

would have nothing to fear under the present administration's priorities.

What is the solution? For one thing, the omnibus approach to IRS reform—cobbling together many reforms into one large bill—should be reconsidered. Many worthwhile tax reforms have been “scored” as resulting in no lost revenue to the government. In other words, they don't cost a thing. They should go forward on their own.

Chief among these provisions is an oversight board for the IRS. The House IRS reform bill included such a board. Recall that Treasury Secretary Robert Rubin originally opposed that idea, until the president gave it his surprise endorsement. What followed was a series of negotiations between Congress and the administrations over the makeup of such a board. The board is still too weak, and I have offered my own legislation to create a board of nine members, all private citizens. I do not think the Secretary of the Treasury, the Commissioner of the IRS or the IRS employees' union representative should be on such a board, as they would be under the House version. That's just too much like the fox guarding the hen-house.

Other provisions that do not result in lost revenue to the federal government include strengthening the office of the taxpayer advocate; prohibiting executive branch influence over taxpayer audits; changing the way IRS records are archived to provide greater oversight; establishing low-income taxpayer clinics; and reforming certain sections of the tax code that were intended to provide taxpayer privacy protections, but that IRS attorneys have instead used to shield the IRS's inner workings from congressional oversight.

If offsets are needed, let's look first at the massive \$8 billion budget of the IRS itself before turning to the taxpayers. That budget has increased 71% in real terms since 1981. Merely keeping the IRS budget at last year's levels would yield half a billion dollars. Also, don't forget that the president's own budget plan has a list of more than \$30 billion in suggested spending cuts. That would more than pay for even the most ambitious tax reform, as long as Congress holds the line on new federal spending. And before we dismiss waste and fraud as a source of savings, recall that the Social Security Administration has just uncovered a very expensive scam—prison inmates have been receiving as much as \$3.46 billion in improper Social Security checks each year. That money could help save Social Security and clean up the IRS.

The bottom line is this: The American people should not be asked to pay for IRS reforms. Congress should focus on trimming the IRS budget, or using the savings from federal spending cuts suggested by the president to clean house at the IRS. That way, Congress can offer the American people some much-needed relief, without a dose of castor oil.

#### PRODUCT LIABILITY AND BIOMATERIALS ACCESS

Mr. FRIST. Mr. President, each year, American companies are forced to lay off workers or shut down entirely, but it's not because of hard economic times. Instead, the costs of product liability insurance and outrageous damage awards are driving them out of business. We now live in the most litigious society on earth. Our courts are packed with frivolous lawsuits filed by people seeking multi-million dollar payments for modest damages. As a result, we are all paying a huge price—from the job market to the super-

market. Let us take the first step by reforming the product liability system.

Congress did just that, when it sent President Clinton the Product Liability Legal Reform Act. This legislation was a carefully crafted bipartisan bill that, among other things, would have limited most punitive damage awards to twice the plaintiff's compensatory damages, or \$25,000—whichever is greater. The bill would have simply injected predictability and sanity into our out-of-control legal system and protected American companies from unfair and outrageous damage awards.

The American people and America's employers, however, were dealt a big blow when President Clinton vetoed this bipartisan, common-sense reform effort. Almost 90 percent of the American people supported the bill. Consumers already pay 30 percent more on the price of a step ladder and 95 percent more for the price of childhood vaccine due to outrageous product liability costs, and we simply can't afford to pay any more. American workers and businesses needed this bill to help stem the tide of job loss and help create new jobs.

So, why would Mr. Clinton veto this legislation? Possibly because the most vocal opponents of this bill the plaintiff's trial lawyers—were also the target supporters of his re-election effort. The President had a choice to make. He had to choose between the plaintiff's trial bar who provide him millions in dollars in campaign funds, and American workers particularly those in manufacturing jobs. He choose the trial lawyers. Unfortunately, his decision is not only bad politics, is terrible policy for the American People. That's way even many prominent members of this own party in Congress were shocked his veto.

Negotiations continue with the White House on product liability reform, but to date I have seen no significant movement that would constitute real progress. Thus far, only watered-down proposals that attempt to deceive the American people into believing that real reform will take place have been offered.

My purpose in coming to the floor today is to challenge my colleagues to act on real product liability reform. Or, send the one part of this legislative effort that there is some consensus on to the President. I am speaking of Senators MCCAIN and LIEBERMAN's Bio-materials Access Assurance Act.

Every year 7.5 million patients are threatened when medical suppliers choose to discontinue a product because the liability concerns outweigh any potential gains. In my experience as a cardio-thoracic surgeon, you can't overstate the vital nature of bringing the best and newest technology to the operating table. The list of life-saving devices affected is too long to mention. Everything from annuloplasty rings and tissue valves used in valve implantation to the blood filters and cardiotomy reservoirs needed for heart sur-

gery are all at risk of serious shortage if the Congress does not act.

Many implantable devices are already in short supply. At least 14 biomaterials suppliers have limited or stopped selling the raw materials used in the manufacture of devices. Many major suppliers have stopped selling materials to the U.S. market because of liability concerns. Dow Chemical no longer manufactures medical grade resin for the implant market. Dupont has discontinued the supply of Teflon, Dacron, and Delron used in the permanent medical implant industry.

A 1997 study indicated where this problem is going within the next one to three years: U.S. manufacturers will divert resources from research and development to the search for replacement materials; and financial resources for investment will begin to dry up and innovation within our boarders will suffer.

Further, within three to 10 years: A biomaterials “crisis” will occur; major segments of the biomaterials industry will move overseas, killing smaller manufacturers where we see so much innovation today; patients will not have access to life-saving and life-enhancing implants.

Let me be clear: These devices save millions of lives every year. I've used these implants and devices in my own surgical practice to save the lives of hundreds. My hands as a surgeon and my patients are witnesses to the importance of this issue. The time to act is now.

We have another opportunity this year to bring both of these important legislative initiatives to the President's desk. I sincerely hope that both ends of Pennsylvania are up to the challenge.

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

##### EXECUTIVE MESSAGES REFERRED

As in executive session the President Officer laid before the Senate messages from the President of the United States submitting a treaty and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

#### MESSAGES FROM THE HOUSE

At 12:39 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 87, Concurrent resolution to correct the enrollment of S. 419.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate: