

everyday pastimes, it is also robbing them of their childhood years. Obesity is associated with the early onset of puberty among girls.

According to a study from the University of North Carolina, 48 percent of African-American girls begin puberty by age 8; over a quarter by age 7.

Yes, we are in the midst of a national health crisis. It is harming our children in ways that we can observe, but the crisis also occurs in ways we cannot observe. It threatens their future. It also condemns their future in many ways to the lower threshold of having other adult diseases if they start as a child being obese. They carry that with them for the rest of their life.

It affects what we call their morbidity, the relationship to other disease patterns. It affects their longevity in terms of length of life.

There is a lot we can do. We cannot just talk about it. The Surgeon General, Dr. Richard Carmona—for whom I have tremendous respect—is so alarmed, this month he urged the American Academy of Pediatrics to step up the fight against childhood obesity. In the Washington Post yesterday, Rob Stein wrote an article “Obesity on FDA’s Plate” and he pointed out the Food and Drug Administration has launched an initiative to determine how and in what way it can play a role in helping to fight obesity, which, as the article points out, has reached epidemic proportions in this country.

In that article from yesterday, FDA Commissioner Mark McClellan—again, a physician for whom I have great respect and with whom I have worked in many capacities before; he is doing a great job at the FDA—said:

The issue of obesity challenges us in every aspect of our efforts to protect and advance the public health, and that is why it needs to be front and center of our public health agenda.

The good news to all this is that there is action in government that obesity is both treatable and preventable, which means there are things we can do to reverse the epidemic. We can reverse the trends. We must reverse the trends. It is now time to put our minds to it in this body.

I am gratified by the action of the HELP Committee which unanimously approved recently the IMPACT Act, the Improved Nutrition and Physical Activity Act. I urge my colleagues to look at this piece of legislation. I urge my colleagues to support this legislation. I hope we can bring it to the Senate floor in the near future.

Very briefly, this act takes a multifaceted approach. It emphasizes youth education to jump-start healthy habits. We know if they begin in their early years, they are carried through life. It funds demonstration projects to find innovative ways to improve health, eating, and exercise and includes vigorous evaluations so we can learn what works best in reversing this epidemic. It does not attempt in any way to control what individual Ameri-

cans eat or drink. It does not outlaw so-called bad foods. It does not try to replicate the \$1 billion diet industry that we know exists. It does not try to replicate the fitness industry, which is actually doing a wonderful job around the country.

It does have a modest pricetag reflecting on the appropriate role of the Federal Government to set this platform to combat this epidemic.

There is no single solution to the growing epidemic of obesity. I believe we must increase awareness of it first and then implement programs we know will have an impact; look at the medical consequences. That is why I come to the Senate floor to share the medical consequences that are totally avoidable if we act, if we educate, and if we adopt practices that we know will work.

We do know the consequences of obesity today. We can and should keep our kids safe by keeping them fit. I look forward to working with my colleagues on this very important issue. It is a new problem, a growing problem, a problem we are obliged to reverse.

Mr. REID. Mr. President, I wish I listened to the speech before I had lunch.

On a serious note, Senator DURBIN is here and he will start talking about the Medicare bill that will soon be taken up in the Senate. I think the leader would agree that people should come now and start talking about this most important piece of legislation.

Senator DURBIN is in the Chamber to talk about it. I think we should invite all Senators because the time later could be a little more constrictive.

I also say, on a serious note, about the speech the distinguished majority leader just gave, one of the reasons the leader has such high respect on both sides of the aisle is we know of his background. It is not often we have someone of his medical talents come to this body. In fact, no one has ever had the same background. He uses it in such a dignified way, in his charitable work when we are on break, doing things for the less fortunate in Africa and other places. And here, it is always good for us to know that when we do deal with health issues, he is here.

So I speak for the entire Senate when I say this presentation he just delivered on obesity is something we should all pay attention to because I know this is not a speech that someone prepared for him; this is something he spoke to with his knowledge as one of the finest physicians in America.

The PRESIDING OFFICER. The majority leader.

Mr. FRIST. Mr. President, I appreciate the comments, through the Chair, from the assistant Democratic leader. One of the great things about these issues is we do have the opportunity here to work together on both sides of the aisle on issues which affect people broadly. I very much appreciate his comments in that regard.

I do also add the point, and reinforce the statement the Senator made, that

over the course of the afternoon we would like to shortly—and, hopefully, a little bit after 2 or after the appropriate comments are made on Medicare—go to Healthy Forests. We are waiting on some final agreements, but hopefully we can address that today.

But what I really want to say is, this is exactly the way to handle it. I encourage people right now to come and make their statements and make their points and have the debate on Medicare. The bill is out. The bill has been filed. People have access to that bill. I think everybody should take that opportunity, this afternoon, through tomorrow, and through the weekend, to come to the floor to begin talking about that very important issue.

We want to make the very best use of time today, tomorrow, and Sunday, in all likelihood, and Monday, on that issue as well as others. It may be confusing to people. We will be going back and forth because we have a lot of business to do. So we will be on Medicare, and then we will take up Healthy Forests, and then I encourage people to come back and begin Medicare.

I yield the floor.

The PRESIDING OFFICER (Mr. COLEMAN). The Senator from Illinois.

Mr. DURBIN. Thank you, Mr. President.

I join my friend and colleague from Nevada, Senator REID, in saying to Senator FRIST, thank you for your leadership. We disagree on issues from time to time, but we agree on some, too. You have been an exceptionally good leader on the Republican side. I have said this to you privately, and I want to make it a matter of public record: I think you have been eminently fair to the minority in this Senate. And that is, I am sure, not an easy task. There are certainly forces at work in your party, as there are in our party, calling for a different outcome.

But I applaud you for your fairness in allowing the minority on this side of the aisle an opportunity to debate, offer amendments, to express our points of view, and bring an issue to a vote. I do not think a member of any legislature—national or State—could ask for anything more. I think you have worked long and hard to make that a hallmark of your leadership.

As a member of the minority, let me say to the Republican leader, thank you for your service to this institution. You have been a great asset to our Nation and to this body.

#### MEDICARE AND PRESCRIPTION DRUGS FOR SENIORS

Mr. DURBIN. Mr. President, let me, if I may, address another issue which is about to come before us. If you follow boxing and have watched any big championship fights, you may know that it comes at the end of the evening. During the course of the day and afternoon and the early evening hours, there are preliminary fights, and they are interesting, but they are young

boxers who are untested. But the excitement builds and the attention of the audience builds for the prize fight, the heavyweight championship fight, always the last thing on the card.

Much the same occurs in Washington, DC. We have a lot of preliminary fights that lead up to the championship. You are here witnessing on the floor of the Senate today, and in the closing days of this session, the heavyweight fights.

We just finished one. That was the Energy bill. This was a controversial issue of some 1,400 pages that had been debated for years. It came to the Senate floor and just a short time ago was basically stopped. A filibuster prevailed by a bipartisan rollcall with, I believe, six Republican Senators and a number of Democratic Senators. The Energy bill was stopped. It was a heavyweight fight because those supporting the bill include the biggest energy interests in America, the big oil companies.

Certainly the President and the Vice President and the Republican Party, which controls the House and the Senate, were, by and large, anxious to pass this bill, and we had a confrontation on the floor and my position prevailed on that. It came as somewhat of a shock to people who follow this Senate. It is not very often that the favored side in one of these debates loses. And just a short time ago they did, by two votes. They needed 60 votes to stop the debate and move the issue to a vote, and the motion to stop that debate did not prevail; it only received 58 votes.

Well, the windows are open now, and there is anxious negotiation and a lot of effort underway to try to find two more votes. And I would imagine, in the closing days of the session, we may see this issue surface again. I could express myself in saying I hope it does not, but it makes no difference what I hope. I am in the minority here, and the majority will decide whether they have the votes to bring it to closure.

That is one of the heavyweight fights. But there are two more coming, two more that will affect virtually every family in America.

One is an omnibus appropriations bill, with five major appropriations bills lumped into one, that is now in conference, a conference on which I serve; and debate is underway. The debate is behind closed doors, and I, frankly, do not know what is happening there. But before we can leave, we need to pass that bill. It could include a myriad of issues, issues as far-flung as stem cell research in medicine, issues as diverse as education, transportation. All of these issues could come before us in that large bill. That is another heavyweight fight.

But the one I come to address today is one that has received a lot of attention across America for a long time, and it is likely to receive even more attention in the closing days of the session, both in the House and in the Senate.

The issue is the issue of prescription drugs, particularly for seniors. I do not know of a single Member of the Senate who has not expressed support for finding some way to help seniors pay for prescription drugs.

We all know what has happened here. We have more and more and better and better prescription drugs available across America, and a lot of people have learned—in my family and yours, too—that if you take the appropriate medication, with the advice of a good physician, your life can be healthier and you can be stronger and more independent.

So people try to find the right drugs to keep them healthy and to move along with the happiness of life, trying to avoid going in for hospitalization or surgery. Prescription drugs are an important part of that.

But, sadly, prescription drugs for seniors in America are not covered by Medicare. So unless you are in a hospital receiving those drugs, you have to pay for them. For a lot of seniors, it is too expensive. There are people living on fixed incomes under Social Security or relatively small pensions. They have a few assets left on Earth, maybe a home they saved up for all their lives and a car, and they are trying to figure out how to pay several hundred dollars per month for prescription drugs they need, and they can't afford it. So, many do not take the drugs, some take half of what they need, and many find themselves in a terrible, perilous personal position.

We have come forward and said: We should change Medicare. If Medicare covers your illness when you go into a hospital, why wouldn't Medicare cover the drug that would keep you from going into the hospital? That makes eminent sense not just from a human point of view but from an economic point of view. It is money well spent to keep people healthy and to pay for prescription drugs.

So we had this debate, and it went on for years, and we talked about how to do it, and we did not get much done. But we did finally pass a bill out of the Senate, a bill which I supported. It was not the greatest bill. In fact, there were some aspects of it I thought were pretty bad.

Then it went into a conference between the House and the Senate, and they started working out differences. Then something unusual occurred. Someone in the House of Representatives decided that this debate was not about prescription drug benefits for seniors; no; they said this debate is really about the future of Medicare, the whole program.

It isn't about adding a benefit for seniors to pay for prescription drugs but how we are going to change Medicare in the future. Republican leaders in the House said the best way to change Medicare is to change it as a government insurance program and instead let private insurance companies, HMOs, offer Medicare coverage in the future.

My experience as a Senator from Illinois and as a Congressman is that HMOs can break your heart. They cost a lot of money. They deny care, they limit your choice in terms of doctors and hospitals, and, frankly, when the going gets rough and they are not making enough money, they cut and run. Is that what we want to hold out as the future of Medicare? I don't think so. But a lot of people do.

The Republican majority in the House certainly believes that, and that is what they have pushed now in this so-called prescription drug bill. It is no longer a bill about just paying for the prescriptions. It is now a bill about changing the face and future of Medicare. That, to me, makes a substantial difference in our mission and what we need to do.

The bill, as it is currently written, is not a bill which I can support. I guess the biggest disappointment I have is the fact that we started off with such a valid goal and such a lofty purpose. We were going to help our mothers and fathers and grandmothers and grandfathers pay for their prescription drugs. Now we have gone far afield. There are many who want to change Medicare.

Let me ask you: If you stepped back in the course of legislation and wanted to determine whether or not it was good for consumers and families in America, isn't it fair to say that one of the first questions you would ask is: Where does the money go? Who ends up profiting from this bill, and who ends up losing as a result?

Clearly, you want to turn first to the pharmaceutical industry, the people who sell drugs in America. I will readily concede this is one of the most important industries in America. We lead the world in breakthrough drugs and pharmaceuticals. I want to make certain that these drug companies in my State and others are profitable; that with their profits they can fund research to find new drugs. I want to make certain that those drugs are available to Americans. That is something on which everybody agrees. But sadly, what we find in this bill is that the pharmaceutical industry is cheering the loudest for the bill to pay for prescription drugs. That leads us to ask some serious and important questions.

First, let me show you how profitable drug companies are in America today. Take a look at the profitability of Fortune 500 drug companies versus the profitability for all Fortune 500 companies in the year 2002. The red bars indicate the profitability of the drug companies, the drug industry median, and the yellow bar is all other Fortune 500 companies. You can see profits as a percent of revenue in the first illustration, 17-percent profit for the drug industry; 3.1 percent for the rest of the Fortune 500 companies. You can see profits as a percent of assets, 14 percent. Then when it comes to profits as a percent of equity, 27.6 percent for the

pharmaceutical companies; 10.2 percent for the rest of the Fortune 500. So it is very clear that we are talking about a profitable industry.

Here is another illustration of the same point. This is an indication from Fortune magazine of the most profitable industries in America, with 2002 profits as a percentage of revenues. No. 1 on the list is pharmaceutical companies. Pharmaceutical companies are extremely profitable in America today. We understand that. We ought to keep it in mind as we discuss how we are going to pay for prescription drugs for seniors.

Then I would like to show you what some of the people who are the CEOs of managed care companies earn. Here we have a chart that shows the chairman of Aetna, John Rowe, his compensation, exclusive of stock options, \$8.9 million; Anthem, Larry Glasscock, president and CEO, \$6.8 million; CIGNA, Edward Hanway, chairman and CEO, \$5.9 million—this is exclusive of stock options which are usually considerably more—Coventry, Allen Wise, president and CEO, \$21.6 million annual compensation; Health Net, senior vice president, \$6 million; Humana, president and CEO, \$1.6 million—that is pretty small in comparison—then Oxford, Norman Payson, former chairman and CEO, made \$76 million; PacifiCare—you may have seen the ads that show the whale flopping in the water—Mr. Howard Phanstiel is not a flop when it comes to his salary, \$3 million; Sierra Health, Dr. Marlon, chairman and CEO, \$4.7 million; UnitedHealth, Channing Wheeler, chairman and CEO, \$9.5 million; WellPoint, Leonard Schaeffer, chairman and CEO, \$21.7 million.

The total compensation for these 11 executives at these managed care companies is \$166.3 million. Their average compensation, \$15 million.

We are struggling to figure out how people who make \$200 or \$300 or maybe \$500 a month can survive. And we are dealing with two industries that are extremely profitable. The obvious question we should ask is: What is fair? What is fair compensation to the pharmaceutical companies and managed care companies, but what is fair to the seniors in America? Therein lies the problem.

This morning's Washington Post, on page A4 in the first section, I think, is written an article that every Senator should read, and those who follow this debate on prescription drugs.

It is entitled "Drugmakers Protect Their Turf." It says: "Medicare Bill Represents Success for Pharmaceutical Lobby." Let me read a little bit from this article:

No industry in negotiations over the \$400 billion Medicare prescription drug bill headed to the House floor today outpaced the pharmaceutical lobby in securing a favorable program design and defeating proposals most likely to cut into its profits, according to analysts in and out of the industry.

If the legislation passes as Republican leaders predict, it will generate millions of

new customers who currently lack drug coverage. At the same time, drug manufacturing lobbyists overcame efforts to legalize the importation of lower-cost medicines from Canada and Europe and instead inserted language that explicitly prohibits the federal government from negotiating prices on behalf of Medicare recipients.

The pharmaceutical lobby has become the biggest player in Washington, DC. When I got here, it was the tobacco lobby. I know it because I fought them—beat them a couple times, too—over the course of my career. They had more money than friends, and they went out to buy a few friends, and they did.

Listen to what the pharmaceutical companies have done:

After objecting for years to proposals to add prescription drug coverage to Medicare, the pharmaceutical lobby recently shifted position and poured enormous resources into shaping this legislation. Since the 2000 election cycle, the pharmaceutical industry has contributed \$60 million in political donations and spent \$37.7 million in lobbying in the first 6 months of this year.

Thirty-seven million dollars on Capitol Hill? You will meet these fine men and women in their beautiful suits and well-shined shoes in the lobbies right outside this Chamber. The article goes on to say:

The lobbying continued in earnest this week with a television and print advertising campaign urging passage of this bill. In one series of witty commercials sponsored by the industry-backed Alliance to Improve Medicare, elderly citizens look into the camera and demand: "When ya gonna get it done?"

I think I may have a copy of that ad somewhere around here. You have seen it. The fellow is pointing to Congress saying, "When ya gonna get it done." That is paid for by the pharmaceutical companies. So if we are talking about helping seniors pay for prescription drugs and the pharmaceutical companies can't wait to see this legislation passed, what does that tell you? It tells you they are not going to have to cut their prices. It tells you they are going to make more money. It tells you that ultimately we are not producing a bill which helps consumers and families and senior Americans. We are creating a profit opportunity for pharmaceutical companies that already lead the Nation in profitability.

The pharmaceutical lobby is so strong in this town that they have been able to deceive the American people into believing that this prescription drug package is somehow going to cause some sacrifice on the part of pharmaceutical companies. It will not.

They are the big winners in this, just as the big oil companies and energy companies would have been the big winners in the last bill. This is the heavyweight fight, the match you can expect to see in the closing hours of this session.

Let me tell you, in closing, what the Washington Post says this morning:

Perhaps the most striking political victory for the pharmaceutical industry was the de-

cision to reject provisions that would have allowed Americans to legally import drugs from Canada and Europe, where medications retail for as much as 75 percent less than in the United States. Polls show that an overwhelming majority of Americans support that change, and the House approved a measure 243-186. But the Bush administration and the pharmaceutical lobby said the move was dangerous and would cut into future research and development. The provision was dropped from the bill's final version.

So why would people want to import drugs? I think we know the answer. They are cheaper. The same drug made in the United States by an American company, based on research paid for by the Federal Government many times—that same drug for sale in Canada is a fraction of the price. Why? Why is it cheaper in Canada or in Europe, if it comes from the same American drug company? Because we are not importing drugs from Canada or Europe; we are importing leadership.

The Canadian Government, and governments around the world, have decided to stand up to the pharmaceutical companies and tell them there is a limit to how much money they can charge for their drugs. Our Government is unwilling to do that. This bill will not do that. Instead, what seniors have been forced to do—and families, I might add—is to pay high pharmaceutical drug bills, and some are going to Canada trying to keep up with the costs. This bill closes that border for the reimportation of drugs from Canada—meaning that America's senior citizens will continue paying the highest drug prices in the world.

This is all in the name of a prescription drug benefit for those seniors. So it is natural that pharmaceutical companies are spending millions of dollars trying to urge Congress to pass this bill as quickly as possible. The ads that they run—some are directly from their own front organizations, but others come through organizations such as AARP. I know about AARP because once you reach age 50 in America, they start filling your mailbox with solicitations for membership. I have been rejecting those for many years. I don't plan on being a retired person soon. However, the voters will have the last word on that decision.

Here is their full-page ad calling for Congress to pass the proposed prescription drug Medicare bill. Honestly, I think if you looked under the lid, you would find that AARP money to pay for this ad comes through the pharmaceutical companies that cannot wait to see this bill passed. It means more money for them. They want to cut off the sources of drugs coming in from Canada and Europe so they can really charge seniors the highest prices in America.

Let me give you an illustration of what competition can mean when it comes to drug prices. If you said to people: Do you want price controls from the Federal Government, they would say: No, no, no, that is too much Government.

But if you say: Would you want your Government to bargain for the best prices for people who need prescription drugs, most people would say: Why, sure. And why wouldn't they? You could say to them: Do you realize we do that now?

The Veterans Administration does that today; it bargains with drug companies so veterans get cheaper drugs, and the Veterans Administration pays less. The Indian Health Service does it, and some community health centers do it. States also do it through the Medicaid programs. They bargain with them successfully. A lot of people are not covered in those groups—veterans health care, Indian Health Service, or Medicaid. They are left totally unprotected, with no bargaining power.

Look at this chart. These are some fairly common drugs. Xalatan is an eyedrop. If you buy this at the Federal supply schedule price, it is \$41 for the prescription. If you go to the drugstore to buy it, it is \$101. So we manage, through the Federal Government, to bargain with the drug companies and bring prices down for some people.

Celebrex, for arthritis, is \$108 on the Federal Supply Schedule. That is what we pay because we bargain down the price. If your grandmother goes into the drugstore to have that filled, she will pay \$173—\$65 more.

Lipitor, a very valuable and important drug, is \$215, based on what we have negotiated and bargained. If you pay the full price at the drugstore, which many American seniors do, it is \$446.

Plavix, for stroke, is \$257. It is \$593 at the drugstore.

The point I am making is this: This bill is designed so that the Federal Government is prohibited from bargaining and negotiating for lower prices for seniors across America. That is why the pharmaceutical companies are so wild to pass it. That is why they want to see this enacted as soon as possible. It closes down competition. You can no longer go over the border to buy drugs in Canada or Europe, and you cannot find the Federal Government standing up for you and bargaining for seniors to bring down costs.

That is why the pharmaceutical companies are salivating. They cannot wait. They want to see this thing passed because, frankly, it means less competition. So who pays the highest prices for prescription drugs in America today? The people who can afford it the least—senior citizens on fixed incomes.

Even with the prescription drug benefit in this bill, there is no cost containment, no effort to keep the prices under control. So no matter how much money you put into this prescription drug benefit, it is going to go bankrupt because prescription drugs go up in cost 10 to 15 percent a year, and they will continue to. That inflation is going to destroy this program, and it is going to destroy seniors, because this Congress and this President refuse to

confront the pharmaceutical companies.

In Canada, their government stands up for their people and says to American drug companies: We are not going to let you gouge or take advantage of our people when it comes to prescription drugs. Our Government refuses to do that. As a result, we find ourselves in this predicament. AARP and others are pleading for a prescription drug benefit that, frankly, has no cost containment built into it.

I came to the floor during this debate and urged colleagues to give to the Medicare Program the ability to bargain, which is what we give to the Veterans Administration and other Federal agencies, to let Medicare go to the drug companies and bargain for the best price for Medicare recipients across America. I was summarily defeated. The pharmaceutical lobby prevailed. I think that answered the basic question as to whether this bill truly will lead to lower drug prices across America. It will not. It will help some seniors pay for drugs, but the cost of drug prices will continue to skyrocket, and the competition from Canada and Europe will disappear. It specifically prohibits the Federal Government from negotiating on behalf of Medicare recipients.

This bill rewards pharmaceutical companies and HMOs—insurance companies. The pharmaceutical companies are going to gain, the Medicare purchasing pool is divided to prevent large group purchasing discounts, and the House language on reimportation was rejected.

There is another element. One of the ways to cut the cost of drugs is to encourage the use of generics. Once a drug has been discovered, it is the exclusive right of the drug company to sell it under a patent. During that period of time, nobody else can make that drug and sell it. When the patent expires, everybody can make the same drug and they do it under a generic name.

You may remember Claritin, with all the ads on television that showed the happy faces skipping through the field of wildflowers saying, "I don't sneeze anymore." It went off patent and it is now available over the counter. So they came in with Clarinex—I think that is the name.

So once you see the generic drugs come in, the prices go down for consumers, and they get the benefit of what was a pretty expensive drug for a long time.

We tried in the Senate to make sure there were more generic drugs for sale because it is a good way to keep everybody healthy at a lower cost. It turns out that the pharmaceutical companies didn't care for that at all. They want people to pay for the more expensive drugs under patent. So they ended up weakening the language we had, which would have allowed generics to come to the market more quickly so seniors could take advantage of it. Also, this

would weaken the ability of States to negotiate with drug manufacturers.

Some States are way ahead of the Federal Government. Oregon is one, and my State of Illinois has a plan. The ability of each State to bargain for the people living in that State is also restricted by this bill because all drugs are paid for through Medicare—something else the pharmaceutical companies wanted. They don't want to have to bargain with anybody. They want to charge top dollar. They don't want any voice from consumers or Government to reduce their profitability, which is already at record-breaking levels. They have been successful. They cannot wait for this bill to pass because they are already profitable, and this bill will enhance their profits even more.

Under this bill, seniors will receive a benefit that will cover less than 20 percent of the projected drug costs for seniors over the next 10 years.

A break-even point of \$810 is what you have to put in, in payments and copayments, before you get anything back, which means about 40 percent of seniors will either lose money or gain very little under this prescription drug plan.

There is also a hole in this plan. It is complicated, but I will try to explain it, and it has been changing, even this week.

The coverage on this plan, once you make your monthly premium cost and once you pay your copayment—and then understand that you have to pay 25 percent of the cost of the drug itself—the coverage goes up to a certain point and then it stops. If you are still paying for drugs at that point, you have to go to your pocket to pay out. Then when you reach the higher level, it kicks back in again. So there is a period where you are, frankly, not covered.

If you have expensive pharmaceutical costs, you buy into the program, you make your copayment, and you are paying a percentage for each prescription you take, at a certain level the Federal help stops. Then if you keep paying out of pocket without Federal assistance, it kicks in again for catastrophic coverage. Let me try to describe where it is today.

The reports in the news have been, frankly, misleading. They have been reporting the catastrophic cap in the Medicare prescription drug bill is \$3,600. It is not true. It is \$5,100. So the gap between \$2,250 and \$5,100 is \$2,850, the total out-of-pocket expenses for which seniors will be responsible is \$3,600.

We have a situation where at \$2,250 worth of costs, the seniors are on their own. It turns out, according to the Congressional Budget Office, 30 percent of seniors spend between \$2,000 and \$5,000 per year on prescriptions. That is 12.6 million people. It basically means even though prescription drug coverage and this complicated scheme I just described has been offered, there is an exposure where seniors will have to pay

out of pocket, which will be a surprise to many of them, particularly when they are facing astronomical costs.

I had some examples made to give you some idea of what seniors might face in my State and others. One involves Mrs. Jones who has arthritis and takes Celebrex, which costs about \$86 a month. Her husband has high blood pressure and takes Norvasc, which costs \$152 per month. Under this plan, Mrs. Jones would pay at least \$865. If her premium is more than \$35 a month, she would pay more. There is no set premium in this bill. Mr. Jones will pay at least \$1,064, for a combined cost of \$1,929. This benefit will only cover a third of the drug costs of Mr. and Mrs. Jones.

There are other elements we ought to look at here. If you want to get the most help from this bill, you have to be in the lowest income categories. That is fair. I think that is the right thing to do. The people struggling to get by should get the first helping hand from our Government. They decide they are going to look at certain income levels as to whether or not you benefit from this prescription drug. Then they have an asset test which, as I understand it, is \$6,000. That means if you have assets of \$6,000 or more, you don't get the most help.

Some of these seniors, I know, have the old family car that may still be worth \$6,000, and they would be disqualified when, frankly, they have almost no income and very few other assets on Earth.

The asset test is extremely low. Six million poor seniors will be made worse off by this bill. They previously paid nothing for drugs. They will now have to pay copays that increase annually.

Three million fewer low-income senior citizens will receive enhanced benefits than under the original Senate bill because of the strict assets test. Let me give an example.

If a senior has an income of \$12,000 a year but owns a \$6,100 savings bond, burial plot, insurance policy, or car worth \$6,000 or more, they will not have access to low-income assistance. They will have to pay the full premium, deductible and donut, or the period where the Federal program does not apply.

That means if they have high drug costs, they could pay more than \$5,000 a year for their medications simply because they own a burial plot and an insurance policy. That is what the bill says. That, frankly, is something about which we ought to be concerned.

We have to understand that when it comes to this prescription drug situation, most seniors are going to be stunned by it. I might add something else that is interesting. The decision was made by the Administration and the Republican leaders in Congress that this prescription drug plan would not go into effect until after the next election, a very interesting political move.

If this is really supposed to help seniors across America, wouldn't you

think this President and this Congress would want to put it in place and activate it before the election?

The reason they won't is because it is extraordinarily complicated, it is unfair to many seniors, and it includes provisions that, frankly, seniors won't be happy with at all. So they want to put it off until after the next election, and that is what they have done.

One of the other concerns I have is the role of AARP in this whole conversation. AARP is an interesting organization. Most of us over the age of 50 receive a lot of solicitations. A lot of seniors 50 and older across America have joined. If you look at AARP, it is more than a feel-good operation to try to help seniors pay for trips overseas and maybe give them a few discounts.

It turns out it is a major earner of insurance money. Here is a chart which shows the insurance royalties at AARP over the last several years—insurance royalties which, frankly, indicate \$111 million in 1999 up to \$123 million in 2002. The same thing goes for the investments they have made. We can see that AARP makes a lot of money from the insurance business.

One of the companies they sell insurance with is UnitedHealth Group. It turns out, coincidentally, that UnitedHealth Group could be one of the biggest beneficiaries of the bill that is going to come before us. So AARP comes to this debate not with clean hands.

AARP is fronting for an insurance company that has the potential for dramatic profitability from this bill. So when AARP announces they are for this bill, they ought to be very honest with the seniors about what that means.

AARP receives millions of dollars from the sale of health insurance policies. AARP's insurance-related revenues made up a quarter of their operating revenues last year and one-third of their operating revenue in 2001.

They receive royalties from AARP insurance policies marketed to their members by UnitedHealth Group, MetLife, and others.

More than 3 million AARP members have health-related insurance policies from UnitedHealth Group. Last year, UnitedHealth Group earned \$3.7 billion in premium revenues from their offerings to AARP members.

The royalties AARP earned as a result of lending their name to insurance products, as I mentioned, went up to \$123 million in 2002. They received so-called access fees from insurance companies of over \$10 million. They received something called a quality control fee of almost \$1 million from insurers.

AARP also earns investment income on premiums received for members until the premiums are forwarded to UnitedHealth Group and MetLife. In 2002, AARP earned \$26.7 million in such investment income.

There is a total of \$161.7 million in revenue from insurance just in 2002.

According to Advertising Age magazine, AARP and UnitedHealth Group hired a direct marketing agency in May to conduct a marketing campaign for their insurance product that could cost \$100 million.

UnitedHealth Group stands to gain significant portions of the new Medicare Advantage market that would be created by this bill, given that it is currently participating in a Medicare PPO demonstration project in eight States.

AARP can make a lucrative business even more lucrative by continuing its partnership with UnitedHealth Group. Let's take a look at AARP's advertising.

Last year, AARP earned \$76 million on advertising. Their magazine, formerly called Modern Maturity, and now called AARP, The Magazine, has the largest circulation of any magazine in the United States, going to 21.5 million households.

The latest issue has three full-page ads for brand-name drugs, and another for a Pfizer glaucoma kit. It contains four ads for AARP's various kinds of insurance.

Combine that with the four ads for insurance in the November AARP Bulletin, and that is a lot of insurance advertising. The September/October AARP magazine and the October bulletin have a combined 14 ads for insurance.

There is a direct linkage between AARP and the insurance industry and another industry that stands to profit from this so-called Medicare prescription drug bill. It is interesting, too, that when the members of AARP were recently asked in a nationwide poll what they thought of this prescription drug bill that is pending before Congress, the results were amazing. A poll that was released 2 days ago showed that 66 percent of AARP members were somewhat or very unfavorable to the level of prescription drug coverage which I have just described in this bill. Eighty percent of AARP members do not believe this bill does enough to encourage employers to maintain current retiree coverage. Sixty-eight percent of AARP's membership were somewhat or very unfavorable to the following statement: This provision is designed to increase the number of seniors receiving their Medicare coverage through private health plans like HMOs and PPOs by significantly increasing Government subsidies for these plans.

So I would just ask this: If AARP is spending all of this money on behalf of their membership to promote a proposal which two-thirds or more of the members of AARP at this point oppose, what is driving this? I think it goes back to the earlier explanation. AARP is not acting as an advocate for seniors. AARP is acting like an insurance company. AARP has forgotten their mission. They have decided they have a new responsibility: They have to generate money from insurance companies.

Frankly, it is a sad situation because for many years AARP was respected across America for being a nonpartisan voice for seniors. Sadly, at this point in time they are not. As a result, there are very few who are standing up to speak for seniors and what they need.

When I take a look at this bill and what it does, it worries me that what started off as a prescription drug bill to help seniors has become so complicated that it is almost impossible to explain. It has gaps in coverage that will leave seniors without any help when they need it the most and instead is trying to dramatically privatize Medicare as we know it.

There are forces in Congress, primarily on the Republican side of the aisle, who want to privatize both Medicare and Social Security. That has been their goal. As a party, they never supported Medicare. Only a handful of Republicans voted for its creation. Over the years, they have made it clear where they stand. There was a time when former Speaker Gingrich and his assistant Richard Armey, who was a Congressman from Texas, said their goal was for Medicare to "wither on the vine." That does not sound like a group that really is supportive of the program. Instead, it sounds like a group that will look for every opportunity to make sure that Medicare is not as good as it should be.

So ultimately what they are proposing is this: They are going to move Medicare from the program we know today, a Government-run program with low overhead and low administrative costs that serves all Americans universally, to a new model which will bring in HMO insurance companies to cover senior citizens.

Naturally, they are afraid the free market will not work. So they put in generous subsidies to these HMOs so that they will lure away seniors out of Medicare. Here is how this will work: An insurance company wants to insure the healthiest people it can find. Insurance companies do not go out and look for sick people. Insurance companies try, if they can, to exclude from coverage anybody who is going to be expensive. Understandable. If they reduce their risk and exposure, they increase their profitability. So these HMO companies, which are being designed to lure away seniors from Medicare, are going to not only achieve this by looking for the healthiest seniors, they get an added boost from our Republican friends, our free market advocates who argue that they need a subsidy on top of the—billions of dollars in subsidies to these HMOs.

What is wrong with this picture? If one believes in the free market, why in the world would they subsidize an HMO company: so they could take the healthy people out of Medicare? That is exactly what they want to do. What will happen to Medicare then? There will be fewer people in Medicare because these Government-subsidized HMOs will be creaming off and cherry-

picking the healthiest people and those left in Medicare are going to be poorer and sicker.

The net result of that is obvious. At the end of any given year, there is going to be a more expensive per-claimant Medicare cost. There will be sicker people left in Medicare.

Those who are opposed to Medicare and behind this idea believe that will drive down the popularity of Medicare. They will be able to stand on the Senate floor and the House floor and say: See, we showed you; Medicare just is not going to work; look how expensive it is for every senior under Medicare.

So they will have achieved their dream and goal by reducing the coverage of Medicare and convincing Congress not to stand behind it.

That is the goal of those who took what was a prescription drug bill, as complicated as it is, and turned it into a bill to privatize Medicare. That is what we have coming before us in the next few hours, in the next few days.

I think, frankly, that when one looks at the HMOs across America, they find that they are doing pretty well. They are pretty profitable, just like these pharmaceutical companies. The average compensation of a chief executive of the 11 largest insurance companies currently serving Medicare was more than \$15 million—average compensation, \$15 million. The former chairman of Oxford Health Plan—and I mentioned it earlier—was paid \$76 million in 2002. According to Weiss Ratings, an insurance rating agency, profits for 519 health insurance companies they evaluated jumped 77 percent from 2001 to 2002.

UnitedHealth Group reported a 35 percent increase. That is the group that is joined at the hip with AARP, and both of them are widely applauding this new idea to move seniors out of Medicare into these HMOs, to privatize Medicare and raise the premiums seniors would have to pay under Medicare. So when we look at this alliance, we can understand why we have now come to the heavyweight division of the prize fights at the close of the congressional session. That is exactly what we are facing.

We have a situation where two of the largest lobbies in this town, two of the biggest special interest groups, two of the best financed industries in America, pharmaceutical companies and HMO insurance companies, are anxious to see us pass a bill which means more profitability for them. Sadly, it will be at the expense of the same people we were really trying to help in the first place.

When it is all said and done, the seniors will not get a helping hand. Drug costs are going to go up. The program they are proposing is so complicated, it is impossible to explain, so it is understandable, and ultimately Medicare as we know it, a program which has served America well for over 40 years, is going to be phased out and privatized and HMOs will take over.

Some people believe—and I believe they think it passionately—that the free market is the answer to everything. I would say to them, take a look at what the free market is doing to health insurance in America today. The free market is at work. The free market is in the process of doing what we expect it to do, increasing profitability. Ask anybody in America about health insurance costs or ask any group why they are going on strike in America. Nine times out of 10 they will say it is because of health insurance coverage: The company we worked for will not pay for the coverage; there is less coverage, and, frankly, we had to go on strike.

It is the No. 1 reason for work stoppages and strikes across America. It is the biggest problem in my State when it comes to business complaints. Health insurance companies are using the free market exactly as they are supposed to. They are reducing their exposure and risk, and they are increasing the cost to the people who need help. As a result, we are finding fewer Americans with worse coverage, and those who have it have worse coverage every single year.

The Republicans believe that that is what we should do to Medicare: We ought to let the same HMO companies that are fleecing businesses and families across America get their grimy hands on Medicare recipients. Let them, with a Government subsidy, lure away the healthiest Medicare recipients and leave the sickest behind. Now, that is good for the companies. It is not good for Medicare, it is not good for seniors, and I believe it is not good for America.

We are in a situation where we have an important decision to make. Some people have said to me: How can you possibly go back to your State and explain that you voted against a prescription drug benefit for seniors? Well, I think those people do not understand the seniors I represent and most seniors across America. These are people wise with years. These are people who have heard a lot of political promises. These are folks who are skeptical when politicians say: I am going to give you the Sun and the Moon. They ask hard questions.

When the seniors across America ask hard questions about this prescription drug benefit, they are going to be sorely disappointed. Two-thirds of seniors already say what they have heard is not enough. They do not want any part of it. That tells me that they are tuned in and following this debate. They want something that is basic, universal, and fair, something that does not come to them at the cost of things they value such as Medicare and Social Security.

Unfortunately, this program, which has been designed behind closed doors and is now being unveiled one corner at a time, is not going to meet the needs of seniors across America.

In the next few days, I am sure you will hear from my colleagues who are

going to come and will explain in detail why this is a bad idea. I think we started off with the right goal, to help seniors pay for prescription drugs. Today, with this bill, we will have failed in meeting that goal. That is why I oppose it.

I yield the floor and 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. BYRD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. BYRD. Mr. President, I am under the impression that there will be a session of the Senate either tomorrow or on Monday or on Tuesday or on any number of those days. I am also under the impression that the Senate is rapidly, hopefully, approaching a sine die date for adjournment.

Being confronted with those expectations, I want to make a speech about Thanksgiving. I don't want it to appear in today's RECORD, necessarily, but I would ask for it to appear in the RECORD of the last day's session prior to Thanksgiving, whatever day that is.

I make such a unanimous consent request, that my speech not appear in today's RECORD but that it appear in the RECORD of the last day of the session prior to Thanksgiving.

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

(The remarks of Mr. BYRD are printed in a future edition of the RECORD.)

Mr. BYRD. Mr. President, I yield the floor. 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. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

#### HEALTHY FORESTS RESTORATION ACT OF 2003—CONFERENCE REPORT

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the conference report to H.R. 1904, the Healthy Forests Restoration Act.

The PRESIDING OFFICER. Without objection, the report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1904) to improve the capacity of the Secretary of Agriculture and the Secretary of the Interior to plan and conduct hazardous fuels reduction projects on National Forest System lands and Bureau of Land Management lands aimed at protecting communities, watersheds, and certain other at-risk lands from catastrophic wildfire, to enhance

efforts to protect watersheds and address threats to forest and rangeland health, including catastrophic wildfire, across the landscape, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment, and the Senate agree to the same; that the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same, signed by a majority of the conferees on the part of both Houses.

There being no objection, the Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of November 20, 2003.)

Mr. COCHRAN. Mr. President, I am pleased to present to the Senate the conference report on the Healthy Forests Restoration Act.

Senators may remember that this bill was passed by the Senate on October 30 by a vote of 80 to 14. It embodied a bipartisan agreement to improve forest health on both public and private lands. It provides Federal land managers the tools to implement scientifically supported management practices on Federal forests, in consultation with local communities. It also establishes new conservation programs to improve water quality and regenerate declining forests on private lands. The legislation will reduce the amount of time and expense required to conduct hazardous fuel projects.

The conference report retains provisions adopted by the Senate that will protect old growth forests. It improves the processes for administrative and judicial review of hazardous fuel projects. But it will continue to require rigorous but expedited environmental analysis of such projects.

The conference report specifically encourages collaboration between Federal agencies and local communities to treat hazardous fuels that threaten communities and their sensitive watersheds. It provides for expedited environmental analysis of hazardous fuel reduction projects adjacent to communities that are at risk to catastrophic wildfire. It requires spending at least 50 percent of Federal hazardous fuels reduction funds to protect communities.

It requires courts considering legal actions to stop a hazardous fuel reduction project to balance the environmental effects of undertaking the project against those of not carrying it out. And in carrying out hazardous fuel reduction projects in areas that may contain old growth forests, it requires Federal agencies to protect or restore these forests.

In other areas, it requires agencies to maintain older trees consistent with the objective of restoring fire resilient stands. It authorizes \$720 million annually for hazardous fuels reduction activities. It provides grants for removal of hazardous fuels and other biomass to encourage their utilization for energy and other products. It provides for assistance to private land owners to pro-

tect and restore healthy watershed conditions.

It authorizes research projects designed to evaluate ways to treat forests to reduce their susceptibility to insects, diseases and fire. It also authorizes agreements and easements with private landowners to protect and enhance habitats for endangered and threatened species. And it encourages more effective monitoring and early warning programs for insect and disease outbreaks.

This conference report would not be possible without the active involvement of Senators on both sides of the aisle who worked hard together to develop this bill. I especially appreciate the able assistance of the distinguished Senator from Idaho, Mr. CRAPO, who chairs the Forestry Subcommittee of the Senate Agriculture Committee; the Energy Committee chairman, the distinguished Senator from New Mexico, Mr. DOMENICI, and his Forestry Subcommittee chair from Idaho, Mr. CRAIG, were also very helpful in guiding this legislation along its path passage.

The Agriculture Committee also had assistance of Senator LINCOLN of Arkansas and active involvement on her part in developing the bill, and we also had the benefit of suggestions and assistance from Senators WYDEN and FEINSTEIN who came to me early and asked to be a part of the effort to develop this bill. They were involved along with many others whose contributions were necessary to make the approval of this bill possible.

The Agriculture Committee also benefited from the assignment of an employee of the Forest Service, Doug MacCleery, who assisted our staff in the development of this legislation. We appreciate his assistance. And our committee staff did a superb job under the able direction of the Agriculture Committee staff director, Hunt Shipman.

Let's not forget, it was President Bush, the President of the United States, who recommended in the first place that Congress act on a healthy forest initiative. It was at his suggestion and his urgings that we pushed and pushed until we finally achieved success, with the adoption today by the other body of the conference report, on this bill. I must also mention the able assistance of his Secretary of Agriculture, Ann Veneman, who provided valuable insight and assistance all along the way.

I urge the Senate approve this conference report.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Mr. President, this is truly a historic day. As the Presiding Officer knows, we have worked literally for a decade or more to try to find a path forward in the area of finding a solution to the problems we face in our national forests.

In recent years, we have seen an average of 4 million acres a year burn. We have seen devastating wildfires this