

under the poverty level or under 160 percent of the poverty level. There is no donut for 44 percent of all seniors. There is no gap. There is no donut. I will come back and talk a little about what the donut is. If you are under 160 percent of poverty—that is about \$16,000, \$17,000, if you are married, of income every year as a senior—there is no donut, there is no gap.

This chart I show you deals with those individuals who are below 100 percent of the Federal poverty level. What this chart shows, in the blue, is the percent of your total expenses in a year that is paid for by the plan. The green is the amount that is paid for by the beneficiary.

So if you have \$1,000 of drug expenses a year, and you are below the poverty level, you will have almost 98 percent of all of your drug expenses paid for by the plan, and you will pay \$25—very little. It is a very generous benefit.

I will have one more chart that goes above the poverty level to 160 percent of the poverty level.

If you have \$2,000 of expenditures in drugs a year, again, if you are below the poverty level, the plan pays for 98 percent of all your drug expenses. If you have \$3,000 of expenditures a year, again, the plan pays for about 95 or 98 percent of all your drug expenses. You can see that goes up. If you have \$7,000 of drug expenditures a year, again, the plan pays about 98 percent of that.

And this is one of the beauties. Remember, none of these people get prescription drug coverage through Medicare today. I do not know what it is below the poverty level, how some of them get it through other plans. In fact, if you look at all seniors, about two-thirds do get some element of prescription drug coverage somewhere. And we have to be very careful because we do not want to have everybody coming to a Government program.

But the point I want to make is, if you are under the poverty level or indeed at 160 percent of the poverty level, the plan itself is very generous. We are going to hear on the floor next week the question: Is that too generous? Or maybe it is not generous enough. It is hard to argue it is not generous enough, given the fact that 44 percent of all seniors are going to have no donut and get a very generous benefit, and everybody is going to get a benefit.

Referring to the same chart again, for example, this shows, for an individual who has \$1,000 of drug expenses or \$2,000 of drug expenses, how much they are going to pay for those prescription drugs. So whoever is listening to me right now, they would be able to know how much they could spend on drugs every day and know where they are going to fall.

For example, if you were a heart transplant patient of BILL FRIST 10 years ago, you would have probably had about \$7,000 in drug expenses every year. Every time I transplanted a heart or a lung, the patient would have anywhere from \$5,000 to \$7,000 of drug ex-

penses every year. Drugs are expensive and can take your life savings. For every patient I had who had a heart or a lung transplant, they did not go through that procedure without expending \$6,000 to \$7,000 on prescription drugs every year.

Most of them are seniors. That is one of the reasons why this plan means so much to me. I have a personal interest in that these are people whose faces I have looked into and eyes I have looked into over the years.

Let me go above 160 percent and you see it looks different. What I want to focus on, of the 40 million people out there, of the seniors, the 50 percent richest, 50 percent highest income people. They still get a lot of help. Just graphically look at it. Remember in blue and gray here is the percent paid by the plan. This is 100 percent at the top. So you can see it is anywhere from 30 to 50 percent coming all the way through. This chart, you can look at it all sorts of different ways, but the point I want to make, in the bill, when we talk about gap, it doesn't mean you will be left out. If you fall into what is called a donut or gap, you benefit all the way up until that level, and then through that gap you pay for your prescription drugs. But then at the other side of the gap you are picked up again.

Thus, at the end of a year, what happens? The gap is right about \$4,500 to about \$5,800. I am looking to my staff member because the figures have changed a little bit as we tried to narrow the gap over the last several weeks. But that means the gap is somewhere right around \$4,500 to this bar here, this is \$6,000. But, remember, if you are an individual and you are listening to me and you have \$4,500 in expenditures, still about 45 percent of all your expenditures are paid for by the plan. And if you are in the gap, the so-called donut, it is little bit less, it is a couple percentage points less, but still right at 42 percent, at \$5,000. And then if you are into \$6,000, you are back up around 40 percent, \$6,000, \$7,000, \$8000, coming up. The reason why I show this chart is because I have seniors calling me now and saying: What about if I am in the hole of that donut? What about if I am in that gap? Does that mean the Government excludes me, doesn't help me? The answer is absolutely no. You just pick where you are on here and graphically you can see that these are for the wealthiest seniors, and the bar graph I showed you for the poor. I am showing you the two ends, the two extremes. But above 160 percent of poverty, this is the gap right here. So still you are getting huge assistance at the end of the year.

Again, probably the best example, because the gap is between \$4,500 and \$5,800, would be the \$6,000 that at the end of the year you are in the gap between \$5 and \$6,000, and you are still getting about 40 percent of your drugs paid for. Some people say it should be higher; some people say lower. The point is, on the gap itself, it doesn't

mean you are left out in the cold. Over time we tried to minimize it and keep it as small as possible.

We will come back to that later. It is a concept that takes a little bit of time to explain. Depending on who is arguing which side in terms of the gap, there will be some, as you try to make the point, who make that gap sound real bad. Others might minimize it. The reality is, you will be helped wherever you are, even if you are in the gap. You will get huge help as you go forward.

MORNING BUSINESS

Mr. FRIST. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators speaking for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. Mr. President, I see the Senator from West Virginia. I have about 10 more minutes. I know he has been around all afternoon. These Friday afternoons give an opportunity for people like you and me to make some points where you are not rushed and it is real pleasant to be able to stand back and look at issues that are terribly important. When you have so much going on during the day, it is a little bit harder to do. Let me take a couple more minutes and then we will be happy to yield the floor to the Senator from West Virginia.

CHILDHOOD OBESITY

Mr. FRIST. Mr. President, an issue outside of Medicare but one that has been in the news, one that deserves more attention, is an issue that is changing a little bit, like the demographics I just went to, in an unprecedented way. That is childhood obesity. This is flipping from Medicare, where we are talking about seniors, all the way to the other end of the spectrum as we look at an epidemic occurring in children that we have never seen before. It is a medical issue. It is an issue I first became aware of as a physician, but it has gotten worse. Many of us saw the release by the Centers for Disease Control and Prevention from this past weekend which led me to want to restate the importance of addressing this issue.

Historically childhood obesity was thought of in moral terms, there was an unfair stigma to obesity.

But what we have become aware of in medical science only recently, and that is childhood obesity is a serious condition that has implications not just to the child as a child or as an adolescent but has grave lifelong complications. The kids, are not just at risk for developing bad habits but now we know they are at risk of adult diseases, of developing evolving adult diseases because of that childhood obesity, because of that inactivity.

It was last weekend, Friday or Saturday, that the CDC released statistics

which were alarming even to me. I have been studying this and writing legislation on it. It has to do with a type of diabetes called type 2, adult onset diabetes. What this new research showed is that one in three Americans born right now—the date was from the year 2000, but one in three Americans who are born in the year 2000 will develop diabetes in their lifetime. That is higher than any estimate we have known to date in medical literature. In fact, the American Diabetes Association had an estimate which was generally accepted broadly, based on good data. This is three times that. One in three Americans born right now will develop diabetes.

The good news is that doesn't have to be the case. Things can be done that can reverse that. I am very interested and will continue to focus on health disparities between gender, men, women, between ethnicity, between race. And if you look at this data in terms of African Americans and Hispanic children, nearly half will develop diabetes. Women are at higher risk than men, and the disease is striking at younger ages. It used to be a little bit older. Now it is younger and younger that this type of type 2 diabetes strikes.

The number of diagnosed cases among the population as a whole has jumped 50 percent in the last 10 years hitting over 11 million in the year 2000. That figure will skyrocket to 165 percent by 2050, putting the number of Americans with type 2 diabetes at 29 million. The implications of this are severe. Diabetes leads to a whole host of chronic illnesses. It is the leading cause of kidney disease, heart disease, amputations, and blindness.

The good news is these high rates of diabetes are not inevitable. Type 2 diabetes can be prevented. That is because the leading cause of type 2 diabetes is obesity and lack of exercise.

Walking for 30 minutes a day, losing a few pounds can literally cut a person's risk by more than half.

You don't have to be a marathon runner, an iron man participant, but following that mantra of moderate exercise and moderate, even minimal weight loss can make a huge difference. You can reap huge health rewards.

That is why Senator BINGAMAN, Senator DODD, and I and many others on both sides of the aisle introduced a piece of legislation called the INPACT Act, the Improved Nutrition and Physical Activity Act, with obesity rates double what they were 30 years ago. And we are learning a lot about obesity disease scientifically almost every day. Americans need, more than ever, to be able to make and be encouraged to make healthy decisions about nutrition and physical activity. On the House side, I am pleased that Representatives MARY BONO and KAY GRANGER, along with other cosponsors, introduced companion legislation earlier this year. I will not go into the legislation now.

I encourage my colleagues who are not cosponsors to look at it so we can pass that in the future. It is a multifaceted approach. It emphasizes youth education to jump-start healthy habits early on, to prevent a future struggle with weight. It funds demonstration projects to find innovative, creative ways of improving eating and developing good exercise habits. It includes rigorous evaluations so we can learn what works best. What it does not do is outlaw certain "bad" foods in any way.

It doesn't attempt to micromanage or regulate what Americans eat or drink. It does have a modest price tag, consistent with what the appropriate role of the Federal Government should be. It doesn't attempt to replicate a billion dollar diet industry or the fitness industry that is out there. I know—we all know—there is no single solution to this growing epidemic of obesity. We know it is an epidemic. We know it is getting worse. We do know that leadership on our part can make a difference, can increase awareness of the serious medical consequences, in particular for children.

As the adults in this situation, we can and indeed we must show our determination to keep them safe by keeping them fit.

NOMINATION OF C. STEWART VERDERY, JR.

Mr. HATCH. Mr. President, I rise in support of the Senate's confirmation of the nomination of C. Stewart Verdery, Jr. to be Assistant Secretary for Border and Transportation Security Policy at the Department of Homeland Security. At a time when the new Department of Homeland Security needs to have all vacancies filled, having Mr. Verdery confirmed will fill a vital position from which he will develop policy related to immigration, customs and trade, transportation security and international security issues.

As a counsel working for me on the Senate Judiciary Committee and working with me and my staff when he served for the Senate leadership, Mr. Verdery demonstrated superior political and legal skills which will serve the Department of Homeland Security and the country well.

After working for me as unit head of the Crime and Drug Policy Unit, which handles all matters related to law enforcement, including Federal crime and drug legislation and terrorism, Stewart has an invaluable knowledge of the issues which may confront him in the Border and Transportation Security Directorate. Mr. Verdery served with distinction for me and the committee at large and I know he will take his talents to the Department.

In sum, I believe that Mr. Verdery will be a valuable assistant to the President and to the Secretary for Homeland Security, and the administration will be well served by his confirmation. I thank my colleagues for their support of this nomination.

BUYING A HANDGUN FOR SOMEONE ELSE

Mr. LEVIN. Mr. President, researchers at the University of California at Los Angeles published a study in the June issue of Injury Prevention entitled "Buying a Handgun for Someone Else: Firearm Dealer Willingness to Sell." The study found that more than half of gun dealers are willing to ignore or sidestep the law to sell a firearm. The researchers performed their test on 120 dealers in 20 cities. According to the study, the researchers at UCLA posed as potential buyers giving different reasons for wanting to buy guns. The researchers found that when they said they wanted to buy guns for an individual who needs it, 52 percent of dealers were willing to make the sale.

In addition to the first round of phone calls, the researchers randomly chose 20 dealers and again posed as prospective buyers. In the second round of calls, the researchers said they needed to buy guns for their boyfriend or girlfriend because he or she was not allowed to purchase a firearm. In 16 followup calls, the dealers responded with unequivocal nos and indicated that the purchases would be illegal. In the remaining four cases, the dealers agreed to sell the guns, but indicated to the customer that it was illegal. The researchers also interviewed law enforcement officials who concluded that such sales would amount to illegal straw purchases. A straw purchase involves a buyer with a clean record purchasing a gun for someone who is prohibited by law from doing so.

Some gun manufacturers and dealers know their practices facilitate criminal access to firearms but they do nothing about it. The Lawful Commerce in Arms Act, which recently passed the House and has been referred to the Senate Judiciary Committee, would shield such negligent and reckless gun dealers and manufacturers from many legitimate civil lawsuits. Certainly, those in the industry who conduct their business negligently or recklessly should not be shielded from the consequences of their actions. This study contributes further evidence that there are some in the gun industry who could potentially avoid responsibility for their business practices under such legislation.

TRIBUTE TO BONNY O'NEIL

Mr. COCHRAN. Mr. President, I am pleased to join the three other sitting Senators who have served as chairman of the Committee on Agriculture, Nutrition and Forestry, to salute a dedicated public servant, Ms. Bonny O'Neil, who is retiring after more than 34 years of meritorious service in the U.S. Department of Agriculture.

As the senior career official in the Department in charge of the Food Stamp Program, Ms. O'Neil is responsible for national oversight of policy and operations for a program that