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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. KERNS).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
September 17, 2002.

I hereby appoint the Honorable BRIAN D. KERNS to act as Speaker pro tempore on this day.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 1777. An act to authorize assistance for individuals with disabilities in foreign countries, including victims of landmines and other victims of civil strife and warfare, and for other purposes.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. SMITH) for 5 minutes.

TARIFFS ON STEEL IMPORTS

Mr. SMITH of Michigan. Mr. Speaker, I am going to make some comments

on the tariff on steel imports. President Bush approved the new tariffs on steel imports, I think to help give the steel industry and our American steelworkers a chance to make changes so that they might compete in the long term. I suspect the President, who as a young man did physical work in the oil fields, wanted to give a chance to save some of the jobs of the people that do the hard physical work in the steel industry.

However, the high tariff restrictions on steel imports have turned out to be a mistake with a potential of losing more jobs than they save. The price of steel in the United States has risen since March by 30 to 50 percent. In addition to the large price increases, there has been a reduction in the amount of steel available. This has made it impossible for many steel-consuming industries to find sufficient supplies of steel. Domestic steel producers have in many cases reneged on long-term contracts now that the steel prices have leaped, with the result that the consuming industries have been forced to pay higher than agreed-on prices or have been forced into the volatile spot market for steel.

This has harmed American workers in a number of ways. First, some American producers lose out because they are now competing with foreign companies that have access to cheaper steel. Their products become relatively more expensive because the steel in them costs our American producers more.

Second, many American firms have had trouble securing supplies of steel sufficient in quantity to keep that factory operating. I have had layoffs in my district because plants have closed for lack of steel.

Third, it gives American firms a powerful incentive to move production out of the United States to foreign plants where steel is available at the lower world market price. This is so that they can compete, so that they can survive as a company.

There are 57 workers employed in steel-using companies for every one worker in the steel-making industry. Steel-using industries account for more than 13 percent of gross domestic product, while the steel industry accounts for about one half of 1 percent. Thus, the steel tariff has threatened many more jobs than it has protected.

The Bush administration has recognized some of the distress that the steel tariffs are causing. It has issued rulings that exclude 727 products from the tariff. And, of course, this has set off a frenzy of lobbying as some of the steel-using companies angle for exemptions. This causes distortions not only in the price of domestic and foreign producers but between competing domestic producers as well.

Finally, the steel tariff encourages retaliation from our trading partners. The European Commission is now threatening retaliatory tariffs of 100 percent on a 22-page list of goods ranging from rice to grapefruit to shoes, brassieres, nuts, bib overalls, billiard tables, ballpoint pens, et cetera. The Japanese are also drawing up their steel payback list. Steel-exporting Russia has already retaliated by fencing out U.S. chicken. Hopefully that is going to be resolved.

We can ask if the tariff has done that much for the steel industry. Over the past 30 years, the Federal Government has been implementing policies to keep the steel industry in business despite its inefficiencies. These policies include voluntary quotas, antidumping, countervailing duty measures. Some of the companies have moved up and are now competitive, but much of the industry, instead of resulting in a stronger manufacturing efficiency, these policies have allowed companies to continue with production methods and labor contracts that keep it perpetually at the risk of dissolution.

Standard and Poor, for example, did not seem optimistic with the President's decision and responded to the

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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tariffs by refusing to raise the industry's credit ratings.

The steel tariff has turned out to be a mistake that is harming many industries both in my State of Michigan and across the country. It is having the result of losing American jobs. We need to repeal this kind of tariff restriction to allow our steel-using companies to be competitive. We need to start reviewing the kind of overzealous regulations and overzealous taxation that we have put on our steel industry and we need to assist in research and technology to help allow them to be more competitive in an international market.

SPIRALING PRESCRIPTION DRUG COSTS

The SPEAKER pro tempore (Mr. KERNS). Pursuant to the order of the House of January 23, 2002, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, I came to the floor today to talk about the high cost of prescription drugs, which I will, but I am moved to respond for a moment to my friend from Michigan. He should visit some of the Northeast Ohio steel mills that have run into incredible problems because of unfair foreign competition and what it has meant to jobs in communities like Loraine and Cleveland and Warren, Ohio, and other places because of dumped foreign, illegally dumped steel. And while some applauded the President's actions back several months ago, we certainly do not applaud the President selling out the steel industry after making sort of a head-fake in a political way that he is supporting the industry, and now has gone around the world promising other countries and reducing and in many cases revoking some of the tariffs that clearly have made the steel industry put in a more competitive position and in a more level playing field.

Mr. Speaker, industry experts predict that premiums for employer-sponsored health insurance will jump 13 to 24 percent next year, the third straight year of double-digit increases. What is driving the increased premiums? Mostly it is spiraling prescription drug costs.

In response to the public's outrage at astronomical drug prices, the brand name drug industry says, Not to worry, prescription drugs actually save money by reducing health care costs. If they were more reasonably priced, that would be the case. There is no doubt that prescription medicines can reduce disability, prevent illness, and help alleviate the need for other health care services. Unfortunately, drugs are priced so outrageously high that costs associated with their increased use far outstrip any offsetting savings that might accrue. They are priced so high that millions of seniors cannot afford them, and other Americans, too. Even a miracle cure is worthless if people cannot have access to it.

Skyrocketing drug prices are jeopardizing employer-sponsored health insurance, undercutting the financial security of seniors, and absorbing an enormous share of the Federal and State taxes devoted to health care.

Something has to give. The first step is the most obvious. Brand name drug industries exploiting loopholes in the law to block lower-priced generic drugs from even getting into the market, we can stop that. Generic drugs are identical to their brand name counterparts except for price. Generics are typically 70 to 80 percent less expensive than their brand name equivalent.

In some cases the price differential is even greater. The anti-anxiety drug Vasotec sells for \$180 per prescription. The generic costs \$55, a savings of \$125.

Consumers lose millions in potential savings when brand name companies block their competitors from entering the market. As a matter of fact, the Congressional Budget Office estimates consumers would save \$60 billion in the next 10 years if Congress would close the legal loopholes that drug companies use to scam the patent system.

Under current law, for instance, FDA suspends generic drug approvals for 2½ years the moment a brand name drug company sues for patent infringement. By attaching new and often unrelated patents to an existing drug right before its original patent expires, brand name companies have been able to repeatedly get a 30-month addition lengthening of their patent.

The drug industry ties up generic drug approvals in the courts by repeatedly challenging the methods the FDA uses to ensure that the generic and the brand product are equivalent. The CBO estimates that consumers will lose \$60 billion, as I said, due to these delaying tactics. That is how much consumers will save if Congress and the President do the right thing.

The Federal Trade Commission, the Patent and Trademark Office, and the President have acknowledged the need to address inappropriate delays in access to lower-priced generic products.

The other body passed by an overwhelming margin legislation to close the loopholes and deliver long overdue relief to American consumers. The House of Representatives should pass it, too.

There are three pieces of legislation, each of which would close the loopholes. They are not partisan. They are not radical. And, realistically, they are not a panacea. But any one of them, if passed by this Congress and signed by the President, will force the drug industry to clean up its act, will get generic competition into the marketplace, will save consumers tens of billions of dollars.

I urge Republican leadership, which has stood in the way of this because of their closeness to the drug industry, I urge Republican leadership to give Members the opportunity to debate and vote on one of these bills in time to get a product to the President's desk.

Members of both sides of the aisle recognize that it is time to do something about runaway prescription drug costs. Removing unjustifiable barriers to lower-priced medicines is a logical step. Given the havoc that runaway drug prices are wreaking on this Nation, on all people, but especially on America's seniors, it should be an imperative.

CELEBRATING THE 215th ANNIVERSARY OF THE CONSTITUTION

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Indiana (Mr. PENCE) is recognized during morning hour debates for 5 minutes.

Mr. PENCE. Mr. Speaker, it is Constitution Day in America, which may sound boring for some, their eyes may glaze over, but not for me in my house.

It was on this day, Mr. Speaker, 215 years ago that all 12 State delegations approved at the Constitutional Convention what was to become the Constitution of the United States. Think about that, 215 years ago. If we reckon a life is 75 years, Mr. Speaker, it was scarcely 3 lifetimes ago which this awesome document which begins with words that have now rung through generations, through history, to inspire not only the American people, to inspire the world, were crafted and adopted. Words that begin with "We the people of the United States, in order to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, to ordain and establish this Constitution."

It would take until June 21 of 1788 that the Constitution would become effective, Mr. Speaker, when ratified by the ninth State, New Hampshire. And then in the Spring of 1789, the government would first convene in the first Congress in Federal Hall in New York City where the 107th Congress, of which I am privileged to be a part, gathered just 10 days ago, the second time only that we have met since those very first days.

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Three short lifetimes ago, the Federal convention convened and created a document which John Marshall, the Chief Justice of the U.S. Supreme Court, appointed by our second President, John Adams, would describe thusly: "A Constitution intended to endure for ages to come, and consequently, to be adapted to the various crises of human affairs." There have been crises in those three lifetimes, Mr. Speaker.

Think of it. Seventy-five years to the day after this document was ratified, Americans would find themselves locked in the bloodiest battle in American history. September 17, 1862, outside Sharpsburg, Maryland, would be the battle of Antietam on this very