

addition to the organizations he mentioned, this means jobs. Business cannot get lending from the banks because the banks will not lend money without terrorism insurance. There is no proposal that allows us to bridge the gap since September 11.

It is very difficult to get this insurance because it is very difficult to price. Prior to the events of September 11 we had some acts of terrorism, but they were isolated and limited. What happened on September 11 has changed so many aspects of this country, including the question of how to calculate the cost of terrorism insurance. Banks do not want to lend money. This is a practical matter. I wish it were otherwise. They do not want to lend money when the terrorism insurance will not be written, and it will not get written because people do not know how to price or cost it.

The idea was to frame some proposal to allow a bridge for a couple of years while the pricing of this product could be calculated, and to get the Federal Government out of it altogether but have us presently involved as a backstop should some catastrophic event occur. We would have a backstop so it would not wipe people out.

I am told today that if we have an event such as September 11 again, the insurance that exists today could only deal with about 20 percent of the cost of what happened on that day. Knowing that, we begin to understand why banks are not lending the money; why, then, developers, contractors, and so forth, are not going forward with their projects; and why people are being laid off. We have a ripple effect. That is the reason we need this bill.

I am not suggesting this is a perfect bill. But we do believe this proposal provides that gap for 23-36 months to allow for the pricing and free market factors to take over the costing out of terrorism insurance. In the absence of that happening, we get further delays. All the insurance contracts are being rewritten this year.

It is a major economic issue, one that cries out for an answer. I urge my colleagues on the other side not to hold this up any longer and not object to moving forward. If Members have a proposal, come forward and we will accommodate that amendment and vote on it one way or the other but don't stop the bill from moving forward altogether.

That is what is happening today and what has gone on for several months. It is causing great economic damage to the country. Talk to any major financial institution, talk to any major insurance company in this country, and they will say the same thing. The Republican objections to going forward on this bill are costing this country dearly. We need them to lift those objections, consider this bill, up or down, vote it up or down, but move on. Quit objecting to moving forward.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### EXTENSION OF MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the period for morning business be extended until 5:30 p.m. today under the same conditions and limitations of the previous order; that at 5:30, the Senate proceed to Executive session as under the previous order, with the time equally divided and controlled; that the remaining provisions of the previous order in Executive session remain in effect, without further intervening action or debate.

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

Mr. REID. Mr. President, I have spoken to my friend, the Senator from Wyoming, Mr. THOMAS. When he completes his statement, we will go into recess, subject to the call of the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

#### MEDICARE EQUITY FOR VETERANS ACT

Mr. THOMAS. Mr. President, I will discuss a bill we have introduced in the last several weeks that I think is very important. It is called the Medicare Equity for Veterans Act of 2002. It is designed to provide some fairness between Medicare and VA health care. There are a number of Members who have introduced the bill that will require Medicare services to reimburse the VA facilities for services rendered to certain Medicare-eligible veterans. These service men and women have paid into Social Security and Medicare as have the rest of us but are prohibited from utilizing the program when they are treated at a VA facility. It is only fair that they be allowed to use their Medicare coverage in the private sector or at a VA facility.

An interesting thing has happened in the numbers with respect to veterans. The number of veterans enrolled in VA health care systems has more than doubled since 1996. Many VA facilities-eligible veterans, called priority 7, or category C veterans, being veterans who have served but their disabilities are not related to their military service and are able, financially, to care for themselves. This is where we have seen the greatest increase in the patient load.

At the VA facility in Cheyenne, WY there were only 131 of these priority 7 veterans who were treated in fiscal year 1997.

However, in fiscal year 2001, the same facility treated over 2,200 priority 7 veterans. So, clearly, the VA is experiencing substantial growth in that area and it is utilizing facilities—and that is good.

But the veterans are unable, even though they are eligible, to use their Medicare assistance. With this increase in numbers, unfortunately, the VA health care system has not kept pace in terms of its finances. In my State, Medicare would expand access to services in most communities and would provide primary care to those for whom it is not now available.

Specifically, the Medicare Equity for Veterans Act of 2002 establishes a 3-year demonstration program at 10 VA sites, 3 of which must be in rural areas. The Secretary of VA and HHS will either choose a Medicare+Choice or preferred provider option model for these sites. The options would give the Secretary some flexibility in that way.

We have more and more veterans who are in this category 7 who would like very much to use VA facilities to care for their needs. They are eligible for Medicare, and Medicare would then reimburse the VA. We would be able to do two things, of course: to be able to finance the VA facilities and at the same time be able to let these eligible veterans use their Medicare services.

I hope we can move this bill. I think it will be very good for VA veterans. I think it will also be good for Medicare. It can probably be done more cheaply than the private sector. The combination is a good remedy to some of the problems we have.

I yield the floor.

#### RECESS

Mr. REID. Mr. President, I ask unanimous consent the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 4:02 p.m., recessed until 4:33 p.m. and reassembled when called to order by the Presiding Officer (Mr. LEVIN).

The PRESIDING OFFICER. The Senator from Arizona.

#### NOMINATION OF PAUL CASSELL

Mr. KYL. Mr. President, I will speak in morning business but really on the subject of our 6 o'clock vote, the nomination of Paul Cassell to be judge for the district court serving the State of Utah.

I am not from Utah, obviously. And you might ask, what is an Arizona Senator doing speaking on behalf of a nominee from another State? The answer to that question is, I have gotten to know Paul Cassell, and I am a very big fan of Paul Cassell. I think he will do a superb job on the bench. I just want to take a couple minutes of my colleagues' time to explain why.

It is not often we have the opportunity, as Senators, to vote for a nominee, who we really have gotten to know in our work in the Senate, to serve as a district judge in another State. But Paul Cassell has testified before the Senate Judiciary Committee and has worked many hours with Senator FEINSTEIN and myself and some other Senators in helping to craft the victims' rights constitutional amendment.