can expect an annual pay cut of approximately 5 percent over the next decade. That translates to between a 30 and a 36 percent pay reduction for physicians in this country over the next 10 years. Now, Mr. Speaker, I do not know of many small businesses where the expectation of their overhead payments is going to fall by a third over the next 10 years. Indeed, it will be very hard for many of these individuals to remain in business if this issue is not fixed. Not addressing this impending crisis would be negligent at best and put frail and elderly Medicare beneficiaries at risk of losing their physician.

The current Medicare physician payment methodology is fundamentally flawed, and it must be reformed. It is not going to be fixed by the application of a Band-Aid. This requires major surgery. A recent bill introduced, 5856, the Medicare Physician Payment Reform and Quality Improvement Act of 2006, will attempt to accomplish this and two additional goals.

The three purposes of this bill are, one, ensure that physicians receive fair payment for the services that they provide; number two, create quality performance measures and improve the quality improvement organizations that exist to improve the quality of care available to Medicare patients; and, three, identify reasonable offsets to give Medicare physicians a more regular and predictable payment update year to year.

Without intervention, payment for physician services will be cut more than 5 percent next year. H.R. 5866 ends the application of what is known as the sustainable growth rate on January 1, 2007, and institutes a single conversion factor, the Medicare economic index minus 1 percent. This creates a more market-based approach to physician payment by placing more value on the actual costs of inputs and not on arbitrary volume of service targets each year.

In other words, doctors would be paid the same as hospitals are paid, the same as nursing homes are paid, the same as long-term care hospitals are paid, based upon the market cost of inputs for providing that care.

The bill also establishes a system of quality performance measures so that physicians can voluntarily, and let me stress the word voluntarily, report data to the Center for Medicare and Medicaid Services. Patients can then assess the level of quality of their prospective doctors, the level those doctors are achieving, and decide which doctor they would prefer to use. These measures will be developed in collaboration with physician specialty organizations for core medical services to make certain that these measures are relevant and meaningful to that particular practice of that branch of medicine.

As an incentive to participate in reporting for performance measures, participating physicians will be permitted to balance bill certain high-income Medicare beneficiaries. Redirecting the stabilization fund from the Medicare Modernization Act provides an additional $10 billion for offsets. Eliminating the double payment from Medicare for indirect costs of medical education is another source of offsetting these costs.

Mr. Speaker, this August, the American Medical Association, in its publication the American Medical News, talked about this bill, 5866. Quoting now, it said that ''the bill would ensure positive annual updates by tying rates to the Medicare economic index. This index is an indicator of how much doctors' cost of caring for patients is increasing. If lawmakers and the White House can approve the measure before Congress adjourns for the year, physicians would start receiving yearly updates equal to an approximately 1.5 percent increase in Medicare rates.''

The bill drew endorsements, of course, from the American Medical Association. But also the American College of Obstetricians and Gynecologists and the American College of Clinical Endocrinologists are a few of the specialty organizations that have endorsed the concept of this legislation.

We need help to make real changes in this system. We need help from every Member on both sides of the aisle. We need to create solutions and stop simply talking about the Medicare problem. I am asking my colleagues to join me in cosponsoring H.R. 5866.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

REPUBLICAN PARTY AFRAID OF LOSING POWER

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Without objection, the gentleman from Washington is recognized for 5 minutes.

There was no objection.

Mr. MCDERMOTT. Mr. Speaker, we have not returned to Washington, D.C. to legislate on behalf of the American people. The Republican Party will spend the next 30 days trying to make us all afraid. They are afraid of losing power, and the only way they know how to govern is to play the fear game.

It is the Republican mid-term strategy that if you can make us afraid and keep us afraid, maybe they can cling to power. For the rest of September, until the moment the Republican leaders gavel the Congress into adjournment, Republican speakers will rise and implore the American people to be afraid.

Republicans will call it security. And every time they do, just remember they are speaking in code. Republicans really mean insecurity. During September, Republicans will wield the gavel, but they won't make America safer.

We will not consider, much less pass, legislation to protect our ports by inspecting the minimum number of cargo that it takes to stop a potential terrorist threat. We know what needs to be done, but the Republicans are hard on rhetoric and soft on action.

Republicans are going to use their insecure words so often I hope Lou Dobbs, John Stewart, and the others keep track and remind people daily of how often Republicans are willing to talk and how little they are willing to act.

After America was attacked on 9/11, the finest military in the world, the United States Armed Forces, was sent to Afghanistan to hunt down bin Laden and stop the Taliban. They did a magnificent job, until U.S. soldiers were ordered to leave before the job was done and go to Iraq. We don't have bin Laden and Afghanistan is now looking more like Iraq.

A Republican administration is responsible for diverting our military, draining our treasury, destroying our credibility, and making America less safe. The American people know that Iraq has nothing to do with 9/11, but the administration denies that intelligence. Instead, the President mechanically recites his standard PR line.

The American people know that we are off course and adrift in a sea of violence. U.S. soldiers are not fighting a war on terror in Iraq. They are targets in a civil war among Iraqis. When Republicans parade to the rostrum to outdo each other using their insecurity word, think of just how insecure our soldiers are.

Republicans keep saying things are getting better. This is disproved by their own Secretary of Defense, Mr. Rumsfeld, who ordered another 13,000 troops back into Iraq. There are now 140,000 targets. With 2,653 American lives lost and 19,600 wounded, the country deserves Democratic leadership that knows the Republican plan to stay the course is the most insecure plan for our soldiers, for our Nation, and for the Iraqi people.

But the Republicans are going to spend the next 30 days trying to stay in power. Nothing more. They will say their insecurity code word over and over and over again, but they won't pass the recommendations of the bipartisan Commission on 9/11. Republicans won't bring up immigration legislation intended to make our borders safer. Republicans won't address reforms to Social Security. Republicans won't bring up legislation to end taxpayer subsidies for Big Oil or launch a national campaign to end our addiction to oil.

Instead, the Republicans will tell you to be afraid unless you pay through the nose at the pump and Big Oil can drill in every part of the pristine environment on our planet. Republicans will tell you to be afraid for Social Security unless you give your money to Enron

through Wall Street. Republicans will tell you to be afraid unless we mortgage our future in the 22nd century by giving the rich tax breaks now.

Republicans have had their chance and used it to overwhelm the American people with monstrous debt so the rich can have more riches. The Republicans had their chance and used it to divert America away from the real problems of this country.

Americans are calling this Security September. Just remember to be afraid, afraid of what else the Republicans will do if they remain in power after November 8. Don't forget, there is an election coming.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 503, TO AMEND THE HORSE PROTECTION ACT

Mr. LINCOLN DIAZ-BALART of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 109–642) on the resolution (H. Res. 981) providing for consideration of the bill (H.R. 503) to amend the Horse Protection Act to prohibit the shipping, transporting, moving, delivering, receiving, possessing, purchasing, selling, or donation of horses and other equines to be slaughtered for human consumption, and for other purposes, which was referred to the House Calendar and ordered to be printed.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

(Mr. FLAKE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

PUBLIC SCHOOLS IN NEW ORLEANS AFTER KATRINA

Ms. MILLENDER-McDONALD. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Without objection, the gentlewoman from California is recognized for 5 minutes.

There was no objection.

Ms. MILLENDER-McDONALD. Mr. Speaker, a year ago last week, Americans saw one of the most devastating natural disasters in our country's recent history. Hurricane Katrina ravaged the gulf coast and overwhelmed the levees of New Orleans, resulting in near total submersion of that city. A year later, the flood waters have receded, yet the devastation sadly remains.

One area where this devastation is most readily apparent is in the city's public schools, many of which were destroyed beyond repair in the storms. However, the system which has arisen in the wake of Katrina is fragmented and poorly organized. More than half of New Orleans' schools remain closed a year after the storm. Of those that are open, some are run by the city, others are run by the State, and others are run by private companies. As a result, area schools may have different application procedures, admission rules, and starting dates. That is no way to educate children.

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Further complicating this problem is the fact that more students are returning than were ever previously expected, putting an additional strain on a system already stretched to the breaking point. Parents have expressed frustration at the difficulty of navigating this system, and many have been unable to enroll their children in school, despite their best efforts.

These barriers to education are intolerable, Mr. Speaker, anywhere in America. However, it is particularly egregious that we have allowed such barriers to exist for a population that is already so challenged. We must do better, especially for an area with a high minority population, high poverty levels and historically poor academic outcomes.

The consequences of the failure to improve the education system in New Orleans are all too real. Without drastic improvement, we will surely see higher dropout rates and substandard education for those who manage to remain in school.

Furthermore, the effects of this neglect will not rest solely with the young and vulnerable. A poorly educated population promises a bleak future for the entire City of New Orleans and for this country, one characterized by poverty, crime and broken families.

We cannot leave the victims of Hurricane Katrina to fend for themselves twice. President Bush has promised to stand with the victims of Hurricane Katrina until the job is done, yet the persistent problems with New Orleans schools are a disheartening sign that the job is far from done.

In Congress, we have approved four emergency spending bills that together provide more than $110 billion in Federal aid for rebuilding these areas. However, less than half of this money has actually been spent by Federal agencies, with hardly any accountability. Much needs to be done to help New Orleans recover from the disastrous effects of Hurricane Katrina. However, we must prioritize children in our efforts to rebuild this city, making them first priority.

Therefore, I call on the Bush administration, as well as relevant State and local agencies, to promise the children of New Orleans that they will have access to safe, high quality schools this year. As part of this, the administration must exercise the oversight and follow-through necessary to ensure that Federal funds are appropriately spent and schools are built.

Our children can wait no longer. While Hurricane Katrina resulted in much destruction along the Gulf Coast, it has also given us an unprecedented opportunity to completely remake underperforming schools. We must do that for the children of America. We must do that for New Orleans children. I demand that this administration and other relevant persons not let this opportunity slip through their fingers.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

BRING OUR TROOPS HOME

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, Sergeant Christian Williams of Winter Haven, Florida; Staff Sergeant Tracy Melvin of Seattle, Washington; Lance Corporal Jeremy Long of Sun Valley, Nevada, only 18 years old; Private First Class Colin Wolfe, also an 18 year old, of Manassas, Virginia; and Staff Sergeant Michael Deason of Farmington, Missouri.

Mr. Speaker, these are just five of the Americans who have been killed in action in Iraq since this Chamber last convened. You see, Congress gets to close up shop for a month, the entire month of August, even if we haven't completed the Nation's business. But no such luxury for the 138,000 men and women who are stationed in Iraq. Their dangerous work goes on and on. No adjournment, no recess, no end to their mission in sight.

In fact, many who were scheduled to come home were told in August, no, they had to stay in Iraq. And why? Because their commander-in-chief says that people who want our troops to come home don't understand the world in which we live.

I submit, Mr. Speaker, that it is the President himself whose understanding of our world could use some real work.

Does he understand that his clumsy belligerence has contributed to more intense feelings of jihad and anti-American radicalism in the Muslim world?

Does he understand that the invasion and occupation of Iraq has created many more terrorists than it could possibly defeat?

Does he understand that his policy lit the match that engulfed Iraq in sectarian violence and civil war?

Does he understand that at least 40,000 and perhaps as many as 100,000 innocent Iraqi civilians have died for what he calls their liberation?

Does he understand that military force is one of the least effective ways of exercising American power?