The conference report was agreed to. Mr. BENNETT. Mr. President, I move to reconsider the vote. Mr. INHOFE. I move to lay that motion on the table. The motion to lay on the table was agreed to.

DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005—RESUMED

AMENDMENT NO. 2835

The PRESIDING OFFICER. It is now in order to consider the Conrad amendment. There are 2 minutes equally divided.

Mr. CONRAD. Mr. President, I ask unanimous consent that Senator BNEDEN be added as a cosponsor.

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

Mr. CONRAD. Mr. President, the best argument made for my amendment, which is to restore fiscal responsibility, is the argument made by the chairman of the Budget Committee in 2002. Here is what he said:

The second budget discipline, which is pay-go, essentially says if you are going to add a new entitlement program, or you are going to cut taxes, you must offset that event so that it becomes a budget neutral event. If we don’t do this, if we don’t put back in place caps and pay-go, we will have no budget discipline, and as a result we will dramatically aggravate the deficit, which, of course, impacts a lot of important issues but especially impacts Social Security.

The budget chairman was right then. It is the right position now. Support the restoration of the budget discipline of pay-go.

The PRESIDING OFFICER. The Senator’s time has expired.

The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I was correct then, and that is why we put pay-go into this resolution. The budget resolution does have pay-go in it, and it is the appropriate approach to pay-go because it recognizes there is a difference between tax relief and raising spending. The other side of the aisle has always looked on people’s taxes as their money. We don’t look at it that way on this side of the aisle. We look at it as the people’s money, and they should be able to keep it. We should not have a rule that arbitrarily takes it from them. For that reason, I oppose the amendment.

I make a point of order that the pending amendment is not germane before the Senate, and I raise a point of order under section 305 of the Budget Act.

Mr. CONRAD. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable section of the act for the consideration of the pending amendment.

I ask for the yeas and nays, and I ask my colleagues to support this budget discipline.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The question is on agreeing to the motion. The clerk will call the roll. The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Mr. CORZINE. Are there any other Senators in the Chamber desiring to vote? The yeas and nays resulted—yeas 50, nays 49, as follows:

[Rollcall Vote No. 283 Leg.]

SENATE

YEAS—50

Akaka
Alaska
Durbin

Baucus
Montana
Feingold

Biden
Delaware
Feinstein

Bingaman
New Mexico
Inouye

Boxer
California
Kennedy

Byrd
Virginia
Kerry

Cantwell
Washington
Kohl

Chafee
Rhode Island
Leahy

Collins
Maine
Levin

Conrad
Wisconsin
Lieberman

Dayton
Ohio
Lindsey

Dodd
Connecticut
Lincoln

Dorgan
North Dakota
McCain

NAYS—49

Alexander
Alabama
Dole

Allard
Colorado
Domenici

Allen
Texas
Ensign

Bennett
Georgia
Enzi

Bond
Rhode Island
Frist

Brownback
Kansas
Graham

Bunning
Kentucky
Grassley

Burns
Wyoming
Gingrich

Burr
North Carolina
Hagel

Chambliss
Georgia
Hatch

Coats
Indiana
Hatch

Coleman
Minnesota
Inhofe

Cory
Ohio
Isakson

Craig
Colorado
Kyl

Crapo
Idaho
Lott

DeMint
South Carolina
Lugar

DeWine
Ohio
Martinez

Corzine
New Jersey
NOT VOTING—1

The PRESIDING OFFICER. On this vote, the yeas are 50, the nays are 49. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. OBAMA. Madam President, I rise today to speak in favor of fiscal respon-
sibility. This pay-go amendment intro-
duced by Ranking Member CONRAD of the Budget Committee, of which I am a cosponsor, seeks to fully reinstate the pay-as-you-go requirement for direct spending and revenue legislation in the Senate through 2010.

This is about restoring responsible budgeting. Previously, pay-go rules applied equally to increases in mandatory spending and decreases in revenue. New spending or tax cuts could only become law if they were offset or found 60 votes in support. This enforced a badly needed budget discipline. It said, either pay for your priorities whether entitlement spending or tax cuts or both or find a supermajority of colleague willing to override the rule. Simple logic. Simple balance. Common sense. Pay-go worked well in the 1990s to reduce deficits and it can work well today.

Unfortunately, the rules were changed, and the balance was overturned. Now, the requirements of budget discipline apply only to new laws of the budget. Tax breaks are exempt from the logic and balance and common sense of budget discipline.

The problem is that there is no such thing as half a budget. Budget discipline requires pay-go on both sides of the ledger. You can’t fill a bath tub just by plugging the drain. You can’t drive a car just by pressing on the brakes.

The original pay-go rules were abandoned to provide for a series of unfunded tax breaks. And since the tax breaks were unfunded, the Government had to borrow money to pay for them. So we borrowed from countries like Japan and China. And we borrowed from the Social Security trust fund. In the process, our national debt shot up to $8 trillion, and it is still rising. Last year, for example, our national commitments exceeded our national resources by more than $550 billion. And we continue to borrow.

Some have argued that the first chapter of reconciliation is an effort to reduce the deficit. They tout the reductions in spending, many of which I would support. But later this month, the Senate will get to chapter two of reconciliation, which proposes further unfunded tax breaks and guarantees additional deficits and growing debt. So much debt, in fact, that the third chapter of budget reconciliation, which no one really wants to talk about, will involve raising our country’s debt ceiling to almost $9 trillion.

Americans deserve better financial leadership. The people I talk to in Illinois are not fooled by what is going on. They know what is happening with the deficits. They know what is happening with the debt. They know what is happening with the national debt. They know what is happening with the Social Security trust fund. They understand that, in this life, you get what you pay for and if you don’t pay for it today, it will cost you more tomorrow.

Washington could learn a lot from the American people about fiscal responsibility. The people I have met with know that if you need to spend more money on something, you also
need to make more money, and if your income falls, your spending must fall, too. This is the essence of the pay-go rules we are trying to reinstate in the Senate. Changes in spending must be offset by changes in revenue, and vice versa.

Americans know that when you are already deep in debt, it is not the optimal time to be guttering your revenue stream, whether it’s a few hundred dollars in the case of a family or a $70 billion tax break in the case of the Federal government.

They also understand the difference between a home mortgage, a student loan, a credit card debt for uninsured health care expenses, and an unpaid tab at the bar. They know that some debts are good investments or may be unavoidable. But some debts are irresponsible the result of spending more than you can afford on purchases you could postpone or do without.

The people I have met with know that to survive we must avoid emergencies by indiscriminately cutting all parts of the family budget. You make choices and forego luxuries before cutting back on essentials like food, heating, education, and healthcare. They understand that across the board cuts are neither fair nor responsible. Such cuts sound bold, but they represent a lack of leadership, not an example of it.

The American people also know that the whole family must share in sacrifices. If the budget doesn’t get any one member of the family, or any one State in our Union. We are in this together. Singling out Alaska’s bridge projects or any one State’s earmarked funds is the wrong approach. If Congress is going to eliminate frivolous pork projects, as we should to support the gulf coast, let’s eliminate all of them, in all States, together.

Finally, the people I talk to understand that when you have massive costs on the road, you need to prepare for them. There is no excuse for ignoring the financial consequences of foreseeable expenses whether it is the rising costs of health care, the retirement of the baby boom generation, or the growing inequality of wealth in our society.

You don’t have to be a deficit hawk to be disturbed by the growing gap between revenues and expenses. This makes sense to people because the same principles that apply to any transaction also apply to their family budgets as well. Americans are willing to share in the hard choices required to get us back on track, as long as they know that everyone is pulling their weight and doing their fair share.

That is why it is so important that we reinstate pay-go in a way that meaningfully enforces the budget discipline both sides of the aisle need to honestly tackle our short-term and long-term fiscal challenges.

Mr. President, it is time for fiscal responsibility to return to Washington. Adult supervision must return to the budgeting process.

Pay-go provides a necessary tool at a necessary time. I urge my colleagues to support this amendment.

**AMENDMENT NO. 2352, AS MODIFIED**

The PRESIDING OFFICER. At this time there are 2 minutes on the Enzi amendment.

The Senator from New Hampshire.

Mr. CONRAD. The Senate is not in order. The Senator deserves a chance to be heard.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Nevada.

Mr. ENSIGN. Madam President, at the end of 2 minutes, that time being expired, I intend to send a second-degree amendment to the Enzi amendment to the desk. Let me briefly describe it. My amendment addresses the concerns of the Orthodox Union, the Catholic Bishops, and the Council on American Private Education. My amendment simply establishes an indirect aid program for displaced private school students that meets all the constitutional requirements without placing unworkable and unnecessary restrictions on private schools serving these displaced families. It ensures accountability for the funds and, most important, delivers on the much-needed relief to ensure the restart and operation of schools at all levels in the affected areas.

The Hellerman decision by the Supreme Court clarified that religious schools which accept Government funding do not have to modify their teachings and curricula in order to receive Government funding so long as the Government aid arrives at the school by virtue of an independent choice made by the student and parent, and this amendment complies with that decision and meets all of its constitutional requirements.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ENSIGN. I hate to debate a second-degree amendment that has not yet been sent to the desk.

Mr. CONRAD. Could we have order, Madam President.

Mr. ENSIGN. At the appropriate point in time I will be raising the point of germaneness. This amendment shows the Gordian knot we are trying to cut through so that we get the right thing for the children of Katrina.

What we have is constitutional. We are not trying, in the amendment that will be up as the original amendment, to resolve vouchers. We are not trying to resolve faith-based initiatives. What we are trying to do is do the right thing to treat the kids of Katrina the right way, and in order to solve this it has to be a very bipartisan way because we also will have to overcome a point of germaneness.

I yield the remainder of my time to Senator KENNEDY.

Mr. KENNEDY. Madam President, we should not penalize the children of Louisiana and the gulf, once by the storm and once by this amendment. This amendment does not have accountability. It allows Federal funds to be used for religious purposes. It guts the civil rights protections of our proposal.

For the sake of the children and for the sake of the schools, I hope this amendment will be defeated.

**AMENDMENT NO. 2404 TO AMENDMENT NO. 2352, AS MODIFIED** (Purpose: To provide assistance for elementary and secondary schools and students, and institutions of higher education, affected by Hurricane Katrina)

Mr. ENSIGN. I send a second-degree amendment to the Enzi amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. ENSIGN] proposes amendment No. 2404 to amendment N352, as modified.

Mr. ENSIGN. I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is printed in today’s RECORD under “Text of Amendments.”

Mr. ENSIGN. The pending amendment is not germane to the measure now before the Senate. I raise a point of order under section 305 of the Budget Act.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. ENSIGN. Pursuant to section 904(c) of the Congressional Budget Act of 1974, I move to waive section 305 of the Budget Act for the consideration of the Ensign second-degree amendment. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, as I understand it, and I am not sure I understand it, I believe there is now still 2 minutes of debate available between the proponent of the second degree and the proponent in opposition. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GREGG. I presume Senator Enzi and Senator ENSIGN can continue their discussion.

Mr. KENNEDY. Madam President, will the Senator yield?

Is this the total time? I thought we had a minute on each side on each amendment. Are we now debating the Enzi underlying amendment?

The PRESIDING OFFICER. There is 2 minutes on the second-degree amendment, the Enzi amendment.

Mr. GREGG. Madam President, particularly in mind. And I ask unanimous consent that this time not be applied to the time relative to the debate that is available.
on the second-degree amendment and then go to the first-degree amendment without debate—or even with debate. If we are going to limit the time, we need to limit the time each amendment. And if somebody is going to do a second-degree amendment, they ought to do the first-degree amendment, face the vote on the second-degree amendment, and move on. But you ought to get your time to debate your motion at the time of the vote or the motion, not an hour later.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. President, I think the Senator from Wyoming has made an excellent case. We will try to orchestrate it in that manner, should we get additional second degrees. At this point, the debate for 2 minutes is on the second-degree amendment, and Senator ENSIGN has a minute, and whoever claims the opposition has 2 minutes, but if it is not favorably disposed of, we would have another 2 minutes of debate on the Enzi amendment.

Mr. ENSIGN. Madam President, I guess that is not the way we are going to proceed.

Mr. GREGG. Madam President, if I may respond to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, I say to the Senator from Massachusetts, because there was a second degree, the way it worked out, the debate on the Enzi amendment occurred as part of that process. So the 2 minutes did occur. However, because this is the first exercise here in this undertaking, I would suggest that, after the Ensign amendment is disposed of, if it is favorably disposed of, that there won’t be 2 minutes, but if it is not favorably disposed of we would have another 2 minutes of debate on the Enzi amendment.

Mr. KENNEDY. I thank the chairman of the Senate Committee.

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

The Senator from Wyoming.

Mr. ENSIGN. Madam President, to clarify this, why would we have the debate on the underlying motion before we have the 2 minutes of debate on the Enzi amendment? The reason is that if we do not move on to the Enzi amendment, we would risk the vote being taken on the Enzi amendment, which is the Ensign amendment. We are now under 2 minutes of debate. We have 2 minutes of debate on the Enzi amendment as part of the underlying amendment. So the 2 minutes did occur on the Enzi amendment.

Mr. ENSIGN. That is my mistake because I thought we were having the 2 minutes prior to the vote on the Enzi amendment. It required states to funnel Federal dollars to local school districts to establish private accounts to pay the tuition to private schools. It requires states to funnel Federal dollars to local school districts to establish private accounts to pay the tuition to private schools. It requires states to funnel Federal dollars to local school districts to establish private accounts to pay the tuition to private schools.
law provides a reasonable mechanism for local school districts to assist students attending private schools, called equitable participation, without establishing a national voucher program. I support efforts to use equitable participation to assist private schools serving these displaced students. Unfortunately, this amendment fails to use this mechanism. At the same time, it establishes the first national voucher program. Accordingly, along with educators, school boards, principals, teacher unions, and many civil rights and faith-based organizations, I must oppose this provision.

Mr. REED. Madam President, while the Enzi-Kennedy amendment passed on a voice vote, I want the record to reflect my opposition to this amendment.

We have all seen the devastation of Hurricanes Katrina and Rita, and I certainly understand and share my colleagues’ desire to address the needs of displaced school children.

Unfortunately, this amendment, which frankly is more than 2 months overdue, fails short of the help needed for the affected families and public schools. It falls short financially, since it provides less money than is needed in order to make our schools open and serve the children of the Gulf Coast. It also falls short constitutionally by making payments to private religious schools on behalf of students who fled these hurricanes and are now attending such schools across the country.

Now, I understand that these hurricanes did not differentiate between public and private school students, and that we need to be able to provide some assistance for all students affected by them. However, this amendment is not the answer. As my colleagues are very well aware, we currently have a mechanism in current law to provide support to students in private schools. We do it every year under Title I and Title V of NCLB, and under IDEA.

These children should have been helped over 2 months ago with the funding mechanisms we already have in place. That is why this amendment is not about giving help to these students. This is about using these students’ needs as a pawn to further the Republican agenda of vouchers.

In addition, we are doing a disservice to families displaced by Hurricanes Katrina and Rita by not informing them that this assistance is just for this school year. No where in this legislation is there a requirement that parents be notified that this assistance is temporary and that it will not be renewed beyond August 2006. Instead of being fair to these parents by providing them with transparent information, this amendment fails to include a provision to notify parents that this assistance is time-limited. We have an obligation to inform parents receiving this aid that this funding is a one-time deal. Without clear language on this point, language which I suggested to the sponsors of the amendment, parents will have an unfounded expectation that this aid will be there next year and perhaps even for years to come. These families are settling down in new communities, and they may lack the resources, ability, or desire to go back to the gulf coast.

Of course, we need help families in their moment of need and distress. I understand my colleague, Senator LANDRIEU’S position on this matter, and her sincere desire to help her constituents. I too believe this assistance to both public and private, is important, needed, and appropriate. But this amendment could and should have been structured in a way that contains clear notification requirements and that mirrors current law.

This legislation is not the direction we should be heading. This legislation is a stalking horse for a national voucher program. At the same time, it provides less funding than is needed to repair and fund our devastated public school system. It provides very little accountability for the use of taxpayers’ funds and provides little or no enforcement of the civil rights protections that would exist if money were sent through existing funding mechanisms.

Mr. KENNEDY. I want to thank Senators Enzi, Alexander, Kennedy, and Dodd, because I know that they have worked very hard to improve this amendment, and I appreciate their efforts. I urge my colleagues to continue to work to address the concern I have raised as this bill moves forward.

Mr. KOHL. Madam President, I support the Enzi amendment. This amendment would provide $1.6 billion in emergency funding to address the desperate funding needs of schools who have taken in displaced Katrina students and the schools that have been damaged or destroyed by the hurricane.

Over 2 months ago, hundreds of thousands of children in the Gulf region were displaced from their homes, their communities, and their local schools. Neighboring communities have welcomed these students with open arms. It is only fair to provide school districts the funds necessary to educate and care for dislocated students left in the wake of Hurricane Katrina.

I know some are concerned about funding for displaced students who are attending private schools. However, this amendment is not about getting help to these students. This is about using these students’ needs as a pawn to further the Republican agenda of vouchers.

The PRESIDING OFFICER. On this vote the yeas are 31, the nays are 68. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. BOND. I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

AMENDMENT NO. 2032, AS MODIFIED

Mr. GREGG. Madam President, the next amendment is the Enzi amendment. I ask that we move immediately to a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2322), as modified, was agreed to.

Mr. GREGG. I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.
Mr. GREGG. Madam President, the next amendment is the Lincoln amendment. I ask unanimous consent that all votes on additional amendments be 10 minutes.

We are going to try to clarify the issue of second-degree amendments that we just went through because, under the rule, all time has to expire on debate on the first degree before you can debate a second degree or offer it. That is why we had the confusion before. We are going to adjust that through this unanimous request.

I ask unanimous consent that for the purposes of today's votes, all second-degree amendments must be offered prior to beginning the 2 minutes of debate on the underlying first-degree amendment. Before the Chair rules, as a clarification, this will now mandate that second-degree amendments must be offered before we begin the 2-minute debate on the first degree. We would then have 2 minutes of debate on the second degree both in relationship to the second degree, and then have 2 minutes of debate on the first degree prior to the vote in relationship to that amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Reserving the right to object, I would say to Senators who are in the back of the Chamber, who are most interested in this question, this is a good time to hear what is being done to try to resolve the confusion that occurred previously. What occurred previously was, under the rule, all time had to expire on the first-degree amendment before a second-degree amendment could be offered. Under the interpretation of the Chair, that included the 2 minutes of debate on the first-degree amendment. Now what we are doing is modifying that through unanimous consent agreement so if someone offers a second degree, they have to offer it before the 2 minutes of debate on the first degree. Then we will be able to have 2 minutes of debate on the second degree, a vote on the second degree. Then, in consideration of the first degree, we will be able to have the 2 minutes of debate in conjunction with it. For the interest of our colleagues, that is what is being done.

We should take this moment, as well, to say to our colleagues, we have 35 amendments filed. That would take 12 hours of straight debate. If we had additional time today, we would need we would be in tomorrow for at least 4 hours. I ask our colleagues to show restraint on calling up amendments that have been filed. We have had a good debate on this matter. It has been an absolutely fair debate in terms of how we have been treated with respect to amendments being offered. We really don't need to have 35 amendments offered to this measure. I urge my colleagues to show restraint.

I will object. Mr. GREGG. I also renew my request that votes on additional amendments be 10-minute votes.
State provides such assistance in accordance with the requirements of this section and the State is able to separately identify and report expenditures or other information attributable to the provision of such assistance.

(b) DRM-ELIGIBLE KATRINA SURVIVOR DEFINED.—

(1) In general.—In this section, the term ‘‘DRM-eligible Katrina Survivor’’ means a Katrina Survivor whose family income does not exceed the higher of—

(A) 100 percent (200 percent, in the case of such Survivors who are recipients of disability insurance benefits) of the poverty line; or

(B) the income eligibility standard which would apply to the Survivor under the State Medicaid plan.

(2) SPECIAL RULE FOR KATRINA SURVIVORS WHO ARE RECIPIENTS OF DISABILITY INSURANCE BENEFITS.—In the case of a Katrina Survivor who is a recipient of disability insurance benefits under section 202 or 223 of the Social Security Act (42 U.S.C. 402, 422), paragraph (1) shall be applied to such Survivor by substituting ‘‘300 percent of the supplemental security income benefit rate established by section 1611(b)(1) of the Social Security Act (42 U.S.C. 1382(b)(1))’’ for subparagraph (A) of such paragraph.

(3) NO RESIDENCY, OR CATHERGICAL ELIGIBILITY REQUIREMENTS.—Eligibility under paragraph (1) shall be determined without application of any requirements test, State residency, or categorical eligibility requirements.

(4) LIMITATION DETERMINATION.—

(A) LEAST RESTRICIVE INCOME METHODOLOGIES; PROSPECTIVE DETERMINATION.—The State shall use the least restrictive methodologies applied under the State Medicaid plan as of the beginning of the DRM coverage period, including unemployment assistance provided under section 410 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177). (B) TRANSITION OF DRM ASSISTANCE.—In determining income eligibility, the State shall disregard—

(i) any amount received under a law of the United States or of a State which provides for presumptive eligibility by a Katrina Survivor under section 1920, 1920a, or 1920b of the Social Security Act (42 U.S.C. 1396r-1, 1396r-3, 1396r-1a, and 1396r-1b); the State shall deem an applicant to be a DRM-eligible Katrina Survivor eligible for DRM assistance in accordance with subparagraph (B); and

(ii) the period of presumptive eligibility under the State Medicaid plan that begins on August 28, 2005, and ends on the date of enactment.

(ii) NONAPPLICATION TO CHILD HEALTH ASSISTANCE.—In the case of an individual who is a Katrina Survivor who is provided child health insurance under section 1920, 1920a, or 1920b of the Social Security Act (42 U.S.C. 1396r-1, 1396r-3, and 1396r-1a), the State shall use the following streamlined procedures to determine income eligibility for Katrina Survivors and eligibility for the payment of private health insurance premiums under section 107(b)(2)(A):

(A) ONE-PAGE APPLICATION.—A common 1-page application form developed by the Secretary of Health and Human Services in consultation with the National Association of State Medicaid Directors. Such form shall—

(i) require an applicant to provide an expected address for the duration of the DRM coverage period and, upon submission of a complete application (including the self-attestation required under subparagraph (B)), provide the applicant with an application for DRM assistance; and

(ii) require the applicant to assign to the provider or facility that the applicant has the legal authority to execute an assignment of such rights) under any group health insurance plan, the State may issue to an applicant who elects under subsection (a)(2) to provide DRM assistance and provides notice of the application to a qualified provider (as defined in section 1396d-18(d)(4)) a complete application for a DRM assistance eligibility card that is similar to the cards issued by the State to enrolled in the State Medicaid plan.

(2) APPLICATION FOR MEDICAL ASSISTANCE UNDER REGULAR STATE MEDICAID PLAN.—Concurrent with the issuance of an eligibility card under subparagraph (D), the State shall provide the applicant with an application for medical assistance under the State Medicaid plan.

(3) DEFINITION OF CHILD.—For purposes of paragraphs (1) and (2), a child is a Katrina Survivor from any public or private entity as a result of Hurricane Katrina.

(4) LIMITATION DETERMINATION.—In determining income eligibility, the State shall disregard—

(A) any amount received under a law of the United States or of a State which provides for presumptive eligibility by a Katrina Survivor under the State Medicaid plan in accordance with guidance from the Secretary during the period that begins on August 28, 2005, and ends on the date of enactment.

(B) NONAPPLICATION TO CHILD HEALTH ASSISTANCE.—In the case of an individual who is a Katrina Survivor who is provided child health insurance under section 1920, 1920a, or 1920b of the Social Security Act (42 U.S.C. 1396r-1, 1396r-3, and 1396r-1a), the State shall use the following streamlined procedures to determine income eligibility for Katrina Survivors and eligibility for the payment of private health insurance premiums under section 107(b)(2)(A):

(A) ONE-PAGE APPLICATION.—A common 1-page application form developed by the Secretary of Health and Human Services in consultation with the National Association of State Medicaid Directors. Such form shall—

(i) require an applicant to provide an expected address for the duration of the DRM coverage period and, upon submission of a complete application (including the self-attestation required under subparagraph (B)), provide the applicant with an application for DRM assistance; and

(ii) require the applicant to assign to the provider or facility that the applicant has the legal authority to execute an assignment of such rights) under any group health insurance plan, the State may issue to an applicant who elects under subsection (a)(2) to provide DRM assistance and provides notice of the application to a qualified provider (as defined in section 1396d-18(d)(4)) a complete application for a DRM assistance eligibility card that is similar to the cards issued by the State to enrolled in the State Medicaid plan.

(2) APPLICATION FOR MEDICAL ASSISTANCE UNDER REGULAR STATE MEDICAID PLAN.—Concurrent with the issuance of an eligibility card under subparagraph (D), the State shall provide the applicant with an application for medical assistance under the State Medicaid plan.

(3) DEFINITION OF CHILD.—For purposes of paragraphs (1) and (2), a child is a Katrina Survivor from any public or private entity as a result of Hurricane Katrina.

(4) LIMITATION DETERMINATION.—In determining income eligibility, the State shall disregard—

(A) any amount received under a law of the United States or of a State which provides for presumptive eligibility by a Katrina Survivor under the State Medicaid plan in accordance with guidance from the Secretary during the period that begins on August 28, 2005, and ends on the date of enactment.

(B) NONAPPLICATION TO CHILD HEALTH ASSISTANCE.—In the case of an individual who is a Katrina Survivor who is provided child health insurance under section 1920, 1920a, or 1920b of the Social Security Act (42 U.S.C. 1396r-1, 1396r-3, and 1396r-1a), the State shall use the following streamlined procedures to determine income eligibility for Katrina Survivors and eligibility for the payment of private health insurance premiums under section 107(b)(2)(A):

(A) ONE-PAGE APPLICATION.—A common 1-page application form developed by the Secretary of Health and Human Services in consultation with the National Association of State Medicaid Directors. Such form shall—

(i) require an applicant to provide an expected address for the duration of the DRM coverage period and, upon submission of a complete application (including the self-attestation required under subparagraph (B)), provide the applicant with an application for DRM assistance; and

(ii) require the applicant to assign to the provider or facility that the applicant has the legal authority to execute an assignment of such rights) under any group health insurance plan, the State may issue to an applicant who elects under subsection (a)(2) to provide DRM assistance and provides notice of the application to a qualified provider (as defined in section 1396d-18(d)(4)) a complete application for a DRM assistance eligibility card that is similar to the cards issued by the State to enrolled in the State Medicaid plan.

(2) APPLICATION FOR MEDICAL ASSISTANCE UNDER REGULAR STATE MEDICAID PLAN.—Concurrent with the issuance of an eligibility card under subparagraph (D), the State shall provide the applicant with an application for medical assistance under the State Medicaid plan.
by the State to make presumptive determinations in accordance with clause (i) with respect to eligibility for such assistance, but only if—

(i) the State elects to provide for a period of presumptive eligibility for such assistance for all Katrina Survivors who may be DRM-eligible Katrina Survivors in accordance with subsection (b); or

(ii) the qualified providers designated by the State to make determinations of presumptive eligibility for such assistance, at a minimum, shall be mental health and long-term care providers licensed in accordance with section 1902(a)(55) of the Social Security Act (42 U.S.C. 1396a(a)(55)) that are qualified providers under section 1920(b)(2) of such act.

(1396r) Continuous eligibility.—Continuous eligibility, without the need for any redetermination or verification for the duration of the DRM coverage period.

(2) No Continuation of DRM assistance.—

(A) In General.—Except as provided in subparagraphs (B) and (C), no DRM assistance shall be provided after the end of the DRM coverage period.

(B) Presumptive Eligibility for Medical Assistance Under Regular Medicaid Plan.—

(i) In General.—If a State, as of the date of enactment of this Act, provides for a period of presumptive eligibility for medical assistance under the State Medicaid plan in accordance with section 1920, 1920A, or 1920B of the Social Security Act (42 U.S.C. 1396r-1, 1396r-2, 1396r-3), the State shall treat as a DRM-eligible Katrina Survivor who is receiving DRM assistance from the State in accordance with this section and who, as of the end of the DRM coverage period, is an individual for whom a period of presumptive eligibility would be provided under the State Medicaid plan, with presumptive eligibility for medical assistance under the State Medicaid plan.

(ii) State Option to Provide Presumptive Eligibility.—If a State to which clause (i) does not apply, the State may elect to provide for a period of presumptive eligibility for medical assistance under the State Medicaid plan for a DRM-eligible Katrina Survivor who is receiving DRM assistance from the State in accordance with this section and who, as of the end of the DRM coverage period, is an individual for whom a period of presumptive eligibility would be provided under the State Medicaid plan, with presumptive eligibility for medical assistance under the State Medicaid plan.

(C) State Option for All States to Provide Presumptive Eligibility.—In addition to the populations of DRM-eligible Katrina Survivors described in clause (i) and (ii) of this section, a State to which clause (i) or (ii) applies, may elect to provide for a period of presumptive eligibility for medical assistance under the State Medicaid plan for individuals who are receiving DRM assistance from the State in accordance with this section as of the end of the DRM coverage period.

(iv) Length of Period.—A presumptive eligibility period provided in accordance with clause (i), (ii), or (iii) shall be provided until the earlier of—

(I) the date on which a determination with respect to the Survivor’s application for medical assistance under the State Medicaid plan is made; or

(II) the end of the 60-day period that begins on the first day after the end of the DRM coverage period.

(C) Pregnant Women.—In the case of a DRM-eligible Katrina Survivor who is receiving DRM assistance from a State in accordance with this section and whose pregnancy ended during the 60-day period prior to the end of the DRM coverage period, or who is pregnant as of the end of such period, such Survivor shall continue to be eligible for DRM assistance during the remainder of the DRM coverage period, including (but not limited to) for all pregnancy-related and postpartum medical assistance available under the State Medicaid plan in accordance with subsection (c)(1)(B) and (ii) of the month in which the 60-day period (beginning on the last day of her pregnancy) ends.

(d) Scope of Benefits.—

(1) Catroologically Needed Benefits.—The State shall treat a DRM-eligible Katrina Survivor as an individual eligible for medical assistance under this subparagraph (b) in accordance with title XIX of the Social Security Act on the basis of section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)), with coverage for such assistance retroactive to items and services furnished on or after August 28, 2005 (or in the case of applications for DRM assistance submitted after January 1, 2006, the first day of the 5th month preceding the date on which such application is submitted).

(2) Extended Mental Health and Care Coordination Benefits.—The State may provide, without regard to any restrictions on amount, duration, and scope, comparability, or reasonableness (as determined under the State Medicaid plan) other than restrictions applicable under such plan with respect to services provided in an institution for mental diseases, except that such mental care of DRM-eligible Katrina Survivors extended mental health and care coordination benefits which may include the following:

(A) Screening, assessment, and diagnostic services (including specialized assessments for individuals with cognitive impairments).

(B) Coverage for a full range of mental health services, including, but not limited to—

(i) inpatient hospital care for mental disorders, including services provided in an institution for mental diseases, in-patient mental health care.

(F) Family counseling.

(G) In connection with the provision of home and community-based services, arranging for, and (when necessary, enrollment in waiver programs or other specialized programs), and coordination related to, primary and specialty medical care, which may include personal care services, durable medical equipment and supplies, assistive technology, and transportation.

(H) Home and Community-Based Services.—(A) In General.—In the case of a State with a waiver to provide home and community-based services granted under section 1915 of title XIX, the State may provide such services to a child who is a survivor extended mental health and care coordination benefits who require immediate home and community care, which may include personal care services, durable medical equipment and supplies, assistive technology, and transportation.

(B) Individuals described.—Individuals described in this subparagraph are individuals who—

(i) on any day during the week preceding August 28, 2005—

(I) had been receiving home and community-based services under a waiver described in a direct impact parish or county; or

(II) had been receiving support services from a primary family caregiver who, as a result of Hurricane Katrina, is no longer available to provide services; or

(III) had been receiving residential care, home health, or rehabilitative services under the State Medicaid plan or under a waiver granted under section 1915 or 1115 of the Social Security Act; or

(ii) are receiving DRM assistance in accordance with this subparagraph any limitations on—

(i) the number of individuals who shall receive home or community-based services under a waiver described in subparagraph (A); or

(ii) budget neutrality requirements applicable to such waiver; and

(iii) targeted populations eligible for services under such waiver.

(E) State Waiver of Restrictions.—The Secretary may waive other restrictions applicable under such a waiver, that would prevent a State from providing mental health and care coordination services under such plan in accordance with this subparagraph.

(4) Children Born to Pregnant Women.—In the case of a child born to a DRM-eligible Katrina Survivor who is provided DRM assistance during the DRM coverage period, such child shall be treated as having been born to a pregnant woman eligible for medical assistance under the State Medicaid plan and shall be eligible for medical assistance under such plan in accordance with section 1902(e)(4) of the Social Security Act (42 U.S.C. 1396a(e)(4)). The Federal medical assistance percentage applicable to the State Medicaid plan shall include the assistance provided to a child under such plan in accordance with the preceding sentence.

(e) Termination of Coverage; Assistance With Applying for Regular Medicaid Coverage.—

(1) Notice of Expected Termination of DRM Coverage Period.—A State shall provide to an individual who is receiving DRM assistance from the State in accordance with this section, as of the beginning of the 4th month (and, if applicable, 9th month) following the end of the DRM coverage period—

(A) notice of the expected termination date for DRM assistance for such period and, if applicable, any extension of the DRM coverage period;

(B) information regarding eligibility for medical assistance under the State’s eligibility rules otherwise applicable under the State Medicaid plan; and

(C) an application for such assistance and information regarding where to obtain assistance with the application in accordance with paragraph (2).

(2) Application Assistance.—A State shall provide DRM-eligible Katrina Survivors who are receiving DRM assistance from the State in accordance with this section with assistance in applying for medical assistance under the State Medicaid plan for periods beginning after the end of the DRM coverage period, at State Medicaid offices and at locations easily accessible to such Survivors.

(3) State Reports.—A State providing DRM assistance in accordance with this section shall submit to the Secretary the following reports:

(A) Termination and Transition Assistance Required for Regular Medicaid Coverage for DRM-eligible Katrina Survivors Eligible for Such Assistance.—Not later than the November 3, 2005 CONGRESSIONAL RECORD —SENATE S12297
last day of the 3rd month of the DRM coverage period, a report detailing how the State intends to satisfy the requirements of paragraphs (1) and (2).

(3) Amounts shall be returned to the Federal government for expenditure by the State in accordance with this subsection, with an end date of the DRM coverage period, a report regarding—

(i) the number of Katrina Survivors who are determined to be DRM-eligible Katrina Survivors; and

(ii) the number of DRM-eligible Katrina Survivors who are determined to be eligible for, and State Medicaid expenses incurred for, providing such assistance.

(4) SECRETARIAL OVERSIGHT.—The Secretary of Health and Human Services shall ensure that the requirements of paragraphs (1) and (2) and that applications for medical assistance under the State Medicaid plan from DRM-eligible Katrina Survivors are processed in a timely and appropriate manner.

(5) NO PRIVATE RIGHT OF ACTION AGAINST A STATE FOR FAILURE TO PROVIDE NOTICE.—No private right of action shall be brought against a State for failure to provide the notices required under paragraph (1) or subsections (a) and (b) of section 1108 of the Social Security Act (42 U.S.C. 1396b(a)).

(6) INCLUSION OF ASSISTANCE PROVIDED TO MEDICAID PLANS.—In accordance with subsection (c)(1)(F), the Secretary shall be construed as providing an individual who is determined to be DRM-eligible Katrina Survivor for purposes of that section.

(7) DRIVEL LIKELY FOR COSTS.—If a State, as the result of verification activities conducted during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to administrative activities related to the provision of such assistance, including costs attributable to obtaining recoveries under subsection (h);

(b) costs directly attributable to providing application assistance in accordance with subsection (c)(2); and

(c) costs attributable to providing medical assistance in accordance with subsection (c)(2), and

(d) medical assistance provided in accordance with subparagraph (C) of that subsection, after the end of the DRM coverage period.

(2) INCLUSION OF ASSISTANCE PROVIDED TO KATRINA SURVIVORS PRIOR TO DATE OF ENACTMENT.—Any assistance provided to a Katrina Survivor from a State Medicaid plan in accordance with guidance from the Secretary during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to the provision of such assistance shall be considered to be payments from an allotment for the State under section 2104 of such Act (42 U.S.C. 1396a(b)).

(C) any payments that were made to a State for the provision of such assistance prior to such date of enactment, shall be disregarded for purposes of determining the unexpended amount of any allotment available for expenditure by the State under that section.

(4) DISREGARD OF PAYMENTS.—Payments provided to a State in accordance with this subsection shall be disregarded for purposes of any program or plan that is established by section 1108 of the Social Security Act (42 U.S.C. 1396b).

(5) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is determined to be a DRM-eligible Katrina Survivor during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to verifying eligibility for the low-income subsidies provided under part D of title XVIII of the Social Security Act (42 U.S.C. 1396d(d)(1)).

(ii) the number of DRM-eligible Katrina Survivors who are determined to be DRM-eligible Katrina Survivors during the DRM coverage period.

(3) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is determined to be a DRM-eligible Katrina Survivor during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to verifying eligibility for the low-income subsidies provided under part D of title XVIII of the Social Security Act (42 U.S.C. 1396d(d)(1)).

(ii) the number of DRM-eligible Katrina Survivors who are determined to be DRM-eligible Katrina Survivors during the DRM coverage period.

(3) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is determined to be a DRM-eligible Katrina Survivor during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to verifying eligibility for the low-income subsidies provided under part D of title XVIII of the Social Security Act (42 U.S.C. 1396d(d)(1)).

(ii) the number of DRM-eligible Katrina Survivors who are determined to be DRM-eligible Katrina Survivors during the DRM coverage period.

(3) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is determined to be a DRM-eligible Katrina Survivor during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to verifying eligibility for the low-income subsidies provided under part D of title XVIII of the Social Security Act (42 U.S.C. 1396d(d)(1)).

(ii) the number of DRM-eligible Katrina Survivors who are determined to be DRM-eligible Katrina Survivors during the DRM coverage period.

(3) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is determined to be a DRM-eligible Katrina Survivor during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to verifying eligibility for the low-income subsidies provided under part D of title XVIII of the Social Security Act (42 U.S.C. 1396d(d)(1)).

(ii) the number of DRM-eligible Katrina Survivors who are determined to be DRM-eligible Katrina Survivors during the DRM coverage period.

(3) VERIFICATION OF STATUS AS A KATRINA SURVIVOR.—

(1) IN GENERAL.—The State shall make a good faith effort to verify the status of an individual who is determined to be a DRM-eligible Katrina Survivor during the period that begins on August 28, 2005, and ends on the date of enactment of this Act, shall be treated as a DRM area, the costs directly attributable to verifying eligibility for the low-income subsidies provided under part D of title XVIII of the Social Security Act (42 U.S.C. 1396d(d)(1)).

(ii) the number of DRM-eligible Katrina Survivors who are determined to be DRM-eligible Katrina Survivors during the DRM coverage period.
direct impact parish or county, there shall not be taken into account any month any part of which is within the DRM coverage period.

(b) WRITTEN PLAN ON TRANSITION OF CERTAIN FULL-BENEFIT DUAL ELIGIBLE INDIVIDUALS TO PRESCRIPTION DRUG COVERAGE UNDER MEDICARE PART D.—(1) In order for the Secretary to make payments to Medicaid providers under subsection (a) to the Secretary for the purpose of making payments to health insurance issuers—

(A) on behalf of individuals that would otherwise be eligible for DR permanencies under section 6082 but for subsection (n) of such section for such individual’s share of their health insurance premium; and

(B) on behalf of employers that would otherwise be required to pay a share of the employer’s share of the employee’s health insurance premiums, but only with respect to the days on which the employer meets the determinations under subsection (f).

(c) RULES FOR PAYMENTS TO PROVIDERS.—

(1) CONSULTATION.—In making payments to Medicaid providers under subsection (b)(1), the Secretary shall provide the Federal Emergency Management Authority data. In order for a Medicaid provider to be eligible for a payment under subsection (b)(1), the Secretary shall provide the Secretary with a description of the need for the funding and the funding will be used.

(2) TIMING FOR FIRST PAYMENT.—The first payment to Medicaid providers under subsection (b)(1) shall be made by not later than 18 days after the date of enactment of this Act.

(d) RULES FOR PAYMENTS ON BEHALF OF INDIVIDUALS FOR PRIVATE HEALTH INSURANCE.—

(1) STREAMLINED ELIGIBILITY PROCESS.—In making payments under subsection (b)(2)(A), the Secretary shall use the streamlined eligibility process under section 6082(c)(1).

(2) NO PAYMENTS IF THE INDIVIDUAL IS RECEIVING DRM ASSISTANCE.—No payments may be made on behalf of an individual under subsection (b)(2)(A) with respect to any period in which the individual is receiving DRM assistance from a State under section 6082 but for subsection (n) of such section for such individual’s share of their health insurance premium.

(e) MEDICAID PROVIDERS DESCRIBED.—For purposes of subsection (b)(1), Medicaid providers described in this subsection are—

(1) any provider under such title, including a supplier of medical assistance consisting of durable medical equipment (as defined in section 1861(s));

(2) (B) is not paying salary or benefits to employees.

(3) MEDICAID PROVIDERS DESCRIBED.—For purposes of subsection (b)(1), Medicaid providers described in this subsection are—

(1) any provider under such title, including a supplier of medical assistance consisting of durable medical equipment (as defined in section 1861(s));

(2) (B) is not paying salary or benefits to employees.

(3) QUALIFIED EMPLOYER DEFERRED.—For purposes of subsection (b)(2)(B), the term “qualified employer” means any employer—

(1) which conducted a trade or business on or before August 28, 2005, in a direct impact parish or county; and

(2) with respect to which the trade or business was described in paragraph (1).

(A) is inoperable on any day during the DRM coverage period as a result of damage sustained in connection with Hurricane Katrina and

(B) is not paying salary or benefits to employees on any day during the DRM coverage period.
period as a result of damage sustained in connection with Hurricane Katrina.

(g) Expediting Implementation.—The Secretary shall promulgate regulations to carry out this section, which may be effective and final immediately on an interim basis as of the date of publication of the interim final regulation. If the Secretary provides for an interim final regulation, the Secretary shall provide for a period of public comments on such regulation after the date of publication. The Secretary may change or revise such regulation after completion of the period of public comment.

(b) Appropriation.—Out of any money in the Treasury, otherwise appropriated, there is appropriated to the Fund $800,000,000 for fiscal year 2005, to remain available until expended.

(i) Application of Appropriations Funding Provisions.—Amounts provided in this section for making payments to Medicaid providers under subsection (b)(1) shall be governed by the terms of division F of the Consolidated Appropriations Act, 2005 (Public Law 108–447, 118 Stat. 3112) (or succeeding appropriations measures for a fiscal year) that are applicable to such funds for Medicaid under Title XIX of the Social Security Act.

SEC. 6098. NONAPPLICATION OF CERTAIN PROVISIONS.

Notwithstanding any other provision of this Act, this Act shall be applied without regard to subsections (a) and (b) of section 6002.

Subchapter B—TANF Relief

SEC. 6090. REIMBURSEMENT OF STATES FOR TANF BENEFITS PROVIDED TO ASSIST FAMILIES OF STATES AFFECTED BY HURRICANE KATRINA.

(a) In General.—Section 3 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

"SEC. 3. REIMBURSEMENT OF STATES FOR TANF BENEFITS PROVIDED TO ASSIST FAMILIES OF STATES AFFECTED BY HURRICANE KATRINA.

"(a) Eligibility for Payments From the TANF Emergency Response and Recovery Act of 2005 to a Family.— (1) Period of applicability.—Beginning with August 29, 2005, and ending with September 30, 2006, a State described in paragraph (2) that is such a direct impact State for purposes of section 403(b) of the Social Security Act (42 U.S.C. 603(b)).

"(2) Direct Impact States.—A State described in this paragraph is Louisiana, Mississippi, or Alabama.

"(3) Other States.—(A) In General.—A State is described in this paragraph if the Secretary provides any benefit or service that may be provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) to a family which—

"(i) has resided in a direct impact State described in paragraph (2);

"(ii) has travelled (not necessarily directly) to the State to seek direct impact State as a result of Hurricane Katrina; and

"(iii) if applying for benefits or services on or after October 28, 2005, the State has determined is not receiving cash benefits from any program funded under such part of any other State.

"(B) Application to Territories.—(i) In General.—Notwithstanding section 403(b)(7) of the Social Security Act, a territory (as defined in section 1101(c)(1) of such Act (42 U.S.C. 1301(c)(1))) shall be considered to be a direct impact State under this paragraph for purposes of this section.

"(ii) Disregard of Payments.—Section 118(a) of the Social Security Act (42 U.S.C. 1308(a)) shall be applied without regard to any amounts paid to a territory (as so defined) in accordance with this section.

"(b) Monthly Payments.—Notwithstanding paragraph (3)(C)(1) of subsection (b) of section 403 of the Social Security Act (42 U.S.C. 603), and in addition to any other amounts paid under such paragraph, in the case of a TANF Benefit if the State or Indian tribe deems to be a State described in subsection (a)(2), such amount shall not exceed ½ of 20 percent of the State family assistance grant.

"(C) No State Match or Maintenance of Effort Required.—Sections 403(b)(6) and 403(b)(7) of the Social Security Act (42 U.S.C. 603(b)(6), 603(b)(7)) shall not apply with respect to a payment made to a State by reason of this section.

"(d) Reporting to the Extent Necessary to Ensure That States Will Be Able to Access the Contingency Fund.—For the period described in subsection (a)(1), pursuant to section 409(a)(10) of the Social Security Act (42 U.S.C. 654); or

"(e) Other Provisions.—This amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

SEC. 6091. INCREASE IN AMOUNT OF ADDITIONAL TANF FUNDS AVAILABLE FOR HURRICANE-DAMAGED STATES.

(a) In General.—Section 4 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

"SEC. 4. INCREASE IN AMOUNT OF ADDITIONAL TANF FUNDS AVAILABLE FOR HURRICANE-DAMAGED STATES.

"(A) IN GENERAL.—(i) Subject to subparagraph (B), such benefits shall be considered a Hurricane Katrina Emergency TANF Benefit if the State or Indian tribe deems to be a Hurricane Katrina Emergency TANF Benefit.

"(B) Exception For Families Already Receiving Child Support Services or Who Provided Child Support Services on a Monthly Basis For a Family Who Has Not Received Benefits From the Federal Government or the State Government; but Who Are Not Currently Receiving Benefits From the State Government.—(i) Subject to subparagraph (B), such benefits shall not apply with respect to such benefits that are provided to a family who—

"(I) at the time such benefits are provided, are receiving child support services under a plan submitted to the Secretary, or who

"(ii) applies for child support services under such a plan on behalf of a child who is receiving such benefits.

"(C) Hurricane Katrina Emergency TANF Benefits.—(i) IN GENERAL.—In this section, the term 'Hurricane Katrina Emergency TANF Benefit' means any benefit or service that may be provided under a State or tribal program funded under part A of title IV of the Social Security Act to support families which the State or Indian tribe deems to be needy families based on their statement, circumstance, or ability to access services, or

"(ii) subject to paragraph (2), reside in a State described in section 3(a)(3).

"(B) Limitation.—Any benefit or service provided under a State or tribal program funded under part A of title IV of the Social Security Act in a State described in section 3(a)(2) to a family which the State or Indian tribe deems to be a needy family in accordance with this section (1), shall only be considered to be a Hurricane Katrina Emergency TANF Benefit if the State or Indian tribe designates that the benefit or service is to be treated as a Hurricane Katrina Emergency TANF Benefit.

"(C) Simplified Data Reporting.—(i) IN GENERAL.—Each State or Indian tribe which provides Hurricane Katrina Emergency TANF Benefits shall report to the Secretary of Health and Human Services on a monthly basis the following information:

"(A) The total amount of expenditures attributable to providing Hurricane Katrina Emergency TANF Benefits.

"(B) The total number of families receiving such benefits.

"(C) To the extent the State determines it is able to do so, the total amount of such benefits provided that are—

"(i) cash;

"(ii) child care; or

"(iii) other benefits and services.

"(2) Reports to Congress.—The Secretary of Health and Human Services shall submit, on a monthly basis, a compilation of the reports submitted in accordance with paragraph (1) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.''.

(b) Retroactive Effective Date.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

SEC. 6092. RULES FOR RECEIPT OF HURRICANE KATRINA EMERGENCY TANF BENEFITS AND APPLICATION TO CHILD SUPPORT REQUIREMENTS.

(a) In General.—Section 6 of the TANF Emergency Response and Recovery Act of 2005 is amended to read as follows:

"SEC. 6. RULES FOR RECEIPT OF HURRICANE KATRINA EMERGENCY TANF BENEFITS AND APPLICATION TO CHILD SUPPORT REQUIREMENTS.

"(A) IN GENERAL.—(i) During the period described in section 3(a)(1), a State described in paragraph (2) or (3) of section 3(a) or an Indian tribe with a tribal family assistance plan approved under section 412 of the Social Security Act (42 U.S.C. 612) may provide Hurricane Katrina Emergency TANF Benefits if the State or tribal program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) designates that the benefit or service is to be treated as a Hurricane Katrina Emergency TANF Benefit.

"(ii) Child care shall be treated as a Hurricane Katrina Emergency TANF Benefit if the State or Indian tribe deems to be a Hurricane Katrina Emergency TANF Benefit under such plan if the State or Indian tribe deems to be a Hurricane Katrina Emergency TANF Benefit.

"(B) Determination of Appropriateness.—A State shall not apply with respect to such benefits that are provided to a family who—

"(I) at the time such benefits are provided, are receiving child support services under a plan submitted to the Secretary, or

"(ii) applies for child support services under such a plan on behalf of a child who is receiving such benefits.

"(C) Hurricane Katrina Emergency TANF Benefits.—(i) IN GENERAL.—In this section, the term 'Hurricane Katrina Emergency TANF Benefit' means any benefit or service that may be provided under a State or tribal program funded under part A of title IV of the Social Security Act to support families which the State or Indian tribe deems to be needy families based on their statement, circumstance, or ability to access services, or

"(ii) subject to paragraph (2), reside in a State described in section 3(a)(3).

"(B) Limitation.—Any benefit or service provided under a State or tribal program funded under part A of title IV of the Social Security Act in a State described in section 3(a)(2) to a family which the State or Indian tribe deems to be a needy family in accordance with this section (1), shall only be considered to be a Hurricane Katrina Emergency TANF Benefit if the State or Indian tribe designates that the benefit or service is to be treated as a Hurricane Katrina Emergency TANF Benefit.

"(C) Simplified Data Reporting.—(i) IN GENERAL.—Each State or Indian tribe which provides Hurricane Katrina Emergency TANF Benefits shall report to the Secretary of Health and Human Services on a monthly basis the following information:

"(A) The total amount of expenditures attributable to providing Hurricane Katrina Emergency TANF Benefits.

"(B) The total number of families receiving such benefits.

"(C) To the extent the State determines it is able to do so, the total amount of such benefits provided that are—

"(i) cash;

"(ii) child care; or

"(iii) other benefits and services.

"(2) Reports to Congress.—The Secretary of Health and Human Services shall submit, on a monthly basis, a compilation of the reports submitted in accordance with paragraph (1) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.''.

(b) Retroactive Effective Date.—The amendment made by subsection (a) shall take effect as if included in the enactment of the TANF Emergency Response and Recovery Act of 2005.

Subchapter C—Miscellaneous Provisions

SEC. 6093. DISCLOSURE BASED ON VALID AUTHORIZATION.

(a) IN GENERAL.—Section 223(d)(5) of the Social Security Act (42 U.S.C. 1320d(5)) is amended by adding at the end the following:

"(5) Authorization obtained from the individual to disclose records to the Commissioner, then such custodian shall not be held liable.
under any applicable Federal or State law for disclosing any record or other information in response to such request, on the basis that the authorization relied upon was a copy, facsimile, or electronic version of the authorization.”.

(b) Effective Date.—The amendment made by this section shall apply with respect to disclosures of records or other information made on or after the date of enactment of this Act.

SEC. 6094. EMERGENCY PROCUREMENT AUTHORITY IN SUPPORT OF HURRICANE KATRINA RESCUE AND RELIEF EFFORTS.

(a) SMALL BUSINESS RESERVATION OFFSET.—Section 15(c) of the Small Business Act (15 U.S.C. 637(d)(4)(E)) is amended by adding at the end the following:

“(4) For any contracts involving the use of the special emergency procurement authority under section 32(a)(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 2304(a)), the dollar ceiling of the small business described in subsection (I) may be paid, unless 50 percent of the amounts due under any contract under subsection (d) in amounts in excess of $50,000, designated by agency, title, and pay grade; and (B) the number of contracts, by agency, that can be used for purchases under subsection (d) in amounts in excess of $50,000;

(c) LIMITATIONS ON INCREASED MICRO-PURCHASES.—Notwithstanding any other provision of law, the authority granted under section 101 of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109-62), including the modifications and extensions under section (d), shall:

(1) be restricted for use solely within the geographic areas designated by the President as disaster areas due to Hurricane Katrina;

(2) not be exercised in a manner inconsistent with any Federal law providing for local preference in disaster relief and recovery contracting; and

(3) terminate 120 days after the date of enactment of this Act.

(c) Modified Threshold.—Notwithstanding section 101(c) of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109-62), the amount specified with respect to sub-paragraphs (c), (d), and (f) of the section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 628) for purchases necessary for support of Hurricane Katrina rescue and relief operations shall be $50,000, or such an amount in excess of $50,000, but not to exceed $250,000, as determined by the head of the executive agency concerned (or any delegate of the head of such executive agency, who shall be an officer or employee of such executive agency). A warrant officer for making Federal acquisitions.

(e) OMB GUIDANCE ON USE OF GOVERNMENT CREDIT CARDS FOR MICRO-PURCHASES.—

(1) Guidance Required.—Not later than 14 calendar days after the date of enactment of this Act, the Director of Management and Budget shall issue clear and concise guidance regarding the use of Government credit cards by procurement officials, and make micro-purchases under subsections (c), (d), and (f) of section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 628), as modified by this section.

(2) Elements.—The guidance under paragraph (1) shall include:

(A) a list of Government officials with the authority to make purchases under subsection (d) in amounts in excess of $50,000, designated by agency, title, and pay grade;

(B) the number of contracts, by agency, that can be used for purchases under subsection (d) in amounts in excess of $50,000;

(C) procedures for the immediate review of any purchase under subsection (d) in an amount in excess of $50,000 that was not approved by an official specified in that paragraph;

(D) procedures for the audit of all purchases made on Government credit cards after the expiration of subsection (d) under subsection (c); and

(E) procedures to ensure that such purchases are made with small business concerns and local small business concerns, to the maximum extent practicable under the circumstances.

(3) Reports on Purchases.—Not later than 180 days after the date of the enactment of this Act, the head of each executive agency shall report to the Office of Federal Procurement Policy Act (41 U.S.C. 628) a report of all purchases made under subsection (d) in an amount in excess of $50,000 shall submit to the appropriate Congressional committees a report of all such purchase made by such agency, including:

(A) a description of the property or services so purchased;

(B) a statement of the purpose of such purchase;

(C) a statement of the amount of such purchase;

(D) a statement of the name, title, and pay grade of the officer or employee of such agency making such purchase; and

(E) whether such purchases were made with small business concerns and local small business concerns.

(4) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term "appropriate Congressional committees" means:

(A) the Committees on Appropriations, Small Business and Entrepreneurship, Finance, and Homeland Security and Governmental Affairs of the Senate; and

(B) the Committees on Appropriations, Small Business, and Government Reform of the House of Representatives.

SEC. 6095. TRANSFER OF FUNDS.

Notwithstanding any other provision of law, of the amounts made available to the Department of Homeland Security under the heading "Disaster Relief" under the heading "Emergency Preparedness and Response" of Public Law 109-62 (119 Stat. 1991), $6.2 billion shall be made available to the Secretary to carry out this chapter and remain available until expended. The Secretary shall use such sums as are necessary to carry out this chapter.

Mrs. LINCOLN. Madam President, this amendment truly reflects the values held dear by American family. When one of us is sick or ill, the rest of us are there to help. The amendment simply provides immediate access to Medicaid for displaced individuals from the Gulf coast disaster. It provides full Federal support to the affected States only in the Medicaid Program so that we don’t leave them hanging without the means to be able to take care of their own people. We provide disaster relief funds through an uncompensated care pool for our providers who have, without being asked, provided the care for those individuals who needed it so desperately. I urge my colleagues to support this. We have tried time and time again to do what is right. We have offered it many times. I encourage my colleagues, please do the right thing.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Madam President, this amendment is opposed by the Finance Committee. The Finance Committee has aggressively funded this account with $1.94 billion in this bill, which will cover 1.9 million victims of the hurricane. Therefore, these additional funds, if this amendment were to pass, would basically put the Finance Committee section of the bill out of compliance with the Deficit Reduction Act. Therefore, we oppose it.

I make a point of order that the pending amendment is not germane to the measure now before the Senate. I raise that as a point of order under section 305 of the Budget Act.

Mrs. LINCOLN. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act for consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the following Members have applied for the yeas and nays:

Mr. GREGG. Madam President, this amendment is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 51, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—48

Noes—51

[Names of Yeas and Nays]
The PRESIDING OFFICER. On this vote, the yeas are 48, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to. The point of order is sustained, and the amendment fails.

Mr. GREGG. I move to reconsider and I move to lay that motion on the table.

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

CHANGE OF VOTE

Mr. CORNYN. Mr. President, I ask unanimous consent that my vote on the motion to waive with respect to the Lincoln amendment No. 2356, as modified, be recorded as a “yea.” This does not change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 2355

Mr. GREGG. Madam President, we are now going to the Inhofe amendment.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Madam President, there have been many sincere, well-meaning efforts to put fiscal discipline into this legislation. Some people have tried to stop projects only to find out it does not save any money; it just causes them to rearrange their projects.

This amendment actually does that. This is the only amendment that does. I will read it for my colleagues:

All non-defense, non-trust fund discretionary spending shall not exceed the previous fiscal year’s level without a two-thirds vote.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Mississippi.

Mr. COCHRAN. Madam President, the pending amendment contains matter within the jurisdiction of the Committee on the Budget. I raise a point of order against the amendment under section 306 of the Budget Act.

Mr. INHOFE. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of the act for the consideration of the pending amendment. I urge a “yes” vote.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 32, nays 67, as follows:

[ Rollocall Vote No. 266 Leg.]

YEAS—32

Allard  Allen  Brownback  Bunning  Burns  Burr  Chambliss  Coburn  Cornyn  Craig  Crapo

Bingaman  Boxer  Byrd  Cantwell  Carper  Clinton  Cochran  Coleman  Collins  Conrad  Dayton  DeWine  Dodd  Domenici  Dorgan  Ensign  Enzi  Feingold  Feinstein

Gingrich  Grassley  Gregg  Bond  Boxer  Byrd  Cantwell  Carper  Clinton  Cochran  Coleman  Collins  Conrad  Dayton  DeWine  Dodd  Domenici  Dorgan  Ensign  Enzi  Feingold  Feinstein

NOT VOTING—1

Corsine

Harken  Hatch  Inouye  Jeffords  Johnson  Kerry  Kohl  Lautenberg  Leahy  Levin  Lieberman  Lincoln  Lott  Mikulski  Murkowski  Noll  Nemenzo

NOT VOTING—1

Corsine

The PRESIDING OFFICER. On this vote, the yeas are 32, the nays are 67. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment fails.

Mr. COCHRAN. Madam President, I move to reconsider the vote.

Mr. GREGG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2357

Mr. NELSON of Florida. Madam President, my amendment would prevent a hike in Medicare premiums for our 42 million senior citizens. In the bill, doctors’ fees are increased in their reimbursement. In my amendment, that is paid for with drug company money that would be staying the same under the existing law where the drug companies have to give discounts under the Medicaid law as they transition into Medicaid HMOs. This saves our seniors over $1 billion in increased premiums.

This amendment is supported and endorsed by the AARP. I want to welcome the bipartisan support of the Senate for this amendment.

The PRESIDING OFFICER. Who yields time in opposition?

The Senator from Iowa.

Mr. GRASSLEY. Madam President, I rise in opposition to the Nelson amendment. I think everybody knows that the taxpayers pay 75 percent of the Part B premium and 25 percent is paid by the individual. Whenever we increase doctors’ reimbursement—and we do that in this bill by 5.3 percent so that doctors do not lose their money—then, obviously, the 25 percent is going to go up a little bit, just as the 75 percent goes up a little bit when reimbursement is increased.

The Senator from Florida takes offense at the fact that the premium is going to go up in the year 2007 by $1.69. It is the way the formula works. I think every Senator wants to vote to give the doctors fair reimbursement because without doctors senior citizens cannot be served. So we ought to let the formula work.

The offset is very egregious toward managed care as well. Also, do not forget that low-income people, people on
Medicaid, do not pay the Part B and those who are not on Medicaid but below the poverty level have help through the QI program that we passed and the President signed recently to continue that program. So I hope my colleagues will support that amendment.

Mr. GREGG. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the amendment.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 49, nays 50, as follows:

[Roll Call Vote No. 287 Leg.]

YEAS—49

Akaka.................. Dorris................ Duval................ Duren................
Baucus................. Baucus................ Baucus................ Baucus................
Bayh.................. Bayh.................. Bayh.................. Bayh..................
Biden.................. Biden.................. Biden.................. Biden..................
Bingaman.............. Bingaman.............. Bingaman.............. Bingaman..............
Boxer.................. Boxer.................. Boxer.................. Boxer..................
Burns.................. Burns.................. Burns.................. Burns..................
Byrd.................. Byrd.................. Byrd.................. Byrd..................
Cantwell.............. Cantwell.............. Cantwell.............. Cantwell..............
Canton................. Canton................. Canton................. Canton.................
Cochran.............. Cochran.............. Cochran.............. Cochran..............
Collins................. Collins................. Collins................. Collins.................
Conrad................. Conrad................. Conrad................. Conrad.................
Dayton................. Dayton................. Dayton................. Dayton.................
DeWine................ DeWine................ DeWine................ DeWine................
Dodd.................. Dodd.................. Dodd.................. Dodd..................
Dorgan................ Dorgan................ Dorgan................ Dorgan................

NAYS—50

Alexander............... Dole.................. Allard............... Domenici............... Allen................. Ensign............... Bennett............... Bond.................
Bangh...
The President pro tempore. The Senator is recognized.

Ms. CANTWELL. My amendment strikes the language allowing for drilling in the Arctic National Wildlife Refuge. The underlying bill is a sweetheart deal for oil companies that has already made a record $30 billion in profits last quarter. The bill gives oil companies a free ride with back-door language that allows them to circumvent environmental laws, legal standards and Federal agency oversight that every other business in America has to comply with.

This wildlife area has been protected since the Eisenhower days, and for good reason. There is an average of over 500 oil spills a year on the Alaska North Slope and over 4,000 spills in the last 10 years. Let’s not pollute one of the great last refuges of America, and let’s take the polluting language out of this bill. The Department of Energy says drilling in ANWR will do nothing in the very long term, reducing gas prices by only one penny. America wants a better energy plan than putting a sweetheart deal in the budget language.

I urge my colleagues to strike this language.

Mr. DODD. Mr. President, I join with my colleagues in strong opposition to opening the Arctic National Wildlife Refuge, ANWR, to oil drilling. I believe including it in a reconciliation package is a pro-oil attempt to achieve a shortsighted, environmentally irresponsible outcome. It is little more than a scheme to raise $2.5 billion that will ultimately be used to cover a portion of the cost of tax cuts for the wealthy. Further, it will have a great and lasting cost to the environment with few benefits in terms of affordable energy.

Let me lay out a few reasons why I oppose drilling in ANWR.

The oil being talked about is home to nearly 200 species of wildlife, including polar, grizzly, and black bears, rare musk oxen, and millions of migratory birds. Each year, thousands of caribou travel to the Coastal Plain of the Arctic Refuge to give birth to their calves. It has been protected for decades, during Republican and Democratic administrations. It is not as if we have said no to oil and gas exploration in the entire North Slope. It is only a prudent attempt to achieve the Coastal Plain of the Arctic Refuge—that we want placed off limits. If we open this pristine land now, we can never turn the clock back. Setting the process in motion will entail a web of oil platforms, pipelines, production facilities, power facilities, support structures, and roads across the entire area. The administration contention that development would be confined to a 2,000-acre footprint is simply false because the recoverable oil is spread out in small deposits across the entire Coastal Plain.

I firmly believe we need to ensure our country’s economic security, but drilling in ANWR will do nothing to reduce our energy price and supply problems in the near term and very little to reduce our dependence on foreign supplies of oil. With transportation accounting for nearly 70 percent of oil use, it is the Corporate Average Fuel Economy and many of my colleagues on the other side of the aisle have refused to tackle the issue of automobile fuel efficiency. According to the American Council for an Energy-Efficient Economy, in the Corporate Average Fuel Economy, CAPE, standards are raised by just 5 percent annually until 2012, and by just 3 percent thereafter, more than 1.5 million barrels of oil per day could be saved by 2010, and 67 billion barrels of oil over the next 40 years—more than 10 times what could be recovered in ANWR. In 1998, the U.S. Geological Survey estimated that there is no more than 5.2 billion barrels of economically recoverable oil in ANWR, a number that is equivalent to what the United States consumes in about 6 months.

Any recoverable oil that might be below the Refuge would not begin flowing for at least 10 years and would never meet more than a small percentage of our energy needs. So, therefore, it would have no impact on my constituents and your constituents for at least a decade. Further, the Energy Information Administration, EIA, has said that because the price of oil is set by the world market, ANWR would have a negligible impact on gasoline prices.

The United States dependence on foreign oil is growing, with current imports at 58 percent. We currently have about 5 percent of the world’s oil reserves but consume more than a quarter of the world’s oil supply. We simply cannot drill our way out of our problems. Last year, EIA stated that at peak production, oil from ANWR would account for only 6 percent of our consumption—no more than 4 percent. Further, there is no guarantee that any oil produced domestically from ANWR would make it to the rest of the country. There is no assurance that it will not also be exported to foreign countries. It is simply too big a risk to take when there are other, less intrusive, ways to truly alleviate our dependence on oil—fuel efficiency, renewable and alternative sources of energy, and, dare I say, conservation, something the Bush administration would have you now believe it wholly endorses.

ANWR drilling proponents are always quick to contend that 735,000 jobs would be created by opening this area to oil extraction. Those estimates are based on figures from 15 years ago that the forecasters have since acknowledged were based on flawed assumptions. In October 2005, the Congressional Research Service reported that full development of the Arctic Refuge would provide, at best, 60,000 jobs. Even the three oil companies that stand to reap the most profits by expanding their presence in Alaska—ExxonMobil, BP, and Conoco-Phillips—have been relatively silent this year about their interest in ANWR.

Little oil industry interest, less job creation than anticipated, minimal recoverable oil deposits, no impact on foreign oil dependence, negligible impact on future prices, no reduction in foreign oil dependence, and a web of infrastructure across the Coastal Plain—does that justify pillaging the Arctic Refuge? I think it is irresponsible to do so.

Therefore, I urge my colleagues to support the Cantwell amendment and work with us to enact policies that provide economic relief for residential and business consumers and set our country on a path to energy security.

Ms. MIKULSKI. Mr. President, I rise to oppose drilling in the Arctic National Wildlife Refuge. Opening the refuge is not the answer to solving our country’s energy needs. We cannot drill our way out of our energy problems, regardless of the political ramifications. We need solutions that decrease our current oil and gasoline prices and not gimmicks—solutions that decrease our dependence on foreign oil, protect the environment and help consumers at a time when the costs to fill up their gas tanks and heat their homes are at all-time highs.

If we open the Arctic Refuge for oil and gas drilling, it would provide only about a 6-month supply of oil and would not even be available for 10 or more years. That means that drilling in the Arctic Refuge would not affect our current oil and gasoline prices nor will it reduce our country’s dependence on foreign oil. Even in 10 or so years when we might get the oil, drilling in the Arctic National Wildlife Refuge will help little if at all.

Rather than trying to get a couple of months of oil supply in 10 years, we need to address the most pressing issues facing our country now: our growing dependence on foreign oil, skyrocketing oil and gasoline prices, and global warming. This is what I have been fighting for—real solutions to real problems that would help today’s consumers and tomorrow’s energy needs.

That is why I fought to include an amendment to the Commerce, Justice, Science Appropriations bill that would provide a million dollars to the Federal Trade Commission to immediately investigate claims of price gouging. While oil companies and refiners repeatedly promise record profits, American consumers shouldn’t have to scrump to buy gasoline to go to work, or church or to buy groceries. I also cosponsored a bill that would place a federal ban on price gouging for oil, gasoline and other petroleum products during times of energy emergencies. To drive this point home, I sent a letter to the chairwoman of the FTC, expressing my concern over the consolidation of oil refineries, resulting in the lack of competition.

I also recently sent a letter to President Bush urging him to convene a White House summit of oil and gas company CEOs to insist that they
lower their sky-high gas and home heating oil prices. These are some of the President’s closest political supporters and friends. They are also the same men and women who the President called on to write the administration’s energy policy in 2001. If the President can’t be bothered to help themselves, he should call them back to help ordinary Americans. Another letter called on the oil and gas company CEOs to temporarily halt unnecessary exports of any home heating oil products that they are currently sending abroad. We cannot expect Americans to pay over $1,000 to heat their homes this winter when U.S. companies are exporting billions of gallons of refined heating oil and propane.

We need to find solutions for tomorrow’s energy needs as well as those facing Americans today. I introduced a bill that would provide tax incentives for energy efficient hybrid and fuel cell vehicles, which was included in the energy bill. I also voted for a proviso in the Senate energy bill that would have required utilities to generate 10 percent of their energy from renewable sources. In addition, I supported a provision that requires the Federal Government to get at least 7.5 percent of our energy from renewable sources by 2013. I also supported an amendment that would require the U.S. to reduce foreign oil imports by 40 percent in 20 years.

Just last week, oil companies reported record third quarter profits, some more than 85 percent higher than last year. As Americans struggle to fill their gas tanks and pay high home heating bills, the oil and gas companies are filling their pockets with historic profits. And now, here we are, in the Senate, giving them the opportunity to drill in federally protected land.

This is not a time to reward oil and gas companies with the promise of more profits. We need to give these companies the opportunity to be patriots—not profiteers. They need to join us by holding down prices, investing in renewable energy, serving the needs of Americans and conserving as much as possible. Together, America can do better.

The PRESIDENT pro tempore. The time of the Senator has expired.

Who yields time in opposition? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to the Senate it is finally time. It is finally time that we decide to do something about our oil dependency. It is time that we do something for the American people about the rising, escalating price of gasoline at the pump.

As I see it, this is a rare opportunity to produce sufficient quantities of crude oil from our own homeland, from one of our States. Not only will it produce oil, it will produce the equivalent of what the State of Texas has in reserves. To say it has very little is to say it is full State of Texas has very little reserves.

It will produce jobs, up to 736,000. You see them on this list. America cries out for good jobs. We wonder why we don’t have them. Then we ignore our own source of supply which would create them.

Any time I have left I yield to the Senator from Alaska.

The PRESIDENT pro tempore. The Senator has possession.

Ms. MURKOWSKI. Mr. President, this is the Senate’s opportunity and the country’s opportunity to address our national security, our energy security, and our environmental security. Defeat this amendment.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER (Ms. MURKOWSKI). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—48

Baucus          Durbin               Mikulski
Bayh           Feingold           Nelson (FL)
Bingaman       Feinstein          Nelson (NE)
Boxer           Harkin              Obama
Byrd            Johnson            Reed
Carper          Johnson            Reid
Chafee          Kerry               Rockefeller
Clinton         Kohl                Salazar
Colesman        Lautenberg         Sarbanes
Collins         Leahy               Schmaler
Conrad          Levin               Smith
Dayton          Lieberman           Snow
DeWine          Lincoln             Stabenow
Dodd            McCain             Wyden

NAYS—51

Akaka          Doles               Lugar
Alexander       Domencich          Martinez
Baucus          Ensign              McConnell
Bennett         Emi                 Markowitz
Bond            Graham              Sanders
Brownback       Grassley           Sessions
Bunning         Gregg               Shelby
Burns           Hagel               Specter
Burr            Hatch               Stevens
Chambliss       Hutchinson         Talent
Cochran         Inouye              Thomas
Corryn          Isakson             Thune
Craig           Kyi                 Vitter
Crapo           Landrieu            Voinovich
DeMint          Lott                Warner

NOT VOTING—1

Corzine

The amendment (No. 2358) was rejected.

Mr. STEVENS. Madam President, I move to reconsider the vote.

Mr. FRIST. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2862

Mr. STEVENS. Madam President, parliamentary inquiry: The next amendment is the Wyden amendment on export of oil. I make a parliamentary inquiry if that amendment is subject to the Byrd rule.

The PRESIDING OFFICER. In the opinion of the Chair, it is not.

Mr. STEVENS. Madam President, as long as this amendment is not changed and comes back to this floor in the conference report, it will not be subject to the Byrd rule.

The PRESIDING OFFICER. The language as stated is not subject to a point of order.

Who yields time?

Mr. WYDEN. Madam President, I call up the Wyden-Colbert amendment.

The PRESIDING OFFICER. The amendment is pending.

Mr. WYDEN. Madam President, you cannot look the public in the eye after all the speeches about how the oil is needed here at home and pass legislation that is an invitation to export Alaskan oil to countries such as China. The history is, if you do not ban these exports, this oil is going to go to Asia. That was confirmed not long ago by oil company executives who came before the Senate Commerce Committee. Without this amendment, there is no assurance that even one drop of Alaskan oil will get to hurting Americans. I hope the Senate agrees to this amendment to, at the very least, put a Band-Aid on a flawed policy.

I yield to my cosponsor, the Senator from Missouri.

Mr. TALENT. Madam President, I congratulate my friend from Oregon for his fine work.

Briefly, as a very strong supporter of exploring for oil in the Arctic, one of the big reasons we are doing it is to enhance our national security and our own domestic oil supply, which is why I support the amendment I am cosponsoring.

Mr. WYDEN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

Mr. STEVENS. Is there time in opposition?

The PRESIDING OFFICER (Mr. GRAHAM). There is 1 minute in opposition.

Mr. STEVENS. In principle, I am opposed, but as long as it does not violate the Byrd rule, I will not vote against it.

I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment numbered 2862.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN, I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 83, nays 16, as follows:
The PRESIDING OFFICER. Who yields time on the amendment?

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, how much time do I have?

The PRESIDING OFFICER. One minute.

Mr. GRASSLEY. Mr. President, this is a bipartisan amendment, the Grassley-Dorgan amendment, with a lot of cosponsors. We have a problem in the existing bill that will hurt family farmers. It cuts farm payments across the board for 100 percent of the farmers. It cuts conservation programs, so it harms the environment to a greater extent. What we do is solve a problem and help every family farmer in the process.

Ten percent of the farmers in the United States get 72 percent of the benefit out of the farm program. That is unfair. The farm programs have always been targeted toward medium- and small-sized farmers. So we put in a hard cap of $250,000. Mr. President, $250,000 is all one farm entity can get from the farm program. We redistribute that money so we do not have that 2.5-percent cut. We restore some money for conservation and things of that nature.

So I hope you will support our amendment. The last time it was up, we got 66 votes for it.

Mr. KYL. Mr. President, reducing overall Federal spending on farm programs is important if we are to succeed in reducing the Federal budget deficit. The current budget-reconciliation package includes $35 billion in savings, including $3 billion from agriculture programs. To achieve these savings, the Senate Agriculture Committee cuts farm spending by implementing across-the-board 2.5 percent reduction in payments for all farm commodities.

I wholeheartedly support these cuts in farm spending. However, I cannot support waiving the Budget Act to consider the Grassley-Dorgan amendment to impose more restrictive payment limits on farm commodities. This amendment is being offered as a substitute to the cost savings achieved by the fair, across-the-board reductions currently in the package. Substituting the Grassley-Dorgan payment limits is eerily reminiscent of the flawed formula in the highway bill.

Instead of all States bearing the burden equally, the farm cuts would be hit hard by the payment limitations in the Grassley-Dorgan amendment. Its operators would be forced to cut the amount of acres on which they grow cotton. In years when prices decline at harvest, their cash flow would be significantly reduced and they would qualify for financing would be severely hampered.

The Grassley-Dorgan amendment, in equating large with bad, ultimately favors growers of corn, wheat, and soybeans at the expense of farmers of cotton, rice, and peanuts. To further illustrate what I am talking about, let us apply the limitations in the amendment: a farm that produces cotton or rice would, at today’s world prices and average yields, hit hard by the payment limitations at about 400 to 600 acres. This acreage is generally deemed to be too small to sustain the investment in the specialized equipment necessary for cotton and rice production. In contrast, a corn farmer with an expected yield of 150 bushels per acre, would not hit the limit on payments until just over 3,100 acres. Clearly, very few corn farmers will ever feel the effects of the Grassley-Dorgan amendment.

Instead, I have further estimated that the more restrictive eligibility rules that are part of the amendment, combined with the limits on direct payments, would reduce direct payments to Arizona growers by $24.6 million. This represents a reduction of 62 percent, the highest of any State. Arizona would see a loss of just 4 percent and North Dakota, 10 percent.

I am not going to argue that the farm law is off limits for the purpose of finding savings for the American taxpayer. However, I encourage my colleagues to look closely at the ways we achieve that savings. It is simply not fair to use a faulty perception of what crops to grow. To illustrate, cotton program payments represent 39 percent of western farmers’ cash costs of production. Corn and wheat program payments represent 49 percent and 50 percent of Midwestern farmers’ cash costs, respectively.

In order to achieve economies of scale and remain competitive, Arizona farms must be large. According the Economic Research Service, over 30 percent of cotton production occurs on farms operating on more than 2,500 acres. Are we to believe that none of these large farms are owned by Arizona families? I know for a fact that they are.

The average farming operation in Arizona consists of about 7,000 acres. Using a farm in near Buckeye, AZ as an example, this family farm is run by four brothers. Several children are managers of the operation, including performing marketing and financial services. About a third of the farm grows cotton, and a third grows feed grains, and the remaining third alfalfa. The annual budget is $5 million, and the brothers draw an annual salary of about $50,000 each when the farm generates sufficient income. This farm would be hit hard by the payment limitations in the Grassley-Dorgan amendment. Its operators would be forced to cut the amount of acres on which they grow cotton. In years when prices decline at harvest, their cash flow would be significantly reduced and they would qualify for financing would be severely hampered.

The Grassley-Dorgan amendment, in equating large with bad, ultimately favors growers of corn, wheat, and soybeans at the expense of farmers of cotton, rice, and peanuts. To further illustrate what I am talking about, let us apply the limitations in the amendment: a farm that produces cotton or rice would, at today’s world prices and average yields, hit hard by the payment limitations at about 400 to 600 acres. This acreage is generally deemed to be too small to sustain the investment in the specialized equipment necessary for cotton and rice production. In contrast, a corn farmer with an expected yield of 150 bushels per acre, would not hit the limit on payments until just over 3,100 acres. Clearly, very few corn farmers will ever feel the effects of the Grassley-Dorgan amendment.

Instead, I have further estimated that the more restrictive eligibility rules that are part of the amendment, combined with the limits on direct payments, would reduce direct payments to Arizona growers by $24.6 million. This represents a reduction of 62 percent, the highest of any State. Arizona would see a loss of just 4 percent and North Dakota, 10 percent.

I am not going to argue that the farm law is off limits for the purpose of finding savings for the American taxpayer. However, I encourage my colleagues to look closely at the ways we achieve that savings. It is simply not fair to use a faulty perception of what
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constitutes a family farm to favor one
farming region of the country at the
expense of another. Yet, that is exactly
what the Grassley-Dorgan amendment
would do. Thus, I cannot support a mo-
tion to waive the Budget Act with re-
spect to this amendment and must vote
against it.

The PRESIDING OFFICER. The Sen-
ator from New Hampshire.

Mr. GREGG. Mr. President, I yield to
the Senator from Georgia.

The PRESIDING OFFICER. The Sen-
ator from Georgia.

Mr. GRASSLEY. Mr. President, pur-
suant to section 901(c) of the Congress-
ional Budget Act of 1974, I move to
waive section 305 of the Budget Act for
the consideration of amendment No.
2365, as follows:

[45x196]nays 53, as follows:

The PRESIDING OFFICER. On
this vote, the yeas are 46, the nays are 53.
Three-fifths of the Senators duly chosen
and sworn not having voted in the affirmative,
the motion is rejected. The point of order is sustained and
the amendment falls.

The PRESIDING OFFICER. The Sen-
ator from Iowa.

Mr. BINGAMAN. Mr. President, this
amendment deals with the fact that under current law, 31 of our States are
receiving significant cuts in Federal sup-
port for Medicaid because of a reduc-
tion in the percentage the Federal Gov-
ernment will pay, the FMAP, as we al-
ways refer to it, the Federal matching
rate. Alaska is held harmless in the un-
derlying bill. That will not suffer a cut. My amendment would say that for
the other 30 States, the cut should not
be more than five-tenths of 1 percent
next year. The amendment is more than
offset. In fact, the offset is sup-
ported strongly by Secretary Leavitt’s
Medicaid Commission. It is supported
strongly by the National Governors As-
soiciation. It would save the States over
$3 billion if this offset is agreed to as
part of this amendment.

I urge my colleagues to support the
amendment. This map shows the States
in red that would get a more fair share of Medicaid funds, if the amendment
passes.

The PRESIDING OFFICER. The Sen-
ator from Iowa.

Mr. GRASSLEY. Mr. President, I ask
Members to vote no on this amend-
ment. There is an odd situation here.
We have had a formula in the legisla-
tion for 40 years. That formula regu-
larly has some States getting more re-
imbursement, some States getting less.
Next year your State might go up. The
next year it might go down. That is the
way it has been working. All of a sud-
den, some States are receiving a reduc-
tion, and they want to keep it where it is.
I have never had a situation where,
when the formula worked to the ben-
efit of the State, their reimbursement
went up, that you come in here and ask
for us to reduce the reimbursement.
No, you accept the formula. If you
want the formula changed, work with
Senator BAUCUS and I have a good plan
to change the formula. It would smooth
out the peaks and valleys. That is what
we ought to be doing instead of piece-
meal doing it this way. I ask Members
to vote against the amendment.

AMENDMENT NO. 2365, AS MODIFIED

Mr. BINGAMAN. Mr. President, I call
up the modified version of the amend-
ment, and I ask unanimous consent
that that be the pending amendment.

The amendment, as modified, is as
follows:

On page 188, after line 24, add the fol-
lowing:

SEC. 6037. LIMITATION ON SEVERE REDUCTION
IN THE MEDICAID FMAP FOR FISCAL
YEAR 2006.

(a) LIMITATION ON REDUCTION.—In no case
shall the FMAP for a State for fiscal year
2006 be less than the greater of the fol-
lowing:

(1) 2005 FMAP decreased by the applicable
percentage points.—The FMAP determined
for the State for fiscal year 2005, decreased by

(A) 0.1 percentage points in the case of Delaware and Michigan;

(B) 0.3 percentage points in the case of Kentucky; and

(C) 0.5 percentage points in the case of any other State.

(b) SCOPE OF APPLICATION.—The FMAP ap-
plicable to a State for fiscal year 2006 after
the application of subsection (a) shall apply only for purposes of titles XIX and XXI of
the Social Security Act (including for pur-
poses of making disproportionate share hos-
pital payments described in section 1923 of
such Act (42 U.S.C. 1396r-4) and payments
under such titles that are based on the en-
hanced FMAP described in section 210(b) of
such Act (42 U.S.C. 1397e(b))) and shall not
apply with respect to payments under title
IV of such Act (42 U.S.C. 601 et seq.).

(c) DEFINITIONS.—In this section:

(1) FMAP.—The term “FMAP” means the
Federal medical assistance percentage, as
defined in section 1903(b) of the Social Secu-
ritv Act (42 U.S.C. 1396d(b)).

(2) STATE.—The term “State” has the
meaning given such term for purposes of title
XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(d) REPEAL.—Effective as of October 1, 2006,
this section is repealed and shall not apply
to any fiscal year after fiscal year 2006.

SEC. 6038. EXTENSION OF PRESCRIPTION DRUG
REBATES TO ENROLLEES IN ME-
DICAID MANAGED CARE OR-
GANIZATIONS.

(a) IN GENERAL.—Section 1927(j)(1) (42
U.S.C. 1396r-8(j)(1)) is amended by striking
“dispensed” and all that follows through the
period and inserting “are not subject to the
requirements of this section if such drugs are—

“(A) dispensed by health maintenance or-
ganizations that contract under section
1903(b)(1); and

“(B) subject to discounts under section
360B of the Public Health Service Act (42
U.S.C. 265b).”

(b) EFFECTIVE DATE.—The amendment
made by subsection (a) shall take effect on
the date of enactment of this Act and apply
to rebate agreements entered into or re-
newed under section 1903(b)(1) of the Social Secu-
rity Act (42 U.S.C. 1396–8) on or after such
date.
Mr. LOTT. Mr. President, I call up amendment No. 2360. The PRESIDING OFFICER. The amendment is pending.

Mr. LOTT. Mr. President, I will take a couple minutes to discuss the amendment. First of all, my cosponsor on this amendment is Senator LAUTENBERG.

This is an amendment that adds provisions of S. 1518, the Passenger Rail Investment and Improvement Act of 2005. It was reported out of the Commerce Committee in July and has been ready to be considered by the Senate, but repeated efforts to have it brought up in the regular order were not cleared.

We are running out of time. The administration has made it clear that without reform, they are not going to be supportive of future funds through the appropriations process for Amtrak. This is an amendment that adds a lot of input from management and labor, the administration, and both sides of the aisle.

I believe this is the last chance for the Senate to act on this important legislation, making it possible for us to have it included in some legislation, before we finish this year, to reform Amtrak.

Mr. GREGG. Mr. President, I appreciate the work the Senator from Mississippi and the Senator from New Jersey have done on this bill.

It is absolutely true that this does represent some significant additional reforms for Amtrak. In discussions with Senator LOTT from Mississippi and others, I do believe there is an opportunity to do a lot more. Unfortunately, the House has not really undertaken any reform effort at all, and that is certainly one of the concerns that I have, that this not be a dead-end process, that we do more in this bill to deal with long distance routes that lose $200 million a year and labor constraints that the management of Amtrak has said they want to have modified and adjusted so they can operate more effectively and more efficiently. These items are not in this legislation, although it does represent a step forward.

I look forward to continuing to work to improve the legislation, but I certainly cannot support its adoption on this reconciliation bill.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LOTT. Mr. President, I note that Senator BURNS has also been active in this process.

I ask unanimous consent that other Senators' names be allowed to be added as cosponsors to the amendment.

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

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The PRESIDING OFFICER. The legislative clerk called the roll. Mr. DURBIN, I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yea 93, nay 6, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—93

Akaka    Dodd    Lugar
Alexander  Doles    Martinez
Allard    Domenici    McCain
Allen     Donelan    McConnell
Baucus    Durbin     Mikulski
Bayh     Feingold    Milwaukee
Biden     Rzni     Murkowski
Bingaman  Feingold    Murray
Boxer    Feinstein    Nelson (FL)
Bond     Frist     Nelson (NE)
Bonzoni  Graham     Obama
Brownsack  Grassley    Pryor
Burns     Hatch     Reed
Burr  Hatch     Roberts
Byrd     Inhofe     Rockefeller
Cantwell  Innuye      Salazar
Carder     Johnson     Santorum
Chambliss  Isakson     Sarbanes
Chambliss  J ohnson     Schumer
Clinton    J ohnson     Shelby
Collins    Conn    Smith
Collins    Conrad     Stabenow
Corzine   Cornyn    Stevens
DeMint    Craig     Thomas
DeMint    Craig     Thune
DeMint    Craig     Voinovich
Domenici  Lieberman    Vitter
Kyl    Lugar     Warner
Kerry     Lincoln    Wyden
Kerry     Lieberman    Wyden

NAYS—6

DeMint    Gregg     Sununu
Ensign    Sessions     Voinovich

NOT VOTING—1

Corzine

The amendment (No. 2360) was agreed to.

Mr. LOTT. Mr. President, I move to reconsider the vote. Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2370

The PRESIDING OFFICER. There is 2 minutes now equally divided prior to a vote on the McCain amendment. Who yields time?

The Senator from Arizona.

Mr. MCCAIN. Mr. President, this amendment does one very simple thing. It would move the DTV transition date forward by 1 year, making it possible to have it included in some legislation, before we finish this year, to reform Amtrak.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2370

The PRESIDING OFFICER. There is 2 minutes equally divided on the Lott amendment No. 2360.

Mr. GREGG. Mr. President, the next amendment is the Lott amendment, the Amtrak amendment.

The PRESIDING OFFICER. The Senator from Mississippi.
Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, I want to point out for the edification of our colleagues that we still have a lot of amendments to go. The estimate is in the high teens or potentially low twenties. At the pace we are going, we are not going to get them all done today, and we are going to be here on Friday.

I ask, Mr. President, if we can be advised as to how long the last three votes have taken. If we could hear from the clerks, approximately how long? We do not have to be precise. How long have the votes taken?

The PRESIDING OFFICER. An hour 6 minutes.

Mr. GREGG. At this pace, we are here Friday.

I hope Members will think about their amendments, if they have some that are still talking about, and give serious consideration to allowing a voice vote or allowing it to be worked out.

AMENDMENT NO. 2368, WITHDRAWN

I ask unanimous consent that the Corzine amendment, No. 2368, be withdrawn.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2372

Mr. GREGG. Mr. President, we are now on to Senator Murray’s amendment.

Mrs. MURRAY. Mr. President, I ask unanimous consent that Senator Corzine be added as a cosponsor.

The motion to add Senator Corzine was agreed to.

Mrs. MURRAY. Mr. President, in a few short weeks some of our most vulnerable Americans, our sickest and poorest, so-called dual eligibles, are going to be shifted from Medicaid to Medicare. We have a train wreck coming. Medicare is going to randomly assign these people to a plan which they may not know about and which might not cover their lifesaving drugs. Doctors, hospitals, and pharmacists are scrambling. These prescription drug policies themselves have not defined the drugs they are going to cover. My amendment simply gives a 6-month transition for those people so they do not get lost in this switch. I support Medicare coverage for these dual eligibles, but I cannot—and I don’t think we should—support turning these people away at the drugstore.

This amendment does not delay the implementation of the Medicare drug benefit. It simply assures thousands of our most vulnerable Americans that they will not be lost in the transition from Medicaid to Medicare coverage.

I thank Senator Rockefeller and my cosponsors, and I urge adoption of this amendment.

Mr. GREGG. Mr. President, CMS has a plan in place, and 6 months ago CMS introduced a strategy for transitioning dual eligibles from Medicaid to Medicare which lays out in great detail the steps CMS will take to ensure the continuity of coverage of this valuable group of beneficiaries. Therefore, the leadership of the Finance Committee strongly opposes this amendment.

I make a point of order that the pending amendment is not germane to the measure now before the Senate, and I raise a point of order under section 305 of the Budget Act.

Mrs. MURRAY. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable sections of that act for purposes of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerks will call the roll.

The assistant Journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 43, nays 56, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—43

Akaka
Allen
Angell
Baucus
Bayh
Biden
Boozman
Bond
Bunning
Burns
Burr
Byrd
Chafee
Chambliss
Chambliss
Cochran
Coleman
Cornyn
Craig
Crapo
Dayton
Dodd
Durbin
FEINGOLD
Feinstein
Harkin
Inouye
Jeffords
Johnson
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lincoln
McCain
McConnell
McCollum
Mikulski
Murray
Nelson (FL)
Nelson (NE)
Obama
Pryor
Reed
Reid
Rockefeller
Risch
Salazar
Sarbanes
Schumer
Stabenow
Specter
Sununu
Talent
Thomas
Tinner
Vitter
Voynovich
Warner

NAYS—56

Alexander
Allard
Allen
Bennett
Brownback
Burns
Burr
Chafee
Chambliss
Cochran
Coleman
Collins
Cornyn
Craig
Crapo
DeMint
Dole
Domenici
Ensign
Enzi
Feingold
Graham
Grassley
Gregg
Hagel
Hatch
Hatch
Hutchinson
Inhofe
Isakson
Kyl
Lott
Lugar
Martinez
McCain

NOT VOTING—1

Corzine

The PRESIDING OFFICER (Mr. AL-EXANDER). On this question, the yeas are 43, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained. The amendment falls.

Mr. GREGG. I move to reconsider the vote.
Mr. SANTORUM. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 2366 WITHDRAWN

The PRESIDING OFFICER. The pending question is the Landrieu amendment No. 2366.

Mr. GREGG. I yield to the Senator from Louisiana for the purpose of sending a modification to the desk.

Mr. VITTER. Mr. President, with Senator LANDRIEU’s consent, I request the amendment be withdrawn, and we call up the Stevens-Vitter-Landrieu-Domenici amendment.

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

AMENDMENT NO. 2122

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. VITTER), for Mr. STEVENS, for himself, Mr. VITTER, Ms. LANDRIEU, and Mr. DOMENICI, proposes an amendment numbered 2412.

Mr. GREGG. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To modify the distribution of excess proceeds from the auction authorized by section 306(k)(15)(C)(v) of the Communications Act of 1934.)

On page 95, strike lines 13 through 21, and insert the following:

(1) USE OF EXCESS PROCEEDS.—Any proceeds of the auction authorized by section 306(k)(15)(C)(v) of the Communications Act of 1934, as added by section 3003 of this Act, that exceed the sum of the payments made from the Fund under subsection (c), the transfer from the Fund under subsection (d), and any amount made available under section 3006 (referred to in this subsection as “excess proceeds”), shall be distributed as follows:

(1) The first $1,000,000,000 of excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

(2) After the transfer under paragraph (1), the next $500,000,000 of excess proceeds shall be transferred to the interoperability fund described in subsection (c)(3).

(3) After the transfers under paragraphs (1) and (2), the next $1,200,000,000 of excess proceeds shall be transferred to the assistance program described in subsection (c)(5).

(4) After the transfers under paragraphs (1) through (3), any remaining excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

The PRESIDING OFFICER. There is 2 minutes of debate evenly divided.

Mr. VITTER. Mr. President, I present this on behalf of Mr. STEVENS, the main author, as well as myself, Ms. LANDRIEU, Mr. DOMENICI, Mr. BENGAMAN, Mr. LOTT, Mr. INOUYE, Mr. CRAIG, and others. This will not change our budget numbers or our goal of deficit reduction in any way. In fact, it could enhance it.

This amendment says if and when—and only if and when—the spectrum auction produces more than is forecast, the first $1 billion over that amount would go to deficit reduction, the next $500 million would go to interoperability, the next $1.2 billion, in that order, goes to a coastal program under Commerce jurisdiction, and the remainder, if at all, would go to deficit reduction. This could, in fact, enhance deficit reduction.

Of course, it is very important to coastal States, including Louisiana, to beef up the coastline and to protect us in the future from major storms like Hurricanes Rita and Katrina.

I yield the remaining time to Senator LANDRIEU.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I thank my colleague from Louisiana and particularly thank the leadership of Senator STEVENS and Senator DOMENICI and so many who have joined the effort. It has been a great effort. We thank our colleagues.

Mr. GREGG. Mr. President, I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2412) was agreed to.

Mr. CONRAD. Mr. President, just to update our colleagues, we now have 19 amendments still pending. On our current course, that is going to take at least 6½ hours. That would take us to 8:30. I ask colleagues, please, if you can withhold on your amendment, do so. If you have a chance to work out the amendment, please work hard and diligently to work it out. I urge colleagues, we have a drop-dead time at 6 o’clock tonight. We cannot go beyond that with business. We have less than 4 hours to go through 19 amendments. The only way this is going to happen is if colleagues will give up on some of their amendments. Otherwise, we are here tomorrow. Once we are here tomorrow, we all know what happens: we will be here a long time tomorrow.

AMENDMENT NO. 2367

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, the reconciliation bill would increase immigrant work visas by 350,000 per year, about one-third of the current level. It is a massive and destabilizing increase that does not belong on the reconciliation bill.

My amendment would strike the increase in immigrant work visas and impose a $1,500 immigrant application fee on multinational corporations.

With my amendment, the Judiciary Committee would exceed the reconciliation savings targets and do so without increasing immigrant work visas. We authorized over half a million H-1B visas in 2000. Last year, we authorized another $100,000 over 5 years. Do we really need another 150,000 visas on top of that? When is enough enough?

My amendment has the support of the unions. It has the support of immigrant enforcement groups. It has the support of Republican and Democrat Senators. I urge agreement of the amendment.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am opposed to this amendment because the fees for L visas would raise funds but would do nothing to fill very important jobs in the United States. The existing plan submitted by the Judiciary Committee imposes a fee, but it extends the H-1B visa and recaptures the visas which were not used in the last 5 years. There are very careful safeguards so that U.S. jobs are not lost.

I understand the position of the distinguished Senator from West Virginia, the position of the unions, but I believe their concerns are misplaced and that there is a real need for these positions of highly skilled professionals, Ph.D.s, advanced degrees, therefore, with due respect to my colleague from West Virginia, I ask for a “no” vote.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment.

Mr. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 14, nays 85, as follows:

[Rollcall Vote No. 265 Leg.]
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NOT VOTING—1

The amendment (No. 2367) was rejected.

Mr. GREGG. I move to reconsider the vote.

Mr. CONRAD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. Mr. President, the next item is the Harkin amendment, a sense of the Senate. I ask unanimous consent that we have 2 minutes equally divided between the proponent and the opponent.

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

The Senator from North Dakota.

Mr. CONRAD. Mr. President, let us repeat the message loud and clear: These next three votes are going to be strict 10-minute votes. At the end of 10 minutes, the manager and I are going to call the vote. That is the only possible, conceivable way we can get done today.

Mr. GREGG. Of course, we may actually get a voice vote in here, hopefully. The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 2363

(Purpose: To affirm that the Federal funding levels for the rate of reimbursement of child support administrative expenses should not be reduced below the levels provided in current law; that Federal child support incentive payments for child support program expenditures that are eligible for Federal matching payments, and to express the sense of the Senate that it does not support additional fees for successful child support collection)

Mr. HARKIN. Mr. President, my amendment—knowing the sense-of-the-Senate resolution that the Senate go on record opposing the House’s $9 billion cut to child support enforcement programs. It is not reasonable to cut a program that last year served 17,300,000 children. This money that goes out to States for child support enforcement to go to deadbeat dads to get them to pay the money for child support. As a matter of fact, this is one of the best things that has happened out of welfare reform. For every $1 we spend, we are getting $4.38 back to the Government but to the families and the kids who need it. This is just a sense-of-the-Senate resolution that says we do not agree with the House 40-percent cut in this program and we won’t hold up to it when it goes to the conference. It is a sense-of-the-Senate resolution.

The bill approved by Ways and Means would slash funding for child support enforcement to be by 40 percent over the next 10 years. The Congressional Budget Office estimates that, as a result of these cuts, more than $24 billion in delinquent payments will go uncollected. And the biggest negative impacts will be felt by children living in poverty and children in low-income households.

And let’s be clear: Why is the House doing this? Why is it cutting this essential program that benefits some of the most vulnerable, disadvantaged, neglected children in our society? They are doing this in order to make room for another $70 billion in tax cuts—tax cuts overwhelmingly benefiting our wealthiest citizens.

Indeed, that is what this entire reconciliation process is all about. For 25 years, the budget reconciliation process was used to reduce the deficit. But today, the majority party has a different idea. They are using reconciliation to increase the deficit. They are cutting child support, food assistance for the poor, foster care benefits, Medicaid, and other programs for the most disadvantaged Americans. At the same time they are ramming through another $70 billion in tax cuts for the millionaires.

There is no other word for it: This is simply immoral. Last year, more than 17 million children received financial support through the Child Enforcement System, including nearly two-thirds of all children in single-parent households with incomes below twice the poverty line.

Child support helped to lift more than 1 million Americans out of poverty in 2002. As a result of cuts passed by the House, millions of those people—mostly children—would be plunged back into poverty. Not only is this cruel, it is also counterproductive. It is penny wise and pound foolish, because those families that are shoved into poverty by the House’s action will end up on food stamps, Medicaid, Temporary Assistance for Needy Families, and other forms of public assistance.

This chart shows the State-by-State impact of the cut in child support collection. A single child support violation could cost one child $239 million over the next 10 years. This is a proven program, an effective program. It reduces poverty. It gets resources to children who desperately need them. It is cost effective. Research has shown that the decline in family living on TANF in recent years is directly linked to improvements in the Child Support Enforcement Program. For all these reasons, this program has enjoyed broad bipartisan support.

In the past, President Bush himself has praised this program, calling it one of our highest performing social services programs. And he is right because for every Government dollar spent, $4.38 is recovered for families in child support payments. With good reason. Reforms over the last decade have made this program even more effective. Since 1996, there has been an 82-percent increase in collections, from $12 billion to $22 billion.

Child Support Enforcement is essential to helping families to achieve self-sufficiency. For families in poverty who receive child support, those payments account for an average of 30 percent of their income. Their mother’s earnings, child support is the largest income source for poor families receiving assistance. Child support payments are used to pay for food, child care, shelter, and the most basic essentials of life.

If we were smart, if we were compassionate, if we were looking at ways to get maximum bang for the buck, we would be increasing funding for this essential program. But the action of the majority body, slashing Child Support Enforcement by 40 percent to make way for more tax cuts, is just unconscionable. It is bad public policy, bad values, and bad priorities.

A strong bipartisan vote for this resolution will send a strong message to the House conferees that this cut is unacceptable to the Senate and that this body will not accept a slash-and-burn attack on a program that lifts more than 1 million people out of poverty every year. I urge my colleagues to support this resolution.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. KORI, Mr. OBAMA, and Mr. BAYH, proposes an amendment numbered 2363.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. 2. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) On October 26, 2005, the Committee on Ways and Means of the United States House of Representatives approved a budget reconciliation package that would significantly reduce the Federal Government’s funding used to pay for the child support program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) and would restrict the ability of States to use Federal child support incentive payments for child support program expenditures that are eligible for Federal matching payments.

(2) The child support program enforces the responsibility of non-custodial parents to support their children. The program is jointly funded by Federal, State and local governments.

(3) The Office of Management and Budget gave the child support program a 90 percent rating under the Program Assessment Rating Tool (PART), making it the highest performing social services program.

(4) The President’s 2006 budget cites the child support program as “one of the highest rated block/formula grants of all reviewed programs government-wide. This high rating is due to its strong mission, effective management, and demonstration of measurable...
progress toward meeting annual and long term performance measures."

(5) In 2004, the child support program spent $5,300,000,000 to collect $21,900,000,000 in support for children of Federal and State dollars that the program spends.

(6) In 2004, 17,300,000 children, or 60 percent of all children living apart from a parent, received child support services through the program. The percentage is higher for poor children—81 percent of poor children living apart from their parent receive child support services through the program. Families assisted by the child support program generally have low or moderate incomes.

(7) Children who receive child support from their parents do better in school than those who do not receive support payments. Older children with child support payments are more likely to finish high school and attend college.

(8) The child support program directly decreases the costs of other public assistance programs by increasing family self-sufficiency. The more effective the child support program in a State, the higher the savings in public assistance costs.

(9) Child support helps lift more than 1,000,000 Americans out of poverty each year.

(10) Families that are former recipients of assistance under the temporary assistance for needy families program (TANF) have seen the greatest increase in child support payments. Collections for these families increased 94 percent between 1999 and 2004, even though the number of former TANF families did not increase during this period.

(11) Families that receive child support are more likely to be able to find and hold jobs, and less likely to be poor than comparable families without child support.

(12) The child support program saved costs in the Food Stamp, Medicaid, Food Stamps, Supplemental Security Income, and subsidized housing programs.

(13) The Congressional Budget Office estimates that the funding cuts proposed by the Committee on Ways and Means of the House of Representatives would reduce child support collections by nearly $1,900,000,000 in the next 5 years and $21,100,000,000 in the next 10 years.

(14) That National Governor’s Association has stated that such cuts are unwise and will force States to reduce other public assistance services that make the child support program so effective.

(15) The Federal Government has a moral responsibility to ensure that parents who do not live with their children meet their financial support obligations for those children.

(a) In GENERAL.—For purposes of consideration in the Senate of any reconciliation bill or resolution, or amendments thereto or debate on motions accompanying therewith, under sections 310(e) of the Congressional Budget Act of 1974, section 305(b) (1), (2), and (5), section 305(c), and the limitations on debate in section 306(e) of that Act, shall not apply to any reconciliation bill or resolution, amendment thereto, or motion thereon that includes reductions in revenue or increases in spending that would cause an on-budget deficit to occur or increase the deficit for any fiscal year covered by such bill or resolution.

(b) GERMANKESSE REQUIRED.—Notwithstanding subsection (a), no amendment that is not germane to the provisions of such reconciliation bill or resolution shall be recognized for support.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, the practical effect of this amendment would be to essentially vitiate the reconciliation process. It would mean we would end up with an event that could be filibustered. The whole purpose of reconciliation is to have a time limit and to get to a vote. Therefore, this amendment would undermine completely the concept of reconciliation which, as is hopefully going to be proven by this
Mr. GREGG. I move to reconsider and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

**AMENDMENT NO. 293**

Mr. GREGG. The next amendment is Senator Lautenberg's.

**The PRESIDING OFFICER.** The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I have offered an amendment to ensure that people understand what they are signing up for when the Medicare drug benefit comes to life and that is beginning in 2006. There is such a mix of things that the recipient beneficiaries, I am sure, will be very confused as to what the cost is going to be on the gap of coverage, whether they have to pay it all out of their pockets. I want to make sure they understand what it is they are applying for and the pitfalls or the advantages thereof.

This is very simple. We ask them to sign a note when they apply for their plan so that they are saying they are fully aware of the consequences of their signature. This should be passed, Mr. President, because it helps the senior citizens understand what it is they are getting into.

**The PRESIDING OFFICER.** The Senator from New Hampshire.

Mr. GREGG. Mr. President, I am sure this amendment is well-intentioned, as are all amendments from the Senator from New Jersey, but essentially it creates an unnecessary level of paperwork for the enrollee in the plan, and in addition, as a practical matter, it enters into a portion of the Medicare trust fund which we have not addressed in this reconciliation bill, which is the Part D section of the trust fund, that being the new drug program the theory being that program should be allowed to get rolling before it gets amended.

There are a number of regulations coming out from CMS relative to making sure the beneficiaries are adequately protected under their plan, and I believe they pick up the issues that are raised by the Senator from New Jersey.

That being said, I make a point of order that the pending amendment is not germane to the measure now before the Senate, and I raise that point of order under section 305 of the Budget Act.

Mr. LAUTENBERG. Mr. President, pursuant to the relevant sections of the Congressional Budget Act of 1974, I move to waive those sections for consideration of the pending amendment.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

**The PRESIDING OFFICER.** Is there a sufficient second?

There appears to be.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

**The PRESIDING OFFICER.** Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 44, nays 55, as follows:

[Rollcall Vote No. 297 Leg.]

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**NOT VOTING—1**

**Corzine**

Mr. GREGG. Mr. President, I would simply announce that this is a 10-minute vote and it will be so.

**The PRESIDING OFFICER.** The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

**The PRESIDING OFFICER.** The Senator from New Hampshire.

Mr. GREGG. I ask unanimous consent that votes on this and all further amendments be 10 minutes.

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

The question is on agreeing to the motion.

The clerk will call the roll.

**The PRESIDING OFFICER.** The assistant Journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

**The PRESIDING OFFICER.** Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 44, nays 55, as follows:

[Rollcall Vote No. 296 Leg.]

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**NOT VOTING—1**

**Corzine**

Mr. GREGG. Mr. President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. GREGG. I ask unanimous consent that 10 minutes be given to the Senators from Hawaii, to be divided as they deem appropriate.

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

The Senator from Hawaii.

The remarks of Mr. INOUYE, Mr. AKAKA and Mr. BYRD are printed in today's RECORD under "Morning Business."

**The PRESIDING OFFICER.** What is the will of the Senate? The Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask the Chair of the committee if it would be appropriate now to go to the Cantwell amendment.

Mr. GREGG. Absolutely.

Mr. CONRAD. Mr. President, I direct my colleagues' attention to the Cantwell amendment and indicate that we are now trying to make an analysis of
where we are with respect to the funding of the bill, where we are with respect to the requirements the Senate is under to reconcile, to make certain that all of this fits together. That is the reason for the delay at this moment in order to make certain that the numbers work correctly.

With that, we will go to the Cantwell amendment.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 2400

Ms. CANTWELL. Mr. President, I rise to offer a perfecting amendment. In order to raise the $2.4 billion claimed in the underlying bill, it assumes a 50-50 split of oil leasing revenues between the State of Alaska and the Federal Treasury.

But my colleagues may be surprised to learn that whether or not this 50-50 legislative language is upheld in court is a matter of some uncertainty. The State of Alaska has long maintained it is due 90 percent of these revenues, so instead of the Federal Government getting $2.4 billion, it would only get $480 million.

If you don’t believe me, the State of Alaska just passed a resolution this spring, saying it would insist on the 90-10 split. I ask my colleagues to be faithful in telling the taxpayers the 10 split. I ask my colleagues to be certain that the numbers work correctly.

With that, we will go to the Cantwell amendment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, this bill already contains the first portion of this amendment: Notwithstanding any other provision of law, the existing law applies to this area of Alaska.

This is a vindictive amendment. It says if my State decides to pursue a legal right that all production in ANWR would stop. There would be no further production. I don’t understand this amendment because we have been a State since 1958. We have not filed that suit and not moving forward until we are certain that is $2.4 billion of revenue for the Federal Government.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. DOMENICI. Mr. President, we yield the Senator from New Mexico what time we have left.

Mr. DOMENICI. Mr. President, we had a very critical vote. You all listened to it. This is nothing but an amendment to try to come in the back door and kill ANWR. It is absolutely an amendment to try to come in the back door and kill ANWR. It is absolutely a vindictive amendment. It says if my State decides to pursue a legal right from Alaska; and (II) the balance shall be deposited into the Treasury as miscellaneous receipts.

(2) JUDICIAL REVIEW.

(A) IN GENERAL.—Any civil action brought by the State of Alaska to compel an increase in the percentage of revenues to be paid under paragraph (1) shall be filed not later than 90 days after the date of enactment of this Act.

(B) LIMITATION.—

(I) IN GENERAL.—If a civil action is filed by the State of Alaska under subparagraph (A), until such time as a final nonappealable order is issued with respect to the civil action and notwithstanding any other provision of law.

(II) production of oil and gas from the Arctic National Wildlife Refuge is prohibited;

(III) no action shall be taken to establish or implement an alternative oil and gas leasing program authorized under this title; and

(III) no leasing or other development leading to the production of oil or gas from the Arctic National Wildlife Refuge shall be undertaken.

(ii) FINAL ORDER.—If the court issues a final nonappealable order with respect to a civil action filed under subparagraph (A) that increases the percentage of revenues to be paid to the State of Alaska—

(1) production of oil and gas from the Arctic National Wildlife Refuge is prohibited; and

(2) no leasing or other development leading to the production of oil or gas from the Arctic National Wildlife Refuge shall be undertaken.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Ms. CANTWELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—48

Baucus
Bayh
Bingaman
Boxer
Cardin
Carper
Chafee
Clinton
Cohen
Conrad
Craig
DeMint
Dodd
Alexander
Allard
Bennett
Bond
Baucus
Bunning
Burns
Chambliss
Cochran
Corzine
Craiova
Craig
Craiova

Dole
Domenici
Reisch
Prizt
Grassley
Gregg
Hatch
Hutchison
Inhofe
Issakon
Kristol
Kraay
Lott
Lucar
Martinez
McConnell
Markowski
Roberts
Santorum
Sessions
Saxby
Specter
Stevens
Sununu
Thune
Vitter
Voinovich
Warner

NOT VOTING—1

Corse

The amendment (No. 2400) was rejected.

Mr. McCONNELL. I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NO. 2390, 2378, 2318, 2411, 2413, EN BLOC

Mr. GREGG. Mr. President, I ask unanimous consent the following amendments, which are acceptable to both sides, upon being sent to the desk, to be agreed to, en bloc, and the motions to reconsider be laid upon the table.

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

The amendments, en bloc, were agreed to, as follows:

AMENDMENT NO. 2390

(Purpose: To amend the definition of independent student to include students who are homeless children and youths and unaccompanied youths for purposes of the need analysis under the Higher Education Act of 1965)

On page 697, between lines 11 and 12, insert the following:

In paragraph (6), by striking “(II) no leasing or other development leading to the production of oil or gas from the Arctic National Wildlife Refuge shall be undertaken.” and inserting “(II) no leasing or other development leading to the production of oil or gas from the Arctic National Wildlife Refuge shall be undertaken.”

In paragraph (7), by striking “(I) production of oil and gas from the Arctic National Wildlife Refuge is prohibited; and” and inserting “(I) production of oil and gas from the Arctic National Wildlife Refuge is prohibited; and”

The amendments, en bloc, were agreed to, as follows:

AMENDMENT NO. 2378

(Purpose: To fund justice programs at the end of title VIII, insert the following:

SEC. 8. JUSTICE PROGRAMS.

(a) IN GENERAL.—The Secretary of the Treasury—

(1) for fiscal year 2006, out of the funds in the Treasury not otherwise appropriated,
shall pay to the Attorney General, by December 31, 2005, the amounts listed in subsection (b) that are to be provided for fiscal year 2006; and

(2) for each subsequent fiscal year provided in subsection (b) out of funds in the Treasury not otherwise appropriated shall pay to the Attorney General the amounts provided by November 30 of each fiscal year.

(b) Amounts Provided.—The amounts referred to in subsection (a), which shall be in addition to funds appropriated for each fiscal year, are:

(1) $8,000,000 for fiscal year 2006, $17,000,000 for fiscal year 2007, $15,000,000 for fiscal year 2008, $12,500,000 for fiscal year 2009, and $10,000,000 for fiscal year 2010, to fund the Bulletpoint Vest Partnership Program as authorized under section 4 of Public Law 108-405.

(2) $3,700,000 for fiscal year 2006, $6,300,000 for fiscal year 2007, $5,500,000 for fiscal year 2008, $5,000,000 for fiscal year 2009, and $5,000,000 for fiscal year 2010, to fund DNA Training and Education for Law Enforcement, Correctional Personnel, and Court Officers as authorized by section 303 of Public Law 108-405.

(3) $8,000,000 for fiscal year 2006, $12,000,000 for fiscal year 2007, $10,000,000 for fiscal year 2008, $10,000,000 for fiscal year 2009, and $10,000,000 for fiscal year 2010, to fund DNA Research and Development as authorized by section 305 of Public Law 108-405.

(4) $500,000 for fiscal year 2006, $500,000 for fiscal year 2007, $500,000 for fiscal year 2008, $500,000 for fiscal year 2009, and $500,000 for fiscal year 2010, to fund the National Forensic Science Commission as authorized by section 306 of Public Law 108-405.

(5) $1,000,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, $1,000,000 for fiscal year 2008, $1,000,000 for fiscal year 2009, and $1,000,000 for fiscal year 2010, to fund DNA Identification of Missing Persons as authorized by section 308 of Public Law 108-405.

(6) $8,000,000 for fiscal year 2006, $7,000,000 for fiscal year 2007, $25,000,000 for fiscal year 2008, $25,000,000 for fiscal year 2009, and $25,000,000 for fiscal year 2010, to fund Capital Litigation Improvement Grants as authorized by sections 412, 422, and 426 of Public Law 108-405.

(7) $2,500,000 for fiscal year 2006, $3,000,000 for fiscal year 2007, $2,500,000 for fiscal year 2008, $2,500,000 for fiscal year 2009, and $2,500,000 for fiscal year 2010, to fund the Kirk Bloodsworth Post-Conviction DNA Testing Grants Program as authorized by sections 421, 422, and 426 of Public Law 108-405.

(8) $1,000,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, $1,000,000 for fiscal year 2008, $1,000,000 for fiscal year 2009, and $1,000,000 for fiscal year 2010, to fund increased Resources for Enforcement of Crime Victims Rights, Crime Victims Notification, and Crime Victims Grants, as authorized by section 1904 of the Victims of Crime Act of 1984 (42 U.S.C. 10103a).

(c) Obligation of Funds.—The Attorney General shall—

(1) receive funds under this section for fiscal years 2006 through 2010; and

(2) accept such funds in the amounts provided which shall be obligated for the purposes stated in this section by March 1 of each fiscal year.

SEC. 2031. SHORT TITLE.

This subtitle may be cited as the “Specially Adapted Housing Grants Improvement Act of 2010.”

SEC. 2032. ADAPTIVE HOUSING ASSISTANCE FOR DISABLED VETERANS RESIDING TEMPORARILY IN HOUSING OWNED BY A FAMILY MEMBER.

(a) Assistance Authorized.—Chapter 21 of title 38, United States Code, is amended by inserting after section 2102 the following new section:

“2102A. Assistance for veterans residing temporarily in housing owned by a family member

(a)(1) The Secretary may provide to a disabled veteran described in subsection (a)(2) or (b)(2) of section 2101 of this title, upon application, assistance in the form of a grant, to assist the veteran in acquiring such adaptations to a veteran’s dwelling to the extent that the actual cost of such adaptations is less than $10,000, in the case of a veteran described in section 2101(a)(2) of this title; or $49,000, in the case of a veteran described in section 2101(a)(1); or $10,000, for medical adult day care services or medical adult day care services or medical adult day care services or medical adult day care services, as provided in section 2104(b) of this title.

(2) Subject to subsection (d), and except as provided in section 2102A(a) of this title, the assistance authorized by section 2101(b) of this title may not exceed the actual cost, or in the case of a veteran acquiring a residence already adapted with special features, the fair market value, of the adaptations determined by the Secretary under such section (a) to be required; and

(b) Limitation on Assistance.—The aggregate amount of assistance available to a veteran under sections 2101(a) and 2102A of this title shall be limited to $50,000.

(c)(1) The aggregate amount of assistance available to a veteran under sections 2101(b) and 2102A of this title shall be limited to the lesser of—

“(A) the sum of the cost or fair market value described in section 2102(b) of this title and the actual cost of acquiring the adaptations described in subsection (a); and

“(B) $10,000.

(2) No veteran may receive more than 3 grants of assistance under this chapter.”.

(c) Clerical Amendment.—The table of sections at the beginning of such chapter shall be amended by inserting after the item relating to section 2102 the following:

“2102A. Assistance for veterans residing temporarily in housing owned by family member.”.

SEC. 2033. GAO REPORTS.

(a) Interim Report.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress an interim report on the implementation of section 2102A of title 38, United States Code (as added by section 2(a)), by the Department of Veterans Affairs.

(b) Final Report.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a final report on the implementation of section 2102A by the Department of Veterans Affairs.

On page 166, strike lines 12 through 15 and insert the following:

“(A) for fiscal year 2006, $50,000,000; “(B) for each of fiscal years 2007 and 2008, $9,000,000; “(C) for each of fiscal years 2009 and 2010, $7,500,000; and “(D) for fiscal year 2011 and each fiscal year thereafter, $75,000,000.

AMENDMENT NO. 2411

(Purpose: To authorize the continued provision of certain adult day health care services under a State Medicaid plan) On page 188, after line 24, add the following:

“Section 6037. AUTHORITY TO CONTINUE PROVIDING CERTAIN ADULT DAY HEALTH CARE SERVICES UNDER A MEDICAID ADULT DAY CARE SERVICES.

The Secretary shall not—

(1) withhold, suspend, disallow, or otherwise reduce Federal financial participation under section 1903(a) of the Social Security Act (42 U.S.C. 1396a(a)) for adult day health care services or medical adult day care services defined under a State Medicaid plan approved on or before 1982, if such services are provided consistent with such definition and the requirements of such plan; or

(2) allow a State Plan to provide any such State plan or part thereof regarding the provision of such services.
On page 366, between lines 11 and 12, insert the following:

(‘‘(D) the Secretary—

(1) shall determine if an increase in the amount of a grant under this section is needed to help encourage students to pursue courses of study that are important to the current and future national, homeland, and economic security needs of the United States; and

(2) after making the determination described in clause (1), may increase the maximum and minimum award level established under subparagraph (A) by not more than 25 percent if it is determined that the awards under this section who are pursuing a degree in a major in mathematics, science, technology, engineering, or a foreign language that is critical to the national security of the United States; and

(3) not later than September 30 of each fiscal year, the Secretary shall notify Congress, in writing, of the Secretary’s determination with respect to subparagraph (D)(i) and of any increase in award levels under subparagraph (D)(ii).

AMENDMENT NO. 2769

Mr. LEAHY. Mr. President, I am thrilled that the Senate has agreed to accept by unanimous consent to the Budget Reconciliation Act, S. 1932, a bipartisan amendment offered by Senator SPECTER and myself to allocate the extra $278,000,000 in revenue provided from the Judiciary Committee markup on reconciliation to supplement funding for the Bulletproof Vest Partnership, programs authorized by the Act, and the Copyright Royalty Judges Program.

I thank my good friend and colleague, Senator SPECTER, for his leadership on and commitment to seeing that these important programs are funded as much as we can during these tough fiscal times. As Chairman and Ranking Member of the Judiciary Committee, Senator SPECTER and I have joined forces before to champion funding for these programs. I am privileged to partner with him again in this pursuit.

The Judiciary Committee markup on its reconciliation title provided $278,000,000 more in revenue than was mandated by the budget resolution instructions. We now seek to include additional provisions within the jurisdiction of our committee into the Senate reconciliation package. Our bipartisan amendment funds a number of Judiciary programs, including some of the most enjoyed by both bipartisan support when Congress authorized them. These mandatory spending changes would simply spend some of the additional revenue that we raised through increases in immigration fees during our markup.

Our amendment would provide $60,000,000 over the next 5 years for such initiatives as the Bulletproof Vest Partnership Program, which helps law enforcement agencies purchase or replace body armor for their rank-and-file officers. Recently, officers have been using body armor safety surfaced when a Pennsylvania police officer was shot and critically wounded through his new vest outfitted with a material called Zylon. The Justice Department has since announced that Zylon fails to provide the intended level of ballistic resistance. Unfortunately, an estimated 200,000 vests outfitted with that material have been purchased with Bulletproof Vest Partnership funds—and now must be replaced. Law enforcement agencies nationwide are struggling to find the funds necessary to replace defective vests with ones that will actually stop bullets and save lives. Our amendment will help them replace those faulty vests.

Our amendment also provides over $216,000,000 for programs authorized by the Justice For All Act of 2004, a landmark law that enhances protections for victims of Federal crimes, increases Federal resources available to State and local governments to combat crimes with DNA technology, and provides safeguards to prevent wrongful convictions. The bipartisan amendment that Senator SPECTER and I propose will, among other things, allow for training of criminal justice and medical personnel in the use of DNA evidence, including evidence for post-conviction DNA testing. It will also promote DNA technology to identify missing persons. With these funds, State and local authorities will be better able to implement and enforce crime victims’ rights laws, including Federal victim and witness assistance programs. State and local authorities will be able to provide grants to develop and implement victim notification systems so that they can share information on criminal proceedings in a timely and efficient manner. The amendment will also help improve the quality of legal representation provided to both indigent defendants and the public in State capital cases.

Last, but certainly not least, our amendment provides $6,500,000 over 5 years to the Copyright Royalty Judges Program at the Library of Congress. The Copyright Royalty Distribution Reform Act of 2004 created a new program in the Library to replace most of the current statutory responsibilities of the Copyright Arbitration Royalty Panels program. The Copyright Royalty Judges Program will determine distributions of royalties that are disputed and will set or adjust royalty rates, terms and conditions, with the prior approval of the Copyright Royalty Judges. Our amendment would help pay the salaries and related expenses of the three royalty judges and three administrative staff required by law to support this program. The Specter-Leahy amendment will give to programs that help protect police officers and victims of violent crime, allow State and local governments to combat crimes with DNA technology, and provide safeguards to prevent wrongful convictions and executions. The public is alarmed by these tragedies, and I am proud that the Judiciary Committee was able to agree to a reconciliation package that will provide $278 million more in revenue than was mandated by the Budget Resolution instructions. I thank our colleagues for supporting our amendment and agreeing to use that additional money to fund some of these important priorities that continue to lack adequate Federal resources.

AMENDMENT NO. 2413

Mr. WARNER. Mr. President, I rise today in support of an amendment to S. 1932, the deficit reduction bill. I am pleased to be joined in this bipartisan effort with Senators ROBERTS, DURBIN, and ALLEN. I am grateful to each of them for working closely with me in crafting this amendment. In addition, I would like to thank Chairman ENZI and Senator KENNEDY for working closely with me in support of this amendment.

Under the deficit reduction bill, certain educational programs are authorized or reauthorized that provide Federal dollars to help low-income students with the costs associated with higher education. These programs include: (1) Pell grants—in fiscal year 2005 $12.787 billion was spent on Pell grants by the Federal Government; (2) ProGAP grants—a new mandatory spending program consisting of approximately $1.46 billion a year that is designed to provide supplemental grants to low-income Pell grant recipients, regardless of their majors; and (3) SMART grants—a new mandatory spending program consisting of approximately $650 million a year that is designed to provide supplemental grants to low-income Pell grant recipients in their third and fourth year of college who are pursuing majors in math, science, engineering, and foreign languages.

These initiatives are commendable. I support them. Each program will significantly increase dollars targeted to low-income individuals who wish to pursue higher education to help them with the costs associated with their schooling.

But while I support these programs, I also fervently believe that when the Congress expends taxpayer money, it ought to do so in a manner that meets our Nation’s needs.

The fact of the matter is that should this bill become law, the Federal Government will spend, next year alone, approximately $14.5 billion on grants to help low-income students attend higher education. I repeat, $14.5 billion. Of this $14.5 billion, without this amendment, only $450 million each year will be specifically targeted towards encouraging students to enter courses of study that are critical to our national security. That amount to only about 3 percent of the total amount spent. I repeat, 3 percent. That is astonishing to me.

It is astonishing to me because a key component of America’s national, homeland, and economic security in the 21st century is having home-grown, highly-trained scientific minds to compete in today’s one-world market. Yet alarming,
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America faces a huge shortage of these technical minds. Strikingly, America faced a similar situation nearly 50 years ago. On October 4, 1957, the Soviet Union successfully launched the first manmade satellite, Sputnik. The launch shocked America, as many of us had assumed that we were preeminent in the scientific fields. While prior to that unforgettable day America enjoyed an air of post World War II invincibility, afterwards our Nation recognized the cost to its complacency. We had fallen behind.

In the months and years to follow, we would respond with massive investments in science, technology and engineering. In 1958, Congress passed the National Defense Education Act to inspire and induce individuals to advance in the fields of science and math. In addition, President Eisenhower signed into law legislation that established the National Aeronautics and Space Administration, NASA. And a few years later, in 1961, President Kennedy set the Nation’s goal of landing a man on the Moon within the decade.

These investments paid off. In the years following the Sputnik launch, America not only closed the scientific and technological gap with the Soviet Union, we surpassed them. Our renewed commitment to science and technology not only enabled us to safely land a man on the Moon in 1969, it spurred research and development which helped ensure that our modern military has always had the best equipment and technology in the world. These post-Sputnik investments also laid the foundation for the creation of some of the most significant technologies of modern life, including personal computers, and the Internet.

Why is any of this important to us today? Because as the old saying goes: he or she who fails to remember history is bound to repeat it.

The truth of the matter is that today America’s education system is coming up short in training the highly technical American minds that we now need and will continue to need far into the future. The fact is that over the last two decades the number of young Americans pursuing bachelor degrees in science and engineering has been declining. The proportion of college-age students earning degrees in math, science, and engineering is now substantially higher in 16 countries in Asia and Europe than it is in the United States. If these current trends continue, then, according to the National Science Board, less than 10 percent of all scientists and engineers in the world will be working in America by 2010. This shortage in America of highly trained technical minds is already having very real consequences for us as a country. For example, the U.S. production of patents, probably the most direct link between research and economic benefit, has declined steadily relative to the rest of the world for decades, and now stands at only 52 percent of the total. In the past, this country has been able to compensate for its shortfall in home-grown talent by importing technical and scientific talent by importing the necessary brain power from foreign countries. However, with increased global competition, this is becoming harder and harder. More and more of our imported brain power is returning home to their native countries. And regrettably, as they return home, many American high-tech jobs are being outsourced with them.

Fortunately, we can do something here today to help us become better prepared. Certainly, the SMART grant program is an important step in the right direction. But while the SMART grant program is one small step for man, it is not a giant leap for America. More has to be done. Remember, even with the SMART grant program, next year only $3 billion of the $15 billion targeted towards low-income students will be focused on meeting our security needs.

That is why I am offering this amendment today. The Warner, Lieberman, Roberts, Durbin, and Allen amendment is simple. It simply allows the Secretary of Education to provide to low-income Pell grant recipients who pursue majors at the college and university level in critical national and homeland security fields of math, science, engineering, and foreign languages, an additional sum of money on top of their normal ProGAP grants.

The amendment gives incentives and inducements to students who accept the challenge of pursuing the more rigorous and demanding curriculum of these studies that are critical to our Nation.

The amendment achieves its goal without adding a single new dollar to the underlying bill. The Warner, Lieberman, Roberts, Durbin, and Allen amendment does not change the Pell grant program or the SMART grant program in any way. It merely changes the formula of payments to students who will receive ProGAP grants. This change is desperately needed to put our nation on the road to meeting the ever increasing competition from India, China, and other nations where more and more of their students are pursuing studies in the sciences.

The amendment builds upon the SMART grant program by enabling the Secretary to provide even greater incentives to encourage individuals to pursue studies critical fields. The amendment accomplishes this goal by allowing the Secretary of Education to award larger ProGAP grants to students majoring in programs of math, science, engineering and foreign languages that are key to our national and homeland security.

While I believe studying the liberal arts is an important component to having an enlightened citizenry, we simply must do more to address this glaring shortage in other critical fields.

America can ill afford a 21st century Sputnik. This amendment will make sure that additional monies get focused on training the highly skilled minds that are needed in the 21st century to protect our national, economic, and homeland security.

I urge my colleagues to support this amendment.

Mr. GREGG. The game plan is to go to the Santorum or Baucus amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. CONRAD. The next amendment in order is the Baucus amendment.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I call up amendment 2383 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: The Senator from Montana [Mr. BAUCUS] proposes an amendment numbered 2383.

Mr. BAUCUS. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows: (Purpose: To exclude discounts provided to mail order and nursing facility pharmacies from the determination of average manufacturer price and to extend the discounts offered under fee-for-service Medicaid for prescription drugs to managed care organizations.)

On page 110, after line 24, add the following:

(4) EXCLUSION OF DISCOUNTS PROVIDED TO MAIL ORDER AND NURSING FACILITY PHARMACIES FROM THE DETERMINATION OF AVERAGE MANUFACTURER PRICE.—

(A) Definitions.—Section 1927(k)(1)(B)(i)(IV), (2), (8)(k)(1)(B)(i)(IV), as added by paragraph (1)(C), is amended to read as follows: “(IV) Chargebacks, rebates provided to a pharmacy (excluding a mail order pharmacy, a pharmacy at a nursing facility or home, and a pharmacy benefit manager), or any other direct or indirect discounts.”.

(B) EFFECTIVE DATE.—Paragraph (3) shall apply to the amendment made by subparagraph (A).
Mr. GREGG. I send to the desk an amendment by Senator LEVIN.
The PRESIDING OFFICER. The clerk will report.
The legislative clerk read as follows:
Mr. GREGG. I ask unanimous consent that the reading of the amendment be dispensed with.
The PRESIDING OFFICER. Without objection, it is so ordered.
The amendment is as follows:
(Purpose: To establish an International Border Community Interoperable Communications Demonstration Project)
On page 95, after line 21, insert the following:

SEC. 3005A. COMMUNICATION SYSTEM GRANTS.

(a) DEFINITIONS.—In this section—
(1) the term ‘‘demonstration project’’ means the demonstration project established under subsection (b)(1);
(2) the term ‘‘Department’’ means the Department of Homeland Security;
(3) the term ‘‘emergency response provider’’ has the meaning given that term in section 2(6) of the Homeland Security Act of 2002 (6 U.S.C. 101(b)); and
(4) the term ‘‘Secretary’’ means the Secretary of Homeland Security.

(b) IN GENERAL.—

(1) ESTABLISHMENT.—There is established in the Department an ‘‘International Border Community Interoperable Communications Demonstration Project’’.

(2) MINIMUM NUMBER OF COMMUNITIES.—The Secretary shall select not fewer than 2 communities to participate in a demonstration project.

(3) LOCATION OF COMMUNITIES.—Not fewer than 1 of the communities selected under paragraph (2) shall be located on the northern border of the United States and not fewer than 1 of the communities selected under paragraph (2) shall be located on the southern border of the United States.

(c) PROJECT REQUIREMENTS.—The demonstration project shall—

(1) address the interoperable communications needs of police officers, firefighters, emergency medical technicians, National Guard, and other emergency response providers;

(2) foster interoperable communications—

(A) among Federal, State, local, and tribal governments and emergency response providers participating in a demonstration project selected under the paragraph (2) shall be located on the northern border of the United States.

(B) with similar agencies in Canada and Mexico;

(3) identify common international cross-border frequencies for communications equipment, including radio or computer messaging equipment;

(4) foster the standardization of interoperable communications equipment;

(5) identify solutions that will facilitate communications interoperability across national borders expeditiously;

(6) ensure that emergency response providers can communicate with each other and the public at disaster sites or in the event of a terrorist attack or other catastrophic events;

(7) provide training and equipment to enable emergency response providers to deal with threats and contingencies in a variety of environments; and

(8) identify and acquire joint-use equipment to ensure communications access.

(d) DISTRIBUTION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall distribute funds under this section to each community participating in a demonstration project through the State, or States, in which each community is located.

(2) OTHER PARTICIPANTS.—Not later than 60 days after receiving funds under paragraph (1) a State receiving under this section shall make the funds available to the local governments and emergency response providers participating in a demonstration project selected by the Secretary.

(e) FUNDING.—Amounts made available from the interoperability fund under section 3005(c)(3) shall be available to carry out this section without appropriation.

(f) REPORTING.—Not later than December 31, 2005, and each year thereafter in which funds are appropriated for a demonstration project, the Secretary shall provide to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security and Governmental Affairs of the House of Representatives a report on the demonstration projects under this section.

Mr. GREGG. I ask unanimous consent that the motion to reconsider be laid upon the table.
The PRESIDING OFFICER. Without objection, it is so ordered.
The amendment (No. 2417) was agreed to.

Mr. GREGG. I suggest the absence of a quorum.
The PRESIDING OFFICER. The clerk will call the roll.
The bill clerk proceeded to call the roll.
Mr. CONRAD. Mr. President, the next amendment in order is the Schumer amendment.

The PRESIDING OFFICER. The Senator from New York.
Mr. SCHUMER. Mr. President, I offer amendment 2348.

The PRESIDING OFFICER. The clerk will report.
The bill clerk read as follows:
The Senator from New York [Mr. SCHUMER], for himself and Mr. ROCKEFELLER, proposes an amendment numbered 2348.

Mr. SCHUMER. Mr. President, I, ask unanimous consent that the reading of the amendment be dispensed with.
The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2348

Mr. CONRAD. Mr. President, the next amendment in order is the Schumer amendment.

The PRESIDING OFFICER. The Senator from New York.
Mr. SCHUMER. Mr. President, I offer amendment 2348.

The PRESIDING OFFICER. The clerk will report.
The bill clerk read as follows:
The Senator from New York [Mr. SCHUMER], for himself and Mr. ROCKEFELLER, proposes an amendment numbered 2348.

Mr. SCHUMER. Mr. President, I, ask unanimous consent that the reading of the amendment be dispensed with.
The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:
(Purpose: To strike the provisions increasing the Medicaid rebate for generic drugs)
On page 125, strike lines 3 through 14.
Mr. ROCKEFELLER. Mr. President, I will speak for a moment about the Schumer-Rockefeller generics amendment to the budget reconciliation bill. The amendment that Senator SCHUMER and I are offering today would eliminate the provision in this bill that increases the generics Medicaid rebate from 11 percent to 17 percent. Increasing the rebate for generics would jeop-
The reconciliation bill before us has a number of flaws—it cuts Medicaid by $7.5 billion despite Hurricane Katrina and the high health care costs working families continue to face. It imposes even greater premiums on Medicare beneficiaries when Part B premiums have already gone up by more than $10 per month in each of the last 2 years. And, it fails to address many of the problems we know will occur when the Medicare drug benefit is implemented on January 1, 2006. But, that’s not all.

The reconciliation bill before us has a provision that was added in the Finance Committee reconciliation bill the night before the markup—that would increase the rebate amount that generic manufacturers pay to State Medicaid programs from 11 percent to 17 percent. That’s an increase of 55 percent.

At a time when access to generic drugs represents the greatest opportunity for prescription drug cost savings, this bill seeks to limit this access. Not only will this policy result in greater costs to Medicaid over the long term, but it could also threaten access to lower-cost drugs for all Americans.

In the recent past, when Missouri and New Jersey considered implementing generic drug rebate increases for the purpose of achieving savings, they actually found they would have incurred greater costs as a result of reduced access to affordable generic drugs.

New Jersey officials estimated that increasing rebates on generics used in their Pharmaceutical Assistance for the Aged and Disabled and Senior Gold programs would have increased state costs $18 million in the first year. Missouri’s SeniorRx Program estimated that increasing generic rebates would have increased state costs by $8.5 million dollars in the first year alone.

According to a 1998 study by the Congressional Budget Office, generic drugs save consumers approximately $8-10 billion each year. Why would we undermine the access to generics when low-cost prescription drugs should be a priority?

I question the merits of such a far-reaching policy that was added in the dead of night seemingly for the purpose of achieving greater budget savings. I understand the temptation to act in reconciliation to accomplish long-standing policy goals as well as to address requests from special interest groups.

We should resist such temptation when we have not done our homework—when we don’t know the real rationale or effects of this policy or the interaction with other policies. We can do better.

We can be more thoughtful—and we have a responsibility to be very careful when we’re dealing with pocketbook issues that affect working families, our states, as well as long-term costs to the Federal Government.

I thank the Chair and urge my colleagues to vote "no" on the Schumer-Rockefeller generic drug amendment.

Mr. SCHUMER. Mr. President, this is a very simple amendment. In a sincere effort to cut costs, what has happened in this bill is, in effect, we have eliminated the ability of generic drugs to be sold using Medicaid. That will raise costs dramatically.

Over half the prescription drugs used in Medicaid are generic. They are only 16 percent of the cost, but because we have raised the fees so dramatically on what a generic drug company must pay to handle the drug, it is now going to be the same as a prescription drug. Even though the prescription drug costs a whole lot more and, therefore, it is a much lower base, pharmacies are not going to use the generic. In the long run, that will cost the Medicaid Program billions of dollars.

This is a huge mistake. It was not done by design. They raised all the fees and figured that will bring this amount of money in the next year.

Can anyone imagine we are saying, in Medicaid, where we need to save money, we are not going to use generic drugs? My amendment corrects that situation and is within the fiscal confines of the bill.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, we do not need an amendment to improve this situation because this bill has in it already very significant incentives for generic utilization through the way we reimburse generics and the dispensing fee we require.

A very significant thing is to remember that brand drugs account for 67 percent of Medicaid prescriptions, but they also account for 81 percent of the Medicaid rebates. This is reasonable policy for us, then, to create parity between brand and generic rebates. This amendment would upset that parity.

The amendment before the Senate also simply strikes generic rebates; it does not pay for it. So I strongly oppose bringing the Committee on Finance out of compliance with our budget instructions. This amendment would do that. I ask Members to oppose the amendment.

Mr. GREGG. I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment (No. 2384) was rejected.

Mr. McCONNELL. I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask unanimous consent that the Senator from Nebraska have 2 minutes to introduce an amendment and then withdraw it.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 289

Mr. HAGEL. Mr. President, I call up amendment No. 289 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senate from Nebraska [Mr. HAGEL], for himself and Mr. SUNUNU, proposes an amendment numbered 289.

Mr. HAGEL. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows: (Purpose: To require Fannie Mae and Freddie Mac to register under the Securities Act of 1933.)

At the appropriate place, insert the following:

SEC. 2. REGISTRATION OF GSE SECURITIES.

(a) FANNIE MAE.—

(1) MORTGAGE-BACKED SECURITIES.—Section 304(d) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1719(d)) is amended by striking the fourth sentence and inserting the following: "Securities issued by—" [(2) S SUBORDINATE OBLIGATIONS.

(2) S SUBORDINATE OBLIGATIONS.

Section...
amended by striking the fourth sentence and inserting the following: “Obligations issued by the corporation under this subsection shall not be exempt securities for purposes of the Securities Act of 1933.”

(3) SECURITIES.—Section 311 of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723c) is amended—

(A) in the section heading, by striking “Association”;

(B) by inserting “(a) IN GENERAL.—” after “SEC.”;

(C) in the second sentence, by inserting “by the Association” after “issued”; and

(D) by adding at the end the following:

“(b) TREATMENT OF CORPORATION SECURITIES.—

(1) IN GENERAL.—Any stock, obligations, securities, participations, or other instruments issued by the corporation pursuant to this title shall not be exempt securities for purposes of the Securities Act of 1933.

(2) EXEMPTION FOR APPROVED SELLERS.—Notwithstanding any other provision of this title or the Securities Act of 1933, transactions involving the initial disposition by an approved seller of pooled certificates that are acquired by that seller from the corporation upon the initial issuance of the pooled certificates shall be deemed to be transactions by a person other than an issuer, underwriter, or dealer for purposes of the Securities Act of 1933.

(3) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

(A) APPROVED SELLER.—The term ‘approved seller’ means an institution approved by the corporation to sell mortgage loans to the corporation in exchange for pooled certificates.

(B) POOLED CERTIFICATES.—The term ‘pooled certificates’ means single class mortgage-backed securities guaranteed by the Corporation that have been issued by the Corporation directly to the approved seller in exchange for the mortgage loans underlying such mortgage-backed securities.

(C) MORTGAGE RELATED SECURITIES.—A single class mortgage-backed security guaranteed by the corporation that has been issued by the corporation directly to the approved seller in exchange for the mortgage loans underlying such mortgage-backed securities.

(D) EFFECTIVE DATE.—The amendments made by this section shall become effective 1 year after the date of enactment of this Act.

Mr. HAGEL. Mr. President, the significance of Fannie Mae and Freddie Mac to our economy cannot be overstated. Together they guarantee almost 46 percent of all mortgage loans in the United States. They also back over $3.9 trillion in mortgage-backed securities and have amassed over $1.7 trillion in outstanding debt. This amendment would require Fannie and Freddie to register their debt in securities with the Federal Exchange Commission, like any other company. Both are currently exempt from having to do so and, because of this, both are exempt from the accounting requirements of Sarbanes-Oxley. The Senate Banking Committee, under the leadership of Chairman SHELBY, passed a comprehensive, strong, GSE regulatory reform bill earlier this year. We need to take this bill up in this Congress.

AMENDMENT NO. 2391, WITHDRAWN

I ask unanimous consent that Senator SUNUNU be allowed to speak for 1 minute, after which I ask that amendment No. 2391 be withdrawn. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. The Chair objects.

The PRESIDING OFFICER. The amendments agreed to; Mr. SANTORUM, one by Senator REED, one by Senator LIEBERMAN, one by Senator SANTORUM, and one by Senator SNOWE, the PRESIDING OFFICER. Without objection, it is so ordered. Mr. CONRAD. Mr. President, reserving the right to object, the last one is a Cornyn amendment.

Mr. GREGG. It appears there may be. Mr. CONRAD. I think we can accept it.

Mr. GREGG. We will now go to Senator SANTORUM.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 219

(Purpose: To amend title XVIII of the Social Security Act to make a technical correction regarding purchase agreements for power-driven wheelchairs under the Medicare program, to provide for coverage of ultrasound screening for abdominal aortic aneurysms under part B of such program, to improve patient access to, and utilization of, the colorectal cancer screening benefit under such program, and to provide for the purchase of electronic mobility equipment for our seniors, something Senator Voynovich has been working on, as opposed to having a long-term lease. The third part is offered by Senator Bunning and Senator Dodd. The second part of the amendment would allow for the purchase of electronic mobility equipment for our seniors, something Senator Voynovich has been working on, as opposed to having a long-term lease. The third part is offered by Senator Thomas, which has to do with rural mental health care under Medicare. And finally, the piece I have been offering is on colorectal screenings. We passed that benefit back in 1997. As a result of that payment and the benefit for screenings, we have only seen a 1-percent increase in screenings. This is an attempt to try to increase that by allowing for the payment of the pre-doctor visit as well as the part B deductible.)

Mr. SANTORUM. Mr. President, this is a four-part amendment. The first part would provide for a screening for aortic aneurysms, offered by Senator Voynovich, Mr. Thomas, Mr. Voinovich, Mr. Lieberman, Mr. Dodd, and Mr. Rockefeller, proposes an amendment numbered 219.

I ask unanimous consent that amendment numbered 219 be printed in today’s RECORD under “Text of Amendments.”

Mr. SANTORUM. Mr. President, this is a four-part amendment. The first part would provide for a screening for aortic aneurysms, offered by Senator Voynovich, Mr. Thomas, Mr. Voinovich, Mr. Lieberman, Mr. Dodd, and Mr. Rockefeller, proposes an amendment numbered 219.
The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I ask unanimous consent to be listed as a co-sponsor of the amendment.

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

Mr. GREGG. Mr. President, I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2419.

The amendment (No. 2419) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. We now go to Senator REED.

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 2409

Mr. REED. Mr. President, I ask that amendment No. 2409 be called up for immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. REED], for himself, Mr. BAUCUS, Mrs. MURR
day, Mr. KENNEDY, Mr. BINGAMAN, Mr. CORZINE, Mrs. CLINTON, and Mr. OBAMA, proposes an amendment numbered 2409.

The amendment is as follows:

(Purpose: To strike provisions relating to reforms of targeted case management)

(p) Strike section 6031 of the bill.

Mr. REED. This amendment strikes section 6031 of the reconciliation act which pertains to case management services. States have the ability to identify groups such as children and adults with AIDS, children in foster care, other vulnerable groups, and find comprehensive services. These services include educational and social as well as medical services. The underlying reconciliation bill will force these services to be paid for by third parties, the State or others. That will decrease the use of these services and actually end up costing more to the States, and it will disrupt many of the very appropriate programs we have. In fact, many of these programs save money by dealing with these people.

I would point out that this legislation does not require an offset, nor does it require a supermajority vote since we are stripping language in the underlying bill.

I reserve any time I have.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am shocked anybody from the other side of the aisle would raise any questions against the policy we have in our bill.

This is not a Republican policy. This is not a Bush administration policy. This is a policy that was offered by the previous administration, the Clinton administration. The targeted case management provision of this bill merely codifies that policy that was offered by the Clinton administration. I have a letter I got from the U.S. Psychiatric Rehabilitation Association expressing thanks for the targeted case management provisions:

"Your measured steps and considerations of TCM will preserve the needed services to those who cannot attain housing, employment, or health care on their own. We appreciate your work in helping to ensure that mentally disabled Americans have the opportunity to access Medicaid services. It seems to me this is something that ought to be of the heart and the brain of anybody on the other side of the aisle."

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Rhode Island has 7 seconds.

Mr. REED. Mr. President, this bill will hurt programs that exist today that help children, people with AIDS, a host of people. I received this information not from the Clinton administration but from providers in my own community, Christian Brothers who deal with children, social workers who deal with adults.

Mr. GREGG. Mr. President, I ask unanimous consent that Senator SMITH be added to the list of amendments that will be considered.

Mr. CONRAD. Reserving the right to object, we don't yet know what the Smith amendment is. Can we get that first?

Mr. GREGG. I withdraw that.

Mr. REED. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The question is on agreeing to amendment No. 2409.

The clerk will call the roll.

The bill clerk called the roll.

Mr. GREGG. Mr. President, I now withdraw that amendment No. 2409.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 300 Leg.]

YEAS—46

Alaska—Murphy

Baucus—Mikulski

Biden—Murray

Bingaman—Feingold

Boxer—Nelson (FL)

Byrd—Nelson (NE)

Cantwell—Obama

Carper—Pryor

Chafee—Reid

Clinton—Reid

Conrad—Rockefeller

Dayton—Schumer

DeWine—Stabenow

Dodd—Wyden

Dorgan—

NAYs—52

Alexander—Cochran

Allard—Coleman

Allen—Collins

Bennett—Coryn

Bond—Craig

Crapo—

DeMint—

Dole—

Domenici—

Ensign—

Enzi—

Graham—

Grassley—

Hagel—

Hatch—

Hutchison—

Inhofe—

Isakson—

Kyl—

Lugar—

Martinez—

McFaul—

McCaskill—

McConnell—

Merkley—

Mikulski—

Nelson (NE)—

Nelson (FL)—

Norton—

Paul—

Rankin—

Reed—

Reisch—

Reid—

Salazar—

Saxby—

Schatz—

Sensenbrenner—

Shelby—

Smith—

Snowe—

Specter—

Stevens—

Sunnun—

Talent—

Thomas—

Tomaino—

Voinovich—

Warner

Mr. GREGG. Mr. President, I now send three amendments to the desk and ask that they be considered and agreed to en bloc, and the motions to reconsider be laid on the table—one for Senator LIEBERMAN and two for Senator SUNUNU.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments were agreed to, as follows:

AMENDMENT NO. 2380, AS MODIFIED

On page 368, between line 5 and 6, insert the following:

SEC. 6116. QUALITY MEASUREMENT SYSTEMS AMENDMENTS.

Section 1866E–1, as added by section 610(a)(2), is amended—

(i) in clause (v), by striking “and” at the end;

(ii) in clause (vi), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following new clause: “(vii) measures that address conditions where there is the greatest disparity of health care provided and health outcomes between majority and minority groups;”; and

(B) in subparagraph (E)—

(i) in clause (v), by striking “and” at the end;

(ii) by redesignating clause (vi) as clause (vii); and

(iii) by inserting after clause (v) the following new clause—

“(vi) allows quality measures that are reported to be stratified according to patient group characteristics; and”;

(2) in subsection (c)(4)—

(A) in subparagraph (B), by striking “and” at the end;

(B) in subparagraph (C), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following new subparagraph:

“(D) The report commissioned by Congress from the Institute of Medicine of the National Academy of Sciences, titled ‘Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care’; and

(3) in subsection (d)(2), by inserting “experts in minority health,” after “government agencies,”.”
The 2003 Institute of Medicine report, Unequal Treatment, recommended that the ‘‘collection, reporting, and monitoring of patient care data by health plans and federal, and state payors should be encouraged’’ to move towards eliminating disparities. My amendment to section 6110 S. 1932 addresses this IOM recommendation to more specifically encourage the collection and reporting of health care quality data for both majority and minority groups as Medicare Value-Based Purchasing Programs are being developed and established.

My amendment encourages the Secretary of the Department of Health and Human Services to focus on diseases where there are disparities between majority and minority groups. Diseases such as infant mortality, diabetes, heart disease, breast cancer, cervical cancer, HIV/AIDS, childhood immunizations, and adult immunizations are all disproportionately problematic in minority populations and must be considered in any systematic attempt to measure and improve health care quality.

My amendment also encourages the collection of specific data on patient characteristics that are key to measuring and collecting data on health care quality. Collecting information on gender, race/ethnicity, language spoken, and insurance status are encouraged. Without this information, we will not have an understanding of whether or not disparities between majority and minority groups are decreasing.

In the existing provisions of section 6110, the Secretary of the Department of Health and Human Services will work with various expert groups in development and implementing quality measurement systems. However, experts in minority health are not currently included in the legislation. My amendment ensures that experts in minority health will be included in developing and implementing a health care quality measurement system.

Lastly, my amendment would reward hospitals, physicians, clinics, and home health care providers, among other groups that demonstrate improvement in quality of care for patient subgroups and minorities.

I thank Senators Grassley and Baucus and the Finance Committee staff for working with us to try to focus necessary health care needs of all Americans. This would mark the first time our Federal Government made a commitment to improving the quality of health care that minority groups—our constituents—are receiving. I believe this groundbreaking legislation to bring pay-for-performance accountability to Medicare is an important step forward and I believe it will be much more powerful and have much greater impact if we tackle how to eliminate racial and ethnic disparities.

Mr. Gregg. Mr. President, we now turn to Senator Reed for his second amendment.

Mr. REED. Mr. President, I call up amendment No. 2396.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant journal clerk read as follows:

The Senator from Rhode Island [Mr. Reed] proposes an amendment numbered 2396.

The amendment is as follows:

(Purpose: To strike subtitle C of title II relating to FHA asset disposition)

On page 86, strike line 22 and all that follows through page 90, line 19.

Mr. REED. Mr. President, my amendment would restore the ability of HUD to preserve and rehabilitate affordable housing.

The FHA upfront grant and below-market sales programs are designed to help local governments purchase FHA foreclosed multifamily properties in order to preserve and rehabilitate these units into affordable housing.

Currently, the money for this program comes from the FHA General Insurance Fund, not from appropriations. This gives HUD significant flexibility in providing these funds if the need arises.

The proposal before us today will restrict HUD from using the FHA General Insurance Fund to support both the below-market sales program and the upfront grant program. It is a program of about $50 million a year.

My amendment would strike the language prohibiting the use of these funds to allow them the flexibility to continue this program. Because it strikes language, no supermajority vote is necessary, and no offset is necessary.

I retain the remainder of my time.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I rise in opposition to the Reed amendment. In the Banking Committee, as part of the reconciliation process, we saved, in this instance, $270 million. This proposal simply makes the FHA’s use of savings that will allow below-market sales subject to appropriations.

If these programs are, in fact, beneficial—some of them are—appropriations can still be granted in the future, and using the appropriations process allows the Congress to better oversee the use of these dollars and to ensure that our resources are well spent.

I urge my colleagues to oppose this amendment. This $270 million is a lot of savings that we can put forth today.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. Chafee). Is there a sufficient second?

There appears to be a sufficient second.

If all time is yielded back, the question is on agreeing to the amendment. The clerk will call the roll.

The assistant journal clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey [Mr. Corzine] is necessarily absent.
The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 301 Leg.]

YEAS—48

Akaka Delahunt Lincoln
Baucus Durbin Mikulski
Bayh Feingold Murray
拜登 Feinstein Nelson (FL)
Boxer Harkin Nelson (NE)
Bond Inouye Obama
Boxer Jeffords Pryor
Byrd Johnson Reid
Cantwell Kennedy Reid
Casper Kouri Rockefeller
Chafee Kobil Salazar
Clinton Landrieu Sarbanes
Conrad Lautenberg Schumer
Dayton Leahy Specter
DeWine Levin Stabenow
Dodd Lieberman Wyden

NAYS—51

Alexander Dole McCain
Allard Domenici McConnell
Allen Ensign Mankowski
Bennett Enzi Roberts
Brownback Frist Santorum
Bunning Graham Sessions
Burns Grupe Shelby
Burris Gregg Smith
Chambliss Hagel Snowe
Colburn Hatch Stevens
Cochenour Hutchison Sununu
Colman Inhofe Talent
Collins Leach Thompson
Cornywn Kylen Thune
Craig Lott Vitter
Crapo Lugar Voinovich
DeMint Martinez Warner

NOT VOTING—1

Corzine

The amendment (No. 2390) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote. Mr. ENSIGN. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. GREGG. I ask unanimous consent that Senator SMITH be allowed to offer an amendment. Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from North Dakota. Mr. CONRAD. Could we also put in order my amendment? Mr. GREGG. And at a later date. Senator CONRAD be put on the list of Senators who can offer an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Oregon.

AMENDMENT NO. 2390

Mr. SMITH. I ask unanimous consent to call up amendment No. 2390. I also ask unanimous consent that Senator FEINGOLD be added as a cosponsor to my amendment. I am already pleased that Senator CLINTON is a cosponsor.

The PRESIDING OFFICER. The clerk will report. The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH], for himself, Mrs. CLINTON, and Mr. FEINGOLD, proposes an amendment numbered 2390.

Mr. SMITH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows: (Purpose: To provide for a demonstration project regarding medical coverage of low-income HIV-infected individuals)

On page 188, after line 24, add the following:

SEC. 6037. DEMONSTRATION PROJECT REGARDING MEDICAL COVERAGE OF LOW INCOME HIV-INFECTED INDIVIDUALS.

(a) REQUIREMENT TO CONDUCT DEMONSTRATION PROJECT.—

(1) IN GENERAL.—The Secretary shall establish a demonstration project under which a State may apply under section 1115(a) of the Social Security Act (42 U.S.C. 1315) to provide medical assistance under a State Medicaid program to HIV-infected individuals described in subsection (b) in accordance with the provisions of this section.

(2) LIMITATION ON NUMBER OF APPROVED APPLICATIONS.—The Secretary shall only approve as many State applications to provide medical assistance in accordance with this section as will not exceed the limitation on aggregate payments under subsection (d)(2)(A).

(b) HIV-INFECTED INDIVIDUALS DESCRIBED.—For purposes of subsection (a), HIV-infected individuals described in this subsection are individuals who are not described in section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1397jj(c)(5)); and

(1) whose income (as determined under the Social Security Act (42 U.S.C. 1308) in the case of a State that is subject to such limitations and subsection (e)) does not exceed 200 percent of the poverty line (as defined in section 211(c)(3)(B)(i)(VI)), as added by section 1902(a)(10)(A)(i)—

(A) who have HIV infection; and

(B) whose income described in subsection (a) (a)(10)(A)(i) of such Act may have and obtain medical assistance under such plan.

(c) LENGTH OF PERIOD FOR PROVISION OF MEDICAL ASSISTANCE.—A State shall not be approved to provide medical assistance to an HIV-infected individual in accordance with the demonstration project established under this section for a period of more than 5 consecutive years.

(d) LIMITATIONS ON FEDERAL FUNDING.—

(1) APPROPRIATION.—

(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, $450,000,000 for the period of fiscal years 2006 through 2010.

(B) BUDGET AUTHORITY.—Subparagraph (A) constitutes budget authority in advance of appropriations Act and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under that subparagraph.

(2) LIMITATION ON PAYMENTS.—In no case may—

(A) the aggregate amount of payments made by the Secretary to eligible States under this section exceed $450,000,000; or

(B) payments be provided by the Secretary under this section after December 30, 2010.

(3) FUNDS ALLOCATED TO STATES.—The Secretary shall allocate funds to States with approved applications under this section based on their applications and the availability of funds.

(4) PAYMENTS TO STATES.—The Secretary shall pay to each State, from its allocation under paragraph (3), an amount equal to the enhanced Federal medical assistance percentage described in section 190(b) of the Social Security Act (42 U.S.C. 1396(b)) of expenditures in the quarter for medical assistance provided to HIV-infected individuals who are eligible for such assistance under a State Medicaid program in accordance with the demonstration project established under this section.

(e) EVALUATION AND REPORT.—The Secretary shall conduct an evaluation of the demonstration project established under this section. Such evaluation shall include an analysis of the cost-effectiveness of the project and the impact of the project on the Medicare, Medicaid, and Supplemental Security Income programs established under titles XVIII, XIX, and XVI, respectively, of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq., 1381 et seq.).

(2) REPORT TO CONGRESS.—Not later than December 31, 2010, the Secretary shall submit a report to Congress on the results of the evaluation of the demonstration project established under this section.

(1) EFFECTIVE DATE.—This section shall take effect on January 1, 2006.

SEC. 6038. ADDITIONAL INCREASE IN REBATE FOR MULTIPLE SOURCE DRUGS.

Section 1297(c)(1)(B)(i)(VI) (42 U.S.C. 1396r-8(c)(1)(B)(i)(VI)), as added by section 6092(a)(5), is amended by striking “17” and inserting “17.8.”

Mr. SMITH. The amendment I am offering authorizes $450 million for State demonstration projects to provide Medicaid coverage to low-income individuals living with HIV. It is similar to S. 311, Early Treatment for HIV Act. I introduced this earlier this year with strong support of 33 of my colleagues. As Medicaid generally covers only those disabled by full-blown AIDS, the amendment would vastly improve the treatment available to some of our most vulnerable citizens.

With more States having difficulty maintaining their AIDS drug assistance program, it is imperative that we provide alternative methods of delivering treatment to those individuals with HIV who are living in poverty. It is simply the right thing to do. I ask for your colleagues’ support for this fiscally and morally defensible policy.

Mr. GREGG. I ask for a voice vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GREGG. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2390) was agreed to.

Mr. GREGG. Mr. President, I move to reconsider the vote and lay that motion on the table. The motion to lay on the table was agreed to.

Amendment No. 2371

Ms. SNOWE. Mr. President, I call up amendment 2371 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.
The assistant journal clerk read as follows:

The Senator from Maine [Ms. SNOWE], for herself, Mr. DYSEN, Mr. McCAIN, Ms. STABENOW, and Mrs. CLINTON, proposes an amendment numbered 2371.

Ms. SNOWE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend title XVIII of the Social Security Act to provide the authority for negotiating fair prices for Medicare prescription drugs)

After section 6115, insert the following:

SEC. 6116. NEGOTIATING FAIR PRICES FOR MEDICARE PRESCRIPTION DRUGS.

(a) In general.—Section 1860D–11 (42 U.S.C. 1395w–111) is amended by striking subsection (g) and inserting the following:

"(i) AUTHORITY TO NEGOTIATE PRICES WITH MANUFACTURERS.—

(1) IN GENERAL. Subject to paragraph (4), in order to ensure that beneficiaries enrolled under prescription drug plans and MA–PD plans pay the lowest possible price, the Secretary shall be required to—

(A) negotiate contracts with manufacturers of covered part D drugs containing the requirements and in furtherance of the goals of providing quality care and containing costs under this part;

(B) participate in negotiation of contracts of any covered part D drug upon request of a Medicare Advantage prescription drug plan or MA–PD plan.

(2) MANDATORY RESPONSIBILITIES. The Secretary shall be required to—

(A) negotiate contracts with manufacturers of covered part D drugs for each fallback prescription drug plan under subsection (g); and

(B) participate in negotiation of contracts of any covered part D drug upon request of an approved prescription drug plan or MA–PD plan.

(3) RULE OF CONSTRUCTION.—Nothing in paragraph (2) shall be construed to limit the authority of the Secretary under paragraph (1) to the mandatory responsibilities under paragraph (2).

(4) NO PARTICULAR FORMULARY OR PRICE STRUCTURE.—To promote competition under this part and in carrying out this part, the Secretary may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of section 181 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173).

Ms. SNOWE. Mr. President, I ask unanimous consent that Senator CLINTON be added as a cosponsor.

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

Ms. SNOWE. Mr. President, I am offering this amendment on behalf of myself and Senator WYDEN, who has offered considerable leadership on this issue over the years providing affordable medications to our seniors, along with Senator McCAIN and Senator STABENOW. So many of us in Congress have worked to make prescription drug coverage part of the Medicare Program, but the fact remains that the costs are rising since the time we first created this program, from $523 billion to now up to $720 billion for the Part D Program.

As we see in this first chart, the brand-named prices are consistently outpricing inflation because they have no competition. As we can see with the generic drugs, the competition is fierce, and the price is lower. We want to give the Secretary of Health and Human Services the authority to negotiate prices, particularly for those seniors who will not have access to more than two prescription drug plans or where the plans ask for negotiating authority.

This is not price setting. This is price saving. In fact, we have explicit language in the legislation that says this is not about price setting. It does not give the Secretary that authority. It allows him to save money for the Part D Program that is expected and projected to increase in cost by more than 8.5 percent as called for by the Congressional Budget Office. That is the CBO’s very own number.

Finally, 80 percent of seniors in America have called for the Secretary to have this authority.

Mrs. FEINSTEIN. Mr. President, I rise today to voice my support for amendment No. 2371 offered by Senators SNOWE and WYDEN, which I am pleased to cosponsor. The amendment ensures that the Health and Human Services, HHS Secretary has an active role in managing the costs of the newly-created Medicare prescription drug program, part D, by striking language in the Medicare Modernization Act of 2003 that prohibits the HHS Secretary from using the bulk purchasing power of the Federal Government to obtain prescription drugs at the lowest possible cost to taxpayers.

On the eve of the vote on the final Medicare bill, my colleague Senator WYDEN and I agreed that this prohibition language, also referred to as the "noninterference" clause, was a major flaw in the overall bill. Although we both voted in favor of the bill because it afforded seniors and the disabled the first-ever opportunity to voluntarily sign up for a drug benefit in Medicare, we agreed to work to repeal this prohibition language in the bill. I have been pleased to join with Senators SNOWE and WYDEN on legislation the past two Congresses to do just that.

Since casting my vote on the final Medicare bill at that time, I believed was for a $400 billion bill, we have all learned that more accurate estimates of the cost of the overall bill were withheld from Congress and that the true cost of the bill will now exceed $720 billion over the next 10 years. Now, more than ever, Congress must do everything it can to ensure that the government and taxpayer dollars are getting the best deal out there on the cost of drugs covered by Medicare.

That is what this amendment will do. The amendment removes the so-called "noninterference" clause, gives the HHS Secretary authority to negotiate prices with drug manufacturers, and requires that the HHS Secretary do so for covered part D drugs for each fallback prescription drug plan—where the Federal Government is assuming the risk—and upon the request of an approved prescription drug plan or Medicare advantage prescription drug plan.

What the amendment does not do is require the Secretary to set drug prices or formularies. I have heard the argument that this amendment will result in price controls. The fact is that Medicare has been made time and time again by drug companies who would rather profit from the Federal Government paying too much for drugs than allow the Federal Government to use its purchasing power to negotiate for the best deals on drug prices.

The reality is that this amendment specifically states that the Secretary may not require a particular formulary or institute a price structure for the reimbursement of covered part D drugs.

I have also heard the argument that the Secretary won’t be able to negotiate better drug prices than private plans. Currently, only a State with the largest purchasing power in the country for drugs in its Medicaid program and it is clear that the size of California’s market has helped California’s ability to negotiate more competitive drug prices in Medicaid.

But don’t take my word for it. In 2004, CBO stated, “Giving the Secretary an additional tool—the authority to negotiate prices with manufacturers of such drugs—would put greater pressure on those manufacturers and could produce some additional savings.” With respect to sole source drugs, CBO went on to say, “There is potential for some savings if the Secretary were to have the authority to negotiate prices with manufacturers of single-source drugs that do not face competition from therapeutic alternatives.”

Prescription drug prices for existing drugs—these are not new drugs, but old ones—have been rising three times the inflation rates, according to the Government Accountability Office. So I ask the question: Why are we not doing everything in our power to ensure the Federal Government is getting the lowest prices for drugs?

The Snowe-Wyden amendment ensures fiscal responsibility in an entitlement program whose escalating costs pose a very serious problem for future generations. I am pleased to be a co-sponsor of this amendment and urge my colleagues to support the amendment.

The PRESIDING OFFICER. The Senator’s time has expired.

Ms. SNOWE. The former Secretary of HHS said I would have had the opportunity to negotiate.

Let us give this power to the Secretary to save money for the program and to save money for seniors.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. GREGG. I yield to the Senator from Iowa.

November 3, 2005

CONGRESSIONAL RECORD — SENATE
The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, the fact is that the Government does not negotiate prices, it sets prices. The second thing is that we set in place in the Medicare bill plans to negotiate prices, and we now know from experience, and I did not know it when this amendment was offered before, that these plans are negotiating prices that are much lower for beneficiaries and the taxpayers than we ever anticipated when we passed the bill 2 years ago.

One thing that ought to be taken into consideration is the fact that there is no savings from this amendment. I would like to quote from The Washington Post, February 17: Governments are notoriously bad for setting prices, and the U.S. Government is notoriously bad at setting prices in the medical realm.

We need to defeat this amendment as we defeated it a few months ago.

Ms. SNOWE. I ask unanimous consent to add Senator KERRY and Senator DODD as cosponsors.

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

Mr. GRASSLEY. Mr. President, the amendment is not germane to the objection, it is so ordered.

Ms. SNOWE. Mr. President, I move to waive that.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote on the amendment?

The yeas and nays resulted—yeas 51, nays 48, as follows:

[Rollcall Vote No. 302 Leg.]

YEAS—51

Akaka
Bayh
Biden
Bingaman
Boxer
Brownback
Byrd
Cantwell
Carper
Chafee
Clinton
Coburn
Collins
Conrad
Dayton
DeWine
Dodd

Dorgan
Durbin
Feingold
Feinstein
Graham
Hagak
Inouye
Jord Florey
Kennedy
Kerry
Klobuchar
Landrieu
Lieberman
Ludhahn
Leahy
Levin
Lieberman

Dorn
McCain
Mukasey
Murray
Obama
Pryor
Reed
Rockefeller
Salazar
Sarbanes
Schumer
Snowe
Specter
Stabenow
Wyden

NAYS—48

Alexander
Allard
Allen
Baucus
Bennett
Bond

Bunning
Bury
Burr
Chambliss
CoCHRAN
Coleman

Corbyn
Craig
Grapo
DeMint
Dole
Domenici

The amendment (No. 2408) was rejected.

Mr. GREGG. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GREGG. At this point, I believe the Senator from North Dakota has an amendment to offer.

AMENDMENT NO. 2422

Mr. CONRAD. Mr. President, I call up amendment 2422.

The PRESIDING OFFICER. The clerk will report.

The Journal clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. SALAZAR, proposes an amendment numbered 2422.

Mr. CONRAD. I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To ensure Medicaid enrollees have access to small, independent pharmacies located in rural and frontier areas)

On page 121, after line 25, add the following:

"(3) RULES APPLICABLE TO CRITICAL ACCESS PHARMACIES.—
"(A) REIMBURSEMENT LIMITS.—Notwithstanding paragraph (2)(A), in the case of a critical access retail pharmacy (as defined in subparagraph (C)), the upper payment limit—

"(i) for the ingredient cost of a single source drug, is the lesser of—

"(1) 108 percent of the average manufacturer price for the drug; or

"(II) the wholesale acquisition cost for the drug; and

"(ii) for the ingredient cost of a multiple source drug, is the lesser of—

"(I) 104 percent of the weighted average manufacturer price for the drug; or

"(II) the wholesale acquisition cost for the drug.

"(B) APPLICATION OF OTHER PROVISIONS.—

The preceding provisions of this subsection shall apply with respect to reimbursement to a critical access retail pharmacy in the same manner as such provisions apply to reimbursement to other retail pharmacies except that—

"(i) the Secretary shall establish the reimbursement fee for a critical access pharmacy the Secretary, in addition to the factors required under paragraph (4), shall include consideration of the costs associated with operating a critical access retail pharmacy.

"(ii) for the ingredient cost of a multiple source drug, is the lesser of—

"(I) 104 percent of the weighted average manufacturer price for the drug; or

"(II) the wholesale acquisition cost for the drug.

"(C) CRITICAL ACCESS RETAIL PHARMACY DEFINED.—For purposes of subparagraph (A), the term "critical access retail pharmacy" means an retail pharmacy that is not within a 20-mile radius of another retail pharmacy.

"(D) INCREASE IN BASIC REBATE FOR SINGLE SOURCE DRUGS AND INNOVATOR MULTIPLE SOURCE DRUGS.—Section 1927(c)(1)(B)(i)(VI) (42 U.S.C. 1320c-1(c)(1)(B)(i)(VI), as added by section 6092(a)(3), is amended by striking "17" and inserting "18.1").

Mr. CONRAD. Mr. President, in the interest of time, very briefly, this is to help rural remote pharmacies with modestly enhanced reimbursement. I very much thank my colleagues on both sides of the aisle who have agreed to support this amendment. I especially thank the chairman of the Finance Committee for his support.
Mr. GREGG. I urge the amendment to be agreed to.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GREGG. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2422) was agreed to.

AMENDMENT NO. 2392

Mr. GREGG. Mr. President, I wish to reiterate my statement which was inadvertently omitted from yesterday’s RECORD with regard to amendment No. 2392 that we will support an effort to pass legislation to make the technical changes deleted from our bill in a more appropriate vehicle.

PHARMACY DISPENSING FEES

Mr. REED. Mr. President, I engage my colleagues, the Chairman of the Senate Finance Committee, in a colloquy about his difficult efforts. Medicaid recipients and pharmacy dispensing fees in the Medicaid pharmacy reimbursement reform section of the Budget Reconciliation Act.

As I understand the intent of these provisions, States are required to pay dispensing fees to pharmacies for Medicaid prescriptions, but there are no specific minimum fees set forth in the bill. States are given some guidance regarding the factors to use when setting the fees, but there are no requirements to do anything more than take those factors into “consideration” when setting fees.

I am concerned that the States will not be required to accurately account for these factors when setting these dispensing fees. As a consequence, pharmacies will be paid significantly less for the drug product that they provide to Medicaid recipients. This could make it difficult for Medicaid recipients to continue to obtain their prescription medications from their neighborhood pharmacy, and many pharmacies may have to close or reduce hours. The total payment to pharmacies for the drug product and dispensing fee must be adequate to pay pharmacies a reasonable return for dispensing Medicaid prescriptions.

Our expectation is that States will do all they can to encourage the dispensing of generic drugs in Medicaid. It is my expectation that States will set significantly lower fees for generics than for brands, such as one and a half or twice the brand name fee. If an innovator multiple source drug is less than or equal to the cost of a generic, then the State should pay the generic dispensing fee for that drug.

Mr. REED. I thank the Chairman for his clarification regarding dispensing fees. I look forward to working with you as this process moves forward to ensure that any reforms in the Medicaid program are fair to beneficiaries, and that Congress and beneficiaries should be aware of the extent of the changes are determined to “promote the objectives” of Medicaid. I am concerned that the current waivers being approved by CMS go well beyond CMS’ authority and that Congress should be more vigilant at its oversight function.

Mr. GRASSLEY. Senator BAUCUS, I certainly appreciate your views on this issue. You and I have worked hard over the last couple of years to improve the Medicaid program, and I think we have made some progress. But, I understand your desire to do more. I want to continue working with you to ensure that the Senate Finance Committee fulfills its oversight obligations in this area. I also think that the Medicaid waiver amendment that Senator ROCKEFELLER is offering has merit, and I would like to continue working with him to improve the waiver information available on CMS’ website.

Mr. ROCKEFELLER. Chairman GRASSLEY, I thank you for your willingness to work with me. This is a matter of good government. The Government Accountability Office has published reports that indicate that the Department of Health and Human Services has failed to follow its own policy on providing opportunities for the public to learn about and comment on pending waiver requests. Congress has a responsibility to assert its oversight authority on Section 1115 waivers because Medicaid is too important a program to allow it to be waived.
away through secret negotiations and without input from those who will be affected or their advocates.

MEDICAID PHARMACY, REIMBURSEMENT FOR PRESCRIPTIONS

Mr. VOINOVICH. Mr. Chairman, I applaud your leadership on the Medicare and Medicaid portion of this reconciliation package and am committed to working with you to achieve reductions in mandatory spending programs under your jurisdiction as instructed in the congressional budget resolution. I believe it is necessary to maintain fiscal constraint and recognize the difficult task involved in achieving that end while ensuring that the country’s health care safety net remains available for our citizens who truly need it the most.

As we move forward in advancing that goal, I understand that there are several changes included in the reconciliation package being considered today that address Medicaid pharmacy reimbursement for prescription drugs dispensed in the pharmacy setting. I know you and your staff worked very hard to craft the Medicaid provisions contained in this legislation and that we both share the common goal of ensuring beneficiaries and beneficiaries continue to have access to cost-effective prescription drugs reimbursed at an appropriate rate.

In that light, I understand that it is not your intent to inadvertently disrupt the successful drug distribution system responsible for assuring access to needed drugs across the Nation’s pharmacies. I think we both believe that the drug distribution system can best be preserved if prompt-pay discounts paid to distributors are excluded from the new Medicaid pharmacy reimbursement methodology. Was this the Chairman’s intention?

Mr. GRASSLEY. I do recognize the valuable role drug distributors play in the delivery of prescription medication and our Nation’s health care and I do intend to exclude prompt pay discounts from the methodology.

I say to my colleague from Ohio that I will work with him to ensure that my intention to exclude the discounts is preserved through the conference and enacted into law.

Mr. VOINOVICH. I thank the chairman and look forward to working with him in this effort. I know he agrees with me that it is necessary to maintain fiscal constraint and recognizes the difficult task involved in achieving that end while ensuring that the country’s health care safety net remains available for our citizens who truly need it the most.

Within the system, pharmaceutical distributors are able to reduce the cost by minimizing the overall number of transactions required to distribute prescription drugs, over-the-counter products, and medical supplies. Nationally, wholesalers serve more than 130,000 customers. The typical distributor purchases products from an average of 850 vendors. These distributors take ownership of the products and responsibility for warehousing and distributing individual units to pharmacies and other sites of care on a daily basis. This efficient model ensures that pharmacies have pharmaceutical products available for their patients.

I look forward to working with Chairman GRASSLEY to maintain this current drug distribution system and to ensure that when the legislation before us is enacted into law, it clearly excludes prompt-pay discounts from the pharmacy reimbursement methodology. That is why you and I are working to get pharmaceuticals for drugs dispensed to Medicaid beneficiaries.

MEDICAID BAD DEBT, COLLECTION

Mrs. LINCOLN. I will discuss today with my distinguished colleague from Idaho, Senator CRAPO, to discuss the Medicare bad debt policy as proposed in this budget reconciliation bill. I feel there is a need to differentiate between debt owed by individuals and debt owed by States. The sponsors of this policy argue that it will encourage, skilled nursing facilities, to be more efficient in the collection of bad debt. However, how can the facility be more efficient if the state simply refuses to pay the Medicare copayments through its Medicaid program? In 2003, nursing homes in my home state of Arkansas never received the $598,263 in coinsurance owed to them from the Medicaid program. This body should examine the root of this problem before implementing the bad debt policy in this bill. It is my hope that the conference committee considers this when examining this policy.

Mr. CRAPO. Senator LINCOLN makes a good point. While I support the Finance Committee’s goal of encouraging accountability and incentivizing the collection of Medicare bad debt by skilled nursing facilities, I do see the need to differentiate between debt owed by individuals and debt owed by States. I believe this conference should consider this prior to advancing this policy.

Ms. MIKULSKI. Mr. President, I would like to take this opportunity to say how deeply concerned I am over the wrong priorities in the spending reconciliation bill that is before us today.

The United States faces a Federal deficit of $331 billion for fiscal year 2005 alone, according to the Congressional Budget Office. This is a complete turnaround from when President Bush took office just under five years ago. He inherited a surplus and turned it into record deficits. Unfortunately, that has not stopped Republicans from pushing relentlessly for the wrong priorities and irresponsible policies.

As a result, we now have encountered years of record deficits that have contributed to $3 trillion added to our country’s debt. Moreover, under President Bush’s watch, our debt to foreigners has doubled. Japan holds $880 billion of our debt, China holds $240 billion, and the Carribean Banking Centers hold over $100 billion. Increasingly, our fate is in the hands of their central banks and investors.

We must take action so that we don’t put this burden on our Nation’s future generations. The budget reconciliation process was designed for such a situation: to give Congress the tools necessary for deficit reduction. Reconciliation could have offered us the opportunity to work across the aisle to take responsible steps toward reducing the deficit.

Instead, my colleagues on the other side of the aisle seem intent on placing the wrong priorities. Take for example their opposition to Senator CONRAD’s commonsense amendment on fiscal responsibility. His amendment, called paygo, would have reinstated a rule meant to stop Congress from worsening the deficit. It would have ensured that we would have once again served as a check against irresponsible spending or new rounds of tax cuts at a time when the Nation cannot afford them.

My colleagues across the aisle say that their choices are needed to get our fiscal house in order. I agree—we should balance the federal budget just as every American must balance theirs, unless a natural disaster or other national crisis demands it. Anytime Congress wants to raise spending—or lower revenue—Congress should pause and be required to stand up to vote and defend its action. That is what this amendment would have required, but Republicans voted against fiscal responsibility.

Today, we are debating the spending reconciliation bill for fiscal year 2006, but it is only half of the equation. This bill makes $39 billion in cuts to critical spending programs. Many of these cuts will directly hurt low- and middle-income Americans. The bill takes away Americans’ access to health care and affordable housing and jeopardizes their pensions. The bill attacks important conservation efforts by cutting funding for the Arctic National Wildlife Refuge to drilling. But the bill stays silent on lowering energy prices for working families who can no longer afford to pay their monthly gas bills. Simply put, it leaves too many Americans out in the cold.

In several weeks, the Senate will be taking up a tax reconciliation bill. That bill will cut taxes by $70 billion, with an average giveaway of $35,500 for those making more than $1 million each year. These with incomes between $50,000 and $200,000 would get just over $100 on average. The difference is striking, but not so much as the fact that this will all be done under the Senate’s
Mr. REED. Mr. President, I strongly oppose the so-called Deficit Reduction Omnibus Reconciliation Act of 2005. This bill and the President's budget are fiscally irresponsible and reflect misguided priorities. As a matter of fact, the reconciliation bill at the end of the day will further increase the deficit by more than $35 billion over the next 5 years.

In 2 weeks, both the Senate Finance and the House Ways and Means Committees are expected to report a second reconciliation bill that will cut taxes by $70 billion. This $70 billion reduction in tax revenue will more than eliminate the savings from increased Medicaid and Medicare. By contrast, the House reconciliation bill is truly an even worse deal for low-income and vulnerable Americans, as it would impose new copayments on Medicaid beneficiaries and allow States to scale back coverage. It also would exceed the revenue limit the reconciliation bill sets on the ability of elderly people to shed assets in order to qualify for nursing home care. And, for the first time, people with home equity of $500,000 would be ineligible for nursing home care under Medicaid.

The House bill also includes $844 million in cuts to food stamps, overturns a critical court ruling, Rossales v. Thompson, which allows for Federal support of abused and neglected children in foster care who reside with family members, weakens States' ability to establish and enforce child support orders, and raises interest rates and fees that students pay on their college loans.

In 2 weeks, the reconciliation package takes almost $20 billion out of child support and student loans alone, compounding the effect on struggling working families.

I commend Chairman GRASSLEY and the rest of the Finance Committee for their diligence in attempting to craft a reconciliation measure that would not directly impact Medicaid beneficiaries. By contrast, the House, targeted beneficiaries through increased Medicaid cost sharing among other program changes, designations that population to cover, and which population to cover, and, nearly every state now offers TCM services. We should not jeopardize an essential bridge to services for these populations.

By focusing cuts on Medicaid and other essential Federal programs, the reconciliation package will most harshly impact those who cannot advocate for themselves—abused and neglected children in foster care, at-risk youth, single parents, the disabled, persons with mental illness, and vulnerable populations.

I understand that the intent of the TCM provision was to codify a HHS policy from January 2001. Again, I applaud the Chairman for attempting to clarify this provision, however, I am deeply concerned that the provision, when implemented, will severely restrict the providers’ ability to serve our most vulnerable Medicaid beneficiaries.

The second amendment would strike the Banking Committee’s portion of the reconciliation bill that eliminates the ability of HUD to use the FHA General Insurance Fund to provide grants to help preserve FHA-foreclosed multi-family properties as affordable housing, while removing the current housing crises in our country, the grants are more important than ever and should be maintained. I am disappointed that these and other amendments that would have addressed many of the deficiencies of the bill failed.

One such amendment was Senator CANTWELL’s amendment to protect the Artic National Wildlife Refuge from drilling. Earlier this year, the Senate Budget Committee included in the fiscal year 2006 budget resolution provisions that paved the way for arctic drilling. Senator CANTWELL offered an amendment to strike language authorizing arctic drilling from the reconciliation bill, which would undo this expansion of the budget process and permit an open debate of the issue. Unfortunately, her amendment failed. The bill not only opens up the Artic to oil and gas development, but does so in a way that does not accord this pristine wilderness protection under existing mineral leasing laws and regulations, existing environmental protections, and existing rules of administrative procedure and judicial review. In short, it affords the Arctic Refuge less protection than the existing rules of the bill failed to protect.

The reconciliation bill also includes a provision that would extend agricultural commodity payments until 2011. Extending existing subsidy programs will continue policies that are bad for the environment. While the bill extends the life of subsidy programs and the overall budget, in 2011, it does not extend the life of four other conservation programs post 2007. These programs, which restore wetlands,
grasslands, and other wildlife habitat and protect farmland and ranchland are critical to meeting some of the Nation’s most significant environmental challenges.

In the wake of Hurricanes Katrina and Rita, escalating home energy prices, and stagnant wage growth, taking money from important federal programs in order to pave the way for billions of dollars in tax cuts shows how out of touch the majority and administration are with hardworking Americans.

The bill before us is lamentable, and I only hope that those who support it today will reassess their positions in the weeks ahead as we consider other reconciliation bills that will further add to our deficit and continue a path towards misguided priorities.

Mr. DURBIN. Mr. President, my Amendment No. 2415 would inject a dose of accountability and responsibility into America’s efforts to rebuild the gulf coast of Iraq.

It will bar from all reconstruction efforts, both at home and in Iraq, all firms that have overcharged or defrauded the Government by more than $10 million on any reconstruction effort in Iraq.

It will also bar from all reconstruction efforts—both at home and in Iraq—all firms that have been suspended or debarred from competing for federal contracts.

It includes a national security waiver for those instances where dealing with such firms may serve the national interest.

These are serious penalties, but in both Iraq and on the gulf coast we face serious challenges, and we should not do anything less than our very best to face those challenges.

We cannot move forward on the gulf coast without looking at the administration’s weak oversight of funds in Iraq. The amendment I offer today seeks to do that by assuring the American people that the Government will spend gulf coast reconstruction funds wisely.

The bill we are debating is ultimately about saving taxpayer dollars. Why will we just bar from all reconstruction efforts—both at home and in Iraq—all firms that have been suspended or debarred from competing for federal contracts?

We enjoy the privilege of living in a vastly diverse country of vastly talented citizens. In the country with the world’s biggest economy, we don’t need to rely on just a few privileged firms to do America’s work.

We don’t need over-billers, underperformers, or those who have defrauded the American taxpayer to do America’s work. We can’t entrust America’s work, and American taxpayer dollars, to firms that embrace hard work, accountability, and a sense of responsibility about the public trust into which they enter when they serve as a Government contractor.

America has countless firms that fit that bill. They come from across the gulf coast region and from across the country. This amendment simply helps assure that they will have a clear opportunity to shoulder the burden of rebuilding, by clearing away those firms that have abused the public trust.

Last Friday, the President announced that he would ask this Congress to provide $11 billion in hurricane emergency funding, taking it away from the Federal Emergency Management Agency’s Disaster Relief Fund, and dedicating it to rebuilding and repairing of the gulf coast.

The President wants the authority to replace critical infrastructure, facilities, and equipment damaged during this year’s hurricanes. These are important projects addressing important needs, and I fully support them. We must move forward, but we have to do it right.

These are big projects, including the rebuilding of key stretches of Interstate 10, a major artery connecting Texas cities such as San Antonio to New Orleans and New Orleans to points east. The proposed projects include two Veterans Administration hospitals, major military bases, and other highways and bridges damaged by the storms.

This work will help shape the gulf coast region for a generation or more. We cannot afford to get it wrong.

Sadly, this administration has gotten it wrong before. On Sunday, the Special Inspector General for Iraqi Reconstruction, Stuart Bowen, released his latest report on reconstruction in Iraq. Bowen’s report makes for sobering reading.

It tells a cautionary tale as we look forward to rebuilding our gulf coast communities. It paints a grim picture of administration’s efforts in Iraq. It tells a story of administration hubris, lack of foresight, poor planning, poor execution, and the squandering of millions and perhaps billions of U.S. taxpayer dollars.

The Special Inspector General has warned us all that America’s ambitious reconstruction effort in Iraq, an effort managed by this administration, is, “likely to fail far short of its goals.”

We cannot let the same fate befall our communities here at home. We need to ensure—here at home—the accountability that the administration’s efforts in Iraq have sorely lacked. In both situations, the situation demands that we act with speed. In neither case, though, should we ignore our oversight responsibilities.

Special Inspector General Bowen’s work assessing the administration’s Iraq reconstruction efforts reveals the challenges we now face at home.

Since November, Congress has appropriated $21 billion for Iraq reconstruction and relief. The President came to us that fall, seeking support for his ambitious plans to build Iraq anew, and in a bipartisan fashion, we gave him everything he asked for.

Billions of dollars later, Iraq is still struggling to rebuild.

As Michael O’Hanlon and Nina Kamp of the Brookings Institution described Iraq last month in the New York Times:

On balance, the indicators are troubling. Electricity production remains stuck at pre-war levels even as demand soars, and the power is off in Baghdad more often than it is on. Employment is stubbornly low. Infant mortality rates are still among the Middle East’s highest. And Iraq is the most violent country in the region, not only in terms of war casualties but of criminal murders as well.

How did we come to this pass?

Secretary Rumsfeld and his tight circle of Defense Department advisors—awash in unreality—failed to plan for occupation and reconstruction. Their plans for rebuilding postwar Iraq were, according to the Inspector General, “insufficient in both scope and implementation.”

The Coalition Provisional Authority managed Iraqi oil revenues placed in the Development Fund. The Special Inspector General has found that it did so erratically and irresponsibly, often with no accountability, and no records.

The Special Inspector General found that in the town of Hillah, for example, the CPA left $7 million dollars worth of projects uncompleted. What’s more, the money allocated for these projects is missing.

Indeed, the Special Inspector General has found that the CPA burned through nearly $100 million in Development Fund for Iraq money without keeping adequate records, and in too many instances, the money just vanished.

That is simply inexcusable, and there may be no way now to trace and recover those funds. But where we can track fraud and overbilling to specific companies, why should we keep giving more money to the offenders? If they won’t protect the public trust, why should we trust them with new money?

Where is the accountability? Do we want any of the firms involved in the most egregious of these abuses handed new sums of money to rebuild New Orleans and the gulf coast?

Many of our Republican colleagues are demanding that we provide offsets for every penny we dedicate to Katrina reconstruction. In too many instances, they seek to place the burden for rebuilding the gulf coast squarely on the poor. Yet they failed to demand offsets, or even simple accountability, when the administration came to Congress looking for reconstruction funds for Iraq.

By adopting this amendment, we would promote honesty, transparency, and accountability in hurricane reconstruction and we would bar the door to firms that have abused the public trust. We need to learn from the gross failings we have seen in Iraq, learn and do better.
Now we face a crisis at home. The President has waited 2 months to create his Gulf Coast Recovery and Rebuilding Council, which he announced yesterday, and 2 months to name Donald Powell to serve as Coordinator of Federal Support for the Gulf Coast’s Reconstruction and Rebuilding. Let us hope history is not repeating itself.

Does the administration have a plan to hold accountable those who have misused Iraq reconstruction funds, and to ensure that the same companies, or similar blacklisted contractors, do not grab taxpayer dollars in massive contracting efforts? We must not allow ourselves to be hoodwinked.

All the major multinational firms working in Iraq have “cost plus” contracts. Under such contracts, the Government reimburses companies for all their costs, plus a percentage of those costs as a fee.

I don’t think that is the best way to protect the taxpayer, but that is what this administration has done. If we are going to give corporations cost-plus contracts, is it too much to ask that they take care to charge us only for legitimate costs and not to take advantage of our trust, the public trust, to sneak in millions of dollars in illegitimate expenses? Why should we give this important work to companies that will pad their expense sheets and hope that we don’t catch their overbillings?

Writing big, no-bid deals was quick and easy, but it wasn’t good for America, and it certainly did not serve to reconstruct efforts in Iraq. The administration has shown itself unable or unwilling to manage these contracts.

America can do better than this. At home on the gulf coast, it absolutely must do so. It is time to cut off companies that gorged themselves at the public trough.

General John Abizaid, the Commander of U.S. Central Command, said recently that the key to military success is “setting things right together so that we can learn from our mistakes.”

The same holds true for our reconstruction efforts, both at home and abroad. Yet poor financial controls and questionable performance by contractors continues to squander an important part of the treasure we sink into this effort. We already have seen how FEMA and the Administration dropped the ball in planning for disaster, and in responding to the crisis.

We can’t make this right. The reconstruction challenge now before us is here at home.

Mr. PRYOR. Mr. President, the average American might not follow the intricacies of our budget reconciliation process. However, they do know when the government has misplaced its priorities, shirked its responsibilities and shortchanged the families who need help the most.

Given our record budget deficits, I am prepared to make tough decisions to cut government spending, but what this bill represents is a misguided effort to balance the budget on the backs of hard-working families.

I question the rationale of some of my colleagues in this body who propose providing tax breaks for multimillionaires and special interests, while cutting resources that are critical to the families of Arkansas. For example, I am particularly disappointed that this package would cut $27 million for seniors and the poor; agriculture supports for farmers by $3 billion.

Mr. President, I want to tell you about Maya Romney of Arkansas, a Down’s syndrome patient. Maya is able to receive critical therapies through Easter Seals, allowing her to interact in a classroom setting and live more independently. Quite simply, Maya’s therapy services could be in jeopardy because Easter Seals is funded primarily through Medicaid. And while this saddens me greatly, it should also sadden everyone in this body because we all have Mayas in our State or others who depend on our support.

This program, that some of my colleagues want to cut, provides vital resources for persons with disabilities and seniors. In my State, almost 50 percent of individuals are seniors. Additionally, 958 beneficiaries in Arkansas right now are Hurricane Katrina evacuees.

I know that in the long-term we can find ways to save money and improve the efficiency of Medicaid—in fact the Senate has supported measures to do just that. But, it is unacceptable to impose arbitrary cuts for a program that does so much to support families. By taking away these services we are endangering the health of too many Americans.

As an Arkansan, I am particularly disappointed in proposed cuts to agriculture. I know that the chairman of the Agriculture Committee has worked hard to make sure these cuts are distributed fairly, and he has done the best he can. I commend him for that.

But now is not the time to be cutting our support of agriculture in this country. Our farmers through too much in the past year—rising energy costs, drought, and storm damage. They need us now more than ever.

But instead of reaching out to help the community that feeds America, some of my colleagues have proposed slashing $3 billion from agricultural programs, and imposing further payment limits that will dramatically hurt family farms.

Rural America is fed up. It seems as though every time this administration has needed to find revenue, whether to pay for the war in Iraq, cut the deficit, or provide relief from Hurricane Katrina, agriculture has been first on the chopping block.

Our farmers know they must do their fair share, but they are currently doing much more than that.

For the government’s part, we should be investing in rural America not taking from it. There is enormous potential in rural communities and we should harness that potential to help drive our economy.

Overall, this measure shows America that they, their government, is too willing to turn their backs on the families who need our help the most in order to provide favors for special interest groups.

I cast my vote in opposition to this bill. Medicaid provides vital services for millions of Americans, especially persons with disabilities, children, and seniors. As we all know, access to health care is critically important for improving the quality of life and promoting greater independence for these individuals.

In my State alone, 17 percent of Arkansans depend on the Medicaid Program. An additional 1,000 Hurricane Katrina evacuees currently residing in Arkansas are receiving their health care through the State’s Medicaid Program. It is essential that State Medicaid Programs and patients get the
support they need, particularly at a time when States are facing budgetary crises and struggling to deal with skyrocketing costs associated with providing health care. I understand that tough financial decisions have to be made in order keep this country’s fiscal house in order, but I do not believe it is fair that we require our seniors, our children, and the disabled to shoulder this burden. It is simply wrong to impose arbitrary cuts for a program that does so much to support families in need. I believe we can find appropriate savings in Medicaid without jeopardizing the health care of so many Americans, and this bill has included measures to do that in the past. For example, I supported a bill to charge the Institutes of Medicine with evaluating Medicaid to find appropriate cost savings and improve efficiency within the program. But the proposals many Members of the House of Representatives are proposing in this bill, on the whole I think it is a balanced package that accomplishes meaningful constraints on Government spending.

One of the positives of this bill is the provisions relating to energy production in the Arctic National Wildlife Refuge. It is time to open ANWR for oil production to increase our domestic supply of petroleum. We need to look no further than the gas pump to see what happens when U.S. oil production lulls. High gas prices hurt Montanans and dependence on foreign oil hurts our national security. The Energy Information Administration states that the coastal plain re- serves offshore 1002 Area is “the largest unexplored, potential productive onshore basin in the United States.” Studies by the U.S. Geological Survey, USGS, estimate that drilling in ANWR could yield up to 16 billion barrels of oil—an amount roughly equal to 30 years of oil imports from Saudi Arabia. Most people don’t understand that the 1002 Area is only 1.5 million acres within the 19 million acre Arctic National Wildlife Refuge, which allows for development of only 2000 of those 19 million acres in ANWR. That means 99.99 percent of ANWR will be untouched. If this tragedy-filled hurricane season has taught us anything, we should realize that by concentrating our production and refinery capability in the Gulf of Mexico, we are risking supply disruption.

We need to do more offshore, and more onshore across this country. Last week, I was able to vote for essential air, but skyrocketing fuel prices are impacting every aspect of our way of life. The provision I included will provide an additional $75 million over the next 5 years, and ensure that communities relying on essential air will continue to have transportation options.

I am especially proud of the provision I worked with the chairman of the Energy and Natural Resources Committee for including ANWR in this budget. I am also pleased with the provisions to assist low-income students in the workforce to include language in this bill that will provide an additional $75 million for essential air. Thirty-seven States rely on essential air, but skyrocketing fuel prices are hurting families that depend on that service. The provision I included will increase EAS funding over the next 5 years, and ensure that communities relying on essential air will continue to have transportation options.

Our first responders need access to this technology available for the emergency and canary, but skyrocketing fuel prices are impacting every aspect of our way of life. The provision I included will provide an additional $75 million over the next 5 years, and ensure that communities relying on essential air will continue to have transportation options. Our first responders need access to this technology available for the emergency and canary, but skyrocketing fuel prices are impacting every aspect of our way of life. The provision I included will provide an additional $75 million over the next 5 years, and ensure that communities relying on essential air will continue to have transportation options.

The higher education reforms save $9.8 billion over 5 years, while still providing students with critical benefits for students across the country. For first- and second-year college students, the loan limits will be increased to $3,500 for the first year and $4,500 for the second year. This is especially important in a State like Montana, which ranks third-from-last in retention of first-year college students who continue on to their second year.

Not only are we increasing the overall aid available, but we are also emphasizing the various types of education needed from the current workforce. This bill provides for additional funding for grants for Pell-eligible students who major in math, science, technology, engineering, and some foreign languages. All too often, employers complain that there are skilled jobs available, but are unable to find the kind of specialization they need from students, and by providing incentives for students to study in these under-utilized areas, they are able to obtain affordable education and fill a much-needed place in the workforce.

I am especially proud of the provision in this bill which provides for
I am glad to see that this bill also establishes a new grant program to finance innovative outreach and enrollment efforts designed to increase enrollment and promote an understanding of the value of health insurance coverage. I expect this outreach program to be helpful in reaching those in need that is often difficult because of the vastness of our state.

This bill will also extend the Medicare Dependent Hospital program, which provides financial protections to rural hospitals with less than 100 beds that have a greater than 60 percent share of Medicare patients. Many of Montana’s hospitals fall into this category, as our Medicare population, especially in the most rural areas continues to grow rapidly.

Medicaid options are expanded through the Family Opportunity Act, so that parents of severely disabled children can go to work, without risking Medicaid benefits. New incentives are provided for long-term care, and new resources are provided to help states combat fraud and abuse that steal money away from low-income families that need it the most. These are good reforms, and they will greatly benefit Montanans.

Undertaking spending cuts on any scale is a difficult task. But Congress must do its duty to rein in the growth of the Federal Government, provide incentives to economic growth, and ensure that the people in place are truly benefiting those who need assistance most. Although there are certainly things I would change about this package, I urge my colleagues to support it. The American public must know that Congress is willing to make difficult choices to reduce runaway Government spending and use tax dollars wisely. This budget is a good start, and I look forward to supporting its passage.

Mr. President, I oppose the legislation the Senate is considering today. This bill does not reflect American values. Although proponents of the bill try to claim that this is a deficit reduction bill, it is transparently not so. This bill is only the first half of their budget policy. The second half, which we will see in the second budget, provides tax cuts almost double the size of these spending cuts. In the end, the policy advanced by this bill will not only increase the deficit by more than $30 billion in order to provide additional tax cuts while shortchanging valuable programs.

I am extremely concerned about how this legislation will affect the people in my State of West Virginia. I believe that the effect will be very painful indeed. This bill cuts $10 billion from Medicaid, on which our most vulnerable members of society depend for basic health care. I have fought very hard to improve the provisions of this bill related to Medicare and Medicaid, but I am sorry to say that in the end, this bill will deal a terrible blow to those programs. And the effects will certainly be felt by our neediest and sickest citizens.

In a letter to the Congress, the National Council of Churches said of this budget bill, “It violates all the fundamentals of Christian living by allowing the neighbor to suffer, caring for the poor and showing mercy.” In fact, they said that this proposed budget would be a “moral disaster of monumental proportion.” I think it is a sad day when the Senate of the United States would vote to enact policies that not only cannot garner broad support but also do nothing to improve our nation’s fiscal situation. The unique role of the Senate is undermined when the reconciliation process is used to enact policies that are not related to deficit reduction, most egregiously in this bill. I am afraid that the budget reconciliation process that was originally intended to help Congress enact difficult policies to reduce deficits is being utterly abused by the majority to enact policies that not only cannot garner broad support but also do nothing to improve our nation’s fiscal situation.

Today, Federal Reserve Chairman Greenspan testified to the Joint Economic Committee that unless reversed the nation’s “budget trends will cause economic disruption and depress economic growth.” I agree with Mr. Greenspan, and I stand ready to work with my colleagues toward the goal of deficit reduction. However, the reconciliation process underway in Congress today, in fact, will exacerbate our runaway deficits.

I vehemently oppose this bill. I ask my colleagues to join me in defeating it so that we can make real progress toward improving our Nation’s budget situation in a way that is consistent with our American values and is truly compassionate toward the least fortunate of our fellow citizens.

Mr. President, I also wanted to make a brief statement about the fundamental importance of providing help and support to the families devastated by Hurricane Katrina. This is an unprecedented disaster. Many families lost everything they own and they have been displaced for months, and that sadly will continue to be the case for the foreseeable future.

For weeks, I joined Senators Grassley, Baucus and others to fight for legislation to expand health care coverage for these needy families. Today, I voted for Senator Lincoln’s amendment to expand Medicaid coverage to help the evacuees of Hurricane Katrina. I am disappointed that this amendment failed by a vote of 52 to 47. These families need and deserve health care. It is tragic that the Senate refused to help vulnerable Americans.

On the education front, the reconciliation package included by voice vote an Enzi-Kennedy amendment to provide support to the schools that have
already accepted evacuee students. The children and all the schools that accepted such students, without knowing how or when they would get funding deserve our support.

I voted against the Ensign-Santorum amendment to change to direct vouchers. This legislation, in my view, merely provides a one time emergency financial grant to the schools and communities that opened their doors and classrooms to evacuee students following such an historic disaster.

Mr. COBURN. Mr. President, I thank the leadership for giving me an opportunity to express some concerns with the leadership for giving me an opportunity to express some concerns with the Enzi-Kennedy bill into a direct voucher program. It would have removed the carefully negotiated provisions designed to maintain the basic civil rights protections in the underlying education legislation. This legislation, in my view, merely provides a one time emergency financial grant to the schools and communities that opened their doors and classrooms to evacuee students following such an historic disaster.

Mr. DODD. Mr. President, I rise today to express my opposition to the spending reconciliation bill, which has been misleadingly titled the “Deficit Reduction Omnibus Reconciliation Act of 2005.” As some of my colleagues have already mentioned, the reconciliation package that we are considering today is only one-third of the budget reconciliation package—the other two pieces are a tax cut bill and a bill to increase the debt limit. Taken together, this package of reconciliation legislation would increase the deficit and impose greater costs on some of the most vulnerable members of our society. It would also allow for drilling in the Arctic National Wildlife Refuge, which would be enervatingly un-American and doing nothing to reduce our dependence on foreign oil. The bill fails to reflect the priorities of the people of our nation and it fails to seriously address the major challenges we face as a Nation.

We are living today in an increasingly global society, one that presents tremendous opportunities. But with those opportunities come challenges. Today, countries like China and India are gaining increasing influence for venture capitalists interested in investment, for students interested in higher education, and for companies interested in labor that is not only inexpensive but well-educated and well-trained as well. With economic development and expansion come greater competitive pressures.

Our labor market is under strain—real wages are stagnating, health care costs are skyrocketing, and our deficits are soaring. How does the President and Congress propose to approach the nation’s economic challenges? Will they continue the last seven years of lower taxes on the most affluent, higher taxes on everyone else, and less investment in education, research, and business growth will somehow magically restore us to our place of economic preeminence in the world?

This view is naive and betrays a fundamental misunderstanding of our history. Our economic success has not been achieved despite investments we made in our people, but because of them. Lower taxes on the most affluent, higher taxes on everyone else, and less investment in education, research, and business growth will somehow magically restore us to our place of economic preeminence in the world.

I believe pay-for-performance is critical to improving quality in our healthcare system. But we must get it right. Our physicians are facing year after year after year of cuts. They are facing a loss of access to the physicians they know and trust. I believe the correct course is to deliberately and methodically build up toward a new physician payment system that accurately rewards high quality and improves care to beneficiaries while encouraging and rewarding high quality and improvement.
First and foremost, the budget reconciliation package takes the worst fiscal record of any president in history and makes it worse. It takes procedural rules specifically designed to reduce the deficit and uses them to increase by $20 to $30 billion over the next 5 years. Part one of this reconciliation legislation may be cutting spending by $35 billion, but part two will provide tax breaks costing even more—$70 billion.

The fiscal irresponsibility is not an isolated case. Under President Bush, the Federal budget has gone from a surplus of $236 billion in 2000 to a deficit of $319 billion in 2005. The national debt has now passed by two and a half trillion dollars since 2000, totaling roughly $8 trillion as of this morning. That amounts to $27,041.81 for every man, woman, and child in the United States. Every minute in 2005, Republican budget policies have added $1,048,952 to the national debt.

As we have borrowed more, we have been forced to rely increasingly heavily on foreign lenders—particularly the central banks of countries like China and Japan that lend our borrowing in ways. Foreign holdings of U.S. Treasury debt have more than doubled under the Bush administration from $1.01 trillion in January 2001 to $2.06 trillion in August 2005. Japan now holds $684 billion of that debt and China now holds $248 billion. We are playing a dangerous game here by relying so heavily on borrowing from abroad.

Some in this administration have reported that deficits don’t matter. I strongly disagree. By blowing a massive hole in our budget, this administration and the Republican majority in Congress have seriously jeopardized our ability to meet the needs of our nation’s other critical priorities.

The cost of the Bush administration’s deficits is reflected right here in this spending reconciliation bill. In order to pay for just a small piece of the Bush tax cuts for the most affluent, this bill would impose harmful cuts that would fall disproportionately on working Americans and the most vulnerable in our society.

For example, this bill cuts funding for Medicare and Medicaid, which provide health care to poor children, working men and women, the disabled, and the elderly. It cuts funding to re-habilitate FHA-insured multi-family housing. It dramatically increases the premium paid by pension plans to the Pension Benefit Guarantee Corporation, the Federal pension insurer, making it more expensive for companies to offer defined benefit pension plans for their employees.

We are paying more for critically needed services and access to Medicaid services could be limited for some beneficiaries.

As bad as the cuts are in the bill before this body, the companion legislation in the House of Representatives is much, much worse. It contains food stamp cuts for roughly 300,000 people, most of them in working families. It contains Medicaid cuts that would reduce health care benefits and increase health care costs for roughly 6 million children, as well as many low-income parents, the elderly, and people with disabilities. And it contains cuts in child support enforcement, child care assistance, and Federal foster care assistance.

So let us not be under any illusions: any conference agreement with the other body is likely to be even more harmful to the well-being of Americans.

The reason for these cuts is to pay for a small portion of President Bush’s tax breaks for those who need them least. More than 70 percent of the benefits of the Bush 2001 and 2003 tax break package go to taxpayers with the highest incomes, according to the nonpartisan Tax Policy Center of the Urban Institute and the Brookings Institution. More than 25 percent of the tax-cut benefits have gone into the coffers of the wealthiest 1 percent of taxpayers.

I believe these priorities are seriously out of step with the values of this Nation.

In addition to cutting assistance for low-income workers for tax cuts for the wealthy, this legislation would open the Arctic National Wildlife Refuge to oil and gas drilling. Not only would such drilling be incredibly damaging to the region’s fragile ecosystem, it would do nothing to reduce our Nation’s dependence on foreign oil. Reasonable estimates project that drilling in the Refuge would provide only enough oil to satisfy U.S. demand for 6 months. Moreover, this supply would not even come on-line for 10 years. The belief that our country can drill our way out of dependence on foreign energy sources is misguided.

As a nation, we face significant challenges in both the short and long term. Americans are concerned about finding and keeping good jobs, paying for soaring energy prices, and whether they will have good health care when they need it. They are concerned about hurricane disaster relief and rebuilding assistance, and preparedness for the threat of an avian flu crisis. They are concerned about the war in Iraq and protecting the homeland from terrorist attacks. They are concerned about our education system and our competitive-ness in the global economy.

The budget resolution—and the reconciliation legislation that carries out its instructions—is a statement of priorities. Unfortunately, the bill before this body today fails to seriously address the concerns of American families and businesses.

We can do better than this legislation. We can do better than harmful cuts for the poor and for children and for seniors. We can do better than using these cuts to pay for tax breaks for the most well-off in our society—who are, by the way, hardly clamoring for the kind of tax largesse that this Administration and its allies in the Congress insist on heaping upon them.

We should be investing in our society and our education and our knowledge base. We should be investing in science and technology and research and development. This legislation is not about investing in America. It is about fiscal irresponsibility in the truest sense of the word. These tax breaks are those who need them least. Therefore, Mr. President, I cannot support this bill.

While I am unhappy with this reconciliation package overall, I am pleased that this bill does contain lifesaving legislation that I have introduced the past two Congresses that will provide Medicare coverage for screening for a dangerous condition known as abdominal aortic aneurysm—or AAA—a silent killer that claims the lives of 15,000 Americans each year. AAs are never diagnosed, nearly all are here today at the outset of an effort to prevent abdominal aortic aneu-rysms from advancing to the point of rupture by providing coverage for a simple yet lifesaving screening. Simply put this legislation is about saving lives and I am pleased that it is contained in the bill passed by the Senate.

Finally, I would also like to say a brief word about the amendment being offered by Senator BYRD that deals with the issue of H-1B and L-1 visas. His amendment would strike the text in the underlying bill dealing with immigrant worker visas and replace it with a $1,500 fee for employers who file a petition to hire a foreign worker under the L-1 visa program.

Immigrant worker visas is a critical issue that this body must address. It is a matter of national security, of overall economic well being, and of protecting American workers. Simply put,
the underlying bill is not the appropriate place to address such critical and complicated immigration issues as the H-1B visa. So I thank Senator BYRD for offering his amendment. I strongly support it and I hope that my colleagues will as well when it comes to a vote.

Mr. FEINGOLD. Mr. President, today’s vote is the first part of a three-step budget reconciliation package that actually leaves this Nation’s budget worse off than it is now, not by tens of millions of dollars, which would have been a disservice to the American public, but by tens of billions of dollars.

Using reconciliation to push through legislation that will worsen our budget deficit and add billions more to the mountain of debt our children and grandchildren will have to pay is a perversion of a process designed to expedite measures to reduce the deficit.

Reconciliation was intended to help facilitate enactment of measures to help reduce the deficit. It is ironic, to say the least, that it should be used to enact measures that only aggravate our budget deficits and increase our massive debt.

No one who has served in this body for the past 10 years, and especially the past 4 ½ years, should pretend to be shocked, however. This is only the latest abuse of a reconciliation process that in recent years has been the principal tool used to enact some of the most reckless fiscal policies in recent history.

But for even the most cynical, there are new lows in this bill, most notably the use of reconciliation to jam through a controversial policy measure to permit drilling for oil in the Arctic National Wildlife Refuge. At the very least, the Senate should be allowed to conduct a full and open debate on this misguided decision to undermine the crown jewel of our National Wildlife Refuge. At the very least, the Senate should be allowed to vote on the use of reconciliation to enact legislation that would cut Medicare and Medicaid and to cut the food stamp program, child support enforcement, the foster care program, and student loan programs.

These cuts will harm millions of Americans.

And why are the Republicans doing this? To reduce the deficit, which is spinning out of control, but to provide tax cuts for millionaires that will at the end of the day actually increase the deficit.

The tax portion of the reconciliation package will provide $70 billion in tax breaks—$30 billion more than the proposed spending cuts. In a perversion of the budget reconciliation process, the Republicans will be adding to, not decreasing, the Nation’s $8 trillion debt.

What makes America the greatest Nation in the world is our sense of community and compassion. Americans recognize that their government should aid those in distress in order to make this a better country for everyone.

That is why I cannot believe only 2 months after Katrina, we have a bill that would cut Medicare and Medicaid by $27 billion, increase Medicare premiums, cut the availability of affordable housing, and cut support for our farmers by $3 billion.

Even worse, the House of Representatives is looking to make even deeper cuts to Medicare and Medicaid and to use reconciliation to violate the 1990 balanced budget agreement, a vote that nearly eliminated the budget worse off than it is now, not by tens of millions of dollars, which would have been a disservice to the American public, but by tens of billions of dollars.

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it harms those who are most vulnerable in order to benefit the rich and a handful of special interests. For these reasons, I cannot support the budget reconciliation spending bill and will vote against it.

Mr. President, earlier today, an amendment I have worked closely with Senator Dodd from Connecticut on was passed as part of the budget reconciliation package. The amendment is based on legislation we introduced which would provide Medicare with a one-time screening benefit for abdominal aortic aneurysms, AAAs, under Medicare for certain, eligible beneficiaries. I am pleased this amendment was accepted, and I appreciate the hard work from Senator Dodd in helping get this amendment passed. I hope that we can continue working to ensure that this provision is included in the final reconciliation package.

AAAs occur when there is a weakening of the walls of the aorta, the body’s largest blood vessel. The artery begins to bulge and can lead to a rupture and often severe internal bleeding. In cases where an artery ruptures, the survival rate is less than 15 percent, and of the 15,000 people die from ruptured abdominal aortic aneurysms each year.

When detected before rupturing, AAAs are treatable and curable in 95 percent of cases. Nearly all AAAs can be detected through an inexpensive ultrasound screening. Once detected, a physician can monitor small aortic aneurysms and begin treating the risk factors, such as high blood pressure and smoking. Large or rapidly growing aneurysms are often treated using either an open surgical procedure or a less invasive stent graft, both of which serve to repair the artery.

It is estimated that between 5 to 7 percent of adults of the age of 60 have AAAs.

Our amendment targets AAA screenings to Medicare beneficiaries with a family history and those who exhibit risk factors recommended for screening by the U.S. Preventative Services Task Force, specifically men who smoke. The amendment also limits screening to those eligible beneficiaries who participate in the Welcome to Medicare Physical.

This amendment could save thousands of lives each year, and I am pleased we were able to include it in this package.

Mr. KOHL. Mr. President, I am in reluctant but adamant opposition to the reconciliation bill before us. I say reluctant because I’m glad to see the Senate using the reconciliation procedure for the purposes for which it was intended: making difficult choices to reduce spending. And reluctant because some of the policy changes incorporated in this bill are necessary and worthy of support.

One such provision relates to extension of the Milk Income Lost Contract, MILC, program. MILC, which expired at the end of the last fiscal year, provides counter-cyclical support for the nation’s dairy sector. It is targeted. It is fair. It is essential. Moreover, it enjoys the President’s support. It makes sense as part of the balanced Agriculture Appropriations Bill.

But my opposition to the entire package is adamant because this bill is just one piece of a fiscally and morally bankrupt budget. Though this bill asks for sacrifices from seniors, students, farmers, and working families, the budget of which it is part will add over $30 billion to the deficit over the next 5 years. Though this bill makes real cuts in Medicaid, Medicare, aid to farmers and funding for conservation programs across the country, the budget of which it is part will add $3 trillion to the national debt by 2010.

If this bill was what many on the floor have argued—a carefully crafted compromise to cut $38 billion from our growing federal deficit, I would have to think twice about voting for it. But our budget calls for today’s bill to be followed with $70 billion tax cut, the bulk of which will go to those with more than $1 million in annual income.

I am willing to make the hard choices necessary to bring our budget deficit down. I am not willing to support taking needed services away from those that need them the most—and use those cuts as a fig leaf to hide tax breaks for those who need them the least.

Our budget is the most basic expression of what we stand for as a government. Is this budget really what we want to vote to say? That we are the sort of country that threatens our own economic stability by piling deficit upon deficit? That we show our fiscal toughness by chopping aid to those in need? That we show our compassion only to those whose biggest problem is to pay for tax cuts for people with high incomes?

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Mrs. FEINSTEIN. Mr. President, I rise today truly alarmed about the administration’s fiscal irresponsibility. In the past 5 years, the President’s policies have turned record surpluses into record deficits. Just a few weeks ago, the Department of Treasury announced that this year’s budget deficit is the third largest in history at $319 billion.

But that is not where the bad story ends.

By sleight of hand, the administration continues to use other resources to finance debt, including foreign lenders and Social Security. The real deficit is a staggering $551 billion, 4.5 percent of GDP.

Administration officials are nonchalant about the fiscal disarray.

I am deeply worried. We all should be.

On October 18, the national debt passed the $8 trillion mark. Even more disturbing, the national debt is being financed by Chinese, Japanese, and other overseas lenders. To put this into perspective, in absolute dollars, the country is borrowing more than ever in its history, close to $2 trillion from foreign nations. We owe over $680 billion to Japan, $390 billion to the European Union, $240 billion to China, and $57 billion to OPEC nations, to name a few. It is beyond me how this administration can turn a blind eye to these numbers, or how Congress can approve legislation that exacerbates these fiscal problems.

Instead of facing up to the fiscal truth, President Bush ignores the mountain of debt that will burden generations to come.
First, this President shortened the budget timeline from 10 years to 5 years. Relying on this kind of gimmicky covers up for the President’s destructive fiscal decisions, especially as they relate to tax cuts for the rich. Second, this Republican Congress voted against a system to keep the budget in balance. I am referring to the pay-go rule endorsed by Federal Chairman Alan Greenspan and former Secretary of Treasury Robert Rubin. Pay-go would have required an offset for any revenue. This approach would have ensured a balanced approach to tax cuts. Unfortunately, Republican congressional leaders opted for shunting aside integrity in budgeting. They back pay-go in name, but not in practice.

By any standard, the decisions to ignore a 10 year budget timeline and disregard balancing methods have caused massive red ink and send the country precisely in the wrong direction.

In fact, Federal Reserve Chairman Alan Greenspan put it this way:

The federal budget deficit is on an unsustainable path, in which large deficits result in rising interest rates and ever-growing interest payments that augment deficits in future years. . . Unless this trend is reversed, at some point these deficits will cause the economy to stagnate or worse.

I fear this reconciliation package, coupled with the administration’s tax cuts, will only lead us to even worse times.

Reconciliation is simply asking too much of middle income families who are facing cost increases for basic needs.

For instance, energy costs to heat one’s home have increased 20 percent from last year. Education costs for public universities have increased 7.1 percent. Interest rates that impact college loan payments have doubled over the last 10 months. And, gas prices have increased 19 percent over the last 4 months.

Instead of assisting families with these increased costs, raising the standard of living for the poor, or improving the opportunities to attain a college education, this package adds to financial pressures.

For health care alone, premiums have climbed higher than $10,000 for families, and this bill will do nothing to reduce out-of-pocket health care spending.

More perilously, what the bill does do is cut $10 billion in health care spending for the poorest Americans.

While the bill provides a 1-year temporary relief to physicians, a 1 percent increase in Medicare reimbursements is not enough. This is a Band-Aid fix at best. When expenses to practice are increasing at a rate of 3 to 5 percent annually, a 1-year 1 percent increase in reimbursements is insufficient. In my State, where the cost of living is beyond the reach of many Californians, doctors are simply choosing not to see any new Medicare patients or are retiring early due to low reimbursement levels.

To make matters worse, the temporary relief for physicians in the bill is borne on the back of Medicare beneficiaries in the form of higher Part B premiums. This provision will directly increase the amount Medicare beneficiaries pay each month in premiums by $2.90 in 2007. That is a 33 percent increase in monthly premiums. While it is vital that Congress prevent future cuts in Medicare reimbursement to physicians, the provision in this bill amounts to a hidden tax on seniors. That is unacceptable.

Further, it is no secret that increased debt puts pressure on inflation. In just this past year, the Federal Reserve enacted 11 consecutive interest rate increases.

This means the American people will have to make higher mortgage payments, pay higher interest, and for those who own debt, it will take even longer to pay off their credit cards.

For some, this bill will put a college education out of reach. Middle-income families, who have no choice but to borrow money for college, will struggle even more to pay tuition bills.

Due to increases of basic needs, there are 1 million more Americans living in poverty this year than there were last year. Not only does this budget reconciliation do nothing to reduce that number, it puts many more Americans at risk of poverty due to higher health care costs and reduced access to social services and education.

As for the environment, this reconciliation blatantly undermines the natural wonders of our country. Shamefully, it opens the Arctic National Wildlife Refuge for drilling to already profit-soaked oil companies.

And if that is not enough, this administration’s fiscal policy forces our country and foreign nations.

At any point, foreign countries can stop investing in the dollar, and any small movement could have a significant and immediate impact on the fiscal stability of our Nation’s currency.

Does this Congress believe it is good foreign policy to put our economic interests and security in the hands of China, Japan, and the European Union? Let me be clear, this budget reconciliation is asking Americans to: pay more in interest payments, pay more in health care premiums without improving benefits, borrow more from foreign lenders to change our habitat and environment, and leave an even larger bill for future generations to pay.

We should be talking about helping American families, not punishing them for new fines. And for what good reason? None whatsoever.

The Bush administration’s Pavlovian response to everything that ills the economy is: tax cuts—not to middle- and low-income families, who need it most, but, instead, to the wealthiest Americans.

The wealthiest Americans have received tax cuts that are 140 times the size of the average tax cut for middle-income families. That means millionaires have received an average tax break of $100,000 a year while middle-income families have received a mere $742.

Let me be frank, the President’s tax cuts do not help working Americans. In fact, the after-inflation wages of the average American earners have dropped for the first time in a decade.

Meanwhile, the President’s tax cuts account for 57 percent of the deficit increase. In fact, President Bush’s tax cuts are more expensive than all spending increases combined, including new spending for homeland security, the war in Iraq, operations in Afghanistan, expanded antiterrorism efforts, and all domestic spending increases. It is a fiscal record of excess and recklessness.

And without batting an eye, this President goes right along, reiterating his intention of making tax cuts permanent—at a cost of $11 trillion over 75 years—making it clear even in the wake of hurricanes, rising gas prices, increasing interest rates, and higher health care costs, this administration will continue to push for lining the pockets of the wealthy.

I believe we can do better. I believe we can bring fiscal responsibility back to the budget process and help middle-income families. We have done it in the past. We can do it now.

In 1982, Ronald Reagan agreed to undo a significant share of tax cuts to combat substantial budget deficits.

Ten years later, President George H.W. Bush changed his position on taxes and signed a bipartisan deficit-reduction package.

More recently, in the late 1990s, after inheriting a national deficit totaling 4.7 percent of GDP, the Clinton administration turned deficits into our first budget surpluses since 1969.

Today, with the national deficit including trust fund accounts reaching 4 percent of GDP, it is time to do the same.

In the words of Former Secretary of Treasury Robert Rubin:

We are at a critical juncture with respect to the longer-term future of our economy, and the outcome at this juncture will be enormously affected—for good or for ill—by the policy action we take in response to the great issues we face.

It is time to have the courage to act responsibly. This so called deficit reduction package is not what it claims to be. Yes, it will cut spending by more than $30 billion, but in a few weeks these savings will be spent on tax breaks for the rich. In the end, this reconciliation package titled “Deficit Reduction” will actually increase the deficit by $36 billion. This fiscal strategy edges us closer to fiscal insanity and leaves our children and their children impoverished and riddled with debt.

The first step to doing better is voting no on this package.

Mr. JOHNSON. Mr. President, in order to meet its reconciliation instructions, the Banking Committee
recommended that S. 1562, the Safe and Fair Deposit Insurance Act of 2005 be included in the banking title of the budget reconciliation bill.

Earlier this year, I joined with Senators ENZI, HAGEL, and ALLARD in introducing a bill that has garnered strong bipartisan support and was overwhelmingly approved by the Banking Committee last month. Additionally, it has the strong support of the administration, Treasury Department, the Federal Deposit Insurance Corporation, and the financial services industry.

Deposit insurance is one of the cornerstones of our country's financial system. It protects depositors against risks they cannot control, ensures stability, and allows deposits to remain in our local communities. This important legislation will ensure that deposit insurance maintains its strength even during times of economic weakness.

Borne out of the need to promote financial stability during the Great Depression, deposit insurance has served depositors well by providing stability to banks and to the economy, and it is especially critical to our Nation's smaller financial institutions and community banks.

While there have been differing opinions as to how deposit insurance should be reformed, there is general agreement that the system needs to be reformed and modernized. The banking industry is rapidly evolving and is becoming increasingly complex and sophisticated. Yet the last time any change was made to our system of deposit insurance was over 20 years ago. Reform is long overdue. The time has come for the system that was put in place to promote the stability of the banking system be appropriately reformed to keep pace with the evolution of that system.

Depositors must have confidence that their hard-earned money is protected, including the funds that cover their daily living expenses to the funds they are saving for retirement and a rainy day. To that end, this legislation introduces some very key reforms.

First, it merges the bank insurance fund with the savings association insurance fund to create the deposit insurance fund. By doing so, we create a stronger and more diversified fund, and eliminate the possibility for disparities in premiums between banks and thrifts.

Second, insurance premiums will be risk-based to ensure that banks pay based on the risk they pose to the system, and the FDIC will be able to price insurance premiums accordingly. The current system does not allow for premium assessments to be based on risk, and therefore, safer banks are subsidizing riskier banks. This inflexibility will be eliminated and the assessment burden will be distributed more fairly over time, which is why deposit insurance is priced for risk, whether the coverage limit is higher or lower is less relevant. Banks will have to pay higher premiums for riskier behavior, reducing any moral hazard. It is important to note, however, that in developing a new risk based premium system, the FDIC should not negligently impact the cost of homeowner-mortgages. Eliminating the higher premiums to institutions simply because they fund mortgages and other types of lending through advances from Federal Home Loan Banks. Congress reaffirmed this relationship between community lenders and Home Loan Banks most recently in the Gramm-Leach-Billete Act, and deposit insurance reform is not intended to impose any financial cost on the relationship through direct or indirect premiums.

Third, the FDIC will have the discretion to periodically index coverage levels for both general and retirement accounts to keep pace with inflation. This is a compromise made in order to secure the Bush administration's support. Frankly, I feel some form of automatic indexation would be far preferable, and I am disappointed that indexation is left as a discretionary matter. The real value of deposit insurance coverage is now less than half of what it has been when it was set at $100,000. By increasing the level of coverage for retirement accounts, we are adjusting for the real value of coverage. Insuring retirement accounts up to $250,000 will keep the coverage level up with inflation and will promote financial stability for individual retirees. Retirement accounts are the only accounts under this bill that will get a higher coverage level. I believe in the current environment, with the uncertainty surrounding social security and pension benefits, that it is critical that we provide appropriate coverage for the hard-working Americans who have saved for their retirement and long-term care needs. This legislation strikes the appropriate balance in that regard.

Finally, I would be remiss if I did not recognize the banking community in South Dakota for the invaluable and critical role they have played in this process over the past 5 years. I truly appreciate the input and recommendations that I have received from the industry overall. I would also like to thank Chairman SHEELBY, and Ranking Member SARBANES for their leadership, Senators ENZI, HAGEL and ALLARD for their work, and FDIC Chairman Don Powell for his commitment to deposit insurance reform.

Mr. SALAZAR. Mr. President, I voice my opposition to the reconciliation bill before the Senate today. America can and should do better. This bill, which masquerades as a vehicle to help shrink the deficit, is actually a part of a broader, fiscally irresponsible package of policy and legislation that will actually increase the size of the deficit over time. Congress is over $3 billion in the next 5 years, and should do better. This bill, which masquerades as a vehicle to help shrink the deficit, is actually a part of a broader, fiscally irresponsible package of policy and legislation that will actually increase the size of the deficit over time. Congress is over $3 billion in the next 5 years.

This reconciliation bill does not reflect the right budget priorities. This bill tightens the squeeze already being felt by so many hardworking Americans trying to make ends meet, on this oil and gas prices soar and winter approaches. Adding insult to injury, these irresponsible cuts will not even help the country with the bottom line. Because they are being combined with tax cuts for millionaires and third time home buyers, even as this bill cuts programs that are important to the most vulnerable Americans. In other words, this series of proposals moves America in exactly the wrong direction.

This bill moves in the wrong direction when it comes to agriculture. Agriculture program spending amounts to about 1 percent of the spending in the Federal budget, but right now when fuel prices are at a record high and many rural areas in Colorado across the country continue to feel the effects of weather-related natural disasters, agriculture has been forced to take $3 billion worth of cuts. These cuts will come out of the programs that farmers, ranchers and rural communities count on most, including commodity program payments and conservation programs like the Conservation Reserve Program, CRP. During my time in the Senate I have spoken many times about my concern that too often Washington leaves our rural communities to wither on the vine. I believe that this budget reconciliation package only contributes to their decline.

This bill moves in the wrong direction when it comes to health care and education. The bill would cut Medicare aid by over $7 billion, creating less opportunity for young Americans when we should be in the business of creating more. It makes deep Medicaid and Medicare cuts, hurting the poor, elderly, and disabled and struggling with healthcare costs. Because of this bill, seniors will see a 33 percent increase in premiums for Medicare Part B. Because of this bill, independent, community pharmacies, particularly in rural areas, will see a change in reimbursement formulas that could force them to close their doors, further eroding access to health care in this country.

This bill moves in the wrong direction when it comes to the environment and to energy policy. It would open the pristine Arctic National Wildlife Refuge to oil drilling. Ultimately, this fight is not about barrels of oil, it’s about the deeper moral decisions we make as a nation and how best to address our energy needs. Drilling for oil in the Arctic National Wildlife Refuge won’t do a thing for gas prices this winter. It won’t do a thing for gas prices in 10 years or even 15 years. In fact, it won’t do a thing for energy prices ever, because even if this provision passes and becomes law, the total amount of “technically recoverable oil,” according to the administration’s own estimates, would reduce gas prices by only a penny—a penny, not before 10 to 15 years from now.

This reconciliation bill does not reflect the right budget priorities. This bill tightens the squeeze already being felt by so many hardworking Americans trying to make ends meet, on this oil and gas prices soar and winter approaches. Adding insult to injury, these irresponsible cuts will not even help the country with the bottom line, because they are being combined with tax cuts for millionaires and third time home buyers, even as this bill cuts programs that are important to the most vulnerable Americans. In other words, this series
breaks for those with incomes more than $1 million would be $35.491. But for those with incomes under $50,000, the average benefit comes to $6. America can do better.

Mr. LEVIN. Mr. President, earlier this year I voted against the budget resolution that passed the Congress because it reflected the wrong priorities. That budget resolution short changed vital public needs such as education and health care for all Americans in order to further tax hikes to protect the wealthiest Americans. The bill before us today is the first part of a three-part budget reconciliation process set up to help carry out that misguided budget. Budget reconciliation is a special process that gives privileged short cuts under the rules of the Senate. For many of the same reasons that I opposed the original budget resolution, I must also oppose this reconciliation bill. Instead of improving our fiscal situation, the reconciliation package will make the problem worse.

This first of the three reconciliation bills is focused on spending cuts. It cuts funding for Medicaid, Medicare, low-income housing grants and other important programs. These cuts, along with the tax hikes that could be legislated as a result of a shortsighted decision to drill in the Arctic National Wildlife Refuge, ANWR, in Alaska, are projected to reduce the deficit by $39.1 billion over the next 5 years.

Meanwhile, both Houses of Congress are working on separate versions of the second part of the reconciliation package—the tax bill. That bill would extend $70 billion worth of tax cuts benefiting largely the wealthiest Americans. It simply does not make sense to say we need to cut $39.1 billion out of vital programs to reduce the deficit while at the same time increasing the deficit with $70 billion in tax cuts. These bills continue an irresponsible and unactable tax policy that recklessly adds to our deficit.

The third part of this three-part reconciliation process will be a bill to allow the national debt to increase by another $781 billion. The need for that third bill shows how dreadful our budget situation has become. The U.S. national debt has already climbed above $8 trillion. In the fiscal year that just ended, we spent over $350 billion just to pay the interest on that debt. That is 14 percent of the Federal Government's spending last year. That is money that doesn't go toward important infrastructure improvements, homeland security or other priorities like health care, education or environmental protection. We simply cannot afford to continue building up this massive debt.

Not only is it financially irresponsible to add to this already heavy debt, but it adds risk to our national security. Forty-four percent of our national debt is held by foreign investors. If these investors ever decide, for economic or political reasons, to stop financing our debt, our markets could be severely impacted. This can provide other countries with greater leverage during trade or other negotiations with us.

In addition to the fiscal irresponsibility in this reconciliation package, it is unconscionable that this body would mean more than $39 billion in cuts for the poor and the disabled and the elderly and disadvantaged children and then to turn around next week and provide the mostly the wealthiest Americans with $70 billion of tax cuts. I will not support this bill because it contains some good provisions. This bill halves an unwise looming 4.4 percent decrease for physicians treating Medicare patients and instead provides a 1 percent increase. This bill was amended and now contains a provision that will prevent a reduction in Federal money for Michigan Medicaid. This bill also has several provisions to help victims of Hurricane Katrina.

However, a large portion of the spending cuts in this reconciliation bill are expected to hurt Medicare and Medicaid beneficiaries as well as providers. This is not the first time Congress has attempted to balance the budget on the backs of people who rely on Medicare and Medicaid. In 1997, Congress cut Medicare and Medicaid to finance some good provisions. This bill halts an unforeseen 4.4 percent decrease for physicians treating Medicare patients and instead provides a 1 percent increase. This bill was amended and now contains a provision that will prevent a reduction in Federal money for Michigan Medicaid. This bill also has several provisions to help victims of Hurricane Katrina.

In addition, I also regret that the majority decided to include in this budget reconciliation the opening of ANWR. I have consistently opposed opening ANWR to oil and gas development. I have consistently opposed opening ANWR to oil and gas development because I believe it is the wrong approach to addressing our Nation's need for long-term energy security. The actual reserves in the area that will be available for leasing under this provision are too small to have a significant impact on our Nation's energy independence and will not produce any oil for more than a decade. I do not believe that this limited potential for oil and gas development in ANWR warrants endangering what is one of the last remaining pristine wilderness areas in the United States.

Furthermore, as imprudent as this bill is, I hope it won't be made worse in conference after merging with the even more misguided House bill. Major bipartisan efforts will be needed to make true progress on the long-term fiscal problems we face. I will continue to fight for fair and fiscally responsible policies that help generate jobs and economic security from which all Americans can benefit.

First, Mr. President, this past March, I stood here to express my reluctant support for the fiscal year 2006 concurrent budget resolution. My support was reluctant for one reason only. I believed the budget did not go far enough in slowing the growth of Federal spending. My colleagues will remember that passing that budget resolution was not an easy thing. Both the original Senate version and the conference report passed by very narrow margins. Not coincidentally, I voted in favor of the budget reconciliation bills, so it was left up to those of us on this side of the aisle to pass that resolution.

In closing, I sincerely hope that future budgets coming from this body will be more responsible than this one. We will address the interoperable communications needs of police officers, fire fighters, emergency medical technicians, National Guard, and other emergency response providers at our borders. Furthermore, as imprudent as this bill is, I hope it won't be made worse in conference after merging with the even more misguided House bill. Major bipartisan efforts will be needed to make true progress on the long-term fiscal problems we face. I will continue to fight for fair and fiscally responsible policies that help generate jobs and economic security from which all Americans can benefit.
The major reason why the budget was so difficult to pass was the inherent problem in getting a majority to agree on legislation that cuts the growth in spending for entitlement programs. Entitlement programs are those that grow automatically without any act of Congress. While they are many of the most important programs in the Government, they are also the most expensive. Some Senators wanted more cuts in spending growth than did others, and it was hard to get agreement on cuts in any area.

When we are changing a significant part of the program, there was absolutely no support from the other side.

Nevertheless, we did manage to pass the budget resolution, which was the first step in the process we are trying to complete here tonight with the budget reconciliation bill. This bill “reconciles” the spending in the budget with the programmatic changes necessary to achieve the budget numbers. And while the projected spending growth number over the next few years is still alarming, the cuts in that growth included in this bill are very much a good first step in the right direction.

As Senator Grassley, the chairman of the Budget Committee, emphasized in his opening remarks, this first step is the time since 1997 that Congress has attempted to restrain the growth of entitlement spending programs. I think we can conclude that the magnitude of the change is not as large as many of us would like to see, the directional change is very important.

According to the Congressional Budget Office, this reconciliation bill would reduce federal outlays by more than $39 billion over the next 10 years and by almost $109 billion over the next 10 years. I realize that many of my colleagues on the other side of the aisle are scoffing at the idea these numbers are not large enough in terms of reducing the deficit. Why, then, are we not seeing any spending reduction proposals from them? It is because it is much easier to throw rocks at our attempts to rein in spending growth than it is to make the hard choices themselves.

Rather than having an honest debate about how best to deal with out-of-control budgets, most of what we are hearing from our friends on the other side is the same old tiresome accusation that we are reducing spending for lower-income Americans, so that we can cut taxes, once again, for those Americans who are wealthy and do not need a tax reduction. This, of course, is a gross distortion of the truth.

As Chairman Grassley has pointed out, the spending growth reductions in this bill are not directed at low-income individuals. We worked very hard to make sure that was the case, especially in the Finance Committee which has jurisdiction over such important safety-net programs.

Indeed, the bill includes a significant amount of new spending. The amount of this new spending, some of which I recognize is necessary, is one of the problems with the bill. In addition, a great deal of the deficit reduction in this bill is achieved by raising fees or selling a portion of the broadcast spectrum. That being said, I will detail some of my specific objections about the tax cuts.

As to criticisms about so-called tax cuts, there are not any in this bill. The tax reconciliation bill comes later, after this bill has passed. And the tax provisions that will be in that bill are generally supporting the provisions preventing, in this bill, tax increases on the middle class, not tax cuts for the wealthy. Moreover, most of those provisions enjoy broad support on both sides of the aisle.

Do I believe this reconciliation bill is perfect? Far from it.

Do I think we could have and should have done more in trimming the spending growth of entitlement programs? Absolutely.

As I mentioned before, the significance of this bill is not in the amount of deficit reduction it delivers, but in the change in direction that it represents. I hope we can pass it and then use it as a building block for more deficit reduction next year.

We have only a few short years to make much larger changes in our entitlement spending programs. All of us know that they are on an upward trajectory that is simply not sustainable. Passing this reconciliation bill now helps us to turn the stage for more responsible spending. With a smart mix of pro-growth policies that will help ensure continued economic growth and future spending restraint, we can begin to lower the deficit and put our budget in a condition to withstand the storms ahead.

Now, I would like to take the time to get into some of the details of the changes included in the bill by the three committees on which I serve. As a member of the Senate Finance Committee, I worked hard with Chairman Grassley to ensure that our Committee met the goal of finding $10 billion in savings. Unfortunately, the Finance package also spends a significant amount of money when I believe that our national focus needs to be on saving money. Some of it is necessary. Some not.

And, I am very troubled by how we are paying for this spending. Close to $5 billion is contained in the Medicare Advantage Regional Plan Stabilization Fund, something I strongly oppose. The stabilization fund is a critical component to facilitating regional and state stewardship in Medicare Advantage Regional Plans. If the fund were abolished, we would have only a few of these plans to beneficiaries throughout the country, particularly in rural areas.

The MMA has made Medicare Advantage plans more widely available with greater beneficiary savings than ever before, including in rural areas and states that previously were not served by Medicare Advantage plans. Since the MMA was enacted in 2003, there has been a large increase in the availability of Medicare Advantage health plans that provide additional benefits and corresponding reductions in total health care costs. For example, in rural areas where historically been minimal managed care available, there are now three regional PPOs offering an integrated package of medical and prescription drug benefits with extra coverage at lower prices, one of these regional PPOs even offers a zero drug deductible.

The stabilization fund will help make it possible to provide secure access to these new, lower-cost coverage options in underserved areas. While more Medicare beneficiaries than ever will have regional Medicare Advantage options in 2006, further progress is needed for people with Medicare in 13 States, specifically: my home state of Utah; Alabama; Colorado; Connecticut; Idaho; Maine; Massachusetts; New Hampshire; New Mexico; Oregon; Rhode Island; Vermont; and Washington.

When developing the MMA, the Congress recognized that some states might not be served by Medicare Advantage plans in the initial years of the program and strategically created the benefit stabilization fund, which sunsets in 2013, to encourage plans to operate in all areas of the nation. Utah is one of those States and that is why I strongly supported the creation of the stabilization fund during the MMA negotiations. The stabilization fund helps to make sure that, in future years, more Medicare beneficiaries will have access to Medicare Advantage plans and will choose to serve the people with Medicare who do not have Medicare Advantage options in 2006. And, conversely, repealing the fund, or cutting its revenues, means reduced benefits and higher costs for these seniors in future years.

Many Medicare Advantage plans are already serving Medicare beneficiaries with some very generous benefit offerings for 2006, with the expectation that those benefits would be subsidized by the program. For the health plans that are interested in potentially providing this regional PPO coverage, it is essential for them to know that they will get some help with starting up if they need it in areas that had been underserved before, and that the Medicare program will keep their payments predictable.

If Congress and the Centers for Medicare and Medicaid Services, CMS, start to enforce the pre-determined changing program rules even before the first benefit is administered, we send a very negative signal to plans, and that may mean worse coverage options and higher costs for Medicare beneficiaries in the future.

Cuts to or reductions in the stabilization fund, and therefore, payments to regional plans amount to adding costs for beneficiaries in the form of higher premiums, reduced benefits, or both. Without this fund, it will be difficult to convince plans to offer coverage to beneficiaries who currently do not have access to regional PPOs.
Maintaining the current stabilization fund will encourage more regional PPOs to enter the Medicare Advantage program and make sure that significantly more people, including my fellow Utahns, have access to Medicare Advantage plans next year. I do not understand why we would be eliminating this fund, especially before the Medicare drug plan program is even operational. It just does not make good policy sense and that is why I oppose the elimination.

This is especially vexing given that there are a number of other sources for revenue. I will be fighting for more extensive restrictions on asset transfers and the inclusion of provisions which would prohibit intergovernmental transfers. Including these provisions would have severely curtailed activities where individuals and some State governments have intentionally defrauded the Medicaid program.

I have heard the arguments about why we have not included them in the proposal, but I do not buy those arguments. More aggressive legislating in these areas would preclude some of the other reductions necessitated in this bill, such as those for the stabilization fund.

The proposals on payment for prescription drugs under the Medicaid program are another deep concern of mine. These have only been made worse by adoption of amendments in the Chamber. Let me say that while I agree that changes are warranted, I am very worried about the approach included in the bill. I am not sure that the new definitions created for Average Manufacturer's Price, AMP, Weighted Average Manufacturer's Price, WAMP, and the new formula which were created for the Federal Upper Payment Limit, FUPL, will address the criticisms of the current policy. In fact, these new definitions could make the situation worse. I am concerned that the genesis of these changes was not a desire for good policy, but rather an interest in seeking funding from a "deep pocket." That trend was only exacerbated during Senate consideration of the Finance title, as we added two rebate-related amendments with spending implications that totaled several billions of dollars more.

It is clear to me that, as consideration of the conference report begins, we must continue discussions with the various stakeholders who have been involved in making this policy work, in particular, the pharmacists and the pharmaceutical companies.

The budget resolution contained a reconciliation instruction directing the Senate Health, Education, Labor, and Pensions, HELP Committee of which I serve, to reduce spending by $13.7 billion in 5 years. We on the HELP Committee worked very hard to achieve this goal, which required difficult spending vs. savings decisions.

Within the first 3 months, as we wrote reauthorizing language for the Workforce Investment Act, WIA, Head Start, the Perkins Act, career and technical education, and the Higher Education Act, HEA, we kept in mind the need to meet the reduction in spending goals. Each of these reauthorization bills was unanimously approved in committee.

While I recognize the tough choices we needed to make, so did the Senate. As a result, we are proceeding overall with the reconciliation bill as it relates to education provisions, accounting for a total savings of $9.8 billion. Spending increases in the bill include increases in Pell grants, along with ProGAP, a new grant assistance to Pell eligible students.

Another new program, SMART grants, would provide assistance to students studying math, science, technology, engineering, or a foreign language. Subsidized borrowing levels were increased, along with a permanent extension of the Taxpayer-Teacher Protection Act. Additional loan deferments were made for members of the Armed Services or the reserves. These programs would give Utah students and others of low or moderate income, greater access to college educations and will boast our local and national economy as we seek to meet the demands of the 21st century workforce.

Significant savings were found in student loans, mostly from lending institutions, including a requirement for guaranty agencies to deposit one percent of their collections in the Federal Reserve fund, a reduction in lender insurance, and a provision that guarantees 100 percent of loans for certain lenders. An additional fee is charged for lenders originating consolidation loans, and permanent restrictions are made on transfer or refunding of certain tax-exempt bonds that receive a 9.5 percent rate of return.

I have concerns about last-minute changes to include major spending increases, even though they appear to have been reconciled by savings. However, I am especially concerned that I am paying particular attention to fixing the interest rate for undergraduate and graduate non-consolidation borrowing at 6.8 percent, preferring a choice of a variable rate similar to the House provision. I am also concerned about the way certain bills are structured. These programs would give Utah students and particularly those of low or moderate income, greater access to college educations and will boast our local and national economy as we seek to meet the demands of the 21st century workforce.

I am pleased that the Judiciary Committee also included provisions increasing significantly the amounts of premiums employers that sponsor defined benefit pension plans must pay to the Pension Benefit Guaranty Corporation, PBGC. These increases were larger than they needed to be, and removed placeholders until we can pass the pension reform bill that was produced by the Finance and HELP Committees. I hope we will soon be able to consider and pass that legislation, partly for the reason of reducing these premium increases to more reasonable amounts.

The Judiciary Committee greatly exceeded its reconciliation targets, and I applaud that accomplishment even though I do not support the means by which it was achieved. Federal spending is out of control and, as my colleagues know, this has been a concern of mine for a long time. I am gratified to see that so many others now share my concerns and, more importantly, that we are finally doing something about irresponsible spending despite the efforts of a few members on the other side of the aisle to scuttle this reconciliation bill.

I am pleased that the Judiciary Committee did not report a proposed tax on the explosives industry. It was just plain wrong, and it would have hurt a lot of people in Utah. Naturally, I fought tooth and nail to make sure it was off the table and I, along with others, succeeded in stopping it.

This brings us to the current Judiciary title. I do not think we should have used a reconciliation measure to alter immigration policy, particularly in light of the current debate on comprehensive immigration reform. For this, and other reasons, I offered an amendment that would increase a 5 percent increase in all immigration related fees instead of simply allowing more people into the country as a way of reducing our Nation's deficit. Unfortunately, my amendment was defeated in committee.

That being said, I recognize that it is not easy to come up with savings. It means tough choices. But it is our job to make the tough calls and the Judiciary Committee did an outstanding job.

I strongly support moving this package through the Senate. However, I want my colleagues to understand my concerns and that I intend to continue working with them on improving the package. I know this was an extremely difficult task, and I appreciate all the hard work of many of my colleagues, and particularly the chairmen of the committees on which I serve.

Mr. President, the Senate will vote shortly on final passage of S. 1932. We have had a good debate on this bill. I commend the chairman of the Budget Committee for his effective and fair management of the consideration of this bill this week.

The Senate Finance Committee title was carefully crafted to address a wide range of member priorities. The Senate Finance Committee title is a compromise—one that was meticulously negotiated over many months. It represents clear-headed, commonsense reforms.

But here is something that should make a lot of people wonder what is going on around here. I noted with interest a recent Washington Post article which notes:

The Senate package is gaining kudos from some unlikely sources. Liberal budget and poverty groups and budget-cutting legislation largely avoids cuts that will hit low-income beneficiaries. . . .

And here is another one. The Associated Press reports:

As a result, the Senate’s Medicare and Medicaid cuts largely won’t touch beneficiaries of the programs, instead tapping
drug companies, pharmacies and insurance subsidies for much of the savings.

I am therefore somewhat confused why more of my friends and colleagues from the Democratic side are not going to support final passage of this bill. I think I know partly what the answer is—Is it because the House version of this bill is much more far-reaching than the Senate proposal? Is it because the same groups that praise the Senate bill oppose the process moving forward on that basis?

I would make the point that I think the Senate’s position in going to conference with the House would be strengthened if S. 1922 passed with strong bipartisan support. I do not understand why the liberal budget groups are not urging Democrats to unite in support of the Senate bill.

I believe that the American people want us to join together to get things done. They want us to get our fiscal house in order, but they also want us to enact compassionate policies that help honest-to-goodness working families. The Senate bill meets both of those priorities. Here is the bottom line, and I want all my friends on the other side of the aisle to hear this. Here is what a vote against the Senate bill would have before us today means. Opposition to the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to achieving savings, preserving services, and protecting beneficiaries.

A “no” vote is a vote against cutting wasteful spending in Medicaid and other changes that provide additional resources to State Medicaid programs.

A “no” vote is a vote against having the State and Federal Government pay less for drugs.

A “no” vote is a vote against tightening up asset transfers, thereby paying less for nursing home care through Medicaid.

A “no” vote is a vote against increasing State and Federal payments from drug companies.

A “no” vote is a vote against a $2 billion windfall to the States.

Opposition to the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to the bipartisan Family Opportunity Act.

So that means that a “no” vote is a vote against the Family Opportunity Act’s expansion of Medicaid eligibility for severely disabled children. Opposition to this provision means forcing many working families to refuse better jobs or promotions—keeping them poor in order to qualify for Medicaid or, worse, relinquishing custody of their disabled child to the State so that their child can continue to get the services they need.

A “no” vote is also a vote against the Family Opportunity Act’s protection for families whose newborn is diagnosed with a disability from birth, thereby eliminating many families from being liable for thousands of dollars of medical costs.

A “no” vote is a vote against “Money Follows the Person,” which provides grants to States to increase the use of home and community based services, rather than institutional services. “Money Follows the Person” also eliminates barriers so that individuals can receive support for long-term services in the settings of their choice.

Opposition to the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to a down payment on Hurricane Katrina disaster relief.

So that means that a “no” vote is a vote against providing $1.8 billion to protect Medicaid benefits in Alabama, Louisiana, and Mississippi for people affected by Hurricane Katrina.

Opposition to the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to protecting health coverage for thousands of children and improving the State Children’s Health Insurance Program.

A “no” vote is a vote against preventing funding shortfalls in the Children’s Health Insurance Program in 23 States.

A “no” vote is a vote against providing new options for private coverage of long-term care through Long-term Care Partnerships.

A “no” vote also means opposition to closing loopholes that permit the unscrupulous "gaming" of Medicaid eligibility rules to intentionally shelter assets to qualify for taxpayer-financed long-term care coverage in Medicaid.

Those who vote against this bill are also opposing the Senate bill’s balanced approach to Medicaid reform and program improvements is opposition to protecting access for rural beneficiaries.

So that means that a “no” vote is a vote against protecting small rural hospitals and sole community hospitals by extending the hold-harmless provisions that protect them from losses resulting from implementation of the hospital outpatient prospective payment system.

A “no” vote is also opposition to extending the Medicare Dependent Hospital Program, which provides financial protections to rural hospitals with less than 100 beds that have a greater than 60 percent share of Medicare patients.

A “no” vote also means opposition to expanding coverage of additional preventive benefits under Federal Qualified Health Centers.

Why would my Democratic colleagues oppose such commonsense, practical policies that save the States money, expand access for low income and disabled children, help rural hospitals, and make progress to rebalancing the institutional bias in the Medicaid program?

I am saddened that it appears my colleagues cannot put partisan politics aside and get behind a bill that saves money for States, protects and expands access, and preserves benefits. I urge my colleagues to support the Senate bill. Let’s show the American people that we can put politics aside and stand together and get things done for the good of the country.

Mr. GREGG. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I ask unanimous consent to have printed in the RECORD a list of material in S. 1932 considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

### EXTRANEOUS PROVISIONS—SENATE BILL

(Prepared by Senate Budget Committee Majority Staff)

#### TITLE I—AGRICULTURE, NUTRITION AND FORESTRY

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<tr>
<th>Provision</th>
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#### TITLE II—BANKING, HOUSING, AND URBAN AFFAIRS

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<tr>
<td>Sec. 2014(b)(1)(F)</td>
<td>311b(1)(A)—Report to Congress.</td>
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<tr>
<td>Sec. 2015(a)</td>
<td>311b(1)(A)—Studies of potential changes to the federal deposit insurance system—just a study.</td>
</tr>
<tr>
<td>Sec. 2015(b)</td>
<td>311b(1)(A)—Studies of potential changes to the federal deposit insurance system—just a study.</td>
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<tr>
<td>Sec. 2025</td>
<td>311b(1)(A)—Authorization of Appropriations—no money involved.</td>
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#### TITLE III—COMMERCY, SCIENCE, AND TRANSPORTATION

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<td>3005(c)(2)</td>
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<td>3005(c)(3)</td>
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<td>3005(c)(5)</td>
<td>311b(1)(E)—Coastal assistance outlays occur after 2010, increasing the deficit.</td>
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<td>3005(c)(6)</td>
<td>311b(1)(E)—Interoperability grant outlays occur after 2010, increasing the deficit.</td>
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<td>3005(c)(7)</td>
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<td>3005(c)(10)</td>
<td>311b(1)(E)—Low-power TV and translator outlets occur after 2010, increasing the deficit.</td>
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Mr. GREGG. Mr. President, at this time, we have come to the end of the amendment process. I now ask, before we go to final passage, we have 5 minutes equally divided between myself and Senator CONRAD, and then we will go to final passage.

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

Mr. President, first of all, I thank the staffs, the very professional staffs on both sides. I especially thank the chairman of the Budget Committee for his professionalism and his diligence in working on this bill. He has been such a pleasure to work with. His word is gold.

I appreciate very much his staff, as well—Scott Gudes, Gail Millar, Jim Hearns, Cheril Reidy, and the rest of the majority staff.

I want to also thank my staff—Mary Naylor, John Righter, my counsel Lisa Konwinski, Jim Esquea, Sarah Kuehl, Mike Jones, Cliff Isenberg, Jim Miller, Kobye Noel, Shelley Amdurs, Steve Bally, Rock Cheung, Dana Halvorson, Tyler Haskell, Jim Klumpner, Stu Namurka, Anne Page, Steve Posner, and David Vandivier.

Mr. President, you can’t judge a book by its cover. The language being used here is that this is a package of deficit reduction. But this is the first chapter. The first chapter reduces spending by $39 billion. But the next chapter will reduce taxes by $70 billion. The third chapter will increase the debt by $70 billion. You have to read the whole book to know the conclusion. The conclusion of their book is more deficits and more debt.

No one should believe this vote is about deficit reduction while insisting on another $70 billion of tax cuts as part of this package. In the second chapter of the book, the deficit actually goes up. The majority’s proposal to increase the debt limit by $781 billion, which is the third chapter of their book. With passage of this, the debt of this country will have increased by $3 trillion during just this President’s administration.

This package represents a continuation of the failed fiscal policies of this administration. We can do better as a nation, and we can do it much better—and we must.

This budget, if approved, will increase the debt of this country over the next 5 years by another $3 trillion.

These policies are driving us deeper and deeper into debt to foreign nations. In just the 4 years or 5 years of this administration, we have seen the debt of the country multiplied by $3 trillion. I urge my colleagues to say no. Let us not continue any further down this course of deficits and debt.

Mr. GREGG. Mr. President, let me begin by thanking all my colleagues for their very constructive efforts today. The fact that we were able to complete the voting process today was a reflection of the willingness of people in this Chamber, especially the staff who acted in an extraordinarily professional way.

Also, of course, I want to thank Senator CONRAD and his staff, Mary Naylor and her team.

Senator CONRAD has been an incredibly positive, constructive, and professional individual to work with on this bill. This bill would not have been completed—even though he may not agree with the bill, which he doesn’t, obviously, and he has argued his position—he has been working with me in allowing us to proceed through the bill. And it is a reflection of his extraordinary professionalism.

I thank everyone on the staff, except his chart maker.

(Laughter)

I also especially want to thank my staff—led by the inimitable Scott Gudes—Gail Miller, Jim Hearns, Cheril Reidy, and the rest of the staff—Dave Fisher and Denzell McGuire. We have had two staff members who have had children just recently, Bill Lucia and Matt Howe. Matt’s child was born just as the debate started. I am sure he called him “deficit reduction.” We are all very excited about that. We very much appreciate the extraordinary job the staff has done here.

I think it is important for our membership to remember that this is the first time in 8 years that this Congress has stepped forward to try to reduce spending by addressing the entitlement and mandatory accounts of our Government. This is a major step forward in the activity of fiscal responsibility.

The other side of the aisle has tried to join this bill with other bills. The simple fact is the only vote you will cast—the only vote that will be cast in the next few minutes—will be the only vote you are going to have to significantly reduce the deficit. It will be a veto to reduce the deficit by approximately $35 billion.

If you oppose the next bill that comes down the pike—the tax relief bill—that is your choice. But that is not what you are voting on here. What you are voting on here is the opportunity to reduce the deficit, and it is the only opportunity you are going to have and it is the first time, as I mentioned, in 8 years that we will be proceeding down this road. It is a step toward fiscal responsibility, and it is a reflection of the Republican Congress’s commitment to pursue a path of fiscal responsibility.

I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. Mr. President, it has been a long day. The next vote on final passage will be our last vote of the day. This will be our 22nd rolcall vote of the day.

I thank the chairman and the ranking member for a tremendous job. About 4 or 5 days ago, we said it was going to be done by 6 o’clock. We were going to complete this bill. Indeed, they have accomplished just that.

We will be in session tomorrow, but there will be no rolcall votes. We will go to the DOD authorization bill. Again, there will be no rolcall votes tomorrow. We will be on the DOD authorization bill on Friday and Monday.

We will have rolcall votes Monday night. We will not be voting before 5:30 on Monday.

With that, congratulations. I yield the floor.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from New Jersey (Mr. CORZINE) is necessarily absent.
The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 303 Leg.]

YEAS—52

Alexander  
Allard  
Allen  
Bennett  
Bond  
Brownback  
Bunning  
Burns  
Burr  
Chambliss  
Collins  
Conrad  
Cantwell  
Byrd  
Biden  
Baucus  
Akaka  
DeMint  
Craig  
Cornyn  
Coburn  
Burr  
Brownback  
Bond  
Bennett  
Allen  
Alexander  

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 303 Leg.]

YEAS—52

Byrd  
Biden  
Baucus  
Akaka  
DeMint  
Craig  
Cornyn  
Coburn  
Burr  
Brownback  
Bond  
Bennett  
Allen  
Alexander  

The result was announced—yeas 52, nays 47, as follows:

[Rollcall Vote No. 303 Leg.]

YEAS—52

As a former major league baseball player and member of its Hall of Fame, protecting the integrity of our national pastime is a matter near and dear to my heart. I know it is near and dear to the hearts of so many across America. We have heard a lot of talk over the last year about the leagues working to implement new, tougher drug-testing standards. So far, that is all it has been, a lot of talk. Major League Baseball and its baseball union told us over a month ago they hoped to have a new agreement in place by the end of the World Series. The World Series is over and there is still no agreement. The time for talking is over. The leagues have had their chance and have failed to lead. Now we are going to do it for them.

We are, in a way, obligated to act since they cannot. We must not only ensure that our Federal drug laws are not being circumvented, but we also need to restore some integrity to the games that tens of millions of Americans enjoy so much. We must act for the sake of our children who see these players as heroes and want to emulate them. Like it or not, professional athletes are role models. They need to set a better example to kids who see them smashing home runs or sacking the quarterback like them. Unfortunately, too many professional athletes are injecting themselves and popping pills with false hopes and dangerous health effects. Now these acts are being emulated by kids even in high school because of the pressure they feel to perform at such a young age. We have a duty to help bring this to an end.

As Members of Congress, we can play an important role in educating the public and taking the steps necessary to make our games more moral in the minds of our children. We have had our chance and we have failed. I hope the remainder of my time.

Mr. President, I yield the remainder of my time.

Mr. BUNNING. I thank the Senator.

Mr. President, I wish to say, before Senator McCAIN and Senator BUNNING leave the floor, I think my colleagues know I must recuse myself from all baseball union issues. My wife represents Major League Baseball. But as a personal matter, I wish to thank Senator McCAIN and Senator BUNNING for their moral leadership. It is a