacceptable.

Every American in this country relies upon the weather service—at times to provide information that is vital to save lives and property. Weather Service programs cost each taxpayer a few dollars per year—a modest price to pay for the protection of life and property.

We have entered hurricane season. The gentleman's amendment would cut funding from the operations budget of the Hurricane Center in Miami and from other critical weather prediction centers around the country. Base operations at the 121 weather forecast offices around the country also would be impaired by this cut. This is simply too high a price to pay.

As the gentleman knows, the Administration included $15 million for The PRIME Technical Assistance Grants in its budget request. I am certain there are many Members who share the gentleman's desire to see this program funded, however it should not be funded by cutting funds from corps programs of the National Weather Service.

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 26, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2001, and for other purposes:

Mr. CAPUANO. Mr. Chairman, I rise in support of my amendment to the FY 2001 Commerce-Justice-State Appropriations bill to help address the area code crisis that we are facing in America. Since 1995, we have added 95 new area codes in the United States. At our current pace, some estimate that we will run out of area codes entirely as early as 2007. If we run out of available numbers, your constituents will foot the estimated $150 billion bill.

The problem is not that there aren't enough numbers out there, it's that tens of thousands of numbers are being unused. Unfortunately companies have been forced to take numbers in blocks of 10,000—even if they were only going to use a handful of the numbers. The rest of the numbers just sit unused.

In Massachusetts, the problem has become quite large in the last few years. In 1998, we added two new area codes in the state—781 and 978—for a total of five area codes. At the time, we were assured that these new codes would last for many years and we wouldn't have to go through this disruptive process again. Unfortunately, less than two years later, we were informed that these new codes were running out of numbers already and that we would have to add four new codes in Eastern Massachusetts alone. Now the area code in Western Massachusetts is also in jeopardy. If we add all of these new codes, we'll have ten area codes in a state that had only three codes less than five years ago.

While the FCC has recently moved to reduce the amount of numbers companies can take from 10,000 to 1,000, the same companies will not have to fully comply with the order until 2002. The wireless providers have an even longer time to make this change. My amendment asks the Commission to look at the possibility of shortening the timeline for the implementation of this order. If we wait for two more years, we may have added dozens of new area codes that are not needed.

The amendment also offers several other suggestions that I believe the FCC should consider as they produce this study. These include encouraging states and telecommunications companies to work together on rate center consolidation plans. Some believe that the number of rate centers in certain areas is significantly contributing to the overall area code crisis. While I know this is a complicated issue, and there may be valid concerns about the cost, the Commission should study the issue closely.

In addition, my amendment asks that the FCC address the issue of technology-specific area codes reserved for wireless/paging services or data phone lines. As more and more Americans take advantage of the new technologies available, more and more telephone numbers must be set aside for these services. There may be an opportunity to ease the numbering problem by reserving specific area codes for these new technologies.

If none of these suggestions offer a real solution to the problem, my amendment asks that the Commission study the costs and technological problems of adding an additional digit to existing phone numbers. This should focus on any potential ways to minimize the impact and cost on consumers and the business community.

Mr. Chairman, I believe this is a commonsense amendment to help us deal with the area code crisis. We must act quickly to address this issue. I urge my colleagues to support this amendment.

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 26, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2001, and for other purposes:

Mr. DIXON. Mr. Chairman, I requested that the Rules Committee waive points of order against my amendment to increase appropriations for the Contributions for International Peacekeeping Activities (CIPA) account. While I had few illusions that the Rules Committee would do so, it is important that Members understand what we are doing to the UN and our own foreign policy in the bill. My amendment would increase the account by $241 million, up to the President's request of $739 million. That level would allow the United States to pay its anticipated Fiscal Year 2001 assessments for United Nations Peacekeeping. Full funding includes the four missions in Africa that the current funding level and language in the Committee report restrict—Sierra Leone, Congo, Ethiopia/Eritrea, and Western Sahara. Unfortunately, the Rules Committee failed to protect the amendment.

BILL IMPAIRS U.S. FOREIGN POLICY

The CIPA account enables the United States to meet its treaty obligation to pay its assessed share of UN peacekeeping missions. The severe underfunding of CIPA in the bill impairs the conduct of American foreign policy in four important areas: (1) it restricts our foreign policy options; (2) It threatens to create new United Nations arrears; (3) It undermines our efforts to reform the United Nations; and (4) it sends the unfortunate message that Africa doesn't matter to this body.

The bill freezes CIPA funding at last year's level of $498 million. International peacekeeping cannot and should not be dictated by an arbitrary freeze level. History shows that the account fluctuates dramatically in response to world events. It was over $1 billion in FY 1994, but only $210 million in FY 1998. Rather than provide the flexibility to respond to unpredictable foreign affairs, the Committee asserts control of the United States' vote at the UN Security Council.

COMMITTEE ASSERTS CONTROL OF SECURITY COUNCIL VOTE

Two mechanisms in the legislation hamstring our actions in the Security Council:

(1) The Committee report directs the State Department to ''live within'' the arbitrary $498 million funding level and to ''take no action to extend existing missions, or create new missions for which funding is not available.'' (2) The report spells out the missions for which funding is not available—the four UN peacekeeping missions in Africa: Sierra Leone, Congo, Ethiopia/Eritrea, and Western Sahara.

The funding level and report language could well have the effect of directing U.S. vetoes in the Security Council. The State Department would have to veto the missions listed, as well as any other unforeseen missions that are considered by the UN Security Council.

BILL LIMITS FOREIGN POLICY OPTIONS

This bill handicaps our nation's ability to respond to international crisis by removing United Nations multilateral action as a policy option. In many cases such a multilateral response is the most attractive option. We only pay 25 percent of the cost of UN peacekeeping missions. And we have no troops involved in the four missions in Africa blocked by this bill. Without the multilateral option, our policy makers are left to choose between unilateral action and inaction.

IMPACTS ON UN ARREARS

The underfunding of CIPA in this bill compounds fiscal year 2000 shortfalls and threatens to create new UN peacekeeping arrears. The Committee currently has requests pending from the State Department—some from August of last year—to reprogram CIPA funds to pay our assessments. This is not new money; State is only asking to shift existing funds. The Committee's failure to approve the $225 million in reprogrammings is preventing the payment of $93 million in bills the United States has already received.

So while the Committee blocks the payment of $93 million in current bills for UN missions in East Timor, Sierra Leone, and Congo, we now propose to underfund CIPA by $240 million in FY 2001. The resulting shortfalls in peacekeeping funds will require a peacekeeping supplemental early next year. In light of the Committee's failure to fund this year's peacekeeping supplemental, this bill is one step in creating a new arrears problem.

BILL UNDERMINES UN REFORM

The timing for these shortfalls could not be worse. Our representatives to the UN are attempting to negotiate reductions in our United Nations assessment rate. Those reductions require other nations to increase their own assessments. The accrual of new arrears will severely undermine our negotiating position at a critical time.

CONCLUSION

Mr. Chairman, it is crucial to our foreign policy in general, and specifically toward Africa, that we fully fund our obligations to United Nations Peacekeeping missions. As this legislation advances in the process, I will continue to work to meet those obligations and to remove the restrictions on missions in Africa.

## DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill. (H.R. 4635) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2001, and for other purposes:

Mr. MALONEY of Connecticut. Mr. Chairman, I rise to express my concern about the deep cuts in the Veterans Administration-Housing and Urban Development—Independent Agencies (VA–HUD) Appropriations bill for Fiscal Year 2001. This legislation not only slashes funds for programs that have enhanced economic development and improved housing in Connecticut and the 5th Congressional District, but also short changes our nation's veterans and NASA programs. My support for the VA/HUD Appropriations bill is conditioned on a conference agreement that increases funding for HUD, the Veterans Administration and NASA.

If allowed to stand, the cuts to HUD programs will have a significant impact on the State of Connecticut and on my own congressional district, affecting both economic development initiatives and a variety of housing services. The Republican budget cutters have dug deep into initiatives that have proven track records of success. There is simply no reason to reduce our efforts to provide economic development for our towns and cities in the form of Brownfields monies and Community Development Block Grants (CDBG) funds. By doing so, we will set our communities and our economies backwards, rather than spur them forward.

My colleagues, the VA/HUD Appropriations legislation cuts funding for key NASA programs. Specifically, the bill that passed the House reduces aerospace technologies by $322 million as well as cutting $60 million for Human Space Flight. This shortsighted action jeopardizes our country's leadership in space and our national security. Unless NASA funding is restored in conference, this legislation should not pass this Congress.

I supported this bill because it contains an increase of $2.6 billion from last year funding for the Department of Veterans Affairs. The House-passed budget for the Department will go a long way toward helping our nation care for its veterans. For example, I am encouraged that the House provided $20.3 billion in funding for veterans medical care in Fiscal Year 2001. This is an increase of $1.3 billion over last year's funding. Funding totaling $351 million for veterans medical and prosthetic research also increased by $30 million from last year. Our veterans' cemeteries at the national and state levels were funded fairly as well. However, we need to do more for our veterans. There are a number of underfunded areas that require our attention. These include resources for veterans' extended care facilities and for the benefits they deserve. It is also essential that the Congress find additional funding to improve VA facilities across the country.

I supported the VA/HUD Appropriations bill for Fiscal Year 2001 because it restores badly needed funds for the Veterans Administration. I urge all of my colleagues to join me in working to reverse the housing, CDBG, economic development and NASA cuts in this bill. If this important funding is not restored, I reserve judgment on a Conference agreement on the final version of the bill. I urge you to do the same.

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 26, 2000*

The House in Committee of the Whole House on the State of the Union and under consideration the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2001, and for other purposes:

Ms. WATERS. Mr. Chairman, the Jackson amendment would restore funding for international peacekeeping in the Commerce-Justice-State Appropriations Act for Fiscal Year 2001.

The Commerce-Justice-State Appropriations Act cuts funding for international peacekeeping efforts by $241 million below the President's request. That is a 33 percent cut in an essential international program. These funds must be restored.

Peacekeeping operations play an important role in the maintenance and establishment of peace and stability in many parts of the world. In Cyprus, United Nations peacekeepers prevented two NATO allies from going to war. In El Salvador, peacekeepers helped bring a long and bloody civil war to an end. In Israel, peacekeeping operations on the Golan Heights helped preserve the peace between Israel and Syria.

I am particularly concerned about the situation in the Democratic Republic of the Congo. The war that erupted in the Congo in August of 1998 has been a widespread and destructive conflict, involving forces from several different countries. The peacekeeping efforts of the United Nations are essential to bring peace and stability to the Congo and the entire Great Lakes Region of Africa. Once peace and stability have been established, the Congo may begin to develop its natural resources, invest in health and education for its people, improve its infrastructure, pursue economic development and participate in mutually-beneficial trade with the United States.

There are conflicts all over the world that threaten peace and stability. These conflicts interfere with development and result in unimaginable suffering and countless violations of internationally recognized human rights. They also interfere with international trade and eliminate markets for American goods and services. They often cause significant increases in international refugee flows and illegal immigration into the United States. They threaten the lives of American citizens traveling abroad.

Peacekeeping allows the international community to attempt to restore peace, protect civilians and promote stability and development. Support for and participation in peacekeeping missions allow the United States to promote American values. In countries experiencing internal conflicts, peacekeeping is an essential ingredient in the restoration of democracy. Peacekeeping is a critical investment in our national security.

The cost of peacekeeping is small, and the benefits are tremendous. I urge my colleagues to support the Jackson amendment and restore funding for peacekeeping.

## INVESTIGATION OF MURDERS IN AL-KOSHEH, EGYPT

### HON. ROBERT B. ADERHOLT

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. ADERHOLT. Mr. Speaker, today in a meeting of the House Appropriations Committee to consider the Foreign Operations, Export Financing, and Related Programs Appropriations bill for Fiscal Year 2001, I added the following Report language to the paragraph about U.S. financial aid to Egypt: ''Nevertheless, the Committee is concerned about ongoing violence experienced by the Christian minority in Egypt. The Committee urges Egypt to expedite the investigations of the murders of 2000 and 1998 in Al-Kosheh, and of the 1998 interrogations.''

Mr. Speaker, it is a fact that Egypt is a valuable ally and has greatly helped U.S. efforts to advance peace in the Middle East. It is also a fact that Christians in Egypt, especially Coptic Christians, face ongoing violence and are in need of full protection of the Egyptian Judicial system. The worst of these outbreaks is the murder of 21 persons in January, 2000 in the town of Al-Kosheh, just a few weeks after I visited Egypt with three other Members of Congress.

My report language expresses the concern of the Committee about this violence and urges Egypt to expedite investigations regarding this incident but also of events in 1998 in the same small town. There were two murders in 1998 and allegations of brutal interrogations by the Police, 1014 Christians were arrested and interrogated.

President Mubarak ordered an investigation of these arrests, and in August of 1999, 129 persons were interviewed within the course of two days. The interviewing process lapsed and then resumed in October of 1999. To date, only 400 of those 1014 persons have been interviewed. That figure includes the 129. A conclusion of the investigation likely would suggest the dismissal or prosecution of several members of the Egyptian police. There is precedent for such action.

When tourists were killed in Luxor, the reaction of Cairo was swift and decisive, including the appointment of a new Minister of the Interior, who oversees the police. That sent a powerful message throughout the country, and Egypt is currently a very safe country to visit. The great majority of Muslim citizens of Egypt are law-abiding and desire peace. I am afraid that because of concerns about possibly energizing extremist Muslim groups to the point of violence, Cairo is reluctant to prosecute Muslims when there are incidents of violence against Christians.

Christians face a range of legal challenges and are in need of protection from violence. Since there is no stated government policy of discrimination, it is reasonable for Christian citizens to expect full justice from their courts, just as Muslim citizens do.

Mr. Speaker, I suggest that the taxpayers of the United States would be more than happy to see some of their aid to Egypt used to pay for additional personnel or equipment which would expedite these investigations and lead to the prosecution of any found persons found guilty of torture or other violations of civil rights. I am especially concerned that Shayboub William Arsal has been falsely accused and sentenced to 15 years hard labor even though the only two witnesses recanted their testimony and stated that their original accusations were coerced.

In accordance with Egypt's strategic alliance with the United States, the Foreign Operations Subcommittee agreed to the President's request to expedite a portion of Egypt's military aid. The adoption of these two sentences by the Full Committee in the Report expresses the expectation of the Appropriations Committee that Egypt will make progress on these important human rights matters.

## HONORING THE CERKVENIK FAMILY

### HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. OBERSTAR. Mr. Speaker, I am very pleased to honor a remarkable family in my congressional district: the Cerkvenik family, who will celebrate their heritage on July 6th, 2000, with a gathering on the Mesabi Iron Range in Northeastern Minnesota. The Cerkvenik family had its beginnings in the Republic of Slovenia in northwestern Yugoslavia. As the people of Slovenia celebrate their ninth year of independence from Yugoslavia this week, it is an appropriate time to recognize the people of Slovenia and those of Slovene ancestry in the United States. I am delighted that the Cerkvenik family is preparing to honor their Slovene ancestral roots next week.

Anton Cerkvenik was born in the small village of Vreme Britof on March 4, 1876, in a large pink stucco house, which his grandfather Joseph built in 1790. The family called it the House of Jelovsek. Joseph's daughter, Maria, married Matije Cerkvenik, son of Jacob, and from this union six children were born—a girl, Mary, and five boys, Matije, Franc, Joze, Pavel, and Anton. When Maria married Matija, the name of the house changed to the House of Cerkvenik. It held this distinction for over 100 years until Stanka Cerkvenik married and the name changed to that of her husband and the house then became known as the House of Milavec.

Anton had a great love of adventure, which led him astray from his homeland to the coffee fields of Brazil. He later returned to the army in Yugoslavia and immigrated to the United States. From Ellis Island, he traveled to Mountain Iron, Minnesota, where he worked in the iron ore mines. He lived in a boarding house owned by John and Agnes Simonich who became his best friends and godparents to his children. He met and married Johanna Intihar at the Simonich boarding house. She came to the United States from Strajesce, near Cerknica, Slovenia, in 1906. She was the daughter of Franc and Ursula Sevc Intihar who had five other children—John, Ursula, Niza, Mary, and Frank. Anton and Johanna had nine children, Anton, Mary, Ann, Florence, Frances, Frank, Amelia, Rose, and Edward.

Anton built a house in the Costin location of Mountain Iron, where the family had a large

garden, farm, and animals. All helped pick blueberries, can garden vegetables, and put up wood for heat and cooking. Every child received a good education and graduated from Mountain Iron High School. Most went on to college to become professionals in their work, which ranged from teachers to nurses, and to become outstanding members of their communities. Ed and Frank served in World War II, as did Rose, a civilian radio instructor.

The Cerkvenik family has a strong tradition of public service in northern Minnesota; sons Anton and Frank served the City of Mountain Iron as Clerk and Mayor; the next generation of Cerkveniks has also continued to serve the state of Minnesota and the country. Second generation members Paul worked in Congress at the Democratic Study Group; Peter served on the Mountain Iron City Council; Steve was elected to the School Board; and Gary and his wife Kim both worked in my congressional office. Gary was also elected to the St. Louis County Board and Kim ran for Lieutenant Governor of Minnesota.

In addition to Kim, other spouses who have joined the Cerkvenik family have participated actively in politics and government, including Ann Mulholland who worked for the Democratic Congressional Campaign Committee and on Paul Simon's presidential campaign, and Kathleen Murray who has worked on Mayor Richard Daley's campaigns. On the Iron Range in Mountain Iron, Tony and his wife Mitzi opened a grocery store and meat market which has continued under Frank and his family. For nearly 40 years, Cerkvenik's Super Market has been known for great meats, good service, and a fair trade. Most importantly, it became a center of political and social life in Mountain Iron.

Other descendants continue to make their unique marks on our country. One Cerkvenik family member, Barrett, graduated from West Point and helped negotiate the START treaty. Others are business owners, computer specialists, bus drivers, teachers, lawyers, designers, advertisers, civil servants, biologists, and mothers and fathers. Together, they are a proud Slovene family who have not forgotten their roots and heritage.

Now there are four generations of Cerkvenik descendants in the United States of America. They are truly part of the unique fabric of lives and histories that make America the richest and most vibrant nation in the world. As they gather on Minnesota's Iron Range this July, I salute the Cerkvenik family for their invaluable contributions to this great land of ours.

## TRIBUTE TO RABBI MORRIS RUBINSTEIN

### HON. HOWARD L. BERMAN

OF CALIFORNIA

### HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. BERMAN. Mr. Speaker, today my colleague, Mr. WAXMAN, and I pay tribute to an extraordinary individual and good friend, Rabbi Morris Rubinstein, who was honored this Sunday by the Valley Beth Israel Synagogue for his twenty eight years of dedication, leadership and service. The occasion will mark his retirement and will be celebrated with a ''gala farewell dinner'' attended by family, friends and congregants.

Throughout Rabbi Rubinstein's forty-one year rabbinical career he has demonstrated—through both his words and his deeds—an unwavering commitment to Torah and Mitzvos. For the past twenty-eight years, we in the San Fernando Valley have been blessed by his leadership, guidance, knowledge and understanding. He and his wife Miriam created a family-like atmosphere for all of the Valley Beth Israel congregants. Together they not only helped insure that Valley Beth Israel achieved a stellar reputation, but they made certain that the synagogue remained a unique and special place to worship, learn and congregate.

In addition to his character, intelligence and hard work, Rabbi Rubinstein successfully accomplished so much at Valley Beth Israel because he was able to apply lessons learned from an impressive and diverse background. He graduated as a rabbi and teacher with a Master's Degree in Hebrew Literature in 1959. He entered the Air Force Chaplaincy as a First Lieutenant in the same year and his first assignment was in Ankara, Turkey. His next assignment was Kessler Air Force Base in Biloxi, Mississippi where he became involved in the civil rights movement. There, at a clergy conference, he joined with Dr. Martin Luther King, Jr. in singing ''We Shall Overcome'' in Hebrew and English.

After Biloxi, he left the military chaplaincy to take a civilian pulpit. Between 1964 and 1972, when he joined Valley Beth Israel, he served as the spiritual leader at synagogues in Mattawan, New Jersey and Scottsdale, Arizona. He and Miriam, his loving wife and partner of forty-three years, have raised five wonderful and accomplished children.

We are honored today to ask our colleagues to join with us in saluting Rabbi Rubinstein for his dedicated service and tireless leadership. We wish him good health and every joy in his retirement.

## PASSING THE CONSERVATION AND REINVESTMENT ACT

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. DINGELL. Mr. Speaker, today one of my hometown newspapers, the Detroit Free Press, published the following editorial urging the other body to pass H.R. 701, the Conservation and Reinvestment Act (CARA). As my colleagues know, the House approved CARA last month by an overwhelming bipartisan margin.

The House bill may not be perfect, but clearly it is a strong foundation for a landmark conservation bill. The other body should proceed expeditiously so as not to let this once-in-a-generation opportunity pass us by.

[FROM THE DETROIT FREE PRESS, JUNE 27, 2000]

LAND PLAN

WORTHWHILE CONSERVATION ACT STUCK IN COMMITTEE

The country's best chance in a century to commit to conservation is staring it in the face, and yet the means to make it happen may not survive the U.S. Senate.

The Conservation and Reinvestment Act, which provides hundreds of millions of dollars for land acquisition and recreation projects nationwide, sits in committee, where it landed after the House passed it by a 3–1 margin. The full Senate seems likely to approve CARA, if it gets sprung from the committee.

The act does not require any new money to fund it. Rather it is the revival of a decades-old promise that royalties from oil and gas drilling on federal property would go toward land preservation. In the meantime, the money has been used to help mask the country's deficit-spending habit, a maneuver that's no longer needed and ripe for Congress to fix.

Some Western-state senators in key positions see CARA as a federal land grab, although only a sixth of the money would go toward federal purchases, and acquisitions would require the consent of both the owner and Congress. Far more would get funneled to the states, to set their own balance between buying land and improving existing public spaces.

One of CARA's most exciting aspects, in fact, is the ability to focus on smaller projects than the federal government normally would, including urban green spaces, walkways and small slices of important habitat. For those with visions of a walkable riverfront in Detroit, or selective preservation of natural spots in the path of development, CARA is a dream come true—if the senators controlling its fate will set it free.

## HONORING HARRIS COUNTY COMMISSIONER JIM FONTENO AND THE EAST HARRIS COUNTY SENIOR CITIZENS

### HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. BENTSEN. Mr. Speaker, today I honor Harris County Commissioner Jim Fonteno and the East Harris County Senior Citizens, which celebrates its 25th anniversary this month. The East Harris County Senior Citizens program, which Commissioner Fonteno built from the grassroots up, is a truly unique organization that has touched the lives of thousands of seniors in the eastern portion of Harris County, Texas for a quarter of a century. I commend Commissioner Fonteno for starting this vital program, and as we celebrate its anniversary, we also celebrate the career of Fonteno himself, the ''Dean'' of the Commissioners' Court, who, after 25 years, recently announced that he will retire in 2002.

The East Harris County Senior Citizens began in 1975, when the then newly-elected Precinct Two Harris County Commissioner Jim Fonteno offered his vision to create a program to give back to area seniors. His vision, inspired by his desire to give the people ''what they asked for and what they needed,'' was to create a vehicle to deliver programs and services to thousands of senior citizens and veterans in the community. Despite the naysayers who claimed it couldn't be done, Fonteno's inspiration grew into a self-supportive, nonprofit organization that now boasts more than 350 senior citizens groups within its boundaries. With the help of private organizations and many community partners and volunteers, the East Harris County Senior Citizens program is a model for the nation, and is still growing strong.

Throughout its history, the East Harris County Senior Citizens program has been

dedicated to encouraging social and physical activeness in seniors so that the humanity, dignity, independence, and strengths of each senior citizen is realized to the fullest. Through the program, thousands of senior citizens who otherwise would be unable to continue to develop new friendships and remain a vital force in their community, either because they lack transportation or appropriate places to meet, can reconnect with the world and continue to contribute their considerable talents to the community. The benefits of the community involvement and services offered by the East Harris County Senior Citizens to the lives of the elderly are immeasurable.

Mr. Speaker, at a time when America is aging and our parents are growing older, it is imperative that programs such as the East Harris County Senior Citizens exist to nurture and support the elderly. Our elderly are a tremendous asset and a source of great talent and inspiration. I commend the East Harris County Senior Citizens, Commissioner Fonteno and all the volunteers for their good works and for the organization's great contributions to the community, and I celebrate with them in honor of their 25 years of public service.

## PROFILES OF SUCCESS HISPANIC LEADERSHIP AWARDS

### HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, June 27, 2000*

Mr. PASTOR. Mr. Speaker, I rise to recognize a special event in the State of Arizona, the Annual Profiles of Success Hispanic Leadership Awards presentation. This special event is Arizona's most prestigious Latin Awards event. The luncheon is held in conjunction with National Hispanic Heritage Month and coordinated by Valle del Sol, Inc., a community-based organization in Phoenix. This year marks the 10th anniversary for Profiles of Success.

Award recipients are selected for their sustained service over a period of years. They are considered for significant time devoted to activities, services or issues beyond work or family responsibilities; challenges met by the nominee that were unusual; motivating others through personal commitment and/or exemplary performance; creativity in devising new and better ways of performing volunteer assignments or meeting the needs of the community; and leadership and betterment of the community through undertakings that have wide impact on a large number of people.

In the last 10 years, Profiles of Success awards have been conferred in four categories upon the following individuals:

Hall of Fame: Honorable Raul Castro, Maria Luisa Urquides, Adam Diaz, Bennie M. Gonzales, Dr. Maria Vega, Ruben Perez and Silvestre Herrera, a Congressional Medal of Honor recipient.

Exemplary Leadership: Toni-Maria Avila, Rosie Lopez, Dr. Eugene Marin, Clara Ruiz Engel, Roger C. Romero, Mary Rose Garrido Wilcox, Ernest Calderon, Jose L. Conchola, Dr. Elizabeth Valdez, Dr. Mary Jo Franco-French, Jaime Gutierrez, Dr. Santos Vega, Jose Cardenas, Tom Espinoza, Patricia Ruiz, Dr. J. Oscar Maynes, Jr., Tommy Nunez, Gloria G. Ybarra, Sandra Ferniza, Daniel Ortega, Jr., Art Othon, Patricia Escalante Garcia, Martin Sanmaniego, Tony Astorga, Eduardo Delci, Armando Flores, and Hilda Ortega-Rosales.

Special Recognition: Margie Emmermann, Cesar E. Chavez, Silvestre Herrera, Eugene Brassard, Manuel ''Lito'' Pena, Jr., Raul Lopez, Jess Torres, and Lorraine Lee.

Manuel Ortega Young Leaders Award: Marisa Calderon.

This year's recipients are: Eduardo ''Lalo'' Guerrero for Hall of Fame; Norma Guerra, Joe Elias and Lucia Madrid for Exemplary Leadership; Isabel Gonzales for the Manuel Ortega Young Leaders Award; and John Valenzuela, a South Tucson police officer who lost his life in the line of duty, who is posthumously receiving Special Recognition.

Each of the Profiles of Success recipients have stood out in the Latino community and demonstrated uncommon courage against tremendous odds. Words like dedication, integrity and compassion are synonymous with their names. Profiles of Success is the Latino community's opportunity to honor these champions. Therefore, Mr. Speaker, I ask you and my colleagues to join me in congratulating the Profiles of Success winners and extending them best wishes.

## DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

SPEECH OF

### HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Monday, June 26, 2000*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4690) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

Mr. KNOLLENBERG. Mr. Speaker, I would like to include in the RECORD for the Commerce/State/Justice Appropriations bill a letter with legislative history of the Clean Air Act reported by Congressman JOHN DINGELL who was the Chairman of the House Conference on the Clean Air Act amendments of 1990. No one knows the Clean Air Act like Congressman DINGELL.

He makes clear, and I quote, ''Congress has not enacted implementing legislation authorizing EPA or any other agency to regulate greenhouse gases.''

*October 5, 1999.*

Hon. DAVID M. MCINTOSH,
Chairman, Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs, Committee on Government Reform, Washington, DC.

DEAR MR. CHAIRMAN: I understand that you have asked, based on discussions between our staffs, about the disposition by the House-Senate conferees of the amendments in 1990 to the Clean Air Act (CAA) regarding greenhouse gases such as methane and carbon dioxide. In making this inquiry, you call my attention to an April 10, 1998 Environmental Protection Agency (EPA) memorandum entitled ''EPA's Authority to Regulate Pollutants Emitted by Electric Power Generation Sources'' and an October 12, 1998 memorandum entitled ''The Authority of EPA to Regulate Carbon Dioxide Under the Clean Air Act'' prepared for the National Mining Association. The latter memorandum discusses the legislative history of the 1990 amendments.

First, the House-passed bill (H.R. 3030) never included any provision regarding the regulation of any greenhouse gas, such as methane or carbon dioxide, nor did the bill address global climate change. The House, however, did include provisions aimed at implementing the Montreal Protocol on Substances that Deplete the Ozone Layer.

Second, as to the Senate version (S. 1630) of the proposed amendments, the October 12, 1998 memorandum correctly points out that the Senate did address greenhouse gas matters and global warming, along with provisions implementing the Montreal Protocol. Nevertheless, only Montreal Protocol related provisions were agreed to by the House-Senate conferees (see Conf. Rept. 101–952, Oct. 26, 1990).

However, I should point out that Public Law 101–549 of November 15, 1990, which contains the 1990 amendments to the CAA, includes some provisions, such as sections 813, 817 and 819–821, that were enacted as free-standing provisions separate from the CAA. Although the Public Law often refers to the ''Clean Air Act Amendments of 1990,'' the Public Law does not specify that reference as the ''short title'' of all of the provisions included the Public Law.

One of these free-standing provisions, section 821, entitled ''Information Gathering on Greenhouse Gases contributing to Global Climate Change'' appears in the United States code as a ''note'' (at 42 U.S.C. 7651k). It requires regulations by the EPA to ''monitor carbon dioxide emissions'' from ''all affected sources subject to title V'' of the CAA and specifies that the emissions are to be reported to the EPA. That section does not designate carbon dioxide as a ''pollutant'' for any purpose.

Finally, Title IX of the Conference Report, entitled ''Clean Air Research,'' was primarily negotiated at the time by the House and Senate Science Committees, which had no regulatory jurisdiction under House-Senate Rules. This title amended section 103 of the CAA by adding new subsections (c) through (k). New subsection (g), entitled ''Pollution Prevention and Control,'' calls for ''non-regulatory strategies and technologies for air pollution prevention.'' While it refers, as noted in the EPA memorandum, to carbon dioxide as a ''pollutant,'' House and Senate conferees never agreed to designate carbon dioxide as a pollutant for regulatory or other purposes.

Based on my review of this history and my recollection of the discussions, I would have difficulty concluding that the House-Senate conferees, who rejected the Senate regulatory provisions (with the exception of the above-referenced section 821), contemplated regulating greenhouse gas emissions or addressing global warming under the Clean Air Act. Shortly after enactment of Public Law 101–549, the United Nations General Assembly established in December 1990 the Intergovernmental Negotiating Committee that ultimately led to the Framework Convention on Climate Change, which was ratified by the United States after advice and consent by the Senate. That Convention is, of course, not self-executing, and the Congress has not enacted implementing legislation authorizing EPA or any other agency to regulate greenhouse gases.

I hope that this is responsive.

With best wishes,

Sincerely,

JOHN D. DINGELL,
*Ranking Member.*

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 29, 2000 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

### JUNE 30

9:30 a.m.
Governmental Affairs
Investigations Subcommittee
To continue hearings to examine the nationwide crisis of mortgage fraud.
SD–342

### JULY 11

10 a.m.
Judiciary
To hold hearings to examine the future of digital music, focusing on whether there is an upside to downloading.
SD–226

2 p.m.
Banking, Housing, and Urban Affairs
Housing and Transportation Subcommittee
To hold hearings to examine the Federal Transit Administration's approval of extension of the Amtrak Commuter Rail contract.
SD–538

2:30 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 2195, to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Truckee watershed reclamation project for the reclamation and reuse of water; S. 2350, to direct the Secretary of the Interior to convey to certain water rights to Duchesne City, Utah; and S. 2672, to provide for the conveyance of various reclamation projects to local water authorities.
SD–366

### JULY 12

10 a.m.
Finance
To hold hearings on disclosure of political activity of tax code section 527 and other organizations.
SD–215

2:30 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold oversight hearings on the Draft Environmental Impact Statement implementing the October 1999 announcement by the Presidnet to review approximately 40 million acres of national forest for increased protection.
SD–366

Indian Affairs
To hold oversight hearings on risk management and tort liability relating to Indian matters.
SR–485

### JULY 13

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings to examine American gasoline supply problems.
SD–366

### JULY 18

9:30 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

### JULY 19

9:30 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

2:30 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold oversight hearings on the status of the Biological Opinions of the National Marine Fisheries Service and the U.S. Fish and Wildlife Service on the operations of the Federal hydropower system of the Columbia River.
SD–366

Indian Affairs
To hold oversight hearings on activities of the National Indian Gaming Commission.
SR–485

### JULY 20

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings on the United States General Accounting Office's investigation of the Cerro Grande Fire in the State of New Mexico, and from Federal agencies on the Cerro Grande Fire and their fire policies in general.
SD–366

10 a.m.
Indian Affairs
To hold hearings on S. 2688, to amend the Native American Languages Act to provide for the support of Native American Language Survival Schools.
SR–485

### JULY 26

10 a.m.
Governmental Affairs
To hold hearings on S. 1801, to provide for the identification, collection, and review for declassification of records and materials that are of extraordinary public interest to the people of the United States.
SD–342

2:30 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold oversight hearings on potential timber sale contract liability incurred by the government as a result of timber sale contract cancellations.
SD–366

Indian Affairs
To hold hearings on S. 2526, to amend the Indian Health Care Improvement Act to revise and extend such Act.
SR–485

### JULY 27

10 a.m.
Indian Affairs
To hold oversight hearings on the Native American Graves Protection and Repatriation Act.
SR–485

### SEPTEMBER 26

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the Legislative recommendation of the American Legion.
345 Cannon Building

# *Daily Digest*

## HIGHLIGHTS

**The House passed H.R. 4680, Medicare Rx 2000 Act.**

**House Committee ordered reported 18 sundry measures.**

# *Senate*

## *Chamber Action*

***Routine Proceedings, pages S5941–S6040***

**Measures Introduced:** Nine bills and two resolutions were introduced, as follows: S. 2803–2811, S. Res. 329, and S. Con. Res. 125. **Page S6015**

**Measures Reported:** Reports were made as follows:

Report to accompany S. 2071, to benefit electricity consumers by promoting the reliability of the bulk-power system. (S. Rept. No. 106–324)

H.R. 4249, An act to foster cross-border cooperation and environmental cleanup in Northern Europe.

S. Res. 239, expressing the sense of the Senate that Nadia Dabbagh, who was abducted from the United States, should be returned home to her mother, Ms. Maureen Dabbagh.

S. Res. 309, expressing the sense of the Senate regarding conditions in Laos.

S. Res. 329, urging the Government of Argentina to pursue and punish those responsible for the 1994 attack on the AMIA Jewish Community Center in Buenos Aires, Argentina.

S. Con. Res. 57, concerning the emancipation of the Iranian Baha'i community, and with an amended preamble.

S. Con. Res. 122, Concurrent resolution recognizing the 60th anniversary of the United States nonrecognition policy of the Soviet takeover of Estonia, Latvia, and Lithuania, and calling for positive steps to promote a peaceful and democratic future for the Baltic region. **Page S6013**

**Measures Passed:**

***Adjournment Resolution:*** Senate agreed to S. Con. Res. 125, providing for a conditional adjournment or recess of the Senate and a conditional adjournment of the House of Representatives.

**Pages S5954, S6028**

***Jicarilla Apache Reservation Feasibility Study:*** Senate passed H.R. 3051, to direct the Secretary of the Interior, the Bureau of Reclamation, to conduct a feasibility study on the Jicarilla Apache Reservation in the State of New Mexico, clearing the measure for the President. **Pages S6033–34**

***Native American Trade Promotion:*** Senate passed S. 2719, to provide for business development and trade promotion for Native Americans.

**Pages S6034–35**

***Chief Washakie Statue:*** Senate agreed to H. Con. Res. 333, providing for the acceptance of a statue of Chief Washakie, presented by the people of Wyoming, for placement in National Statuary Hall.

**Pages S6035–36**

***Congressional Gold Medal Ceremony:*** Senate agreed to H. Con. Res. 344, permitting the use of the rotunda of the Capitol for a ceremony to present the Congressional Gold Medal to Father Theodore Hesburgh. **Page S6036**

**Labor/HHS/Education Appropriations:** Senate continued consideration of H.R. 4577, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, taking action on the following amendments proposed thereto: **Pages S5941–S6003**

Adopted:

By a unanimous vote of 99 yeas (Vote No. 151), Hutchison/Collins Amendment No. 3619, to clarify that funds appropriated under this Act to carry out innovative programs under section 6301(b) of the Elementary and Secondary Education Act of 1965 shall be available for same gender schools. **Pages S5941–42**

By 98 yeas to 1 nay (Vote No. 152), Harkin (for Daschle) Amendment No. 3658, to fund a coordinated national effort to prevent, detect, and educate the public concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect and to identify effective interventions for children, adolescents, and adults with Fetal Alcohol Syndrome and Fetal Alcohol Effect.

**Pages S5942–44**

Wellstone Amendment 3644, to provide funds for the loan forgiveness for child care providers program, with an offset. **Pages S5957–60**

Reid (for Wellstone) Amendment No. 3680, to provide for a certification program to improve the effectiveness and responsiveness of suicide hotlines and crisis centers. **Pages S5971–77**

Voinovich Amendment No. 3641, to permit appropriations to be used for programs under the Individuals with Disabilities Education Act. **Pages S5984–86**

Rejected:

Landrieu Amendment No. 3645, to provide funding for targeted grants under section 1125 of the Elementary and Secondary Education Act of 1965. (By 75 yeas to 23 nays (Vote No. 158), Senate tabled the amendment.) **Pages S5986–90, S5993**

Jeffords Amendment No. 3655, to increase the appropriations for carrying out the Individuals with Disabilities Education Act. (By 51 yeas to 47 nays (Vote No. 159), Senate tabled the amendment.) **Pages S5990–92, S5993–94**

Pending:

Frist Modified Amendment No. 3654, to increase the amount appropriated for the Interagency Education Research Initiative. **Pages S6000–03**

During consideration of this measure today, the Senate also took the following actions:

By 51 yeas to 48 nays (Vote No. 153), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 302(f) of the Congressional Budget Act of 1974 with respect to the consideration of Kennedy Amendment No. 3661, to provide an additional $202,000,000 to carry out title II of the Higher Education Act of 1965, relating to the training and recruitment of teachers. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act of 1974 was sustained, and the amendment thus fell. **Pages S5944–52**

By 48 yeas to 51 nays (Vote No. 154), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 302(f) of the Congressional Budget Act of 1974 with respect to the consideration of Dodd Amendment No. 3672, to provide $1,000,000,000 for Twenty-first Century Community Learning Centers. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act of 1974 was sustained, and the amendment thus fell. **Pages S5952–54, S5977**

By 48 yeas to 51 nays (Vote No. 155), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 302(f) of the Congressional Budget Act of 1974 with respect to the consideration of Kerrey Amendment 3659, to increase funding for the technology literacy challenge fund. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act of 1974 was sustained, and the amendment thus fell. **Pages S5955–57, S5978**

By 47 yeas to 52 nays (Vote No. 156), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 302(f) of the Congressional Budget Act of 1974 with respect to the consideration of Reed Amendment No. 3638, to provide funds for the GEAR UP Program. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act of 1974 was sustained, and the amendment thus fell. **Pages S5961–63, S5978–79**

By 49 yeas to 50 nays (Vote No. 157), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected a motion to waive section 302(f) of the Congressional Budget Act of 1974 with respect to the consideration of Kennedy Amendment No. 3678, to adjust appropriations for workforce investment activities and related activities. Subsequently, a point of order that the amendment was in violation of the Congressional Budget Act of 1974 was sustained, and the amendment thus fell. **Pages S5963–71, S5979**

A unanimous-consent agreement was reached providing for further consideration of the bill, pending amendment, and certain amendments to be proposed thereto, on Thursday, June 29, 2000, with a vote to occur on the pending amendment.

**Disclosure of Political Activities:** Senate completed consideration of H.R. 4762, to amend the Internal Revenue Code of 1986 to require 527 organizations to disclose their political activities. **Pages S5994–S6000**

A unanimous-consent agreement was reached providing for a vote on final passage to occur on Thursday, June 29, 2000. **Page S5994**

**Radiation Exposure:** Senate concurred in the amendment of the House to S. 1515, to amend the Radiation Exposure Compensation Act. **Page S6036**

**Nominations Received:** Senate received the following nominations:

Donald Mancuso, of Virginia, to be Inspector General, Department of Defense.

Kenneth Y. Tomlinson, of Virginia, to be a Member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring January 31, 2006. **Page S6040**

**Messages From the House:** **Pages S6010–11**

**Measures Referred:** **Page S6011**

**Measures Placed on Calendar:** **Pages S5941, S6011**

**Measures Read First Time:** **Page S6040**

**Communications:** **Pages S6011–13**

**Executive Reports of Committees:** **Pages S6013–15**

**Statements on Introduced Bills:** **Pages S6015–26**

**Additional Cosponsors:** **Pages S6026–28**

**Amendments Submitted:** **Pages S6029–32**

**Notices of Hearings:** **Page S6032**

**Authority for Committees:** **Pages S6032–33**

**Additional Statements:** **Pages S6007–10**

**Privileges of the Floor:** **Page S6033**

**Record Votes:** Nine record votes were taken today. (Total—159)

**Pages S5942, S5944, S5952, S5977–79, S5993–94**

**Adjournment:** Senate convened at 9:30 a.m., and adjourned at 9:32 p.m., until 9:30 a.m., on Thursday, June 29, 2000. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S6040.)

# *Committee Meetings*

*(Committees not listed did not meet)*

## AIRLINE CUSTOMER SERVICE

*Committee on Commerce, Science, and Transportation:* Committee held hearings to examine the status after six months of the major airlines' implementation of their Airline Customer Service Commitment, to improve customer service, accountability, enforcement, and commercial air passengers protection, receiving testimony from Kenneth M. Mead, Inspector General, Department of Transportation; and Donald J. Carty, American Airlines, Dallas, Texas, Mary Jopplin, Continental Airlines, Houston, Texas, and Vicki Escarra, Delta Air Lines, Atlanta, Georgia, all on behalf of the Air Transport Association.

Hearings recessed subject to call.

## BUSINESS MEETING

*Committee on Environment and Public Works:* Committee ordered favorably reported the following business items:

S. 2797, to authorize a comprehensive Everglades restoration plan, with amendments; and

S. 2796, to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, with an amendment in the nature of a substitute. (As approved by the Committee, the bill incorporates the text of S. 2797, a related measure.)

## BUSINESS MEETING

*Committee on Finance:* Committee ordered favorably reported an original bill entitled the Marriage Tax Relief Reconciliation Act.

## BUSINESS MEETING

*Committee on Foreign Relations:* Committee ordered favorably reported the following business items:

An original bill to provide for international debt forgiveness and the strengthening of anticorruption measures and accountability at international financial institutions;

An original bill to authorize appropriations to carry out security assistance for fiscal year 2001;

An original bill to amend the Foreign Assistance Act of 1961 to authorize the provision of assistance to increase the availability of credit to microenterprises lacking full access to credit, to establish a Microfinance Loan Facility;

An original bill to authorize additional assistance to countries with large populations having HIV/AIDS, to authorize assistance for tuberculosis prevention, treatment, control, and elimination;

An original concurrent resolution expressing the sense of Congress that the President of the United States should support free and fair elections and respect for democracy in Haiti;

S. Res. 239, expressing the sense of the Senate that Nadia Dabbagh, who was abducted from the United States, should be returned home to her mother, Ms. Maureen Dabbagh;

S. Res. 309, expressing the sense of the Senate regarding conditions in Laos;

S. Res. 329, urging the Government of Argentina to pursue and punish those responsible for the 1994 attack on the AMIA Jewish Community Center in Buenos Aires, Argentina;

S. Con. Res. 57, concerning the emancipation of the Iranian Baha'i community, with an amendment;

S. Con. Res. 113, expressing the sense of the Congress in recognition of the 10th anniversary of the free and fair elections in Burma and the urgent need to improve the democratic and human rights of the people of Burma, with an amendment;

S. Con. Res. 122, recognizing the 60th anniversary of the United States nonrecognition policy of the Soviet takeover of Estonia, Latvia, and Lithuania, and calling for positive steps to promote a peaceful and democratic future for the Baltic region;

S. Con. Res. 124, expressing the sense of the Congress with regard to Iraq's failure to release prisoners of war from Kuwait and nine other nations in violation of international agreements;

H.R. 4249, to foster cross-border cooperation and environmental cleanup in Northern Europe; and

The nominations of Owen James Sheaks, of Virginia, to be an Assistant Secretary of State; John Edward Herbst, of Virginia, to be to the Republic of Uzbekistan; Carlos Pascual, of the District of Columbia, to be Ambassador to Ukraine; Ross L. Wilson, of Maryland, to be Ambassador to the Republic of Azerbaijan; Mary Ann Peters, of California, to be Ambassador to the People's Republic of Bangladesh; Janet A. Sanderson, of Arizona, to be Ambassador to the Democratic and Popular Republic of Algeria; E. Ashley Wills, of Georgia, to be Ambassador to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador to the Republic of Maldives; Karl William Hofmann, of Maryland, to be Ambassador to the Togolese Republic; John W. Limbert, of Vermont, to be Ambassador to the Islamic Republic of Mauritania; Roger A. Meece, of Washington, to be Ambassador to the Republic of Malawi; Sharon P. Wilkinson, of New York, to be Ambassador to the Republic of Mozambique; Donald Y. Yamamoto, of New York, to be Ambassador to the Republic of Djibouti; and Pamela E. Bridgewater, of

Virginia, to be Ambassador to the Republic of Benin.

**LIBERATION OF IRAQ**

*Committee on Foreign Relations:* Subcommittee on Near Eastern and South Asian Affairs concluded hearings to examine the progress report of the liberation of Iraq, after receiving testimony from Richard N. Perle, former Assistant Secretary of Defense for International Security; and Ahmad Chalabi, Iraqi National Congress, London, England.

**TREATMENT OF U.S. BUSINESS IN CENTRAL AND EASTERN EUROPE**

*Committee on Foreign Relations:* Subcommittee on European Affairs concluded hearings to examine the treatment of U.S. business in Central and Eastern Europe, after receiving testimony from Earl Anthony Wayne, Assistant Secretary of State for Economic, Business, and Agricultural Affairs; Ronald S. Lauder, Central European Media Enterprises, New York, New York; Kempton Jenkins, Ukraine U.S. Business Council, Washington, D.C.; and Peter K. Nevitt, Greenbrier Europe, San Francisco, California.

**WWII POW SLAVE LABOR LAWSUIT**

*Committee on the Judiciary:* Committee concluded hearings to determine whether those who profited from the forced labor of American World War II Prisoners of War once held and forced into labor for private Japanese companies have an obligation to remedy their wrongs and whether the United States can help facilitate an appropriate resolution, after receiving testimony from Senator Bingaman; David W. Ogden, Acting Assistant Attorney General, Civil Division, Department of Justice; Ronald J. Bettauer, Deputy Legal Adviser, Department of State; Harold G. Maier, Vanderbilt University Law School, Nashville, Tennessee; and Harold W. Poole, Salt Lake City, Utah, Frank Bigelow, Brooksville, Florida, Lester I. Tenney, La Jolla, California, Maurice Mazer, Boca Raton, Florida, and Edward Jackfert, Wellsburg, West Virginia, all former WWII Prisoners of War.

**INTERNATIONAL TERRORISM**

*Committee on the Judiciary:* Subcommittee on Technology, Terrorism, and Government Information concluded hearings on the National Commission on Terrorism's report on issues relating to efforts being made by the intelligence and law enforcement communities to counter, and U.S. policies regarding, the changing threat of international terrorism to the United States, after receiving testimony from L. Paul Bremer III, Chairman, National Commission on Terrorism; R. James Woolsey, Shea and Gardner, Washington, D.C., former Director of Central Intelligence; Jane Harman, Harman International, Los Angeles, California; John F. Lewis Jr., Goldman, Sachs and Company, New York, New York; and Juliette N. Kayyem, Harvard University John F. Kennedy School of Government Belfer Center for Science and International Affairs, Cambridge, Massachusetts.

**INDIAN TRIBAL SURFACE TRANSPORTATION ACT**

*Committee on Indian Affairs:* Committee concluded hearings on S. 2283, to amend the Transportation Equity Act for the 21st Century to make certain amendments with respect to Indian tribes, after receiving testimony from Kevin Gover, Assistant Secretary of the Interior for Indian Affairs; Kenneth R. Wykle, Administrator, Federal Highway Administration, Department of Transportation; Rodger Vicenti, Jicarilla Apache Tribe, Dulce, New Mexico; Pete Red Tomahawk, Standing Rock Sioux Tribe, Ft. Yates, North Dakota; David Whitener, Sr., Squaxin Island Tribe, Shelton, Washington; and Pat Ragsdale, Cherokee Nation, Tahlequah, Oklahoma.

# House of Representatives

## *Chamber Action*

**Bills Introduced:** 6 public bills, H.R. 4776–4781, and 1 resolution, H. Con. Res. 365, were introduced. Page H5435

**Reports Filed:** Reports were filed today as follows.

H.R. 2848, to amend the Small Business Investment Act of 1958 and the Small Business Act to establish a New Markets Venture Capital Program, to establish an America's Private Investment Company Program, to amend the Internal Revenue Code of 1986 to establish a New Markets Tax Credit, amended (H. Rept. 106–706, Pt. 1).

H. Res. 540, waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (H. Rept. 106–707);

H. Res. 541, providing for consideration of a concurrent resolution providing for adjournment of the House and Senate for the Independence Day district work period (H. Rept. 106–708); and

H. Res. 542, providing for consideration of H.R. 1304, to ensure and foster continued patient safety and quality of care by making the antitrust laws apply to negotiations between groups of health care professionals and health plan and health plans and health insurance issuers in the same manner as such

laws apply to collective bargaining by labor organizations under the National Labor Relations Act (H. Rept. 106–709). **Page H5435**

**Speaker Pro Tempore:** Read a letter from the Speaker wherein he designated Representative LaTourette to act as Speaker pro tempore for today. **Page H5299**

**Guest Chaplain:** The prayer was offered by the guest Chaplain Rev. Mark A. Teslik of East Moline, Illinois. **Page H5299**

**Medicare RX 2000 Act:** The House passed H.R. 4680, to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, and to modernize the Medicare Program by a yea and nay vote of 217 yeas to 214 nays, Roll No. 357. **Pages H5319–H5415**

Rejected the Stark motion to recommit the bill to the Committee on Ways and Means with instructions to report it back with a Medicare prescription medicine plan with various features which provides a benefit available to all Medicare beneficiaries including those in rural areas by a yea and nay vote of 204 yeas to 222 nays, Roll No. 356. **Pages H5398–S5414**

Earlier, a point of order was sustained against a Stark motion to recommit the bill to the Committee on Ways and Means with instructions to report it back with an amendment in the nature of a substitute that inserts the provisions of the Medicare Guaranteed and Defined Rx Benefit and Health Provider Relief Act of 2000. Agreed to table the motion to appeal the ruling of the Chair by a yea and nay vote of 224 yeas to 202 nays, Roll No. 355. **Pages H5383–98**

Pursuant to the rule, the Committee on Ways and Means amendment now printed in the bill, H. Rept. 106–703, part 1, modified by the amendment printed in H. Rept. 106–705, the report accompanying the rule, were considered as adopted. **Page H5334**

Agreed to H. Res. 539, the rule that provided for consideration of the bill by a recorded vote of 216 ayes to 213 noes, Roll No. 349. Agreed to table the Goss motion to reconsider the vote by a recorded vote of 222 ayes to 204 noes, Roll No. 350. **Pages H5300–18**

Agreed to order the previous question on the rule by a yea and nay vote of 227 yeas to 204 nays, Roll No. 347. Agreed to table the Moakley motion to reconsider the vote by a recorded vote of 220 ayes to 205 noes, Roll No. 348. **Pages H5315–17**

Earlier, Representative Stenholm made the point of order that H. Res. 539 violated section 426(a) of the Congressional Budget Act of 1974. Subsequently agreed to consider the resolution by a yea and nay vote of 224 yeas to 200 nays, Roll No. 344. Agreed to table the Frank of Massachusetts motion to reconsider the vote by a recorded vote of 219 ayes to 200 noes, Roll No. 345. **Pages H5300–03**

Lastly, agreed to permit the use of exhibits during debate of the bill by the following Members: Representative Menendez by a yea and nay vote of 371 yeas to 48 nays, Roll No. 352; Representative Olver by a recorded vote of 326 ayes to 92 noes, Roll No. 353; and Representative Hooley by a recorded vote of 224 ayes to 191 noes with 2 voting "present", Roll No. 354. **Pages H5370–71, H5371–72, H5372–73**

**Motions to Adjourn:** Rejected the Bonior motion to adjourn by a yea and nay vote of 166 yeas to 237 nays, Roll No. 343. Rejected the Frank of Massachusetts motion to adjourn by a recorded vote of 174 ayes to 242 noes, Roll No. 346. Rejected the Moakley motion to adjourn by a recorded vote of 178 ayes to 244 noes, Roll No. 351. **Pages H5300, H5303–04, H5318–19**

**Agriculture, Rural Development, FDA, and Related Agencies Appropriations:** The House agreed to H. Res. 538, the rule that is providing for consideration of H.R. 4461, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2001 by a yea and nay vote of 232 yeas to 179 nays, Roll No. 358. **Pages H5415–23**

**Suspension—Proceedings Postponed:** The House completed debate on the following motion to suspend the rules upon which further proceedings were postponed:

***Supplemental Medicare Funding:*** H. Res. 535, sense of the House concerning the use of additional projected surplus funds to supplement Medicare funding, previously reduced under the Balanced Budget Act of 1997; and **Pages H5423–26**

**Suspension:** The House agreed to suspend the rules and pass the following measure:

***Drug Import Fairness Act:*** H.R. 3240, to amend the Federal Food, Drug, and Cosmetic Act to clarify certain responsibilities of the Food and Drug Administration with respect to the importation of drugs into the United States. **Pages H5426–34**

**Amendments:** Amendments ordered printed pursuant to the rule appear on pages H5436–37.

**Quorum Calls—Votes:** Eight yea and nay votes and eight recorded votes developed during the proceedings of the House today and appear on pages H5300, H5302–03, H5303, H5303–04, H5315–16, H5316–17, H5317, H5318, H5318–19, H5370–71, H5371–72, H5372–73, H5398, H5413–14, H5414–15, and H5422–23. There were no quorum calls.

**Adjournment:** The House met at 10 a.m. and adjourned at 12:27 a.m. on Thursday, June 29.

# Committee Meetings

## WATER POLLUTION PROGRAM IMPROVEMENT ACT; EPA'S PROCESSED TOTAL MAXIMUM DAILY LOAN RULES

*Committee on Agriculture:* Held a hearing on the following: H.R. 4502 Water Pollution Program Improvement Act of 2000; and EPA's proposed Total Maximum Daily Load rules on agriculture and silviculture. Testimony was heard from James R. Lyons, Under Secretary, Natural Resources and Environment, USDA; J. Charles Fox, Assistant Administrator, Water, EPA; Peter F. Guerrero, Director, Environmental Protection Issues, GAO; and public witnesses.

## NATIONAL SECURITY LABORATORIES MEASURES

*Committee on Armed Services:* Ordered reported the following measures: H. Res. 534, expressing the sense of the House of Representatives that the recent nuclear weapons security failures at Los Alamos National Laboratory demonstrate that security policy and security procedures within the National Nuclear Security Administration remain inadequate, that the individuals responsible for such policy and procedures must be held accountable for their performance, and that immediate action must be taken to correct security deficiencies; H.R. 3906, amended, to ensure that the Department of Energy has appropriate mechanisms to independently assess the effectiveness of its policy and site performance in the areas of safeguards and security and cyber security; H.R. 4446, amended, to ensure that the Secretary of Energy may continue to exercise certain authorities under the Price-Anderson Act through the Assistant Secretary of Energy for Environment, Safety, and Health; H.R. 3383, to amend the Atomic Energy Act of 1954 to remove separate treatment or exemption for nuclear safety violations by nonprofit institutions; and H.R. 4737, amended, Nuclear Secrets Safety Act.

## NATIONAL MISSILE DEFENSE PROGRAM

*Committee on Armed Services:* Held a hearing on the National Missile Defense Program. Testimony was heard from Jacques S. Gansler, Under Secretary (Acquisition and Technology), Department of Defense; and public witnesses.

## INTERNET GAMBLING FUNDING PROHIBITION ACT

*Committee on Banking and Financial Services:* Ordered reported, as amended, H.R. 4419, Internet Gambling Funding Prohibition Act.

## AMERICAN CONSUMER—SUMMER ENERGY CONCERNS

*Committee on Commerce:* Held a hearing on Summer Energy Concerns for the American Consumer. Testimony was heard from Bill Richardson, Secretary of Energy; Rodney E. Slater, Secretary of Transportation; Carol M. Browner, Administrator, EPA; Robert Pitofsky, Chairman, FTC; and public witnesses.

## RISING FUEL PRICES—APPROPRIATE FEDERAL RESPONSE

*Committee on Government Reform:* Held a hearing on Rising Fuel Prices and the Appropriate Federal Response. Testimony was heard from Bill Richardson, Secretary of Energy; Carol M. Browner, Administrator, EPA; Robert Pitofsky. Chairman, FTC; and public witnesses.

## SEMIPOSTAL AUTHORIZATION ACT

*Committee on Government Reform:* Subcommittee on the Postal Service approved for full Committee action, as amended, H.R. 4437, Semipostal Authorization Act.

## COMMITTEE BUSINESS

*Committee on House Administration:* Met to consider pending business.

## U.S. ASSISTANCE TO MICRONESIA AND THE MARSHALL ISLANDS

*Committee on International Relations:* Subcommittee on Asia and the Pacific held a hearing on U.S. Assistance to Micronesia and the Marshall Islands: A Question of Accountability. Testimony was heard from Susan S, Westin, Associate Director, International Relations and Trade Division, GAO; Ferdinand Aranza, Director, Office of Insular Affairs, Department of the Interior; Allen Stayman, Special Negotiator, Compact of Free Association, Bureau of East Asian and Pacific Affairs, Department of State; and Fred Smith, Special Assistant to the Under Secretary, Asia-Pacific Affairs, Department of Defense.

## MISCELLANEOUS MEASURES

*Committee on International Relations:* Subcommittee on International Operations and Human Rights approved for full Committee action the following measures: H.R. 4528, amended, International Academic Opportunity Act of 2000, H. Con. Res. 328, amended, expressing the sense of the Congress in recognition of the 10th anniversary of the free and fair elections in Burma and the urgent need to improve the democratic and human rights of the people of Burma; H. Con, Res. 257, amended, Concerning the emancipation of the Iranian Baha'i community; S. Con. Res. 81, expressing the sense of the Congress that the Government of the People's Republic of China should immediately release Rabiya Kadeer, her secretary, and her son, and permit them to move to the United States if they so desire; and H.Con. Res. 348, amended, expressing condemnation of the use of children as soldiers and expressing the belief that the United States should support and, where possible, lead efforts to end this abuse of human rights.

## LATIN AMERICA—DEVELOPMENT, GROWTH AND POVERTY REDUCTION

*Committee on International Relations:* Subcommittee on the Western Hemisphere held a hearing on Development, Growth and Poverty Reduction in Latin America: Assessing the Effectiveness of Assistance. Testimony was heard from William E. Schuerch, Deputy Assistant Secretary, International Development, Debt and Environmental Policy, Department of the Treasury; Carl Leonard, Assistant Administrator, Bureau for Latin America and the Caribbean, AID, Department of State; and public witnesses.

## OIL INDUSTRY SOLUTIONS TO COMPETITIVE PROBLEMS

*Committee on the Judiciary:* Continued oversight hearings on Solutions to Competitive Problems in the Oil Industry: Part 3. Testimony was heard from Representatives Collins, Stabenow, Hall of Ohio, Hoekstra and Barrett of Wisconsin; Rich Parker, Director, Bureau of Competition, FTC; Bob Perciasepe, Assistant Administrator, Air and Pollution, EPA; Melanie Kenderdine, Acting Director, Office of Policy, Department of Energy; Tommy Thompson, Governor, State of Wisconsin; George Ryan, Governor, State of Illinois; and public witnesses.

## MISCELLANEOUS MEASURES

*Committee on Resources:* Ordered reported the following measures: H.R. 755, amended, Guam War Restitution Act; S. 1030, to provide that the conveyance by the Bureau of Land Management of the surface estate to certain land in the State of Wyoming in exchange for certain private land will not result in the removal of the land from operation of the mining laws; S. 1508, Indian Tribal Justice Technical and Legal Assistance Act of 1999; S. 1705, Castle Rock Ranch Acquisition Act of 2000; H.R. 2296, to amend the Revised Organic Act of the Virgin Islands to provide that the number of members on the legislature of the Virgin Islands and the number of such members constituting a quorum shall be determined by the laws of the Virgin Islands; H.R. 2462, amended, Guam Omnibus Opportunities Act; H.R. 2671, Yankton Sioux Tribe and Santee Sioux Tribe of Nebraska Development Trust Fund Act; H.R. 4148, amended, Tribal Contract Support Cost Technical Amendments of 2000; H.R. 4286, amended, to provide for the establishment of the Cahaba River National Wildlife Refuge in Bibb County, Alabama; H.R. 4404, amended, to permit the payment of medical expenses incurred by the United States Park Police in the performance of duty to be made directly by the National Park Service, to allow for waiver and indemnification in mutual law enforcement agreements between the National Park Service and a State or political subdivision when required by State law; and H.R. 4442, National Wildlife Refuge System Centennial Act.

## QUALITY HEALTH-CARE COALITION ACT OF 2000

*Committee on Rules:* Granted, by voice vote, a structured rule providing one hour of general debate on H.R. 1304, Quality Health-Care Coalition Act of 2000, equally divided between the chairman and ranking minority member of the Committee on the Judiciary. The rule waives all points of order against consideration of the bill. The rule makes in order the Committee on the Judiciary amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment, which shall be considered as read. The rule waives all points of order against the amendment in the nature of a substitute. The rule makes in order only those amendments printed in the Rules Committee report accompanying the resolution. The rule provides that the amendments made in order may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. The rule waives all points of order against the amendments printed in the report. The rule permits the Chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce voting time to five minutes on a postponed question if the vote follows a fifteen minute vote. Finally, the rule provides one motion to recommit with or without instructions.

## INDEPENDENCE DAY DISTRICT WORK PERIOD ADJOURNMENT RESOLUTION

*Committee on Rules:* Granted, by voice vote, a rule providing for the consideration of a concurrent resolution providing for the adjournment of the House and Senate for the Independence Day district work period. The rule waives all points of order against consideration of the resolution. The rule lays House Resolution 469 and 482 on the table.

## SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY THE RULES COMMITTEE

*Committee on Rules:* Granted, by voice vote, a rule waiving clause 6(a) of rule XIII (requiring a two-thirds vote to consider a rule on the same day it is reported from the Rules Committee) against certain resolutions reported from the Rules Committee. The rule applies the waiver to a special rule reported on or before the legislative day of Friday, June 30, 2000, providing for the consideration or disposition of a conference report to accompany the bill (H.R. 4425) making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2001, and for other purposes,

or any amendment reported in disagreement from a conference thereon.

## VIETNAM—DISAPPROVING EXTENSION OF WAIVER AUTHORITY CONTAINED IN TRADE ACT

*Committee on Ways and Means:* Adversely reported H.J. Res. 99, disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam.

## NEW PUBLIC LAWS

*(For last listing of Public Laws, see* DAILY DIGEST, *p. D649)*

H.R. 4387, to provide that the School Governance Charter Amendment Act of 2000 shall take effect upon the date such Act is ratified by the voters of the District of Columbia. Signed June 27, 2000. (P.L. 106–226)

## COMMITTEE MEETINGS FOR THURSDAY, JUNE 29, 2000

*(Committee meetings are open unless otherwise indicated)*

### Senate

*Committee on Agriculture, Nutrition, and Forestry:* business meeting to consider pending calendar business, 10 a.m., SR–328A.

*Committee on Armed Services:* business meeting to mark up S. 2507, to authorize appropriations for fiscal year 2001 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, 9:15 a.m., SR–222.

Full Committee, to hold hearings on the report of the National Missile Defense Independent Review Team; to be followed by a closed hearing (SH–219), 10 a.m., SH–216.

*Committee on Energy and Natural Resources:* Subcommittee on Forests and Public Land Management, to hold oversight hearings on the United States Forest Service's Draft Environmental Impact Statement for the Sierra Nevada Forest Plan amendment, and Draft Supplemental Environmental Impact Statement for the Interior Columbia Basin Ecosystem Management Plan, 10 a.m., SD–366.

Subcommittee on National Parks, Historic Preservation, and Recreation, to hold hearings on S. 134, to direct the Secretary of the Interior to study whether the Apostle Islands National Lakeshore should be protected as a wilderness area; S. 2051, to revise the boundaries of the Golden Gate National Recreation Area; S. 2279, to authorize the addition of land to Sequoia National Park; and S. 2512, to convey certain Federal properties on Governors Island, New York, 2:30 p.m., SD–366.

*Committee on Environment and Public Works:* Subcommittee on Fisheries, Wildlife, and Drinking Water, to hold hearings on pending issues in the implementation of the Safe Drinking Water Act, 9:30 a.m., SD–406.

Subcommittee on Superfund, Waste Control, and Risk Assessment, to hold hearings on S. 2700, to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, 2 p.m., SD–406.

*Committee on Governmental Affairs:* Permanent Subcommittee on Investigations, to hold hearings to examine the nationwide crisis of mortgage fraud, 9:30 a.m., SD–342.

Full Committee, to hold oversight hearings to examine the rising oil prices and the efficiency and effectiveness of the Executive Branch Response, 1 p.m., SD–342.

*Committee on the Judiciary:* business meeting to consider pending calendar business, 10 a.m., SD–226.

### House

*Committee on Agriculture,* hearing to review factors affecting domestic and international agricultural input prices, 10 a.m., 1300 Longworth.

*Committee on Armed Services,* Special Oversight Panel on Terrorism, hearing on terrorism and threats to U.S. interests in Latin America, 2 p.m., 2216 Rayburn.

*Committee on Banking and Financial Services,* to mark up H.R. 4585, Medical Financial Privacy Protection Act, 10 a.m., 2128 Rayburn.

*Committee on Education and the Workforce,* Subcommittee on Postsecondary Education, Training, and Life Long Learning and the Subcommittee on Human Resources of the Committee on Ways and Means, joint hearing on Welfare Reform: Assessing the Progress of Work-Related Provisions, 2 p.m., 2175 Rayburn.

*Committee on Government Reform,* to consider the following: H.R. 4049, Privacy Commission Act; a report entitled "Making the Federal Government Accountable" Enforcing the Mandate for Effective Financial Management"; H.R. 4744, Truth in Regulating Act of 2000"; H.R. 3454, to designate the United States Post Office located at 451 College Street in Macon, Georgia, as the "Henry McNeal Turner Post Office"; H.R. 3909, to designate the facility of the United States Postal Service located at 4601 South Cottage Grove Avenue in Chicago, Illinois, as the "Henry W. McGee Post Office Building"; H.R. 3985, to designate the facility of the United States Postal Service located at 14900 Southwest 30th Street in Miramar City, Florida, as the "Vicki Coceano Post Office Building"; H.R. 4157, to designate the facility of the United States Postal Service located at 600 Lincoln Avenue in Pasadena, California, as the "Matthew 'Mack' Robinson Post Office Building"; H.R. 4430, to redesignate the facility of the United States Postal Service located at 11831 Scaggsville Road in Fulton, Maryland, as the "Alfred Rascon Post Office Building"; H.R. 4517, to designate the facility of the United States Postal Service located at 24 Tsienneto Road in Derry, New Hampshire, as the "Alan B. Shepard, Jr., Post Office Building"; H.R. 4484, to designate the facility of the United States Postal Service located at 500 North Washington Street in Rockville, Maryland, as the "Everett Alvarez, Jr. Post Office Building"; H.R. 4534, to designate the facility of the United States Postal Service located at 114 Ridge Street in Lenoir, North Carolina, as the "James T. Broyhill Post Office Building"; H.R. 4554, to redesignate the facility of the United States Postal Service located at 1602 Frankford Avenue in Philadelphia, Pennsylvania, as the "Joseph F. Smith Post Office Building"; H.R. 4615, to redesignate the facility of the United States Postal Service located at 3030 Meredith Avenue in Omaha, Nebraska, as the "Reverend J.C. Wade Post Office"; H.R. 4625, to designate the facility of the United States Postal Service located at 2108 East 38th Street in Erie, Pennsylvania, as

the ''Gertrude A. Barber Post Office Building''; H.R. 4658, to designate the facility of the United States Postal Service located at 301 Green Street in Fayetteville, North Carolina, as the ''J.L. Dawkins Post Office Building''; and H.R. 4437, Semipostal Authorization Act, 1:30 p.m., 2154 Rayburn.

*Committee on International Relations* hearing on Infectious Diseases: A Growing Threat to America's Health and Security, 10 a.m., and to mark up the following measures: the Defense and Security Assistance Act of 2000; H.R. 3673, United States Panama Partnership Act of 2000; H.R. 4697, to amend the Foreign Assistance Act of 1961 to ensure that United States assistance programs promote good governance by assisting other countries to combat corruption throughout society and to promote transparency and increased accountability for all levels of government and throughout the private sector; H.R. 4002, Famine Prevention and Freedom from Hunger Improvement Act of 2000; H.R. 4528, International Academic Opportunity Act of 2000; H. Con. Res. 348, Expressing condemnation of the use of children as soldiers and expressing the belief that the United States should support and, where possible, lead efforts to end this abuse of human rights; H. Con. Res. 232, Expressing the sense of Congress concerning the safety and well-being of United States citizens injured while traveling in Mexico; H. Con. Res. 322, expressing the sense of Congress regarding Vietnamese Americans and others who seek to improve social and political conditions in Vietnam; H. Res. 531, condemning the 1994 attack on the AMIA Jewish Community Center in Buenos Aires, Argentina, urging the Argentine Government to punish those responsible; S. Con. Res. 81, expressing the sense of the Congress that the Government of the People's Republic of China should immediately release Rabiya Kadeer, her secretary, and her son, and permit them to move to the United States if they so desire; H. Con. Res. 297, Congratulating the Republic of Hungary on the millennium of its foundation as a state; and H. Con. Res. 319, congratulating the Republic of Latvia on the 10th anniversary of the reestablishment of its independence from the rule of the former Soviet Union, 1:30 p.m., 2172 Rayburn.

*Committee on the Judiciary,* Subcommittee on Commercial and Administrative Law, hearing on the following bills: H.R. 4267, Internet Tax Reform and Reduction Act of 2000; H.R. 4460, Internet Tax Simplification Act of 2000; and H.R. 4462, Fair and Equitable Interstate Tax Compact Simplification Act of 2000, 10 a.m., 2237 Rayburn.

Subcommittee on Courts and Intellectual Property, oversight hearing on The Internet and Federal Courts: Issues and Obstacles, 10 a.m., 2141 Rayburn.

Subcommittee on Immigration and Claims, to mark up H.R. 2883, Adopted Orphans Citizenship Act; followed by an oversight hearing on Evaluating the Religious Worker Visa Programs, 10 a.m., B–352 Rayburn.

*Committee on Resources,* Subcommittee on Energy and Mineral Resources, to mark up a resolution directing the Chairman of the Subcommittee to report to the full Committee that three witnesses testifying at oversight hearings on May 4, 2000 and May 18, 2000 refused to answer questions while testifying under subpoena, 11 a.m., 1324 Longworth.

Subcommittee on Fisheries Conservation, Wildlife and Oceans, to mark up H.R. 4320, Great Ape Conservation Act of 2000, 9:30 a.m., 1334 Longworth.

Subcommittee on Forests and Forest Health, oversight hearing on Forest Service Performance Measures, 2 p.m., 1334 Longworth.

Subcommittee on Water and Power, oversight hearing on the CALFED program, 2 p.m., 1324 Longworth.

*Committee on Transportation and Infrastructure,* Subcommittee on Aviation, hearing on Cost Overruns and Delays in the FAA's Wide Area Augmentation System and Related Radio Spectrum Issues, 9:30 a.m., 2167 Rayburn.

*Committee on Ways and Means,* Subcommittee on Oversight, hearing on Complexity in Administration of Federal Tax Laws, 10 a.m., 1100 Longworth.

*Next Meeting of the* SENATE

9:30 a.m., Thursday, June 29

Senate Chamber

**Program for Thursday:** Senate will vote on final passage of H.R. 4762, Disclosure of Political Activities, following which, Senate will continue consideration of H.R. 4577, Labor/HHS/Education Appropriations, with a vote to occur on Frist Modified Amendment No. 3654.

*Next Meeting of the* HOUSE OF REPRESENTATIVES

10 a.m., Thursday, June 29

House Chamber

**Program for Thursday:** Consideration of H.R. 4461, Agriculture, Rural Development, FDA, and Related Agencies Appropriations (open rule, one hour of general debate);

Consideration of the Conference Report on H.R. 4425, Military Construction Appropriations Act, 2001 (subject to a rule); and

Consideration of H.R. 1304, Quality Health-Care Coalition Act of 2000 (structured rule, one hour of debate).

## Extensions of Remarks, as inserted in this issue

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