

of colonel. Along the way he received a master's degree in public policy from Columbia University and a law degree from the University of Denver. In Denver, he established a reputation as a highly qualified attorney specializing in real estate, municipal finance and zoning law before becoming a highly successful residential real estate developer.

However, his call to service did not end with his years of military service, Ambassador Nicholson entered politics and was elected chairman of the Republican National Committee. His tenure secured him a reputation as a person of the highest ethics and his current position as Ambassador to the Holy See has been a success.

I feel quite confident that those same skills that made Ambassador Nicholson a successful businessman and ambassador will ensure that our veterans receive the support and care they deserve while maximizing the efficiency of this Department.

Therefore, Mr. President, I hope that I will be joined by my colleagues on both sides of the aisle and quickly confirm Ambassador Nicholson to this vital post.

Mr. DOMENICI. Mr. President, I rise today in strong support of the nomination of Jim Nicholson to be Secretary of Veterans Affairs. I believe Ambassador Nicholson's 30 years of military service make him an excellent choice to lead the Department of Veterans Affairs. Jim Nicholson's leadership is particularly important as our brave men and women in uniform once again serve the cause of freedom in the fight against terrorism around the globe.

Jim Nicholson has served his Nation faithfully and ably for the majority of his lifetime. I believe his great diversity of experience will be of the utmost benefit to the Department of Veterans Affairs and our veterans. We as a nation have a commitment to our veterans. They and their families have made countless sacrifices to serve in our country's defense, and we have a duty to provide for their needs. Jim Nicholson's leadership of the Department of Veterans Affairs will help us honor this obligation.

Jim Nicholson graduated from the U.S. Military Academy at West Point in 1961, becoming an Army Ranger and a paratrooper. He went on to serve during the Vietnam war. While in Vietnam, he earned the Bronze Star, the Combat Infantry Badge, the Meritorious Service Medal, and the Vietnamese Cross for Gallantry. After his 8 years of active service as a Ranger, Jim served 22 years in the Army Reserve, retiring with the rank of full colonel.

Jim Nicholson has been an esteemed chairman of the Republican National Committee and for the past 3 years he has served as the U.S. Ambassador to the Vatican. Jim holds a master's degree in public policy from Columbia University and a law degree from the University of Denver. On top of these

vast achievements, he has been a successful businessman and community volunteer.

In conclusion, I believe the President has chosen the right person to lead the Department of Veterans Affairs in its very important work, and I strongly support the nomination of Jim Nicholson.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, to my knowledge there is no one else who has requested time to speak on behalf of this nominee. My colleague has yielded. I yield back the remainder of our time and ask for the vote.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Jim Nicholson, of Colorado, to be Secretary of Veterans Affairs?

The nomination was confirmed.

Mr. CRAIG. Madam 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. BENNETT. Madam President, I ask unanimous consent that the order for the quorum call be dispensed with.

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

NOMINATION OF MICHAEL LEAVITT

Mr. BENNETT. Madam President, I understand we are going to soon be voting on the nomination of Mike Leavitt to be the Secretary of Health and Human Services. I have the privilege of being one of Mike Leavitt's friends, one of his political associates, and one of his strongest supporters. I introduced him to the committee at the time of his confirmation hearings. I don't want to add much to the comments I made there, but I do want to take the occasion to note the Senate action with respect to his confirmation and to assure my colleagues here in the Senate, as well as any who might be listening, that the United States is very fortunate to have a man of Mike Leavitt's stature available to us to serve in this important Cabinet-level position.

He served as a Governor but as a Governor who was very innovative in many of the areas where innovation will be called for in his new assignment. He served as a business executive, building a business, growing a business, helping a business to survive. He understands the impact of extra taxes on small businesses, and he will be appropriately prudent, not only in the way he spends money but in the way he promulgates regulations that can impact small business.

He and his wife Jackie are beloved throughout Utah. He is one of only two men ever to be elected to three successive terms as Governor in the history of the State, and there are those who believe that if he had decided to seek a

fourth term, he would have received it without much difficulty. He retired with a very high approval rating. He brings that, plus the performance in his position as the Administrator of the Environmental Protection Agency, to his new assignment.

On behalf of the people of Utah, I wish him well, and I urge my Senate colleagues to give him unanimous confirmation. He will be a superb Secretary of Health and Human Services.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Madam President, I note that we are in a quorum call. As a member of the Finance Committee, I am going to speak in favor of the Leavitt nomination to outline some of my concerns.

The PRESIDING OFFICER. The Senate is not in a quorum call.

Mr. WYDEN. 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. WYDEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. WYDEN. Madam President, I note that the chairman of the Senate Finance Committee and the ranking minority member will be here shortly to speak on the Leavitt nomination. Until they get here, I thought I would summarize my thoughts concerning this nomination.

I come to the Chamber to speak in favor of Mike Leavitt to head the Department of Health and Human Services.

I want to begin my brief remarks by talking about the importance of bipartisanship in the health care field and to note that at the end of the last session of the Congress, there was a bipartisan failure in the health care area, in my view, of enormous ramifications. At the end of the last session of the Congress, the Congress failed to provide the funding necessary for the office of Dr. David Brailer, who is, in effect, the national health care technology point man, to try to modernize decision making, record keeping, telemedicine, and other crucial matters in the health care field. His office, as a result of this bipartisan failure by the Congress, was essentially defunded. So what you have is a situation where both political parties talk a big game about health information technology, or IT. You hear senators of both political parties saluting the promise of this exciting field and talk about how committed they are, but the response of the Congress was to essentially defund it. So rhetoric has been in abundance; concrete support has been lacking.

I come to the Senate floor to say I very much hope—and Mike Leavitt has a great interest in health information technology—that this deficiency is corrected in this upcoming Congress because otherwise there will be great consequences.

First, I am concerned that as we see the move towards electronic medical records, these records and the placement of them is not being done in a fashion that will promote interoperability so that they are best in a position to be coordinated and maximize their value. They simply are not interoperable. It is a very significant concern. If we are going to see this trend toward electronic medical records and not take the steps to promote interoperability, that will be a very serious deficiency as we set up the new system and will cause a great deal of confusion.

Second, I am very concerned that in the information technology area, the big and powerful figures, be they high-tech companies or medical clinics, will be able to do this work, but it is not going to be done by the small physician offices and clinics. Dr. Brailer's office was the office that was in a position to give incentives to help those small offices go forward. That work is not being done.

Third, the very promising aspect of health technology has been in the area of regional offices, and now we are not seeing the funds that are necessary for those regional offices as well.

The Congress essentially zeroed out the money that Dr. Brailer needed. It was a modest amount, \$50 million. My sense is to really promote health information technology, it is going to take much more significant sums, but to have this body on a bipartisan basis constantly talking about the value of health information technology and then taking the one program that would make a difference and zeroing it out is just unconscionable. Both political parties have let down what needs to be done in this critical area.

I see the chairman of the committee. I know he is very interested in health information technology, as is Senator BAUCUS. I hope to lead a bipartisan effort in this session of the Congress to ensure that Dr. Brailer's office gets the funds that are necessary.

The last couple of points I would make in support of the Leavitt nomination: First, on the question of Medicaid, Mike Leavitt told me, in response to a question I asked, that there was no plan to send a block grant proposal to the Congress. That was welcome news. But he left an awful lot of wiggle room in terms of the details, and so bipartisan concerns remain, concerns by the governors as well, about what is to come.

As one Senator who specializes in this field, I send a message that I am very supportive of the concept of health care waivers. I think that kind of flexibility is certainly a plus. We in Oregon have used them in a humanitarian way, to get better quality care to people for services that are medically effective. But there is a big difference between waivers that are borne out of a desire to use flexibility to serve people and a block grant proposal which just sets an arbitrary cap and cuts people off.

Finally, I want to talk about the importance of working in a bipartisan way to contain costs for prescription drugs under the new Medicare law. As one who voted for that law, believing it was important to get started, I said then that the next step has to be to put in place a real cost containment effort that looks particularly to the private sector. Senator OLYMPIA SNOWE, who serves with great distinction on the Finance Committee, will be introducing legislation with me next week that will say we are going to use private sector forces, marketplace forces, to hold down the costs of prescription drugs in our country. For the life of me, I cannot figure out why Weyerhaeuser, a big timber company, or an auto company, or a steel company, or any other big concern, has marketplace power to hold down the cost of medicine but the Medicare Program does not. In fact, I don't know of a single buyer in the private sector who, after they purchased a certain volume of a particular commodity, looks to buying another commodity and then doesn't ask for a discount, doesn't ask for some kind of benefit as a result of using their marketplace power.

So I am very hopeful. Mike Leavitt indicated last week he was open to discussions in this area. Certainly, again, there were no details discussed, but he showed a flexibility that I found welcome.

I see the chair and the ranking minority member here. I don't want to detain them. I urge the Senate to approve the nomination of Mike Leavitt when he comes up for a vote. I thank the chairman of the committee, Senator GRASSLEY, and the ranking minority member for their indulgence so I could make these comments.

I yield the floor.

NOMINATION OF MICHAEL O. LEAVITT TO BE SECRETARY OF HEALTH AND HUMAN SERVICES

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of the Executive Calendar, which the clerk will report.

The assistant legislative clerk read the nomination of Michael O. Leavitt, of Utah, to be Secretary of Health and Human Services.

The PRESIDING OFFICER. Under the previous order, there will be 2 hours of debate on the nomination.

The Senator from Iowa, Mr. GRASSLEY, is recognized.

Mr. GRASSLEY. Madam President, in the tradition of the work of the Senate Finance Committee—and that is basically described in one word, bipartisanship—we bring this nomination to the floor. We bring it with the unanimous approval of everybody on the committee, saying that Governor Leavitt should be the Secretary of Health and Human Services. He is a person who is very well qualified for this position, and we look forward to

working with him on all of the quality-of-life issues that come before Congress, whether they deal with Social Security, Medicare, Medicaid, welfare—issues that are under the jurisdiction of this new Secretary to administer, and issues that are under the jurisdiction of the Senate Finance Committee for oversight.

During his tenure as Governor, he reduced the number of uninsured children through his work on the Children's Health Insurance Program, he made significant improvements to the child welfare system, and he significantly increased the number of those with health insurance coverage. So some of the things he has done as Governor are some of the things that we are working on in this committee, and some laws are already passed. He will have a chance to continue his good work on these issues in conjunction with us as a committee and directly himself as Secretary of Health and Human Services.

I am not alone in my high estimation of Governor Leavitt. The people of Utah recognize his strong leadership capabilities in reelecting him to three consecutive terms as Governor. Certainly big challenges lie ahead for this Department, as it does for our committee, and strong leadership in that Department is needed. I am glad it comes with Governor Leavitt.

First and foremost, there are an estimated 45 million Americans who lack basic health coverage, and those numbers seem to have been increasing every year. As Secretary, his leadership will be called upon to propose innovative ways that we can help contain costs and increase access to health insurance and the health care resulting from that insurance.

The Medicaid Program will also be a key issue this year. Medicaid provides health care coverage and benefits for low-income individuals and families. It is now the largest Federal care program in terms of total spending and served about 51,000 people in 2002.

It was originally enacted in 1965, and many have suggested it has not kept up with the times. Increasingly, States have been forced to rely upon what we call the 1115 waiver process to manage the program to fit the needs of their State. These waivers are negotiated with little congressional oversight. I look forward to working with Governor Leavitt to ensure that the Medicaid Program is functioning as effectively as it ought to function.

There is the issue of SCHIP, the State Children's Health Insurance Program. Madam President, \$1.1 billion in SCHIP allotments expired last year and were returned to the Treasury. In addition, there are anywhere from 4 million to 6 million children currently uninsured who could qualify for this program.

Over the next 3 years, a growing number of States, including my own State of Iowa, are projected to consume their Federal SCHIP allotment.