

in the world. Across the nation and throughout the soccer world, D.C. United fans applaud the team's determination to fight and to win. Today, we salute D.C. United for a job well done and send best wishes to "America's Soccer Team."

TRIBUTE TO JUSTIN KOREN

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 15, 2000

Mr. DIAZ-BALART. Mr. Speaker, I would like to congratulate and honor a young student from my district in Florida who has achieved national recognition for exemplary volunteer service in his community. Justin Koren of Miami has just been named one of my State's top honorees in The 2000 Prudential Spirit of Community Awards program, an annual honor conferred on the most impressive student in each State, the District of Columbia, and Puerto Rico.

Mr. Koren, a senior at Coral Reef Senior High School, is being recognized for creating a volunteer teenage community theater group that brings the joys of live theater to others by performing at retirement homes, senior centers, day care centers, and migrant farms in the greater Miami area.

In light of numerous statistics that indicate Americans today are less involved in their communities than they once were, it is vital that we encourage and support the kind of selfless contribution this young citizen has made. People of all ages need to think more about how we, as individual citizens, can work together at the local level to ensure the health and vitality of our towns and neighborhoods. Young volunteers like Mr. Koren are inspiring examples to all of us, and are among our brightest hopes for a better tomorrow.

The program that brought this young role model to my attention—The Prudential Spirit of Community Awards—was created by the Prudential Insurance Company of America in partnership with the National Association of Secondary School Principals in 1995 to impress upon all youth volunteers that their contributions are critically important and highly valued, and to inspire other young people to follow their example. In only five years, the program has become the largest youth recognition effort based solely on community service, with nearly 75,000 youngsters participating since its inception.

Mr. Koren should be extremely proud to have been singled out from such a large group of dedicated volunteers. I heartily applaud Mr. Koren for his initiative in seeking to make his community a better place to live, and for the positive impact he has had on the lives of others. He has demonstrated a level of commitment and accomplishment that is truly extraordinary in today's world, and deserves our sincere admiration and respect. His actions show that young Americans can—and do—play important roles in our communities, and that America's community spirit continues to hold tremendous promise for the future.

INTRODUCTION OF THE PRESCRIPTION PRICE EQUITY ACT OF 2000

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 15, 2000

Mr. STARK. Mr. Speaker, I rise today to introduce the Prescription Price Equity Act of 2000, a bill to deny research tax credits to pharmaceutical companies that sell their products at significantly higher prices in the U.S. as compared to their sales in other industrialized countries.

At my request, the Congressional Research Service recently completed an analysis of the tax treatment of the pharmaceutical industry. The conclusion of that report is that tax credits contributed powerfully to lowering the average effective tax rate for drug companies by nearly 40% relative to other major industries from 1990 to 1996. Specifically, it finds that while similar industries pay a tax rate of 27.3%, the pharmaceutical industry is paying a rate of only 16.2%. At the same time, after-tax profits for the drug industry averaged 17%—three times higher than the 5% profit margin of other industries.

The need for this bill is clear. The U.S. Government provides lucrative tax credits to the pharmaceutical industry in this country in order to promote research and development of life-saving new pharmaceutical products. Yet, in return for these government subsidies, the drug companies charge uninsured Americans the highest prices for drugs paid by anyone in the world.

Numerous studies have shown that uninsured seniors pay exorbitant prices for pharmaceuticals. I recently asked the House Government Reform Committee to compare the prices of prescription drugs in the district I represent in Congress with the prices of prescription drugs in Canada. The report found that seniors in Alameda and Santa Clara counties who lack insurance coverage for prescription drugs pay far more than consumers in Canada for the exact same medications.

The study compared the 1997 prices of the five brand name drugs with the highest '97 sales to the elderly—Zocor (a cholesterol reducing medication), Prilosec (an ulcer and heartburn medication), Procardia XL (a heart medication), Zoloft (a medication used to treat depression), and Norvasc (a blood pressure medication). On average, seniors in the 13th District are paying prices that are 100% higher than the prices Canadian consumers pay. For example, for a one-month supply of Prilosec, the average uninsured senior living in our District pays over \$70 more than a consumer in Canada.

This price discrimination against seniors is happening across the country. Yet, America's seniors are the least likely to be able to afford these higher costs. Nearly half of Medicare beneficiaries live on yearly incomes of less than \$15,000 a year and a third live on less than \$10,000. While some Medicare beneficiaries have prescription drug coverage through employer retirement packages, Medicare HMOs (which are lowering their prescription drug coverage each year), and Medigap policies, about 35% of Medicare beneficiaries have no coverage at all and must pay inflated prices for their needed medications. It is also estimated that nearly two-thirds of Medicare

beneficiaries are at risk for being without prescription drug coverage for reasons such as: being unable to afford rising Medigap premiums; Medicare HMOs dropping out of Medicare; and employers renege on retiree health benefits.

Yet, at the same time that seniors are being asked to pay these outrageous prices, the drug companies are reaping the benefit of generous governmental subsidies. There's something wrong with a system that gives drug companies huge tax breaks while allowing them to price-gouge seniors. My bill attempts to correct this glaring inequity in a very even-handed approach. So long as your company gives U.S. consumers a fair deal on drug prices as measured against their same products sold in other OECD countries, you will continue to qualify for all available research tax credits. But if your company is found to be fleecing American taxpayers with prices higher than those charged for the same product sold in Japan, Germany, Switzerland, or Canada, then you become ineligible for those tax credits.

I know that the Pharmaceutical Research and Manufacturers of America will strongly oppose the Prescription Price Equity Act. PhRMA will say that this bill spells the end of pharmaceutical R&D. That is complete nonsense. As shown by CRS, drug industry profits are already threefold higher than all other major industries. This legislation doesn't change the current system of research tax credits at all unless companies refuse to fairly price their U.S. products. The intent of my bill is by no means to reduce the U.S. Government's role in promoting research and development. It is simply to say that in return for such significant government contributions to their industry, drug companies must treat American consumers fairly. Why should U.S. tax dollars be used to allow drug prices to be reduced in other highly developed countries, but not here at home as well?

Again, this bill simply tells PhRMA that U.S. taxpayers will no longer subsidize low prices in the OECD countries with our tax code. Research and development is important and that is why we give these huge tax breaks, but they do consumers little good if they can't afford the product.

The Prescription Price Equity Act is not the solution to the problems facing America's seniors' abilities to purchase prescription drugs. That problem will only be addressed by improving Medicare to include a prescription drug benefit. I have introduced separate legislation to achieve that goal and look forward to working with my colleagues to achieve that vital Medicare improvement this year.

The Prescription Drug Equity Act is important because it would end the abuse of the U.S. tax code to subsidize an industry that has so far refused to treat American consumers fairly. I urge my colleagues to join with me in support of this legislation to end pharmaceutical companies' abilities to profit at the expense of American taxpayers.

TRIBUTE TO JEFFREY FULLER

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 15, 2000

Mr. GARY MILLER of California. Mr. Speaker, I am very honored to rise before you today