United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, FIRST SESSION

Vol. 149 WASHINGTON, WEDNESDAY, JUNE 25, 2003 No. 95

House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. TERRY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 25, 2003.

I hereby appoint the Honorable LEE TERRY to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

The Reverend Michael J. Greer, Pastor, Good Shepherd Catholic Church, Miami, Florida, offered the following prayer:

O gracious God, extend Your guidance and inspiration over this legislative body. May they find the ways and means to extend assistance to those in need, appropriate, equitably, and build up foreign relations to promote trust in a spirit of collaboration. Deliver the United States from violence and those things that divide so that we may be more faithful to the words we so often say, one Nation under God.

And as we are so fortunate to be able to speak and to act freely, yet responsibly, may they encourage that right here and everywhere so as to promote liberty and justice for all.

And so bless these Members, and as they receive suggestions from their constituents, so may they also receive the support they need from the people they represent and work for and be assured of Your providential care in their lives and for this Nation. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nebraska (Mr. BEREUTER) come forward and lead the House in the Pledge of Allegiance.

Mr. BEREUTER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOMING THE REVEREND MICHAEL J. GREER

(Mr. LINCOLN DIAZ-BALART of Florida asked and was given permission to address the House for 1 minute.)

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, it is my distinct pleasure and truly an honor this morning to welcome to the United States House of Representatives my friend, Father Michael Greer. Michael Greer is truly a wonderful human being and our community in South Florida is so very privileged that he lives and works with us.

Father Greer has been a teacher of theology. He possesses extraordinary academic credentials, with degrees in theological and liturgical studies from various institutions of higher learning, including the University of Notre Dame in South Bend, Indiana, Father Greer's hometown. Father Greer has taught at the St. Vincent De Paul Seminary and Florida International University. But most of all Michael Greer has become known and beloved in our community by and through his work as the pastor of the Good Shepherd Catholic Church in Miami for the last 16 years.

The Good Shepherd community has flourished during Father Greer's years there. Love, compassion and mercy toward our fellow human beings are not only practiced at Good Shepherd, their presence there is perceived by our entire diverse community.

Michael Greer does not only believe in diversity, he lives it each day in his work, including his constant visits to the sick and his masses, in English, Spanish and Creole.

Good Shepherd now has a wonderful school, also. We are privileged today to have the presence as well of the school's distinguished principal, Dr. Maria Elena Lopez.

Mr. Speaker, the Congress of the United States is honored today by the visit of a humble and great man, Father Michael Greer of Miami.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 10 one-minutes per side.

WAR CRIMES IN BELGIUM

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, should the United States allow its military and political leaders like General Tommy Franks, Colin Powell and Vice President CHENEY to be tried for war crimes in Belgium? Some bureaucrats in Belgium would like to think so. Trying to be a player on the world stage, it adopted a universal jurisdiction law supposedly giving Belgian courts jurisdiction over war crimes committed anywhere in the world. Defense Secretary Rumsfeld did the right thing by saying we would not spend taxpayer money to support the new NATO headquarters in a country that could prosecute our soldiers and leaders. Maybe it is time that we even think of moving

Printed on recycled paper.

the NATO headquarters to a more friendly country.

Belgium should not turn its legal system into a platform for divisive politicized lawsuits against her own NATO allies. No civilian or military leader could go to Brussels without fear of harassment from Belgium's courts enforcing spurious charges against them. The bureaucrats in Brussels and around the world who think they can wield unlimited global judicial power without being elected by anyone should be stopped.

IN SUPPORT OF DEBT RELIEF

(Mrs. MALONEY asked and was given permission to address the House for 1 minute.)

Mrs. MALONEY. Mr. Speaker, I rise to urge my colleagues to support legislation I have introduced with the gentleman from Iowa (Mr. LEACH), H.R. 2482, the Iraqi Freedom from Debt Act. This bill will require the United States to negotiate in the International Monetary Fund and World Bank for these institutions to relieve the debt owed them by Iraq. This legislation also includes a sense of Congress that France and Russia and all other creditors should relieve the debts owed by Iraq.

While estimates of Iraq's debt range from one hundred billion to several hundred billion, the combined debt owed the IMF and World Bank is just $150 million. These institutions have the resources to relieve this debt, setting an important precedent for the rest of the world.

The case for debt relief in Iraq is especially compelling, given the fact that much of the debt can be characterized as odious. Odious debt is recognized as debt that is taken on by a country for the personal benefit of corrupt leaders or for the oppression of a people.

By taking the lead on debt relief, the U.S. has an opportunity to boost the Iraqi economy and to prove to the world that a major reason for U.S. action in Iraq was to benefit the Iraqi people.

I urge my colleagues to support this legislation.

U.S.-EU SUMMIT IMPORTANT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute.)

Mr. BEREUTER. Mr. Speaker, today this city is the site of the annual U.S.-EU summit. Leaders of the European Union are here meeting with President Bush and members of his administration in order to strengthen transatlantic relations and to work on a common agenda which seeks solutions to issues within this relationship.

A balanced and well-defined U.S.-EU relationship is critical to global peace and stability. Although the difficult debate over Iraq presented yet another challenge to the relationship between the United States and Europe, it remains clear to this Member that a strong, mature transatlantic relationship is critical to the long-term economic, political and security interests of both the United States and Europe. And one of the central ingredients to a successful partnership with Europe is a stable and integrated European Union. It is important that the EU has evolved to become, along with NATO, one of the two critical international organizations to achieve these objectives.

Summits such as the one today along with legislative exchanges can serve to reinvigorate transatlantic relations in order that we, the United States and the Europeans, can together meet the global challenges we face.

MEDICARE PRESCRIPTION DRUGS

(Ms. SOLIS asked and was given permission to address the House for 1 minute.)

Ms. SOLIS. Mr. Speaker, I rise today to urge my colleagues on the other side of the aisle to bring to this House an affordable and guaranteed Medicare prescription drug benefit to seniors. So far, my Republican colleagues have proposed a bill that does nothing to lower the cost of prescription drugs and actually raises seniors' Medicare part B deductible at a rate of eight times higher than their Social Security cost of living increase, which was just 1.5 percent.

Perhaps they are not hearing the same message that I hear when I go home and talk to my constituents. In the cities that I represent in East Los Angeles and in the San Gabriel Valley, seniors are telling me that they want an affordable and guaranteed drug benefit, just like the Democratic plan. They do not want a voucher program that dismantles Medicare as they know it. They simply want their medicine, and they want a choice to be able to keep their doctor.

Thirty-eight years ago this program was created. So many people in our district, the district that I represent, feel that this is their safety net and here we are attempting to try to privatize it. That is the wrong thing to do while people right now are struggling to make ends meet. Vote down this proposition that is being put forward by the Republican Party.

REMEMBERING ARMY SPECIALIST ORENTHIAL J. SMITH

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, I rise today in sadness to report the third death that has touched the Second District of South Carolina during Operation Iraqi Freedom. Twenty-one-year-old Specialist Orenthial J. Smith paid the ultimate sacrifice in the war against terrorism when he was killed during an ambush on his convoy south of Baghdad on Sunday. He was born in Barnwell, South Carolina, and lived in nearby Martin in Allendale County.

O.J. joined the United States Army shortly after graduating from high school with the intent on making the military his lifelong career. Stationed in Dexheim, Germany, with the 123rd Maintenance Support Battalion, Specialist Smith was a leader with a great potential. While in Germany, he graduated ninth out of 127 from a leadership development course.

I ask all of my colleagues to join me in extending to O.J.'s family our most sincere thanks for their son's sacrifice and commitment to bringing liberty and freedom to the oppressed people of Iraq while protecting the American public in the war against terrorism.

In conclusion, may God bless our troops.

WAS AMERICA MISLED ON IRAQ'S WEAPONS OF MASS DESTRUCTION?

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, today the House will consider an amendment to H.R. 2417 which will direct the Inspector General of the Central Intelligence Agency to conduct an audit of all telephone records and electronic communications between the CIA and the Office of the Vice President that relate to so-called weapons of mass destruction obtained or developed by Iraq preceding Operation Iraqi Freedom. I have introduced this amendment to obtain the Vice President's records in response to a June 5 article in the Washington Post which reported that the Vice President made multiple visits to the CIA by which some analysts felt pressured to make their assessments on Iraq fit with Bush administration policy objectives.

This administration has repeatedly claimed they had evidence which proved that Iraq had vast stockpiles of weapons of mass destruction that posed an imminent threat to the United States. Americans remember that this administration cited their evidence of Iraq's weapons as reason to go to war.

It has been over 3 months since the start of the war. No such weapons have been found. Has there been a massive intelligence failure on the part of all our intelligence agencies? Or has this administration deliberately misled this Nation to war? Either way, there needs to be an investigation.

My amendment would uncover the role the Vice President may have played to achieve a political translation of CIA intelligence about alleged stockpiles of weapons of mass destruction in order to suit the Bush administration's campaign to push this country to war.

MEDICARE PRESCRIPTION DRUGS

(Mr. PENCE asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. PENCE. Only in Washington, Mr. Speaker, could Congress be prepared to add a whole new entitlement to Medicare which may cost children like my today 10-year-old daughter Charlotte $7 trillion and Democrats are holding up tombstones to say Medicare is being phased out. It is astonishing to a conservative like me.

Today, Mr. Speaker, I informed our leadership that I cannot support the creation of a new Federal entitlement in the form of a universal drug benefit in Medicare, which is not to say that I am not ready today to help those at or near the level of poverty that are struggling with that terrible choice between food and rent and prescription drugs.

□ 1015

Let us focus resources at the point of the need and not answer the scare tactics of the other side and end up playing their game and creating an all new massive Federal entitlement that kids like my little Charlotte will have to pay for for generations.

THE REPUBLICANS' PRESCRIPTION DRUG BENEFIT

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. How can the Republicans spend $400 billion on a prescription drug benefit that will impose costs without benefits on many seniors and a totally inadequate benefit for those most in need? We start with the premise that, first and foremost, the plan is designed to protect and enhance the profits of the pharmaceutical industry and the private insurance industry. Yes, seniors will be pushed into a confusing maze of PPO, HMO, discount card, private insurance plans, no limit on premiums, no limit on profits, and no required benefits. Very expensive. The pharmaceutical industry will prevent the reimportation of their manufactured U.S. drugs from Canada, and they are going to protect the obscene prices they get for their drugs.

This plan will do a great job protecting the profits of the pharmaceutical industry and the insurance industry but pitifully little for our Nation's seniors, those so much in need. But so it should be. The insurance and pharmaceutical industries are the number one and number two campaign contributors to the Republican Party.

MEDICARE REFORM

(Mr. BURNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURNS. Mr. Speaker, the debate rages over health care in this country. I rise in support of improved health care for our Nation's seniors, and I think it has to be done through Medicare. I believe that Congress can truly improve the seniors' standard of living through preventative care and alternative treatment. The proposed Medicare reform legislation will move us in the right direction. I am encouraged by the prospects of shifting Medicare from a system that manages seniors when they are already sick into a system that is designed to prevent them from becoming sick in the first place. Preventative care is a part of the Medicare reform. Preventative care is truly the best form of care that we can and we should provide for our America's seniors.

PRESCRIPTION DRUGS

(Mr. EMANUEL asked and was given permission to address the House for 1 minute.)

Mr. EMANUEL. Mr. Speaker, what is missing from the debate about Medicare this week is how to make medications more affordable at affordable prices and more accessible to all Americans of all ages. And this is not a partisan problem. It is an American problem.

We have a bipartisan bill to use market forces to reduce prices, allow generics to come to market to compete against name-brand drugs, which would save $60 billion over the next 10 years. Another piece of our legislation uses market forces to allow consumers, businesses, Federal Government through Medicare to buy drugs in 27 countries, be they Germany, France, England, Italy, Canada, where prices are 40 to 50 percent cheaper.

I have the full confidence through our market forces we can make medications cheaper, and I have the confidence and hope my colleagues have the confidence in market forces that they are able to do that.

The third component would be to allow the NIH to recoup a 10 percent royalty on any drug developed with taxpayer resources. In the private sector, 30 percent is normally recouped on a rate of return. Ten percent for NIH funded research, all the cancer drugs, all the AIDS drugs on the market are developed with taxpayer return.

We should no longer consider taxpayer research dumb money. We should recoup that money because the NIH is the largest venture capital fund out there, use market forces to reduce prices, make medications for all Americans more affordable.

THE PRESCRIPTION DRUG PROGRAM

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, on the prescription drug program that we are about to vote on this week, I am not an expert on health care or prescriptions; but I have observed over the years what happens when government takes over some of these programs. The big change of course was when we amended the Social Security bill in 1965 to add Medicare. We estimated at that time that the cost of Medicare by 1990 would be $9 billion. It was $70 billion projected 2003 to be $26 billion, but the actual cost today is $265 billion. This bill we are estimating at $400 billion. I suggest that is a very low estimate, and the second 10 years is the greater challenge because of retirements.

To seniors, the danger is they are going to start out with choice on whether seniors keep their current Medicare and other insurance; but eventually as government goes broke and needs the money, there is the tendency to force everybody in the program to moderate the cost of the program. Industry is promoting this system because eventually they are going to reduce their prescription drug coverage to the retirees that they are now paying for. After that comes rationing. I think there are a lot of disadvantages for seniors in this bill, Mr. Speaker.

HOLDING THE ADMINISTRATION ACCOUNTABLE

(Mr. ETHERIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ETHERIDGE. Mr. Speaker, I rise today to call on Congress to support accountability in education reform. Last year, Congress passed President Bush's ''no child left behind'' education reform bill. The legislation authorized billions of dollars in new funding to support administration's reform effort that seeks to ensure accountability from our schools, but who will hold the administration accountable?

The fact is that this administration is shortchanging our schools nearly $20 billion under the No Child Left Behind. While our schools' struggle to meet tough new standards and local budgets is stretched to the limit in this bad economy, the administration has failed its responsibility to provide leadership and resources for our schools. Congress must hold the administration accountable. I have introduced legislation to do just that. H.R. 2366 requires full funding of the No Child Left Behind act or suspends its punitive measures. Without full funding, No Child Left Behind will become a massive unfunded mandate that will require cuts in vital services and increased property taxes or both. Similar legislation has been introduced in the other body, and I urge my colleagues to join me in this effort to hold the administration accountable to our children, to our schools, and to our taxpayers.

PRESCRIPTION DRUGS

(Mr. STEARNS asked and was given permission to address the House for 1 minute.)

Mr. STEARNS. Mr. Speaker, this Congress has an unprecedented opportunity to give America's seniors an up-to-date Medicare system that includes more choices and better benefits like prescription drug coverage. Health care is being transformed by new drug therapies and active prevention. Yet in the current system, Medicare must pay for those treatments out of their own pocket or go without them. One third of the seniors on Medicare have no drug coverage at all, and that is about 900,000 American seniors.

Our seniors should have choices so affordable health care plans compete for their business and at the same time give them the coverage that they need. Medicare recipients who are happy with their current benefits will be able to stay in the current system with an added prescription drug benefit. So our program is voluntary. Those who want enhanced services, like more coverage for preventative care, will have that choice; and seniors who like managed care plans will have that option as well. This is a plan we Republicans passed out of committee, and this is a plan we will pass very soon here in Congress.

HONORING OUR ARMED FORCES IN THE KOREAN WAR

(Ms. LORETTA SANCHEZ of California asked and was given permission to address the House for 1 minute.)

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I rise today to pay tribute to the brave men and women who served in the Armed Forces and fought for the freedom of the Korean people. This week marks the 50th anniversary of the signing of the cease-fire agreement that ended the fighting of the Korean War. A peace treaty was never signed, leaving strained relations on the Korean peninsula until today. Armed Forces from over 20 countries came together to fight in what is often called the ''forgotten war.'' Casualties in the United States Armed Forces totalled 54,260 dead, with 8,176 listed as missing in action or as prisoners of war.

I would also like to recognize Orange County resident Martin Markley, who recently received a Bronze Star for combat valor after surviving a bloody battle in Korea over 50 years ago, and I want to give my thanks to those veterans who helped defend for the Korean people; and I want to extend my sympathy to those who lost loved ones during that war. They have not been forgotten and their memory will always be remembered.

PARLIAMENTARY INQUIRY

Mr. KINGSTON. Mr. Speaker, parliamentary inquiry. May I use the name of a Senator, a sitting Senator in attributing a quote to him or her?

The SPEAKER pro tempore (Mr. TERRY). During 1-minutes, the gentleman may not refer to or quote Senate proceedings, but may refer to statments made generally with attribution.

SADDAM HUSSEIN AND WEAPONS OF MASS DESTRUCTION

(Mr. KINGSTON asked and was given permission to address the House for 1 minute.)

Mr. KINGSTON. Mr. Speaker, today we are going to be working on the intelligence bill, probably voting on it later this week; and we are going to be hearing a lot from the left in this Chamber that we have not located weapons of mass destruction in Iraq and somehow the President is at fault. I just wanted to remind my colleagues what some of their Democrat Members in the other body said.

Here is a Member from Indiana, October 3, 2002: ''Saddam Hussein possesses chemical, biological weapons and, if events are allowed to run their own course, will some day possess nuclear weapons.''

Here is another Senator from California, a woman. My colleagues get the choice which of the two: ''I believe that Saddam Hussein rules by terror and has squirreled away stores of biological and chemical weapons.'' That was October 10, 2002.

Here is a Senator from West Virginia, one with a very common name: ''The people of the United States and the rest of the world are at risk as long as Saddam Hussein has weapons of mass destruction,'' March 18, 2003.

And here is another one from a Senator from Maryland: ''Over the last 12 years he's ignored U.N. resolutions and embargoes and has illegal chemical and biological weapons . . .'' That was March 18, 2003.

Many, many leading Democrat liberals were in support of our going into Iraq in the name of weapons of mass destruction. I just want our colleagues to keep that in mind as we debate this bill today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair reminds the gentleman from Georgia that he is not allowed to make such references to members of the other body.

MEDICARE ON THE HIT LIST

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute.)

Mr. DAVIS of Illinois. Mr. Speaker, down-size, out-source, privatize, erode, dismount, turn back the clock, all buzz words which characterize the thought and actions of many of our Republican colleagues. And now Medicare is on the hit list. And our seniors are being told that they are going to get a prescription drug plan. Yes, we need a plan, but we do not need one that dismantles Medicare. We do not need one that turns back the clock. We do not need one that skyjacks our seniors and prices them out of the market. They want real government for all people, including our seniors.

CHILD TAX CREDIT

(Ms. SCHAKOWSKY asked and was given permission to address the House for 1 minute.)

Ms. SCHAKOWSKY. It is obvious that the Republicans cannot do two important things at one time. Remember the 12 million children whose tax credit was dumped from the tax bill to make room for millionaires, including 1 million children of families in the military?

Mr. Speaker, yesterday the Republican leader announced that they were just too busy. He said, We have a problem with simple logistics. That is why we cannot take care of the 12 million children.

He was referring to how busy the Republicans are steamrolling through a bill that turns Medicare into a voucher program, throws money at HMOs, lets drug companies continue to gouge, and leaves seniors with thousands of dollars in drug bills. The majority leader, the President, and everybody in this body knows that we could resolve the child tax credit issue in a matter of hours. All that has to happen is for the Republican leadership to stop holding these children hostage, demanding a ransom of $82 billion unpaid-for tax package. All it takes is for the House to accept the Senate bill, as a majority of the House voted to do. All it would take would be for President Bush to interrupt his whirlwind fund-raising tour long enough to demand immediate enactment of the Senate bill. Surely we can find a couple of hours here so that 12 million children are not left behind.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken later today.

□ 1030

ABRAHAM LINCOLN BICENTENNIAL COMMISSION

Mr. SOUDER. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 858) to extend the Abraham Lincoln Bicentennial Commission, and for other purposes.

The Clerk read as follows:

S. 858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ABRAHAM LINCOLN BICENTENNIAL COMMISSION.

(a) DUTIES.—Section 4 of the Abraham Lincoln Bicentennial Commission Act (36 U.S.C. note prec. 101; Public Law 106–173) is amended—

(1) in paragraph (1)(D), by striking ''redesignation'' and inserting ''rededication''; and

(2) by adding at the end the following:

''(3) To recommend to Congress a plan to carry out the activities recommended under paragraph (2).

''(4) To carry out other related activities in support of the duties carried out under paragraphs (1) through (3).''.

(b) EXTENSION.—Section 8 of such Act (36 U.S.C. note prec. 101; Public Law 106–173) is amended—

(1) in subsection (a), by striking ''The'' and inserting ''In addition to the interim report required under subsection (b), the'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''FINAL REPORT.—'' and inserting ''REQUIRED INTERIM REPORT.—'';

(B) by striking the first sentence and inserting: ''Not later than June 24, 2004, the Commission shall submit an interim report to Congress.''; and

(C) in the second sentence, by striking ''final''; and

(3) by adding at the end the following:

''(c) FINAL REPORT.—Not later than April 30, 2010, the Commission shall submit a final report to Congress. The final report shall contain final statements, recommendations, and information described under subsection (b)(1), (2), and (3).''.

The SPEAKER pro tempore (Mr. TERRY). Pursuant to the rule, the gentleman from Indiana (Mr. SOUDER) and the gentleman from Illinois (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the Advisory Commission of the Abraham Lincoln Bicentennial Commission, I am proud the House is considering this legislation. This commission was established by Congress through the Abraham Lincoln Bicentennial Commission Act in 2000 through the 106th Congress.

The commission works to honor President Lincoln's momentous legacy by educating the general public on his unequaled contributions to our great Nation. It can be a universally celebrated event of racial reconciliation. It can be a time and an example for unifying America, increasingly diverse with many different populations, about the importance of having a united Nation and a united America.

This bicentennial can also highlight the unique American experience of being able to rise up from growing up in a log cabin, people of diverse backgrounds being able to rise to the very top of positions of power in America.

I am pleased that this bill will extend the commission until 2010, which will allow it to continue its valuable work through the upcoming celebration of the 200th anniversary of President Lincoln's birth in 2009.

I am pleased the other body has already passed this bill that honors perhaps our Nation's most extraordinary and cherished President. I congratulate the accomplished members of the commission for their work. We look forward to the commission's final report that will be due to Congress on April 30, 2010, if this bill is passed.

Mr. Speaker, therefore, I urge all Members to support the passage of S. 858, and I thank the Senator from Illinois (Mr. DURBIN) for introducing this important measure.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, President Abraham Lincoln is considered by many to be the most outstanding President this country has ever had. As a matter of fact, many have suggested that he was courageous, often misunderstood, renowned in his ability to see situations and then move on them. So I am pleased to join with my colleague from Indiana in consideration of Senate bill 858, a bill to extend the Abraham Lincoln Bicentennial Commission.

The Abraham Lincoln Bicentennial Commission was established by Congress in 2000 to plan the national observances of the 200th anniversary of Abraham Lincoln's birthday in 2009. Fifteen Americans were named by the White House, the House of Representatives and the Senate to work together to propose and craft programs of celebration and education.

S. 858 would extend the authorization for the Abraham Lincoln Bicentennial Commission through the bicentennial year of 2009. Under current law, the commission would pass out of existence in 2004, 5 years before the event it is supposed to commemorate. In addition to the requirement that the commission submit an interim report in June of 2004, S. 858 also requires that a final report be issued in 2010 after the conclusion of bicentennial festivities.

Obviously, Mr. Speaker, this legislation has tremendous support, and I would urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. SOUDER. Mr. Speaker, I yield as much time as he may consume to the gentleman from Illinois (Mr. LAHOOD), the distinguished sponsor of the original legislation that established the Abraham Lincoln Bicentennial Commission, as well as a cochair of the commission, without whose work this would not have occurred.

Mr. LAHOOD. Mr. Speaker, I want to thank my friend from Indiana for his comments.

I rise in support of the Senate bill 858, a bill to continue the important work of the Abraham Lincoln Bicentennial Commission. I encourage all of our colleagues to join with me in voting for this fitting tribute to our greatest President. I want to thank Senator DURBIN for getting this through the United States Senate, and I want to thank the majority leader's office for scheduling this for consideration today.

It is my honor to serve as cochair of the Abraham Lincoln Bicentennial Commission along with Senator DURBIN of Illinois and Mr. Harold Holzer of New York, a noted Lincoln scholar.

Created by Congress, the commission has 15 members and is charged with planning and organizing the national celebration of Lincoln's 200th birthday on February 12, 2009. Current plans for the bicentennial include a joint session of Congress, educational initiatives throughout the country, a new Lincoln penny, film projects and much more.

In celebrating Lincoln's birthday, we honor not just the memory of one man but also the promise of America's freedom. The ongoing struggle against tyranny abroad and the continued fight for racial justice at home both find their inspiration in the life and work of Abraham Lincoln.

Last year, the commission appointed an executive director and moved into offices in the Library of Congress. We have held meetings in Illinois, Kentucky and Washington and will travel to Indiana next year and will also be in Vermont this year.

Through our Web site, www.lincolnbicentennial.gov, we have already received countless suggestions from the public about how best to celebrate this important national event.

This year, the commission celebrated Lincoln's birthday by gathering together our distinguished advisory committee. Made up of scholars, business people and artists, we asked for their help in planning for the bicentennial. That evening nearly 500 people and many more watching C–SPAN witnessed ''Lincoln Seen and Heard'' in which the acclaimed actor Sam Waterston gave a dramatic performance of Lincoln's speeches, while Harold Holzer provided the accompanying images and narration.

Through events like this, we hope to raise the profile of the commission and prepare the public for the important occasion of Lincoln's 200th birthday, which we hope to celebrate nationwide and around the world.

It is vital that this important commission be allowed to continue its work through the actual bicentennial celebration. This bill would simply extend the life of the commission through the bicentennial year and require a final report so that future generations will have a record of how we celebrated the life of the foremost champion of human liberty.

Therefore, as the representative of the same District that sent Abraham Lincoln to Congress and as cochair of the Abraham Lincoln Bicentennial Commission, I urge my colleagues to support S. 858. I thank the gentleman from Indiana for the time.

Mr. DAVIS of Illinois. Mr. Speaker, it is my pleasure to yield such time as he might consume to the gentleman from Illinois (Mr. JACKSON), a Lincoln scholar, a civil war era buff, and a great historian who has studied and written extensively about this period.

Mr. JACKSON of Illinois. Mr. Speaker, let me begin by thanking the distinguished gentleman from Illinois for the very kind and generous and very thoughtful introduction.

Mr. Speaker, I rise today in strong support of this bill to extend the Abraham Lincoln Bicentennial Commission. I might also add, Mr. Speaker, that the gentleman from Illinois (Mr. LAHOOD) is to be congratulated for his foresight in the creation of this legislation and the appropriate ways that a commission might study the ways in which this Nation might honor, I believe, our most revered President.

I was recently appointed by the distinguished Democratic leader to the 15-member commission which has the esteemed responsibility of studying and recommending to Congress ways to appropriately honor President Lincoln in 2009, the bicentennial of his birth. I think it is very important to interpret the 16th President's life and work.

President Lincoln was an anti-slavery advocate in a Republican Party that sprang to live on an anti-slavery platform. His election in 1860 added fuel to the fire of disunion over slavery and its spread west, a disunion that triggered the American Civil War. While Lincoln was gradualist in his approach to ending slavery, he never wavered on a position that he knew would lead to its end. Slavery would not be allowed to spread into the western territories.

Initially seven, and ultimately eleven, southern States seceded from the Union rather than live under the rule of what many Democrats of that era referred to and called the black Republican Party.

Lincoln valued the Union above all, but he knew that the result of saving the Union was emancipation for the slaves. If the Union had not been preserved, slavery would not have been ended. Strategically, Lincoln understood that the Union was a common ground issue around which he could rally the American people while slavery was divisive.

By holding his coalition together around the issue of the Union, enough unionists eventually saw the connection between preserving the Union and ending slavery. Clarity on that connection helped Lincoln ease into emancipation in the middle of the war when it gave the North a huge boost. This cleared the way for the 13th, the 14th and the 15th amendments to the Constitution of the United States.

President Lincoln said 140 years ago this November in Gettysburg that government of the people, by the people, and for the people shall not perish from the face of the Earth. To Lincoln, the people meant every American, not just a select few. His policy and ultimate sacrifice for this noble belief are instructive for every American, especially public servants.

I am deeply honored to be among those who will shape a national celebration of his legacy.

Mr. SOUDER. Mr. Speaker, I yield myself such time as I may consume.

One of the other things I would like to add to the record about the extraordinary President Abraham Lincoln are that he gave two of the most outstanding speeches of all time in American history, the Gettysburg Address and the Second Inaugural.

In the book Lincoln at Gettysburg by the gifted writer Gary Wills, he points out an extraordinary point that the gentleman from Illinois (Mr. JACKSON) just referenced, and that is that the President did not directly address the biggest issues of the day. He indirectly tried to build a coalition to unite our Nation.

As Gary Wills points out, the Gettysburg Address does not mention Gettysburg, nor slavery, nor, more surprising, the Union or the South or the Emancipation Proclamation. Wills refers to it as a transcendental declaration. He laid the groundwork behind uniting America in a union where we would stand together, and in the opening phrase, taking out a few words of it and putting it down in its core form, we are engaged in testing whether any free Nation can survive, and that is what his message of the Gettysburg Address was.

His Second Inaugural speech, which many feel was his greatest speech, also subject to a second book by Stephen White, he pointed out that that was a brilliant theological address, stunned Congress, stunned the press of the United States because it was very short. Here they were very near the end of the Civil War, at a time when people wanted an address from their President, celebrating victory or talking about how things were going to work, and he made a seemingly impersonal address.

Nine straight Presidents did not serve a second term. He was the first President in 10 to serve a second term. Yet in his Second Inaugural he never said anything about that. He made it sound like it was kind of an accident he was there, because what his purpose was was to give a theological address on why both sides argued in the name of God, both sides thought that they were trying to do that, some people thought it was fatalistic, but he actually laid a theological argument out as to why we fought a Civil War, why it was important that we fought that Civil War and God's role in human history.

He may have been raised as a simple country boy, but he wrote and personally edited, and we can see all the notes as he worked through the speeches, two of the most powerful and enduring documents in world history. In the Hoosier State, with all due respect to the gentleman from Illinois (Mr. DAVIS), the gentleman from Illinois (Mr. JACKSON) and the gentleman from Illinois (Mr. LAHOOD), we have an expression, Abraham Lincoln grew up in Indiana. He is our most famous Hoosier. We say Indiana made Lincoln. Lincoln made Illinois.

Lincoln epitomizes the American dream, that he grew up in a log cabin in Kentucky where he was born and the first few years of his life. Then he moved to Indiana as a very young boy, grew up in multiple log cabins there in Indiana. He largely educated himself, moved to Illinois, taught himself the law, ran for office, losing more than he won. He participated in arguably the most famous of all American debates, the Lincoln-Douglas debates. He eventually rose as a compromise candidate for President, was trounced on the first ballot but came out as a compromise President, but almost every American will agree it is a classic example of the right man in the right place at the right time.

This is important for the rest of the world because Abraham Lincoln epitomizes the American dream. The four of us who spoke here, the gentleman from Illinois (Mr. DAVIS) and the gentleman from Illinois (Mr. JACKSON) and the gentleman from Illinois (Mr. LAHOOD) and myself, all come from different backgrounds. None of us were probably born in a log cabin, and our Speaker, who is a super Lincoln fan, who has turned his conference room into the Lincoln Room with paintings and statuary and other things of Abraham Lincoln, he himself grew up in small town Illinois. He would have liked to have been born in a log cabin, but he was not.

□ 1045

But he grew up in Illinois and prides himself on rising up like others in the American Dream.

Abraham Lincoln is an example to us of racial reconciliation, of united nations, of rising up in the American Dream; and that is important in understanding why, like during the 10 years of this commission, we continue to develop at the grass roots level, the same way this commission has started to do, innovative ideas, bubbling up in community after community of how we can recognize those things that unite us as a Nation and to build on that so we do not come apart at the seams like we have seen in many nations around the world.

Mr. Speaker, I do not have any other colleagues who want to speak on this, but I want to thank, again, the Senator from Illinois in the other body, the gentleman from Illinois (Mr. LAHOOD), the gentleman from Illinois (Mr. DAVIS), and the gentleman from Illinois (Mr. JACKSON) for supporting this, and I urge all Members to support its passage.

Mr. Speaker, I yield back the balance of my time.

Mr. DAVIS of Illinois. Mr. Speaker, I yield myself such time as I may consume, and though I do not have any additional speakers, I will close by simply saying that I grew up an Abraham Lincoln fan as a little boy. My mother, who did not have much formal education, nor did my father, they were both Abraham Lincoln fans and they

told us stories about Abraham Lincoln. This obviously whetted my appetite, and I became an Abraham Lincoln guy who read everything that I could get my hands on about Lincoln.

It is obvious from all of the comments that we have heard that Indiana, Illinois, and I guess we have to add Kentucky, have great memories and great fondness for the legacy of Abraham Lincoln, who would probably be considered a great communicator. We did not talk so much about people being communicators then. Now we talk about communication skills and abilities; but I guess he could communicate so much in just a few words, in things like the Lincoln Gettysburg Address and other comments that he made.

The one quote that I often like to suggest that Lincoln made was about education. He said that ''education makes a man easy to lead, but difficult to drive; easy to govern, but impossible to enslave.'' So as we put resources into budgets for education, I always try to remember Abraham Lincoln.

Ms. SLAUGHTER. Mr. Speaker, I rise in strong support of S. 858, a bill to extend the Abraham Lincoln Bicentennial Commission.

History recognizes Abraham Lincoln as one of this Nation's greatest and most visionary Presidents. Born in rural Kentucky, Lincoln rose from humble roots to the highest office in the land. He was renowned as a masterful orator and legislator. He led our country through its greatest internal crisis, our Civil War, with a decisiveness balanced with humanity. In 1863, Lincoln issued the revolutionary Emancipation Proclamation, freeing all slaves in the South. And he professed himself committed to rebuilding our Nation into a strong, united entity through a generous, practical reconstruction program in the South.

Tragically, Lincoln never had the opportunity to act upon his vision for Reconstruction. Just 5 days after Lee's surrender at Appomattox, Lincoln was shot at nearby Ford's Theater. He died of his wounds the next morning. An outpouring of grief swept across the Nation, with thousands meeting his funeral train at every stop.

Abraham Lincoln embodied the principles and qualities our Nation values most highly. He was scrupulously honest, forthright, and moral. In all matters of governance, he made decisions based on his desire to do the greatest good for the largest number of people. He was utterly committed to the fair treatment of all Americans and to healing the wounds of our internal divisions.

As a Member of Congress, I strive to emulate Lincoln's example. In doing so, I am deeply proud to say that I am deeply proud to say that I am carrying on a family heritage. I can trace my own ancestry back to Lincoln himself; our families lived in the same part of Kentucky. His portrait hangs in my office as a constant reminder of his noble spirit and eloquent example.

The Abraham Lincoln Bicentennial Commission was established in 2000 to inform the public about the impact Abraham Lincoln had on the development of our Nation and to identify the best possible ways to honor his accomplishments. The Commission has already done a great deal of excellent work and looks forward to doing much more. Under the original legislation, however, the Commission is scheduled to expire this year—3 years before the actual Lincoln Bicentennial in 2003. This legislation would extend the Commission's life through the bicentennial it was established to celebrate.

Just last month, I was deeply honored to be appointed to the Commission's advisory board. It will be my privilege to work with my fellow board members and the Commission to educate our Nation about my kinsman and role model.

I urge my colleagues to join me in supporting S. 858 and honoring the legacy of Abraham Lincoln. Without his leadership, our Nation would not be the strong, unified United States we are today.

Mr. EVANS. Mr. Speaker, as Representative for the 17th Congressional District in Illinois, a district encompassing Springfield, Illinois, where Abraham Lincoln got his political start, I pledge my support for the Abraham Lincoln Bicentennial Commission.

Abraham Lincoln first came to Illinois in March of 1830, and like so many of us he came to love the beautiful state, its good people, and its bountiful opportunities. Abraham Lincoln was a patriotic man and a courageous leader. He led our Nation through one of the darkest times in its history, and helped to shape it into the great country that it is today.

The Abraham Lincoln Bicentennial Commission is dedicated to preserving and honoring the legacy of Abraham Lincoln. It will provide education to the American public about President Lincoln's accomplishments, as well as striving to honor his works.

I encourage everyone to visit Illinois and see the many sites commemorating President Lincoln, not only in Springfield, but throughout the state. It is important to continue to urge Americans to learn about the history of our Nation and the people who have made it so great. Abraham Lincoln is one of the most important figures who contributed to this rich history of which we are so proud.

Mr. EMANUEL. Mr. Speaker, I rise today in strong support of Senator RICHARD J. DURBIN's bill, S. 858, to extend the Abraham Lincoln Bicentennial Commission and to inform the American public about his selfless dedication and sacrifice to our country.

It is my privilege to represent Illinois in the House of Representatives just as Abraham Lincoln did more than a century and a half ago. I am honored to share this association with one of our nation's greatest lawyers, legislators, and presidents.

Toward the end of this decade, on February 12, 2009, we will recognize the 200th anniversary of President Lincoln's birth. Passage of this bill authorizes the Bicentennial Commission to explore the best possible ways to honor his lasting accomplishments.

Our state slogan, ''Land of Lincoln'' reflects how proud Illinoisans are of his enduring contribution to America's unity and strength. His home in Springfield, Illinois is a National Historic Site administered by the National Park Service, and his tomb in Oak Ridge Cemetery, also in Springfield, is among the most visited sites in our state.

Mr. Speaker, I thank Senator DURBIN for introducing this legislation to make certain that a hero to all in my home state of Illinois and throughout the nation is honored appropriately. I strongly encourage all of my colleagues to vote for S. 858, authorizing the Abraham Lincoln Bicentennial Commission to help preserve the memory of his noble vision, statesmanship and humanity forever in American history.

Mr. DAVIS of Illinois. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Indiana (Mr. SOUDER) that the House suspend the rules and pass the Senate bill, S. 858.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SOUDER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

TEMPORARY AUTHORITY FOR CONGRESSIONAL HUNGER CENTER TO AWARD BILL EMERSON AND MICKEY LELAND HUNGER FELLOWSHIPS

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2474) to require that funds made available for fiscal years 2003 and 2004 for the Bill Emerson and Mickey Leland Hunger Fellowships be administered through the Congressional Hunger Center, as amended.

The Clerk read as follows:

H.R. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEMPORARY AUTHORITY FOR CONGRESSIONAL HUNGER CENTER TO AWARD BILL EMERSON AND MICKEY LELAND HUNGER FELLOWSHIPS.

Notwithstanding the Congressional Hunger Fellows Act of 2002 (section 4404 of Public Law 107–171; 2 U.S.C. 1161), funds appropriated for fiscal years 2003 and 2004 for the purpose of providing the Bill Emerson and Mickey Leland Hunger Fellowships shall be made available to the Congressional Hunger Center for the purpose of awarding the fellowships, except that any such funds provided in excess of $3,000,000 in fiscal year 2003 or $3,000,000 in fiscal year 2004 shall be appropriated to the Congressional Hunger Fellows Trust Fund established by such Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of H.R. 2474, a bill that provides for the continuation, for 2003 and 2004, of a fellowship program honoring our colleagues, the Honorable Bill Emerson and the Honorable Mickey Leland.

Last year, Congress authorized the Congressional Hunger Fellows Program

as a part of the Farm Security and Rural Investment Act of 2002. This provision was included in both the Committee on Agriculture bill and the law as a memorial to the Honorable Bill Emerson, a former member of the Committee on Agriculture, and the Honorable Mickey Leland. The purpose of the fellowships is to develop and train future leaders of the United States in humanitarian service.

The law establishes an independent agency in the legislative branch of the U.S. Government, creates a board of trustees to supervise and direct the program, establishes a Congressional Hunger Fellows trust fund in the Department of the Treasury that will provide funds from the interest to help run the program, and authorizes $18 million for the fund.

While the necessary process to establish a congressional Hunger Fellows Program has begun, the process is not complete. H.R. 2474 allows the current process to continue utilizing the Congressional Hunger Center just until the program authorized by the farm bill is completed. These fellowships provide a way to continue the legacy established by our former colleagues Bill Emerson and Mickey Leland and move towards achieving the valued goal of training future leaders of the United States in humanitarian service, goals I know Members share with me.

Mr. Speaker, I want to thank my colleague, the wife of the late Congressman Bill Emerson, the gentlewoman from Missouri (Mrs. EMERSON), and his successor, for introducing this legislation; and I urge my colleagues to support H.R. 2474.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such times as I may consume.

Mr. Speaker, I rise in support of H.R. 2474, which requires that funds made available for the Bill Emerson National Hunger Fellowship and the Mickey Leland International Hunger Fellowships are to be awarded through the Congressional Hunger Center. This piece of legislation is needed to ensure that funds already appropriated to provide hunger fellowships in the fiscal year 2003 are able to be used for that purpose. In addition, it will ensure that funds made available in fiscal year 2004 are also available for these fellowships.

In the farm bill, we created the Congressional Fellows Hunger Act of 2002, which authorizes $18 million to a trust to be used as an endowment to provide domestic and international hunger fellowships. The program is overseen by a board of trustees, which only recently was appointed. Because of the time needed to establish the program as envisioned by the authorizing language, the funds provided for the fellowships in the fiscal year 2003 agricultural appropriations act are not available. This bill will allow those funds to be used by the Congressional Hunger Center for hunger fellowships.

The Congressional Hunger Center was formed in 1993 with a mandate to lead, speak, and act on behalf of the poor, the hungry, and the victims of humanitarian emergencies both on a domestic and international level. The Congressional Hunger Center, through its leadership development programs and its education, research, and advocacy programs has, as of 2002, graduated over 500 antihunger leaders who address hunger at the community, national, and international levels.

The fellowships originally awarded by the Congressional Hunger Center and codified in the Congressional Fellows Hunger Act of 2002 were designed, as we have heard, to honor the memories of Bill Emerson and Mickey Leland, who, during their careers in public service, were deeply interested in helping those in need by their words and by their actions. Bill Emerson, the distinguished late Representative from the eighth district of Missouri, and George T. Mickey Leland, the distinguished late Representative from the 18th district of Texas demonstrated their commitment to solving the problem of hunger in a bipartisan manner.

Providing the $3 million in funding to the Congressional Hunger Center for fiscal years 2003 and 2004 will ensure that the spirit of these two leaders will live on through the fellowships by making sure that there will be a future generation of leaders who will pursue careers in humanitarian service related to hunger.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume to thank the gentleman from Texas for his support and leadership on this legislation.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. EMERSON), who has carried on the fight against hunger here in the United States and around the world that her late husband, Bill Emerson, was so well noted for. I thank her for that work.

Mrs. EMERSON. Mr. Speaker, I thank the gentleman from Virginia (Mr. GOODLATTE) for yielding me this time and for the graciousness which he has shown, as well as that of the gentleman from Texas (Mr. STENHOLM), in allowing us to make the corrections on the legislation that will permit the Hunger Fellows to proceed with the remarkable work that they do.

I also want to thank the gentleman from Illinois (Mr. HYDE), because this bill also goes through IR, and I want to thank Kevin Kramp and Lynn Gallagher from the Committee on Agriculture, and Frank Record from the Committee on International Relations, because without their great assistance we would not be here today.

I also want to thank both the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Texas (Mr. STENHOLM) for the wonderful words they had to say about my late husband, Bill Emerson, and the commitment he had throughout his lifetime to prevent hunger wherever it is found.

Mr. Speaker, passage of this bill is critical for the future of the Bill Emerson and Mickey Leland Hunger Fellowships. The funding for the 24 Bill Emerson National Hunger Fellows and the 50 Mickey Leland International Hunger Fellows will expire, as my colleagues have said, unless this legislation passes.

These 39 Fellows fight hunger and poverty worldwide. They each earn just $10,000 helping nutritionally vulnerable populations in urban and rural communities get food. For example, the Emerson Fellows assist low-income communities in getting access to fresh fruits and vegetables, as well as helping to do the same for Federal nutrition programs for school-aged children and the elderly. The Leland Fellows work with national and international agencies and faith-based groups to get school lunches to over 300 million children overseas.

In their work, the Fellows are constantly faced with things that we do not normally see on a daily basis, threats of terrorism, crime, AIDS, and, most recently, SARS, while helping the communities in which they are living formulate solutions to ending hunger and poverty.

For the past 3 years, many may know that agricultural appropriations and private foundations have funded the Emerson-Leland Fellows through the Congressional Hunger Center. As my colleagues have mentioned, the farm bill did authorize an endowment for the Congressional Hunger Fellows program, which incorporated the current Fellows program operated by the Congressional Hunger Center. But because operating funds for the endowment are not yet in place, the Congressional Hunger Center is left without operating funds to recruit for their future classes. This legislation will allow the program to continue while we establish the endowment.

So, again, I want to thank the chairman, the gentleman from Virginia (Mr. GOODLATTE), the gentleman from Texas (Mr. STENHOLM), the gentleman from Illinois (Mr. HYDE), and my good colleague, the gentleman from Massachusetts (Mr. MCGOVERN), who helps cochair the Congressional Hunger Center, for all the work that they do in helping a problem that should not exist but, sadly, it does, and, hopefully, one day soon, we will find a means to make certain that no person on Earth goes hungry.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I thank the distinguished gentleman from Texas for yielding me this time, and I also applaud his incredible work on behalf of the hungry around the world and here in the United States. I also want to thank the chairman of the committee, the gentleman from Virginia, for bringing this bill so quickly to the House floor for consideration.

Mr. Speaker, I rise in support of H.R. 2474, authorizing the Bill Emerson and Mickey Leland Hunger Fellowships and urge its swift passage by this House. I want to acknowledge the leadership of my friend and colleague, the gentlewoman from Missouri (Mrs. EMERSON), and to thank her for her many contributions to ending hunger here at home and abroad. She has honored the memory of her husband and our former colleague, Bill Emerson, in whose honor the National Hunger Fellowships at the Congressional Hunger Center are named.

I have had the privilege of working closely with the gentlewoman from Missouri over the past few years, first when we helped create the Global Food for Education Initiative, known as the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, and now when we serve together as the cochairs of the Congressional Hunger Center. I admire her leadership and determination, and I hope to learn a great deal more from her about how best to end hunger, honor America's farmers, and contribute to increasing food security for all nations.

Mr. Speaker, H.R. 2474 will correct a simple error in last year's farm bill reauthorization that authorized funding for the Bill Emerson and Mickey Leland Hunger Fellowships, but inadvertently channeled the monies to the Congressional Hunger Center's endowment rather than through the Center's program budget. Passage of H.R. 2474 will ensure that the two fellowship programs are administered and funded through the Congressional Hunger Center for fiscal year 2003 and fiscal year 2004.

□ 1100

This adjustment will allow for the endowment to have enough time to build so it may sustain funding for the Congressional Hunger Center over the long term without interrupting the Bill Emerson and Mickey Leland Hunger Fellowships program in the short term. I also thank the gentlewoman from Missouri (Mrs. EMERSON), the gentleman from Texas (Chairman BONILLA), and the gentlewoman from Ohio (Ms. KAPTUR), the ranking member on the subcommittee for agricultural appropriations, for including the appropriate allocations for these hunger fellowships in the fiscal year 2004 agriculture appropriations bill. I also would like to express my appreciation to Jim Dyer, the majority staff director for the Committee on Appropriations, for his help and support on this matter.

Mr. Speaker, today I have had the privilege of meeting the newest class of Mickey Leland International Hunger Fellows who are in Washington for their initial orientation. The Congressional Hunger Center received 155 applicants for these fellowships, which were narrowed to 50 finalists, and 15 young men and women were chosen to receive these fellowships.

The Leland Fellows will work for 2 years on hunger issues, including a 1-year field placement in countries throughout South Asia, sub-Saharan Africa and Latin America. The class of 2003–2005 will work in Thailand, Uganda, Malawi, Ethiopia, the Philippines, Indonesia, Guatemala, Bangladesh, Mexico, Mauritania, and in East Africa. Their field placements include national and international nongovernmental organizations, private commercial organizations, and bilateral and multilateral agencies. They will spend their second year in the headquarters of the organizations that sponsor their field placements where they will focus on policy-making to address the root causes of hunger.

I know that our friend and former colleague, Mickey Leland, is looking down on these dedicated young people and is proud that the work they are doing in his name will create future leaders in the fight on hunger and poverty.

The Bill Emerson National Hunger fellows Program annually selects around 20 participants who work for 6 months in rural and urban community-based organizations across the country involved in fighting hunger at the local level. Their 6 months is spent in national nonprofit organizations engaged at the national level in antihunger and antipoverty work. This year, 24 men and women will represent the 10th class of Emerson Fellows.

Together, these two hunger fellowship programs, administered and coordinated by the Congressional Hunger Center, are having a significant impact on the fight to end hunger in America and around the world.

Mr. Speaker, I would like to acknowledge the gentleman from Virginia (Mr. WOLF) and our former colleague Tony Hall, who were instrumental in establishing the center 10 years ago. Congress can take great pride in the support for the Congressional Hunger Center and the Bill Emerson and Mickey Leland Hunger Fellowship programs. I urge my colleagues to support H.R. 2474.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a good bill. It is a good program. It has the kind of leadership and oversight from the gentleman from Massachusetts (Mr. MCGOVERN) and the gentlewoman from Missouri (Mrs. EMERSON) that we in Congress appreciate very much. I urge support of the bill. I thank the chairman for his leadership in this endeavor.

Mr. WOLF. Mr. Speaker, I rise in support of H.R. 2474. The Congressional Hunger Center was established 10 years ago with a mission of fighting hunger by developing leaders. They have been doing that ever since.

When I think of the Congressional Hunger Center, I think of my good friend Ambassador Tony Hall. It was Tony who first got me involved in fighting hunger. In 1984, he persistently encouraged me to travel to the Horn of Africa to witness the devastation of the famine. As many of you know, that experience changed my life.

Many of the Congressional Hunger Center fellows are having similar experiences right now. There are Bill Emerson fellows who are having life-changing experiences in 12 locations across the country and Leland International Fellows in 15 locations throughout the world. The combination of the life-changing practical and the policy experiences will equip these young people to be active leaders on hunger issues wherever they may go.

One of the program's most committed international fellows is Robert Oliver Davila. Robert was a Peace Corps volunteer in Africa for three years. He joined the first class of international fellows after being a manager at the Worcester County Food Bank. Robert visited schools all over Ethiopia helping them implement the World Food Programme Global School Lunch Program. Robert monitored and evaluated the impact of the program on the lives of children, families and communities. Robert is now working with the Global School Feeding Support Unit in the Strategy and Policy Division of the World Food Programme.

Sarah Boron, from Dennison University in Ohio, helped develop a model to assess food and farm issues at Food for Lane County in Eugene, Oregon. Sarah is now helping local groups form food policy councils through the Community Food Security Coalition.

Many of us who have supported the Congressional Hunger Center over the years have maintained a vision of self-sufficiency for the organization in the future. As some of you know, Congress has been providing the bulk of the Hunger Center's operating budget each year through annual appropriations. Last year, the dream of self-sufficiency came closer to being a reality.

In the 2002 Farm Bill, Congress authorized an endowment to move the Hunger Center's fellows programs toward self-sufficiency. Unfortunately, when the appropriations committee provided funding for the newly authorized endowment, the Congressional Hunger Center was not able to access any funds for operating the fellows program.

H.R. 2474 will allow the Congressional Hunger Center to access the funds it needs to operate the fellows program, equipping people like Roger and Sarah to become leaders in fighting hunger. Equally important, this legislation does not detract from the vision of an endowment that allows the fellows program to operate self-sufficiently.

In closing Mr. Speaker, I encourage all my colleagues to support this legislation, which makes the technical corrections necessary to allow the Congressional Hunger Center fellows program to continue uninterrupted, growing leaders to fight hunger around the world.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H.R. 2474 requesting that funds be made available for fiscal years 2003 and 2004 for the Bill Emerson and Mickey Leland Hunger Fellowships to be administered through the Congressional Hunger Center.

The Bill Emerson and Mickey Leland Fellowships provide an opportunity for young people to invest their time, energy, and dedication to the cause of fighting hunger around the world. The fellowship was established in memory of the outstanding contributions of the Honorable Bill Emerson and the Honorable Mickey Leland both of whom were former members of Congress.

Each year approximately twenty participants are selected to participate in the highly selective Emerson and Leland Fellowship program. The fellows spend the first six months of their internship working on local level hunger issues, primarily through community food banks and local advocacy initiatives. The fellows then spend another six months in Washington, D.C. working with national organizations involved in the anti-hunger and poverty movement. This unique and challenging opportunity embodies the ideals and legacy of both Mr. Leland and Mr. Emerson.

Mickey Leland in addition to serving as a respected representative of the 18th Congressional District in Texas, Mr. Leland also served as a renowned yet humble humanitarian bringing both national and international attention to several causes including hunger and famine. With a ''heart as big as Texas'', Mickey Leland served as an active voice for social change. I am proud to follow him as a representative of the 18th District. And Bill Emerson over the span of five decades, contributed significantly to the strengthening of U.S. public policy and the process to achieve common sense solutions to legitimate real world problems, namely hunger. Thus the Emerson/Leland Fellowships provide an opportunity for young people to continue in the footsteps of these revered statesmen.

Therefore, it is in the spirit of the work of both Mickey Leland and Bill Emerson that this Congress would like to administer funds secured from the 2003 and 2004 fiscal years for the Emerson/Leland Fellowship through the Congressional Hunger Center. The Congressional Hunger Center is a unique non-profit, anti-hunger leadership organization. The mission of the center is to train and develop individuals who feel they can serve in either a domestic and/or international capacity to become leaders in the fight against hunger and effectively bridge the gap between service and public policy. The Congressional Hunger Center serves as a lasting tribute to all those who work to eradicate hunger but especially Mickey Leland, who was one of the Center's founding members. As such, it seems only natural that the Emerson/Leland Fellowship Program receives its funding through the Congressional Hunger Center.

Mickey Leland once said: ''I cannot get used to hunger and desperate poverty in our plentiful land. There is no reason for it, there is no excuse for it, and it is time that we as a nation put an end to it.'' And while we cannot easily put an end to hunger, we can certainly do our part both individually and collectively to take an active role in helping to increase awareness and action around global hunger.

Therefore, I stand in full support of H.R. 2474 and hope that my Congressional colleagues will also express their support for this resolution as well.

Mr. STENHOLM. Mr. Speaker, I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 2474, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. GOODLATTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2474, the bill just considered, and on S. 858, the bill considered immediately previously.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

RECOGNIZING IMPORTANT SERVICE PROVIDED BY FOREIGN AGRICULTURAL SERVICE ON OCCASION OF ITS 50TH ANNIVERSARY

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 49) recognizing the important service to the Nation provided by the Foreign Agricultural Service of the Department of Agriculture on the occasion of its 50th anniversary.

The Clerk read as follows:

H.J. RES. 49

Whereas, during the terms of President Dwight David Eisenhower and the era of Secretary of Agriculture Ezra Taft Benson, it became apparent that the development of external markets was needed to ensure the financial viability of the agricultural sector of the United States;

Whereas the Foreign Agricultural Service of the Department of Agriculture was established on March 10, 1953, to develop and expand markets for, and improve the competitive position of, United States agricultural commodities and products;

Whereas the Foreign Agricultural Service has represented agricultural interests of the United States during a period of great expansion of United States agricultural exports from less than $3,000,000,000 in 1953 to over $50,000,000,000 in 2002;

Whereas the number of organizations engaged in the public and private partnership established by the Foreign Agricultural Service to promote United States agricultural exports has grown significantly, with market development and expansion occurring in nearly every global marketplace; and

Whereas March 10, 2003, was the 50th anniversary of the establishment of the Foreign Agricultural Service: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress recognizes the Foreign Agricultural Service of the Department of Agriculture and its employees and partners for—

(1) cooperating with, and leading, the United States agricultural community in developing and expanding export markets for United States agricultural commodities and products;

(2) identifying the private partners capable of carrying out the mission of the Foreign Agricultural Service;

(3) identifying and expanding markets for United States agricultural commodities and products;

(4) introducing innovative and creative ways of expanding the markets for United States agricultural commodities and products;

(5) providing international food assistance to feed the hungry worldwide;

(6) addressing unfair barriers to United States agricultural exports;

(7) implementing strict procedures governing the use and evaluation of programs and funds of the Foreign Agricultural Service; and

(8) overseeing the efficient and effective use of Federal funds to carry out programs of the Foreign Agricultural Service.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 49. The gentleman from Texas (Mr. STENHOLM) and I introduced this resolution to recognize the important service of the Foreign Agricultural Service of the Department of Agriculture on the occasion of its 50th anniversary.

USDA's Foreign Agricultural Service was established to develop and expand markets for United States agricultural commodities and products. Our farmers and ranchers are the most productive in the world and produce much more than we in the United States can consume. Therefore, a vibrant export market is very important to the success of U.S. agriculture.

FAS has contributed to that success; and as of 2002, the United States agricultural exports exceed imports by more than $12 billion. Our exports have grown significantly over the history of the FAS and now exceed $50 billion per year.

The FAS fosters the public and private partnership that is needed to promote United States agricultural exports and to develop and expand markets around the world. At this important time when free trade negotiations are ongoing, both in the WTO and through bilateral negotiations, the FAS is essential to represent United States agriculture and ensure that the challenges facing our agricultural producers are thoroughly addressed.

Another responsibility of the FAS is to provide food aid to needy people in developing countries and to help those countries to eventually become trading partners of the United States and buy our agricultural products. The FAS and its employees provide a significant service to the farmers and ranchers here at home so they can compete in worldwide markets. I congratulate them on their achievements and look forward to working closely with the FAS as the committee continues its work to expand markets for United States agriculture.

I thank the members of the Committee on Agriculture for their support of this resolution. I also appreciate the support of the Committee on International Relations on this matter. The gentleman from Illinois (Mr. HYDE) has been very cooperative in helping to expedite House Joint Resolution 49. I also thank the gentleman from Texas (Mr. STENHOLM). I urge Members to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the resolution to recognize the role of the Foreign Agricultural Service in expanding export opportunities for America's farmers and ranchers and working to increase food security around the globe.

When FAS began its work, exports accounted for less than 10 percent of agricultural sales. Last year, 49 percent of the wheat and 54 percent of the cotton harvested in the United States was exported. By the year 2012, 98 percent of the world's population will live outside of the United States, and American agriculture will depend even more on export markets.

The men and women of the Foreign Agricultural Service have worked hard to identify and focus on the potential of growing markets such as Mexico and China where the economies are expected to grow by 5 and 7 percent respectively.

The U.S. agricultural producers are taking advantage of new trading opportunities. Between 1992 and 2002, U.S. agricultural exports to Mexico grew from $3.8 billion to $7.3 billion per year. And in China from .5 billion to $2 billion. At the same period, exports to Canada have grown from $4.9 billion to 8.7, making it our largest export market for agriculture. And all of these markets, particularly China, have a tremendous potential opportunity for U.S. producers.

The success of the programs administered by the FAS is also reflected by the increases in funding that were included for many of these programs in last year's farm bill. These include an additional $650 million for the Market Access Program, $308 million for Food for Progress, $100 million for the International Food for Education Program, and $67 million for the Foreign Market Development Program.

Rural communities depend on export for one-third of their jobs. Over the past 5 years, United States agricultural exports have averaged over $53 billion per year, and our agricultural trade surplus has averaged over $13 billion. This is compared to the overall trade deficit of the United States of over $500 billion. Each $1 billion in exports supports 15,000 American jobs. This means U.S. agricultural exports are supporting over 800,000 jobs, 50,000 in my home State of Texas alone. Many of these jobs are on farms or ranches, but even more of them are in transportation, storage, marketing, trade services, and food processing.

As a representative of some of the rural communities that benefit from such jobs, I thank the men and women of the Foreign Agricultural Service for their hard work, and I congratulate the agency on its service to rural America.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I have no request for time; I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) for yielding me this time, and I thank him for his leadership on this bill, as well as the chairman of the committee.

Mr. Speaker, I rise in support of H.J. Res. 49 recognizing the 50th anniversary of the Foreign Agricultural Service at the Department of Agriculture. I have had the privilege of working with many of the FAS staff in Washington and in our embassies around the world, and on one special program in particular, the Global Food for Education Initiative, or the GFEI.

In July 2000, President Clinton announced at the Okinawa G–8 summit that the United States would initiate a $300 million pilot program, the Global Food for Education Initiative, to provide hungry children with a daily nutritious meal in a school setting. The twin goals of the program were to reduce hunger among children and increase the number of children, especially girls, attending school. The GFEI was modeled around a series of successful FAS school feeding programs that use section 416(b) surplus commodities and that were implemented by U.S. private voluntary organizations and the World Food Program.

FAS faced a monumental task to initiate the GFEI pilot program on a very tight timeline in an accountable and effective manner. They came through with flying colors. In December 2000, the President announced that the GFEI would carry out 48 projects in 39 countries and reach about 9 million children in Asia, Africa, Latin America, and the Caribbean.

In February 2003, USDA published the first evaluation of the GFEI. This report documents the marked success of these school feeding projects. Hunger was reduced, parents and community organizations were empowered, and school attendance increased, especially among girls.

I do not believe this level of success would have been achieved without the diligent leadership of Mary Chambliss, Robin Tilsworth, Babette Gainor, and the rest of the FAS staff. Their belief in this program and their commitment to accountability and oversight ensured that the project lived up to the promise of the initial proposal. I encourage my colleagues to visit the FAS Web site and review the GFEI report.

I have seen these projects in action in Indonesia and Colombia, and I have had the privilege of meeting the FAS staff based at our embassies who help carry out these programs in the field.

Mr. Speaker, there are 300 million hungry children worldwide. Most do not get a chance to go to school. For the children involved in the GFEI, these school meals are often the only food that child will receive, and that meal and school may be the only stable factors in their precarious and uncertain lives.

In last year's farm bill, the GFEI became permanent when the George McGovern-Robert Dole International Food for Education and Child Nutrition Program was established. It received $100 million for fiscal year 2003, a reduction from the pilot program, but an allocation which I hope will increase in the future.

Every single Member of the other body called upon the President to keep the McGovern-Dole Program in the capable hands of the FAS, a resounding endorsement if ever I heard one.

Mr. Speaker, I commend the FAS and its staff for their commitment to use our farmers' productivity to help end world hunger. I congratulate them on a half century of fine work, and I urge my colleagues to pass this resolution.

□ 1115

Mr. STENHOLM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

This recognition of the Foreign Agricultural Service is well deserved. The work that they conduct around the world in promoting American agriculture is vitally important. It is even more important following the passage of the Trade Promotion Authority in the last Congress.

I urge my colleagues to support the resolution.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the joint resolution, H.J. Res. 49.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. GOODLATTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days in which to revise and extend their remarks on H.J. Res. 49, the joint resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AWARDING A CONGRESSIONAL GOLD MEDAL TO PRIME MINISTER TONY BLAIR

Mr. KING of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1511) to award a congressional gold medal to Prime Minister Tony Blair.

The Clerk read as follows:

H.R. 1511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDING.

The Congress finds that Prime Minister Tony Blair of the United Kingdom has clearly demonstrated, during a very trying and historic time for our 2 countries, that he is a staunch and steadfast ally of the United States of America.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall make appropriate arrangements for the presentation, on behalf of the Congress, of a gold medal of appropriate design, to Prime Minister Tony Blair, in recognition of his outstanding and enduring contributions to maintaining the security of all freedom-loving nations.

(b) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (referred to in this Act as the ''Secretary'') shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2 under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

SEC. 4. STATUS OF MEDALS.

(a) NATIONAL MEDALS.—The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

(b) NUMISMATIC ITEMS.—For purposes of section 5134 of title 31, United States Code, all medals struck under this Act shall be considered to be numismatic items.

SEC. 5. AUTHORITY TO USE FUND AMOUNTS; PROCEEDS OF SALE.

(a) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund such amounts as may be necessary to pay for the costs of the medals struck pursuant to this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals authorized under section 3 shall be deposited into the United States Mint Public Enterprise Fund.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. KING) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. KING).

GENERAL LEAVE

Mr. KING of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KING of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is a distinct privilege today to be able to move this bill awarding a Congressional Gold Medal to British Prime Minister Tony Blair. Throughout our history, there has probably been no country that the United States has had a closer relationship with than Great Britain. Certainly we share certain immutable, transcendent values. Throughout our history we have stood together in a number of noble causes, probably dramatically manifested during World War II when Prime Minister Churchill and President Roosevelt stood together to defeat the forces of fascism and Naziism. But there is probably no British Prime Minister who has been there when America needs him more than Tony Blair.

Certainly during the Clinton administration, it was Prime Minister Blair who stood shoulder to shoulder with President Clinton in the war in Kosovo against Serb aggression, against the dictator Milosevic. But nothing more illustrated the unique relationship between the United States and Britain and the immense courage and dedication of Tony Blair than what happened after our Nation was attacked on September 11, 2001. The first foreign leader to come to this country to express his regrets while the smoke was still there, while the flames were still burning, visited the World Trade Center, visited New York and came here to our Nation's capital was British Prime Minister Tony Blair.

When President Bush addressed a joint session of Congress on September 20, 2001, just 9 days after the brutal attack on the World Trade Center, it was Prime Minister Blair who sat here in the gallery expressing his solidarity with the United States. On that evening, President Bush said, ''Once again we are joined together in a great cause and we are so honored the British Prime Minister has crossed an ocean to show his unity of purpose with America. Thank you for coming, friend.''

Indeed, Tony Blair has been a friend of the United States but, just as important as that, he has been a friend and supporter of democratic values. He realizes the unique nature and relationship of the bonds between the United States and Britain and indeed between the United States and Europe. He has been a strong friend of the United States. Certainly in the recent war against Iraq, it was Tony Blair who resisted pressure both from the media, his own party and his own parliament to stand up and be with the United States.

For all those reasons, and I am sure this debate will go on for a while, probably longer than we anticipated it would today, I stand in support of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I am pleased to yield 5 minutes to the gentlewoman from New York (Mrs. MALONEY), the ranking member of the subcommittee, who is the cosponsor of this resolution.

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this legislation that awards the Congressional Gold Medal, the highest honor Congress can award, to Prime Minister Tony Blair. Past recipients include Presidents George Washington and Harry Truman; heroic figures such as Charles Lindbergh, Rosa Parks, and Mother Teresa; and Prime Minister Winston Churchill, who led England through the dark hours of World War II.

Mr. Speaker, just as Prime Minister Churchill stood with President Roosevelt to defeat the Nazis, Prime Minister Blair has offered steadfast support for the United States since the terror attacks of 9/11. The American people will never forget that the Prime Minister traveled across an ocean to be in the gallery of the House in a sign of solidarity with our country as President Bush addressed our Nation after the terrorist attacks.

More recently, prior to the war in Iraq, the Prime Minister and his U.N. envoy, Sir Jeremy Greenstock, worked tirelessly to exhaust every diplomatic channel to build consensus in the United Nations. It was Prime Minister Blair who tried to bridge differences with our traditional European allies up until the wee hours before the war began. Additionally, Prime Minister Blair pushed our own administration to use its political capital to fully engage in the Middle East peace process.

While that effort continues to face very substantial obstacles, most notably the unceasing suicide attacks against Israel citizens, the Prime Minister deserves credit for putting Mideast Peace on the table as does the Administration for its efforts to implement the ''road map.''

While the Prime Minister has demonstrated considerable political courage in recent months, his stand with our country should not be surprising.

As a political leader in Britain the Prime Minister has spent this life leading the Labour Party out of oblivion and into its current dominant position in the Parliament.

At age 30 he was elected to Parliament. Later as a member of John Smith's shadow cabinet he worked to transform Labour into a party tough on crime and while still committed to its social causes.

After being elected Labour leader in 1994, Blair moved the party to the political center and redrafted the party constitution in his image of "New Labour"—much life President Clinton successfully moved the Democratic party to a position where it has won the popular vote in the last three Presidential elections.

As leader of the Labor Party, the British people rewarded the Prime Minister with a landslide victory in 1997, ending 18 years of conservative rule. At 43, Blair became the youngest Prime Minister since 1812. As Prime Minister, he has continued to change his country for the better. He has taken on the right to hereditary positions in the House of Lords, allowed the de-evolution of Scotland and Wales, and implemented a massive investment program in the areas of health care and education.

For the Prime Minister, education is the best economic policy and his government has followed this commitment.

I have great admiration for the Prime Minister's commitment to governing from the middle ground rather than trying to divide his country by playing to extreme groups on either side of the political spectrum.

Mr. Speaker, Congress could find no more deserving recipient of this high honor than Prime Minister Blair. In fighting terrorism, standing with the U.S. against Saddam and with the U.S. for Middle East peace, he has truly shown what it means for Britain to be our staunchest ally.

A recent Washington Post article well characterized Prime Minister Blair's current standing in the world. ''After the terrorist attacks of September 11, he has found himself playing a pivotal role in reshaping international relations and winning points for standing on principle, even from some of his most vehement critics.''

I recognize that some of my colleagues had strong reservations about the war in Iraq and I respect their opinions, but I urge that all Members stand and support this award in recognition of Tony Blair the man, as a leader of an inclusive political movement that has benefited all Britons.

Mr. Speaker, the deaths of six more British soldiers in Iraq this week remind us of the common sacrifice our troops are making serving side by side around the world. This is just one more example of the special relationship between the United States and the United Kingdom. I urge my colleagues to support this legislation in recognition of the man who has contributed so much to upholding this common bond.

I would like to note that this bill passed the Senate unanimously with 78 cosponsors and that we have 290 Members of the House that have cosponsored this important legislation. I thank the gentleman from Massachusetts (Mr. FRANK), the gentleman from New York (Mr. KING), the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) and all who have worked to pass and to get this bill to the floor. I urge my colleagues to support it.

Mr. KING of New York. Mr. Speaker, I yield myself such time as I may consume. Let me at the outset commend the ranking member the gentlewoman from New York (Mrs. MALONEY) for the tremendous assistance she has given me on this as she has on so many other issues that come before our subcommittee and also the work that she does for the State of New York.

Mr. Speaker, one thing I should bring out is that on a personal level, I had the privilege of working with Prime Minister Blair several years ago on the Irish peace process. I saw firsthand at that time the sense of vision that he had, the sense of daring he had and the courage he had to do the right thing and the fact that he was the first British Prime Minister in history to be able to bring a settlement, to bring an agreement involving all the parties in the north of Ireland. To work with the Republic of Ireland and also to work closely with the United States is just one more demonstration of his courage and his ability to stand up and do what is right.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, I oppose the awarding of this gold medal now. We have awarded gold medals to many people in our history since 1776, but on only one occasion have we ever awarded a Congressional Medal of Honor to a sitting head of state: Nelson Mandela, when he was 80 years old and in his last months in office. I suppose it is possible that these are the last months in office for Prime Minister Blair, but that is not clear just at the moment.

At this moment he is fighting for his political future against accusations that he misled the public about British intelligence findings on Iraq. Mr. Blair's Foreign Secretary, Jack Straw, was brought up before the Foreign Affairs Select Committee in the House of Commons yesterday. He was asked, among other things, why Mr. Blair's influential January dossier on Iraq's capabilities was so reliant on the uncredited 12-year-old writings of an American graduate student. Today Alastair Campbell, his doctor of spin, will be up there and he will be answering accusations that it was he who inserted in a dossier the astonishing information that Iraq not only possessed fully developed, operational chemical and biological weapons but was capable of delivering them within 45 minutes of a command order. Foreign Secretary Straw said yesterday there were substantial errors. He said that lessons have been learned, but he blamed the demands of the media. That very media, of course, made sure that the false papers issued by Prime Minister Blair's government deceived others around the world as well as the Britons. The influential information and errors may have even influenced Members of this body.

If this award to Mr. Blair is appropriate, it is either too late or too soon. If the medal had been awarded when it was first introduced, before these deceptions were discovered, it would have had smooth sailing. If it were brought up later, perhaps Mr. Blair will have cleared his name. At this moment, however, we are prejudging and perhaps trying to influence the outcome of some very serious investigations going on in Britain. We are trying to prop up Mr. Blair. The White House has sent up another one of those rubber stamp bills. I do not dispute that he needs propping up. His job rating at home is minus 13 which means his disapproval exceeds his approval by 13 points. What I dispute is whether the Congressional Medal of Honor should become a prop in the strategy of the British Prime Minister to regain his people's trust.

I ask the Members of this body to consider carefully whether they wish to risk cheapening the Congressional Medal of Honor by awarding it to an embattled politician. Let us not rush to judgment. Let us revisit this resolution another day. Even Winston Churchill was not awarded a Congressional Medal of Honor at any point in his tumultuous political career, though there were times when it would have come in quite handy. His medal was posthumous. With all due respect, Prime Minister Blair is not Winston Churchill.

Mr. KING of New York. Mr. Speaker, I yield myself such time as I may consume.

Without getting into all of the merits or demerits of the gentleman's statement, I would note that if there is one person in the world who does not care what his poll ratings are, it is Prime Minister Blair. The fact that his disapproval numbers may be high is exactly one of the reasons why he has demonstrated courage. He stands up for what is right. He is not concerned about the naysayers. He is not concerned about the tides of public opinion as they may be that day.

I would just again remind my colleagues that when the United States was at its darkest moment on September 11, 2001, the one leader who stood with us more than anyone else was Prime Minister Blair. He continues to stand with us. He can be proud of his record and we can be proud of our record if we do indeed award him this honor.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Mrs. MILLER).

(Mrs. MILLER of Michigan asked and was given permission to revise and extend her remarks.)

Mrs. MILLER of Michigan. Mr. Speaker, since September 11 our Nation has faced very trying times. For the first time in decades we have been threatened on our very own soil. We

have seen American lives and the lives of others tragically lost. Proud symbols of the American dream and our prosperity have also been lost.

□ 1130

But thankfully the American spirit was not. We have seen heroes rise from the dust where the World Trade Center towers once stood. American willpower and determination have united a Nation precisely when evildoers sought to divide us. We are resilient, proud, and since that fateful day, determined as ever. One nation, the United Kingdom, has stood proudly with us, shoulder to shoulder and shown solidarity and support as we vowed to end terrorism worldwide. The United States has no better friend than the United Kingdom and its leader, Prime Minister Tony Blair. Since day one, he has been a steadfast supporter of America in the war on terrorism and the ensuing campaigns in Afghanistan and Iraq.

In recognition of his unconditional support of our Nation, I strongly encourage my colleagues to join me in passing legislation to award Tony Blair the Congressional Gold Medal. There are no words to express America's deep-felt appreciation towards Mr. Blair; and while this award esteems a well-deserved honor to Mr. Blair, it hardly scratches the surface at how grateful we are for his support and the support of his country. The Congressional Gold Medal has a long history of recognizing military leaders, from its first recipient, George Washington, to Mother Teresa, Prime Minister Winston Churchill and current leaders like then-General Colin Powell and now Secretary of State.

Prime Minister Blair has certainly demonstrated the bravery, the dedication and conviction to join this elite group of awardees. Moreover, he has shown himself to be a true friend; and for that I commend him, and I look forward to voting ''yes'' on H.R. 1511.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

I am genuinely moved by the breadth of spirit of my colleagues in the great praise they are heaping on this man of the left who presides proudly over a socialized health system and does so much else to show that government has an important positive role in our life, and I appreciate this kind of bipartisanship. Perhaps it will develop a certain trans-Atlantic quality and some of what they so vigorously praise in England might creep into their views about maybe doing something for the American people along the lines of what Mr. Blair does domestically for the British people.

Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania (Mr. HOEFFEL), who has been a leader in trying to formulate an appropriate American approach to some important questions.

Mr. HOEFFEL. Mr. Speaker, I thank the gentleman for yielding me this time.

I am pleased to rise in support of this resolution today, awarding the Congressional Gold Medal to a great leader of a great country who is and has been a great ally of ours. But it is true that Prime Minister Blair, as President Bush, both have a credibility problem regarding weapons of mass destruction. And it is interesting to see how England is dealing with this problem. They are dealing with it forthrightly, openly. The Parliament has held hearings. Two members of the British Cabinet who resigned in protest have testified. The Prime Minister has subjected himself to questions and they are dealing with this, I believe from a far, it seems to be a very open process, a very forthright process; and the public in England will get the information they need to make a judgment about whether their intelligence was on the mark, whether the intelligence was given to their leaders based upon what they thought the leaders might want to hear. Was the intelligence misused by the British leadership? Was it inaccurate? And I think they have dealt with it very forthrightly.

Unfortunately, Mr. Speaker, that is not happening in this country. We are not seeing the administration stepping forward to deal with the growing credibility gap that has arisen because we cannot find the weapons of mass destruction. We know that Saddam Hussein had weapons of mass destruction and he used them in the past against his own people in a very murderous way, no question about it; but we cannot find them now. We may find them next week, and I hope we do because our credibility is on the line; but we need a full accounting of how we have dealt with this issue. We need to know where those weapons are. We need to maintain safe custody of them. We need to dismantle them. If they are buried in the desert or given to another country, we need to know what is going on and make sure that they cannot be used by anybody else in the future that has evil intent.

But we also need a full accounting of our intelligence operation. What were our leaders told? I know what I was told, Mr. Speaker. I was told publicly and privately by the leading senior advisors to the President, with great certainty I was told that Saddam Hussein last fall had weapons of mass destruction, at the very time it turns out that the Defense Intelligence Agency was circulating a memo that there was no credible evidence that Saddam Hussein then had weapons of mass destruction.

That is not the public comments nor the private assurances that Members of Congress or the American public were being given at the time of the President's Rose Garden speech September 26, 2002, and several other statements made. Was the President told what the intelligence agencies thought he wanted to hear? Did the President demand just one side of the story? We need an accounting of what has happened. Our credibility is at stake. If we are ever again to embrace the notion of preemptive use of military force which may be necessary in an age of terror when we are dealing with an adversary who does not have a country to defend or a capital city to defend, if we are ever going to use a preemptive strategy again, we must know our intelligence is accurate; otherwise, the doctrine of preemption is unusable.

If we are going to keep this country safe, we have to know what happened. We have to know how well or how poorly our intelligence operation functioned. We need an accounting. We are not getting it from the international relations committee, which last week refused to call for documents. We are not getting it on the floor with the intelligence bill because amendments to have an investigation have been ruled out of order. We have got a document dump at the intelligence committee. I am going to go over and look at those documents, but I do not think that is enough. We need to have an accounting. We need to know what happened.

Mr. KING of New York. Mr. Speaker, I yield myself such time as I may consume.

It is really interesting listening to how certain people on the other side who are trying to turn this into a debate of weapons of mass destruction are raising the issue of credibility when their statements themselves seem to be at least lacking some credibility, to put it mildly. I would just emphasize we are talking about what was known and what was not known.

Let us go back to last September when Vice President Gore said based at the time he was Vice President, he had absolutely no doubt that Iraq had an advanced program of weapons of mass destruction and those weapons were hidden throughout Iraq. That was Vice President Gore based on his access to intelligence. Just last month, President Clinton said he does not in any way fault President Bush on the issue of weapons of mass destruction because that is exactly what he was told when he was President of the United States. Just last Friday in the New York Times, Kenneth Pollack who was probably leading spokesman in the Clinton administration on the issue of Iraq said there was absolutely no doubt among any of the intelligence agencies in the world nor in the United States nor in the Clinton and Bush administrations that there were indeed weapons of mass destruction in Iraq.

And it really is ironic that we have to look to a British foreign minister to stand with our government and give the United States the presumption of the doubt over Saddam Hussein when certain Members of the opposition party do not show that same level of support that Prime Minister Blair is showing, which I think is very significant; and it also demonstrates more than ever why Americans have such a high opinion of Prime Minister Blair.

I would also say to the gentleman from Massachusetts, who was heaping

praise on the Republicans for trying to set up this trans-Atlantic relationship with the British and was hoping that perhaps this may manifest itself here on the floor, I would also remind the gentleman and ask him if he supports the fact that Tony Blair is bringing the Labor Party from the left to the right and is certainly being criticized by those in the left in Britain. I wonder if he will also share that in his party and move his party more toward the center.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KING of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I very much agree with many of the specifics, but the gentleman misstates British politics when he says he has moved them from left to the right. Blair would himself repudiate that. What he has done is to move them from a position that he thought was too far to the left to a more mainstream position, but still very much on the left, still very much socialized medicine. So, yes, I think that the direction that the Labor Party has moved in, which is very much a reasonable and responsible position on the left, is a good one; but to characterize that as having moved to the right, I think Mr. Blair would give back his gold medal if the price of accepting it was to become a rightist in the gentleman's mind.

Mr. KING of New York. Mr. Speaker, reclaiming my time, I would say that the same critics in Britain who are criticizing Tony Blair's policy on the war would in fact be saying that he is moving his party to the right. So really I was quoting the equivalent critics in the British Parliament who are equivalent to those in this House. Those who oppose Blair's policy on Iraq, very similar to those on the other side who are opposing President Bush's policy on Iraq, are the same ones who are saying that he is moving his party toward the right. So I was just really quoting some of the ideological kinsmen of some of the opponents here today.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KING of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, the gentleman once again misstates British politics because two of his sharpest critics were people who were in his government supporting his moves on domestic policy, supporting his repositioning towards New Labor. Two, Robin Cook and Claire Short, they resigned from the government specifically over Iraq. So the notion that criticism of his position on Iraq is also criticism of his movement towards the New Labor position is simply factually incorrect.

Mr. KING of New York. Reclaiming my time, it is very accurate. In fact, anyone who knows Claire Short, and I have known her for over 20 years, can say she was in the far left of the Labor Party. She was in the Blair cabinet very reluctantly, and she was one of those who was critical not just of his war policy but also of his domestic policies.

Mr. FRANK of Massachusetts. What about Robin Cook? Who was the foreign minister and who resigned only over misuse of intelligence and not over anything domestic.

Mr. KING of New York. Mr. Speaker, reclaiming my time, actually this has turned into the House of Commons. This is great. But reclaiming my time, I would say that the overwhelming, absolutely categorically overwhelming majority of those in the Labor Party who are opposed to Tony Blair resent also the fact that he is moving the party towards the center.

Mr. FRANK of Massachusetts. Would that also be true of the British public, which was opposed to his going to the war?

Mr. KING of New York. Reclaiming my time, the beauty of Tony Blair is unlike certain politicians he does not follow the polls. The fact is he stands up for what is right. In the fullness of time he will be vindicated.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, I thank the gentleman for yielding me this time.

I want to begin first by agreeing with the gentleman from New York (Mr. KING) that Tony Blair has been historically courageous in Northern Ireland in helping to reconcile two sides that for 500 years have not been able to see eye to eye, and he deserves enormous historic credit for that. And on the issue of Iraq, but for Tony Blair, but for Tony Blair's insistence, President Bush would have never gone to the United Nations. It was he, Tony Blair, who made the precondition to his support that the United States would go to the United Nations in order to secure a vote, and for that he deserves enormous credit.

But at the same time in England, Great Britain, the Parliament right now, there is an ongoing investigation of the information that was used as to justification for the war in Iraq; and it is to the credit of the Parliament, it is to the credit of Tony Blair, that he is accepting the responsibility of the examination of the information which was used with regard to the weapons of mass destruction that was produced by the intelligence community in Great Britain and in the United States as a rationale for the war. It is to the credit of Tony Blair that he is accepting that examination.

In our country, just the opposite is the case. There are essentially three options that the American people, the British people are now presented with. One, that the intelligence was correct, that the weapons of mass destruction existed, and that the weapons of mass destruction are now in the hands of al Qaeda, Baathist separatist activity groups, other terrorist groups, or in Syria. All of those options are horrific and not a consequence that we thought would be a result of this war.

Secondly, that the intelligence was plain wrong right from the beginning. There was never any information and that they botched it right from the beginning. That is horrible.

Or, third, that the intelligence was correct; but they were told, the intelligence community, to change the information, to change the information. They were told deliberately to alter it in order to argue that there were weapons of mass destruction, that Vice President CHENEY did visit the CIA, did try to influence the intelligence community to change the information, to leave out key documents. In Britain they are now looking at that very issue. They are being told that the information with regard to the uranium from Africa was not correct, that the academic paper that was used rather than real intelligence was wrong and should not have been relied upon. We need the same kind of examination in our country.

There is now sufficient evidence that is being produced that there has been a compromise of the total intelligence package that the Congress should have had but, more importantly, that the American people should have had as the basis of their judgment.

I voted for the resolution last October. I voted for it, and I believe that the American people and this Congress deserve all of the information. We need a blue ribbon commission to examine all of the intelligence that was used. England is doing it right now. Tony Blair is accepting that examination. We should have the courage in our own country to give all of the information to the American public. The intelligence in this country is right now not complete with regard to what our government knew before we voted on the floor of this Congress.

Mr. KING of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would suggest to the gentleman that there was another option left out and that is the option that Vice President Gore spoke about last September, that the weapons are there, the weapons are hidden, and we will find them.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield for one question?

Mr. KING of New York. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Can we anticipate a gold medal for Vice President Gore too? Are you going to give a gold medal to Al Gore too, anybody who helps you out?

Mr. KING of New York. Reclaiming my time, I would say to the ranking member if he wants to introduce that legislation and obtain 290 signatures,

certainly we will give it consideration at that time. We are very open-minded. We are very liberal on this side of the aisle.

Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. OXLEY), the chairman of the full committee.

Mr. OXLEY. Mr. Speaker, Members should speak for themselves about being liberal on this side of the aisle.

Let me try to draw the debate back to what we had initially anticipated, which was to honor Tony Blair with a Congressional Gold Medal and discuss exactly why we were able to secure 290 co-sponsors for this legislation. It is because Tony Blair represents all that is good.

□ 1145

It is because of that that the gentlewoman from Florida (Ms. BROWN-WAITE), a distinguished member of our committee, introduced this legislation and worked very hard, along with our friend, the gentlewoman from New York (Mrs. MALONEY) to gather 290 signatures, and under the leadership of the gentleman from New York (Mr. KING), the chairman of the subcommittee, that we are here today. That means that this House will go on record as supporting, with a strong bipartisan vote, exactly what Tony Blair means to the process and what he means to our country.

We have had a special relationship with Great Britain for so many years, after we got the initial argument out of the way some 200 plus years ago, and since that time have worked harmoniously with Great Britain, no matter who was in charge over here, or who was in charge over there. And here we have a situation where the Prime Minister of the Labor Party is being supported by a Republican Congress and a Republican President, because of what he brings to our relationship and what he means to all of us.

I think all of us were thrilled when almost a week after the terrible events of September 11, 2001, when President Bush spoke to the Nation from this very spot and said, America has no truer friend than Great Britain. And then, looking up to Tony Blair in the gallery right up behind me, and said, ''Thank you for coming, friend,'' meaning not just the Prime Minister, but all of his countrymen. That is the special relationship that we enjoy through good times and bad with Great Britain.

My family on my dad's side was from England, and I have a great deal of respect for their traditions, and I certainly have a great deal of respect for their current leadership.

So despite all of the arguments about weapons of mass destruction, despite all of the differences that we displayed over Iraq, it was Great Britain in the presence of Tony Blair who came to our defense. It was Tony Blair who made a special trip over to the United States to bring us condolences and talk about unification and working together with Great Britain, and yes, it was Tony Blair who defied public opinion, who did not stick his finger up in the wind and see which way the wind was blowing, to say that he was going to do something right and support the United States in our efforts against the brutal dictator, Saddam Hussein.

For that and many, many other reasons, he deserves these accolades, and he deserves this Congressional Gold Medal. I urge all of my colleagues to support this meaningful tribute to a great world leader, Tony Blair.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself the remainder of my time.

Tony Blair is an embattled politician, as many people are. He will be facing an election within some period of years from his right wing, and he will be defending the positions that he holds. He is a strong defender of a continuation of socialized medicine. He believes that global warming should be addressed by international treaty. I support the British position on allowing gay and lesbian people to serve in the military. So there is a great deal about Tony Blair's record which seems admirable, and I am glad to see my Republican colleagues setting aside what might be some minor differences to them to intervene in a British election by basically giving him this big boost. I am not sure that their fellow conservatives in England are quite so happy.

I do want to say, though, that I differ with those who suggested that somehow we should not have used this to debate the question of whether or not Americans ought to know whether intelligence was misused or how it was misused. I agree there would be better places to debate it. Unfortunately, the Republican leadership has consistently done everything possible to keep that debate off the floor. The intelligence authorization will be coming up, and that would have been a good time to debate it. Our colleague, the gentlewoman from California (Mrs. TAUSCHER), had an amendment that would have allowed a debate on whether or not to have a select committee. We cannot have that debate today at the regular ordered time because the Republican leadership ordered the Committee on Rules to kill it.

So yes, I will agree; I saw this and said, let us use this as a chance to at least have some debate on this issue, since the Republican leadership will not allow it. In fact, what I most admire about Tony Blair right now is that as the Prime Minister and the head of the House of Commons, he has not even tried to use his control to shut off a debate. Unlike the Republican administration and the Republican leadership here, Tony Blair is allowing the British people and the British political system to have a thorough debate about the extent to which there was misuse of evidence on weapons of mass destruction, and I envy the British. I do not just envy them the Gold Medal, I envy them the fact that democracy is functioning in England today on this critical question of whether and to what extent intelligence was misused in a way that is not being allowed to happen in America.

Now, the gentleman from New York managing this bill referred to the article by Kenneth Pollack. I will submit Mr. Pollack's article for the RECORD, because he said I am sure there were weapons of mass destruction, and he goes on in that article to be very critical of this administration's misuse of the evidence. It is a very interesting article, and I appreciate once again the gentleman citing it, because he talks about very important questions about the misuse of intelligence, the exaggeration, the manipulation. This is an administration that argued, in part, that the weapons of mass destruction were a major reason to go to war, and that a Rosanna Danna Banana ''nevermind'' is not an appropriate response in a democracy.

That is what we are getting. We are getting from them bait and switch: Let us go to war because of weapons of mass destruction, and now it is because, well, he was a terrible man. Yes, he was a terrible man. Terrible people are killing people in the Congo. Terrible people run Liberia. Terrible people run Burma. If, in fact, we are going to become the ones that go to the rescue of people misused and abused by their government, there are a lot more that we can go to.

Weapons of mass destruction was the critical argument used to justify a war, and it now appears that they were grossly exaggerated. The very article by Kenneth Pollack that the gentleman from New York cited is in fact harshly critical of this administration for its misuse of that.

So thanking Tony Blair because he came to the President's defense at a tough time is a reasonable thing to do. Going to Tony Blair's defense in a tough time for him, that is a reasonable thing to do. Certainly politicians are not unused to helping each other out in tough times and reciprocating.

But let us look at the contrast. I wish, in addition to the Gold Medal for Tony Blair, we were doing something for the American people. I would just propose to my friends on the other side, given your admiration for Tony Blair, a simple proposition: Let us duplicate here in the United States the procedures that are now being undertaken in the British Parliament, let us give the American people the same exposure to an open debate and investigation that the British people are giving. Let us do something for the American people while we give Tony Blair the Gold Medal, and thus show respect for democracy in our own country.

(By Kenneth M. Pollack)

WASHINGTON.—Where are Iraq's weapons of mass destructions? It's a good question, and unfortunately we don't yet have a good answer. There is hope that the capture of Abid Hamid Mahmoud al-Tikriti, Saddam Hussein's closet aide, will provide the first solid

clues. In any event, the mystery will be solved in good time; the search for Iraq's nonconvential weapons program has only just begun.

In the meantime, accusations are mounting that the Bush administration made up the whole Iraqi weapons threat to justify an invasion. That is just not the case—America and its allies had plenty of evidence before the war, and before President Bush took office, indicating that Iraq was retaining its illegal weapons programs.

As for allegations that some in the administration may have used slanted intelligence claims in making their case against Saddam Hussein, they seem to have merit and demand further investigation. But if the truth was stretched, it seems to have been done primarily to justify the timing of an invasion, not the merits of one.

The fact that the sites we suspected of containing hidden weapons before the war turned out to have nothing in them is not very significant. American intelligence agencies never claimed to know exactly where or how the Iraqis were hiding what they had—not in 1995, not in 1999 and not six months ago. It is very possible that the ''missing'' facilities, weaponized agents, precursor materials and even stored munitions all could still be hidden in places we never would have thought to look. This is exactly why, before the war, so few former weapons inspectors had confidence that a new round of United Nations inspections would find the items they were convinced Iraq was hiding.

At the heart of the mystery lies the fact that the Iraqis do not seem to have deployed any stocks of munitions filled with nonconventional weapons. Why did Saddam Hussein not hit coalition troops with a barrage of chemical and biological weapons rather than allow his regime to fall? Why did we not find them in ammunition dumps, ready to be fired?

Actually, there are many possible explanations. Saddam Hussein may have underestimated the likelihood of war and not filled any chemical weapons before the invasion. He may have been killed or gravely wounded in the ''decapitation'' strike on the eve of the invasion and unable to give the orders. Or he may have just been surprised by the extremely rapid pace of the coalition's ground advance and the sudden collapse of the Republican Guard divisions surrounding Baghdad. It is also possible that Iraq did not have the capacity to make the weapons, but given the prewar evidence, this is still the least likely explanation.

The one potentially important discovery made so far by American troops—two tractor-trailers found in April and May that fit the descriptions of mobile germ-warfare labs given by Iraqi defectors over the years—might well point to a likely explanation for at least part of the mystery: Iraq may have decided to keep only a chemical and biological warfare production capability rather than large stockpiles of the munitions themselves. This would square with the fact that several dozen chemical warfare factories were rebuilt after the first gulf war to produce civilian pharmaceuticals, but were widely believed to be dual-use plants capable of quickly being converted back to chemical warfare production.

In truth, this was always the most likely scenario. Chemical and biological warfare munitions, especially the crude varieties that Iraq developed during the Iran-Iraq War, are dangerous to store and handle and they deteriorate quickly. But they can be manufactured and put in warheads relatively rapidly—meaning that there is little reason to have thousands of filled rounds sitting around where they might be found by international inspectors. It would have been logical for Iraq to retain only some means of production, which could be hidden with relative ease and then used to churn out the munitions whenever Saddam Hussein gave the word.

Still, no matter what the trailers turn out to be, the failure so far to find weapons of mass destruction in no ways invalidates the prewar intelligence data indicating that Iraq had the clandestine capacity to build them. There has long been an extremely strong case—based on evidence that largely predates the Bush administration—that Iraq maintained programs in weapons of mass destruction. It was this evidence, along with reports showing the clear failure of United Nations efforts to impede Iraq's progress, that led the Clinton administration to declare a policy of ''regime change'' for Iraq in 1998.

In 1995, for example, United Nations inspectors found Russian-made ballistic-missile gyroscopes at the bottom of the Tigris River; Jordanian officials intercepted others being smuggled into Iraq that same year. In July 1998, international inspectors discovered an Iraqi document that showed Baghdad had lied about the number of chemical bombs it had dropped during the Iran-Iraq War, leaving some 6,000 such weapons unaccounted for. Iraq simply refused to concede that the document even existed.

These episodes, and others like them, explain why many former Clinton administration officials, including myself (I was on the staff of the National Security Council in the 90's), agreed with the Bush administration that a war would likely be necessary to prevent Iraq from acquiring nuclear and other weapons. We may not have agreed with the Bush team's timing or tactics, but none of us doubted the fundamental intelligence basis of its concerns about the Iraqi threat.

As for the estimates the Bush administration presented regarding Iraq's holdings of weapons-related materials, they came from unchallenged evidence gathered by United Nations inspectors (in many cases, from records of the companies that sold the materials to Iraq in the first place). For instance, Iraq admitted importing 200 to 250 tons of precursor agents for VX nerve gas; it claimed to have destroyed these chemicals but never proved that it had done so. Even Hans Blix, the last head weapons inspector and a leading skeptic of the need for an invasion, admitted that the Iraqis refused to provide a credible accounting for these materials.

And it wasn't just the United States that was concerned about Iraq's efforts. By 2002, British, Israeli and German intelligence services had also concluded that Iraq was probably far enough along in its nuclear weapons program that it would be able to put together one or more bombs at some point in the second half of this decade. The Germans were actually the most fearful of all—in 2001 they leaked their estimate that Iraq might be able to develop its first workable nuclear device in 2004.

Nor was it just government agencies that were alarmed. In the summer of 2002 I attended a meeting with more than a dozen former weapons inspectors from half a dozen countries, along with another dozen experts on Iraq's weapons programs. Those present were asked whether they believed Iraq had a clandestine centrifuge lab operating somewhere; everyone did. Several even said they believed the Iraqis had a covert calutron program going as well. (Centrifuge and calutron operations allow a country to enrich uranium and produce the fissile material for a nuclear bomb.)

At no point before the war did the French, the Russians, the Chinese or any other country with an intelligence operation capable of collecting information in Iraq say it doubted that Baghdad was maintaining a clandestine weapons capability. All that these countries ever disagreed with the United States on was what to do about it.

Which raises the real crux of the slanted-intelligence debate: the timing of the war. Why was it necessary to put aside all of our other foreign policy priorities to go to war with Iraq in the spring of 2003? It was always the hardest part of the Bush administration's argument to square with the evidence. And, distressingly, there seems to be more than a little truth to claims that some members of the administration skewed, exaggerated and even distorted raw intelligence to coax the American people and reluctant allies into going to war against Iraq this year.

Before the war, some administration officials clearly tended to emphasize in public only the most dire aspects of the intelligence agencies' predictions. For example, of greatest importance were the estimates of how close Iraq was to obtaining a nuclear weapon. The major Western intelligence services essentially agreed that Iraq could acquire one or more nuclear bombs within about four to six years. However, all also indicated that it was possible Baghdad might be able to do so in as few as one or two years if, and only if, it were able to acquire fissile materials on the black market.

This latter prospect was not very likely. The Iraqis has been trying to buy fissile material since the 1970's and had never been able to do so. Nevertheless, some Bush administration officials chose to stress that one-to-two-year possibility rather than the more likely four-to-six year scenario. Needless to say, if the public felt Iraq was still several years away from acquiring a nuclear weapon rather than just a matter of months, there probably would have been much less support for war this spring.

Moreover, before the war I heard many complaints from friends still in government that some Bush officials were mounting a ruthless campaign over intelligence estimates. I was told that when government analysts wrote cautious assessments of Iraq's capabilities, they were grilled and forced to go to unusual lengths to defend their judgments and some were chastised for failing to come to more alarming conclusions. None of this is illegal, but it was perceived as an attempt to browbeat analysts into either changing their estimates for shutting up and ceding the field to their more hawkish colleagues.

More damning than the claims of my former colleagues has been some of the investigative reporting done since the war. Particularly troubling are reports that the administration knew its contention that Iraq tried to purchase uranium from Niger was based on forged documents. If true, it would be a serious indictment of the administration's handling of the war.

As important as this debate is, what may ultimately turn out to be the biggest concern over the Iraqi weapons program is the question of whose hands it is now in. If we do confirm that those two trailers are mobile biological warfare labs, we are faced with a tremendous problem. If the defectors' reports about the rates at which such mobile labs were supposedly constructed are correct, there are probably 22 more trailers still out there. Where are they? Syria? Iran? Jordan? Still somewhere in Iraq? Or have they found their way into the hands of those most covetous—Osama bin Laden and his confederates?

Nor can we allow our consideration of weapons of mass destruction and politicized intelligence to be a distraction from the most important task at hand: rebuilding Iraq. History may forgive the United States if we don't find the arsenal we thought we

would. No one will forgive us if we botch the reconstruction and leave Iraq a worse mess than we found it.

Mr. KING of New York. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. GOSS), the chairman of the Permanent Select Committee on Intelligence.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

Mr. Speaker, I rise this morning to celebrate the purpose of the Medal, which is the great leadership of Tony Blair. The world needs civilized leaders. The world is a scary place. There are a lot of things going on, and all that is necessary for evil to triumph is for good men to do nothing. Good men are not infallible. Mistakes can be made. But good men acting on good judgment, doing the best they can with what they have is what we are celebrating here today.

Tony Blair as Prime Minister has been a great friend to our country, which has a special relationship, of course, with the United Kingdom, of which we are very proud, and an especially strong relationship in the area of intelligence. He has been a great friend with President Clinton when he was President of our country, and with President Bush. Who is currently the President of our country.

I think that friendship has gone through a lot of activity in the past several years, and Tony Blair has been there standing strong. He is a proud person to be associated with, in my view. I am pleased that the gentlewoman from Florida (Ms. BROWN-WAITE), the gentleman from New York (Chairman KING), the gentlewoman from New York (Mrs. MALONEY) and others have had the good sense to bring this forward at this time, and I thank them for doing it, and I urge strong support.

Mr. KING of New York. Mr. Speaker, I yield myself such time as I may consume.

As I said at the outset, it is a great honor for me personally to be able to stand here and move this legislation today. I must say that I am sure some of my Irish ancestors are appreciating the improbability of this moment that I would be making such an impassioned defense for a British Prime Minister.

The fact is, Tony Blair transcends national politics. He transcends pettiness and partisanship, and that is what we have tried to do here. Yes, obviously, there are differences between Members on this side of the aisle and certain policies of Tony Blair. We are not talking about his policies per se; we are talking about his courage, we are talking about his unique sense of dedication to democratic values and the fact that he is such a close ally of the United States, and that does transcend whatever differences there may be, and that should also transcend whatever differences we might have in recognizing the greatness of an individual and realizing the uniqueness of a very special relationship.

But, if I could just add in closing, because I know there is going to be a record of this and we have gone over different debates, I would just thank the gentleman from Massachusetts for introducing the full column by Mr. Pollack. I would stand by that, and I would say that anyone reading that, any balanced person reading that would see that as an affirmation that weapons of mass destruction did indeed exist, and also honest differences as far as nuclear weapons. It is all there. I will allow the public to look at that, to read it, and come to their judgment. It certainly went far beyond as far as being reasoned, as far as being rational, some of the overheated rhetoric that has been coming forth from others here. And that to me is the type of debate we should be having, an intelligent debate.

Also, I would say there is a difference between a parliamentary system and the system that we have. Indeed we fought a revolution in 1776 to establish our type of government.

But in conclusion, let us get back to the main point. Tony Blair is a unique world leader, an outstanding world leader, a long and dear and absolutely loyal friend of the United States. For that, Mr. Speaker, he deserves this Gold Medal as much as any world leader ever has. I stand with him. I would hope that the overwhelming majority of this Congress would stand with him, stand with the United States Senate in acknowledging the uniqueness and the unique loyalty and sense of courage that Tony Blair has demonstrated.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. KING of New York. I yield to the gentleman from Massachusetts.

□ 1200

Mr. FRANK of Massachusetts. I would be willing to stand with the Senate on this if we could stand with them on the child tax credit. Can we make some kind of deal here on standing with the Senate?

Mr. KING of New York. Reclaiming my time, I would say that when Tony Blair is here, that if we can arrange a private meeting with the ranking member from Massachusetts, I am sure he can impart unique wisdom to the Prime Minister of Great Britain, and that would really mean that the Prime Minister has earned his gold medal.

Mr. PAUL. Mr. Speaker, I rise in strong opposition to this legislation for a number of reasons. First, to force the American people to pay tens of thousands of dollars to give a gold medal to a foreign leader is immoral and unconstitutional. I will continue in my uncompromising opposition to appropriations not authorized within the enumerated powers of the Constitution—a Constitution that each member of Congress swore to uphold.

Second, though these gold medals are an unconstitutional appropriation of American tax dollars, at least in the past we have awarded them to great humanitarians and leaders like Mother Theresa, President Reagan, Pope John Paul II, and others. These medals have generally been proposed to recognize a life of service and leadership, and not for political reasons—as evidenced by the overwhelming bipartisan support for awarding President Reagan, a Republican, a gold medal. That these awards have generally gone to these types of otherwise deserving individuals is why I have many times offered to contribute $100 of my own money, to be matched by other Members, to finance these medals.

I sense that this current proposal is different, however. No one is claiming that British Prime Minister Tony Blair has given a lifetime of humanitarian service like Mother Theresa, or demonstrated the historical leadership of a Ronald Reagan. No one suggests that British Prime Minister, leading the avowedly socialist Labour Party, has embraced American values such as freedom and limited governments and imported those to Great Britain—as Margaret Thatcher had attempted before him. No, Tony Blair is being proposed for his medal for one reason: he provided political support when international allies were sought in advance of America's attack on Iraq. Does this overtly political justification for awarding this medal not cheapen both the medal itself and the achievements of those who have been awarded it previously?

I find it particularly odd that this Republican-controlled Congress would nominate one such as Tony Blair to receive this award. His political party is socialist: Britain under Blair has a system of socialized medicine and government intervention in all aspects of the commercial and personal lives of its citizens. Socialism is an enemy of freedom and liberty—as the 20th century taught us so well. It is the philosophical basis of a century of mass-murder and impoverishment.

In May, a British television poll found that Prime Minister Blair is the most unpopular man in Great Britain. A brief look at his rules leaves little question why this is so. He has eroded Britain's constitutional base—recently abolishing the ancient position of Lord Chancellor without any debate. He has overseen a massive expansion of government with the creation of costly ''assemblies'' in Wales and Scotland. He has also overseen changes in Britain's voting system that many have claimed has opened the door to widespread voting fraud. In short, he is no Margaret Thatcher and certainly no Winston Churchill. Yet today Congress is voting to give him its highest honor.

Mr. Speaker, it is very easy to be generous with the people's money. I believe the politicization of this medal, as we are seeing here today, really makes my own point on such matters: Congress should not be spending the people's money for appropriations not authorized within the enumerated powers of the Constitution. When it does so, it charts a dangerous course away from the rule of law and away from liberty. I urge a ''no'' vote on this unfortunate bill.

Mr. EMANUEL. Mr. Speaker, I rise today in strong support of H.R. 1511, to award the Congressional Gold Medal to Tony Blair, Prime Minister of Great Britain.

The Congressional Gold Medal is the highest honor Congress can bestow to civilians and foreign leaders in recognition of their outstanding and enduring contributions to the

United States. It is fitting that we consider Prime Minister Blair for this award in the wake of a challenging and historic period for our two nations.

Upon the terrorist attacks of September 11, Prime Minister Blair was the first leader to rush to America's side to provide assistance. His expression of solidarity assured us that we were not alone in the world as a victim of terrorism, and that attacks on our soil were also as assault on the sovereignty of Great Britain, which lost more of its own citizens in the World Trade Center than any other foreign nation. In a very difficult time for our country, Mr. Blair has courageously demonstrated that the U.K. is our staunchest and most steadfast ally by helping us lead the coalition of democratic nations in the defense of our mutual security from terrorism and the proliferation of weapons of mass destruction.

Together with Great Britain we have made progress toward dismantling the global network of state sponsored terrorism. However, despite considerable public opposition and political fallout in his own country, Prime Minister Blair never wavered from his commitment to the United States and the international coalition to determine whether the existence of weapons of mass destruction in Iraq presented an imminent threat to its neighbors and our troops based on the Middle East. Under the Prime Minister's leadership, Great Britain contributed troops and meaningful support for Operations Enduring Freedom and Iraqi Freedom. As British troops fought shoulder to shoulder with American troops in Iraq, Mr. Blair made it clear all along that the U.K. shared our values and principles for the mission, particularly when he said, ''We go to liberate not conquer . . . and the only flag which will be flown in that ancient land is their own.''

Mr. Speaker, I applaud Prime Minister Tony Blair's extraordinary leadership and his nation's enduring commitment to our mutual support of liberty and democracy. I am proud to support H.R. 1511 to authorize the President, on behalf of Congress, to award the Gold Medal to Prime Minister Blair. I also wish to thank the people of Great Britain, the members of the royal armed forces, and their families for their shared commitment and many sacrifices for the preservation of democracy and liberty in a world allied against terror.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, it is with great disappointment that I cannot be present today to speak and vote in favor of H.R. 1511, a bill to award Prime Minister Tony Blair the Congressional Gold Medal. I introduced this legislation on March 31 and have since been working with my colleagues to obtain the necessary 290 cosponsors for floor action. I would like to commend Chairman OXLEY and the Financial Services Committee, as well as Rep. RICHARD BAKER and Rep. CAROLYN MALONEY for their tireless efforts in getting this bill to the floor today.

As we emerge successfully from Operation Iraqi Freedom, it is important to remember that we did not fight this war alone. The brave men and women of the British military have fought and died, side by side, with our American soldiers. Just yesterday, 6 British soldiers were killed in an attack north of Basra. Great Britain, under the leadership of Tony Blair, has paid the ultimate sacrifice.

Prime Minister Blair has ignored political expediency and risked his own career to stand up for what he knows is right. Operation Iraqi Freedom has freed millions of Iraqis from the oppression of Saddam Hussein's brutal dictatorship. The Operation has ousted a regime bent on securing and then distributing weapons of mass destruction to those who would use them against the United States, our friends, and the people of Iraq. Despite attempts by many of our ''allies'' to thwart this noble effort, Prime Minister Blair and Great Britain have remained strong and active players in Operation Iraqi Freedom.

I am deeply honored to play a role in awarding Prime Minister Tony Blair the Congressional Gold Medal and I thank my colleagues in the House of Representatives for joining me.

Mr. SCHIFF. Mr. Speaker, I rise today to commend British Prime Minister Tony Blair.

I am proud to be a consponsor of this legislation to award Mr. Blair with the Congressional Gold Medal. I would like to recognize Mr. Blair's—and Britain's—longstanding staunch support of our nation's democratic ideals.

Whether one supported or opposed the war in Iraq, it is true that under Blair's leadership, Britain has provided extensive military support in the war in Iraq. He has argued passionately and consistently about the threats Saddam Hussein posed in the Persian Gulf and ultimately to the Western world. Honoring Prime Minister Blair with the Congressional Gold Medal would be a fitting tribute to him, the people of Great Britain, and the thousands of British troops who fought valiantly alongside American soldiers in Iraq. We now have a historic opportunity to reaffirm our Nation's friendship with Great Britain, and our mutual commitment to freedom and democracy.

I hope that the occasion of Mr. Blair being awarded the Congressional Gold Medal will be an opportunity to invite Mr. Blair to address a joint session of Congress. I have worked with my colleague Mr. ROYCE to encourage our Congressional leaders to invite Mr. Blair to do so, and I can think of no occasion more fitting. In light of Mr. Blair's enduring friendship with the United States, I look forward to hearing his views on the future of Iraq and the Middle East.

Mr. KING of New York. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from New York (Mr. KING) that the House suspend the rules and pass the bill, H.R. 1511.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

EXPRESSING SUPPORT FOR FREEDOM IN HONG KONG

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 277) expressing support for freedom in Hong Kong.

The Clerk read as follows:

H. RES. 277

Whereas Hong Kong has long been the world's freest economy, renowned for its rule of law and its jealous protection of civil rights and civil liberties;

Whereas the 1984 Sino-British Joint Declaration explicitly guarantees that all of Hong Kong's freedoms, including press freedom, religious freedom, and freedom of association, will continue for at least 50 years;

Whereas the Government of the People's Republic of China pledged to respect Hong Kong's Basic Law of 1990, which explicitly protects freedom of speech, of the press and of publication, of association, of assembly, of procession, of demonstration, and of communication;

Whereas the Basic Law also explicitly protects freedom of conscience, religious belief, and of religious expression;

Whereas Hong Kong's traditional rule of law, which has guaranteed all of these civil rights and civil liberties, is essential to its continued freedom, and the erosion of that rule of law bodes ill for the maintenance and expansion of both economic freedom and individual civil rights;

Whereas in the United States-Hong Kong Policy Act of 1992 Congress declared: ''The human rights of the people of Hong Kong are of great importance to the United States and are directly relevant to United States interests in Hong Kong. A fully successful transition in the exercise of sovereignty over Hong Kong must safeguard human rights in and of themselves. Human rights also serve as a basis for Hong Kong's continued economic prosperity.'';

Whereas since Hong Kong became a Special Administrative Region (SAR) of the People's Republic of China on July 1, 1997, the Hong Kong authorities have changed the system of electing representatives to the Legislative Council, added appointed members to District Councils, invited the central government to reverse Hong Kong courts, and declined to permit the entry of some American visitors and other foreign nationals whose views are opposed by the People's Republic of China;

Whereas, despite the provisions of the Basic Law which call for a gradual and orderly process toward democratic election of the legislature and chief executive, and which call for universal suffrage, the Government of the Hong Kong SAR and the People's Republic of China have stymied this process;

Whereas the traditional liberties of Hong Kong's 7,000,000 people are now immediately threatened by Hong Kong's proposed ''Article 23'' laws, which were drafted under strong pressure from the Government of the People's Republic of China, dealing with sedition, treason, and subversion against the Chinese Communist Party, and the theft of state secrets;

Whereas the proposed legislation would give the Hong Kong Government discretion to imprison individuals for ''attempting to commit'' the undefined crime of ''subversion''; would criminalize not only membership in, but even attendance at meetings of, organizations not approved by Beijing; and would threaten freedom of religion, membership in authentic trade unions, political activity of all kinds, and a wide range of public and private expression;

Whereas the proposed legislation would give Hong Kong's Secretary for Security, an appointee of the Government of the People's Republic of China, broad authority to ban organizations it deemed in opposition to the national interest, thereby threatening religious organizations such as the Falun Gong and the Roman Catholic Church;

Whereas under the proposed legislation such basic and fundamental procedural rights as notice and opportunity to be heard could be waived by the appointee of the Government of the People's Republic of China in

Hong Kong if honoring these rights ''would not be practicable'';

Whereas the People's Republic of China's history of arbitrary application of its own criminal law against dissenters, and its pattern of imprisoning and exiling those with whom it disagrees, provide strong reasons to oppose the expansion of Beijing's ability to use its discretion against Hong Kong's freedoms;

Whereas similar subversion laws in the People's Republic of China are regularly used to convict and imprison journalists, labor activists, Internet entrepreneurs, and academics;

Whereas broad segments of the Hong Kong community have expressed strong concerns about, and opposition to, the proposed new laws;

Whereas those members of Hong Kong's Legislative Council elected by universal suffrage oppose the proposed new laws, but are powerless to stop them against the majority of votes controlled directly and indirectly by the Government of the People's Republic of China;

Whereas the scheduled consideration of these proposals to restrict Hong Kong's freedoms in the Legislative Council on July 9, 2003, makes the threat to its people clear and imminent; and

Whereas it is the duty of freedom loving people everywhere to stand with the people of Hong Kong against this dangerous erosion of its long-held and cherished rights: Now, therefore, be it

Resolved, That the House of Representatives—

(1) condemns any restriction of the freedom of thought, expression, or association in Hong Kong, consistent with the United States-Hong Kong Policy Act of 1992;

(2) recognizes that because Hong Kong exercises considerable influence in international affairs, as a developed economy, financial center, trading entrepot and shipping center, reductions in the existing freedom of the Hong Kong people would be of global significance;

(3) urges the Hong Kong Government and the People's Republic of China to withdraw the proposed implementation of Article 23 of the Basic Law insofar as it would reduce the basic human freedoms of the people of Hong Kong;

(4) calls upon the People's Republic of China, the National People's Congress, and any other groups appointed by the Government of the People's Republic of China to leave all revisions of Hong Kong law to a legislature elected by universal suffrage;

(5) urges immediate elections for the Legislative Council of Hong Kong according to rules approved by the Hong Kong people through an election-law convention, referendum, or both;

(6) calls upon the Government of the People's Republic of China to fully respect the autonomy and independence of the chief executive, the civil service, the judiciary, the police of Hong Kong, and the Independent Commission Against Corruption; and

(7) calls upon the United States Government, other governments, the people of the United States, and the people of the world to support freedom in Hong Kong by—

(A) making clear statements against any limitations on existing human freedoms in Hong Kong; and

(B) transmitting those statements to the people and the Government of the People's Republic of China.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H. Res. 277, the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. LINCOLN DIAZ-BALART).

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I thank the gentleman from New Jersey (Mr. SMITH) for yielding me time.

Mr. Speaker, I know the hard work that the gentleman from California (Mr. COX) has put into this, along with, obviously, the leadership of the Committee on International Relations that have made it possible, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS), for this resolution to come forward in a timely basis.

Timeliness is critical here. Time is of the essence because of what the Chinese Communist regime is seeking to do precisely in these weeks in Hong Kong. It seems as though, Mr. Speaker, tyranny knows only one modus operandi, to repress the people by any means necessary to prevent dissent. We have seen this all too clearly with the dictator only 90 miles off our shores here, off the shores of the United States. And now a bastion of freedom in the face of one of the most tyrannical regimes in the world is facing a dire threat. Hong Kong may soon have its important freedoms destroyed by the so-called People's Republic of China, the PRC.

In an act of complete cowardice and desperation, the PRC has prepared new legislation called article 23 of the Basic Law which seeks to severely restrict the freedoms of the people of Hong Kong. The communist government in Beijing is pressuring the local government in Hong Kong to pass this legislation before July 9. Freedom of the press and freedom of expression are in great jeopardy because of this legislation. The actions of the Chinese regime fly in the face of promise made by Beijing of ''one country, two systems,'' a 50-year commitment that was made to the world to preserve Hong Kong's respect for human liberties. But a mere 6 years after the British handed Hong Kong to the Communist Chinese, we see that the totalitarianism has no patience. It cannot stand to see the failures of its regime in the very face of the shining example that Hong Kong has been of freedom and civil liberties.

The elimination of freedom of speech holds countless dangers. For example, the recent SARS outbreak in China and many parts of the world was hastened in fact by the PRC's inability to deal with the truths. The regime's lies and deception hamstrung the world from dealing effectively with the crisis. The truths about the epidemic's extent were unclear; totalitarianism simply could not face or did not know how to face reality. Now, this created a grave health threat in Hong Kong and really for the rest of the world.

Freedom of speech, Mr. Speaker, is important for every aspect of life. It protects individual citizens from the deception that we saw in the example of the SARS crisis by offering multiple important sources of information. The PRC claims that this law it is seeking to impose on the people of Hong Kong is a means to ensure its national security. The rest of the world rightly sees it for what it is, an attempts to roll back liberties that Hong Kong has to thwart any pressure for greater liberties throughout the rest of China.

Now, if the world does not stand up to the PRC now, this will only be the beginning of the tightening of its totalitarian grip on the people of Hong Kong. The United States Government has an obligation to stand with the people of Hong Kong. The State Department must not fail to show the outrage of the American people at the destruction of the most basic liberties which have survived up to now on the island of freedom that is Hong Kong.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume. I rise in strong support of this resolution.

Mr. Speaker, first I would like to commend my friend, the gentleman from California (Mr. COX), the gentleman from New Jersey (Mr. SMITH), the gentleman from Florida (Mr. LINCOLN DIAZ-BALART), and the Democratic leader, the gentlewoman from California (Ms. PELOSI), for their strong support of this resolution.

Mr. Speaker, one of the most moving moments of my life in a very sad sense was the 1st of July, 1997, when I was present in Hong Kong with our then-Secretary of State Madelyn Albright as the British flag came down and the flag of Communist China went up. It was a sad moment for all of us who believe in free and open and democratic government and in human rights across the globe.

The people of Hong Kong over the decades have made an enormous contribution to the economic and cultural life of the Asia-Pacific region, and they set the standards for efficiency and honesty and integrity in government. Hong Kong has been enormously helpful to us in the war on terrorism, particularly in cracking down on the use of banks in the Asia-Pacific region to launder funds for the benefit of terrorists.

But Hong Kong's hard-earned international reputation is being severely damaged by the government's pursuit of so-called article 23 antisedition legislation.

This resolution before us expresses our strong concerns and reservations

regarding these dangerous trends. And I hope that our passage of this legislation will influence consideration of article 23 by the legislature of Hong Kong.

This insidious bill proposed by the government in Hong Kong goes a long way towards giving the chief executive appointed by a Beijing-packed committee broad authority to ban organizations if they are prohibited to function in mainland China for ''national security'' reasons.

If this legislation in Hong Kong should pass, it is very likely that the government of Hong Kong will immediately face pressure from Beijing to ban the Falun Gong movement. Hong Kong representatives of evangelical Christian groups, labor unions, human rights organizations will find that they may also be banned in Hong Kong, as American labor activist Harry Wu was prohibited from entering Hong Kong just last year.

The ability of targeted organizations, perhaps I should say persecution organizations, to obtain a public hearing can be waived by the Hong Kong chief executive if he deems such public hearings as not practicable.

Mr. Speaker, Hong Kong's strength is its commitment to the rule of law. The legislation proposed by the Hong Kong Government calls that commitment into serious question. The democratic forces in Hong Kong, including my good friend Martin Lee, are fighting for Hong Kong's democratic future and its free and open way of life. We in this body must support their battle.

Our resolution has the strong support of both the Democratic and Republican leadership of our House, and I urge all of my colleagues to support its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today's resolution introduced by my good friend and colleague, the gentleman from California (Mr. COX), and many, many co-sponsors on freedom in Hong Kong, raises a sober question for all of us to ponder. How does a state balance a need to protect itself from acts of sedition with the equally important need to protect the civil liberties of its citizens?

This very same issue arose in the early days of our own Republic, in the year 1798 to be exact. The Adams administration and the Federalist-controlled Congress used the excuse of the extreme revolutionary fervor coming across the Atlantic from France to pass a series of legislative measures known collectively as the Alien and Sedition Act. These measures were seen as effectively nullifying the First Amendment guarantees of freedom of speech and freedom of the press. Public uproar was such that Congress repealed one of the measures and allowed the rest to die a natural death through expiration.

The point here is that all governments, as we are acutely aware of after the tragic events of September 11, have the imperative to protect their institutions and citizens from sedition, treason, and terrorism.

The question raised, however, is does article 23 of the Basic Law of the Hong Kong Special Administrative Region, to be considered by the Hong Kong Legislative Council this coming July 9, go beyond legitimate security needs? Does it, like the Alien and Sedition Act, threaten the civil liberties of the body politic as a whole? There are disturbing indications that the answer to these questions is an affirmative ''yes.''

The American Congress expressed its clear concern for the preservation of human rights for the people of Hong Kong through adoption of the U.S.-Hong Kong Policy Act of 1992. When Hong Kong ended British rule on July 1 of 1997 and was returned to the sovereignty of the Chinese people, an important pledge was given. That pledge was that for the next 50 years under a ''one-country, two-systems'' formula, Hong Kong would continue to independently exercise those economic and political freedoms which had evolved there over time.

Those who feared the worst on that July day now almost 6 years ago, the sounds of jack boots in the street of Hong Kong found that their fears were largely unfounded. There was no immediate descent of the Bamboo Curtain. Instead, however, like drops of water falling upon a rock, there has been a slow erosion of those democratic qualities which made Hong Kong unique.

American citizens of certain political or philosophical persuasions have been denied entry. An internationally respected Hong Kong newspaper whose owners turn their eyes towards Beijing have fired its most effective and outspoken journalists.

An American citizen released from a Chinese prison found the attitude of the administration at the Hong Kong university where he taught so hostile that he relocated to the United States. Ever so slowly, the rock of freedom is being washed away by these slow, but steady, drips of tyranny.

Article 23 in its present form is a major step in that erosion. This view is held not only by the overwhelming majority of the American Congress. Internationally respected Hong Kong leaders, including political leaders like Martin Li, and religious leaders like Roman Catholic Bishop Joseph Zen have reached the same conclusion, that article 23, as it is presently constructed, will open the door to a slow, steady decline of liberty in Hong Kong. The Hong Kong men and women in the street have also voiced their concerns over the implementation of article 23 and its corrosive effect on the right to peaceful assembly, such as is annually done on the streets of Hong Kong on June 4, the anniversary of the Tiananmen Square massacre.

Mr. Speaker, as a symbol of hope for the future of China, Hong Kong has great significance beyond that of a small urban enclave of international trade and commerce.

□ 1215

What happens there is closely watched in Taiwan, in Beijing and in greater Asia beyond. A slow twilight, sunset of liberty in Hong Kong, therefore, will have repercussions and very negative ones far beyond its own borders.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I am proud to yield as much time as she might consume to the gentlewoman from California (Ms. PELOSI), the Democratic leader who has spent her professional life fighting for human rights and specifically fighting for human rights for the people of Hong Kong.

Ms. PELOSI. Mr. Speaker, I thank the distinguished ranking member of the Committee on International Relations for yielding the time and for his tremendous leadership.

What an honor it is to be on the floor today with my friend the gentleman from New Jersey (Mr. SMITH), the vice chair, I understand, of the Committee on International Relations, and with the gentleman from California (Mr. LANTOS), two champions of human rights every place in the world. By their leadership and their tireless energy, boundless I would say, on behalf of freedom, they have set an example, freed people, made the world a freer place, and we are all in their debt.

I am pleased to join my colleague the gentleman from Maryland (Mr. CARDIN) as well as we speak to the issue of the preservation of freedom in Hong Kong. So it is with appreciation to all of my colleagues here present on the floor and to the gentleman from California (Mr. COX), who is one of the authors of the resolution, that I join in calling for the preservation of freedom in Hong Kong, keeping promises made to the people of Hong Kong.

Mr. Speaker, when the Sino-British Joint Declaration was initiated in 1997, it guaranteed the preservation of freedoms basic to life in Hong Kong. Just 5 years later, those freedoms, freedom of press, freedom of religion, freedom of association, are under assault.

The House must act today to make clear to the Hong Kong government and to the People's Republic of China the seriousness with which the United States views any action that would subvert the promise of human rights contained in the joint resolution.

The draft provisions to implement Article 23 of Hong Kong's basic law would give Beijing the ability to determine what types of organizations could exist in Hong Kong and which views could be expressed. Many of us received a delegation led by Martin Lee, the very distinguished democracy advocate in Hong Kong, just a few weeks ago,

where they expressed their concern and the impact that this action would have on Hong Kong, as we have known it, as a dynamic society where business has flourished because information has been able to flow freely.

This action is a significant threat to Hong Kong's autonomy and to the freedoms that make it a center for the exchange of information and ideas. It is an even greater concern because the movement toward popular democracy, as required under the basic law, has not begun.

I commend President Bush on the administration's forceful opposition last Thursday to the Article 23 proposal. The administration statement emphasized that: ''Hong Kong's special status, endorsed by the United States under the Hong Kong Policy Act, depends on the local authorities' protection of human and civil rights and the preservation of the territory's autonomy. The United States opposes any law that threatens the territory's unique identity, including the current version of Article 23 legislation.'' That is from the President's statement.

Hopefully, after leaders in Hong Kong and Beijing reflect seriously on those words and the strong sentiments contained in the legislation we are considering today, they will move to amend the proposal to preserve the freedom of the people of Hong Kong that they were promised.

Mr. Speaker, I congratulate the leadership again of the Committee on International Relations, the gentleman from Illinois (Mr. HYDE), the gentleman from California (Mr. LANTOS), the gentleman from New Jersey (Mr. SMITH), and the leadership of the gentleman from California (Mr. COX) in introducing this legislation. I was pleased to join him in doing so.

The Committee on International Relations has provided an opportunity for the House to go on record in favor of the preservation of human rights in Hong Kong in opposition to actions that threaten them. I urge overwhelming adoption of this measure to underscore our commitment to the cause of freedom in Hong Kong.

Mr. SMITH of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. KING), my good friend.

Mr. KING of Iowa. Mr. Speaker, I appreciate the opportunity to speak.

Today, I rise in strong support of the Hong Kong resolution. I doubt many of us in this Chamber will forget the Cold War and the United States' dedication to protect any country threatened by a Communist regime.

Today, I ask, have we forgotten the image of that one Chinese student blocking a barrage of tanks or the hurriedly erected plaster Lady liberty proudly emulating our own Statue of Liberty displayed so prominently as a symbol of the Chinese people's desire to be free? How can we ever forget the hundreds of Chinese martyrs killed on that warm June night in Tiananmen Square 14 years ago?

Because we are a Nation that does not forget the human tragedy and sufferings committed by Communist regimes in the last century, we cannot watch silently today as the freedoms enjoyed by the people of Hong Kong are being stripped away.

Prior to 1997, Hong Kong was not only an economic powerhouse, it served as a beacon of hope that one day rule of law, transparency and a republican form of government would be a reality in the People's Republic of China. However, rather than adopting Hong Kong's free society, China now flexes its oppressive muscles over Hong Kong themselves, depriving them not only of the freedom of speech, religion and association agreed to by the British and Chinese Government in 1997, but these freedoms that are guaranteed because they are inalienable and endowed to all members of the human race. As our President has said, that freedom is a right of every person and the future of every Nation.

Today, I rise to join in solidarity with the often lonely voice of Hong Kong's Bishop Joseph Zen, who is a tireless advocate of the people of Hong Kong and a vocal fundamental critic of the Chinese government's disregard of the fundamental rights of the governed. Bishop Zen risks his own life by speaking with moral authority, and his commitment to protect the dignity of each human person should be supported.

Congress must send a clear message to the Chinese Government that we expect them to abide by the premise of Hong Kong's basic law which grants gradual progress towards the democratic election of the legislature and chief executive. Furthermore, the United States must continue the fight against communism, an oppressive regime that denies each individual his or her dignity and holds countries that violate human rights accountable.

I urge my colleagues to vote in favor of this resolution because it protects what America has, what America stands for and what Hong Kong does not want to lose, the gift of freedom.

I thank the gentleman from California (Mr. COX) for his important resolution.

Mr. LANTOS. Mr. Speaker, we reserve the balance of our time.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

While we are waiting for the gentleman from California (Mr. COX), the prime author of this legislation, to arrive here let me just again reiterate a few things.

I like many others have followed the ongoing human rights abuses by the People's Republic of China, and many of us had hoped, and this hope is now at grave risk, that Hong Kong might avoid the same kind of repressive regime visited upon it that other people in the People's Republic of China live with and endure each and every day.

Our hope is that the Chinese Government, especially with its work in the WTO, with its attempt to join the world leaders as a major player, that it would respect the democratic rights of Hong Kong and learn from it. Hong Kong can be a beacon for them not only economically, but also in the area of human rights and fundamental freedoms. The dictatorship in Beijing really has nothing to fear but fear itself by giving in, it seems to me, to basic and fundamental human rights.

Over time, if the PRC were to do that, they certainly would be respected, but if they do the opposite, they will be held in contempt, and what this resolution says, it is a cautionary flag, do not do it, do not bring the repressive policies that you have foisted upon your own people to the people of Hong Kong. The PRC has already promised, as we all indicated earlier, that there would be at least a 50-year hiatus where at least a semblance of freedom would be experienced.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. COX), my friend and colleague.

Mr. COX. Mr. Speaker, I thank the Chairman for yielding me the time.

I rise in support of H. Res. 277, expressing the sense of this House in support of freedom in Hong Kong. Hong Kong is a jewel. We are all admirers of Hong Kong on both sides of the aisle, Democrats and Republicans.

Hong Kong has had for years what is probably the freest economy in the world, and along with that they have had civil rights and civil liberties of which Hong Kongers themselves have been jealously protective. Nothing has changed in that respect except that under the one country-two systems formula the government of the People's Republic of China is getting ahead of themselves by many decades.

They promised 50 years, and instead, they are now seeking to replace the traditional civil law of Hong Kong with a subversion law, with a national security law that will take away fundamental rights of speech, association, membership in labor unions, journalists doing their job. The scope, the breadth, the discretion given to the executive in this proposed law is absolutely breathtaking, and we feel compelled for this reason because these legal changes are imminent in Hong Kong to express ourselves in support of the people of Hong Kong.

An article in the South China Morning Post just this Saturday reported on a controversy ignited by two causes here in America: first, this resolution, the fact that it has been reported by the Committee on International Relations and has come to the floor; and second, a White House statement in support of freedom in Hong Kong. In response to these modest congressional and presidential expressions of support for freedom, noting that the Article 23 legislation being considered in Hong Kong ''could harm local freedoms and autonomy over time,'' a spokesman for

the foreign ministry in the People's Republic of China said that other nations should not interfere in the debate about free expression in Hong Kong because it is an ''internal affair.''

With all due respect to the PRC foreign ministry, the freedom of people to think, to express themselves, to belong to organizations, to associate with others is not an internal affair. It is a fundamental human right. The human dignity of the people of Hong Kong is of itself sufficient reason to approve this resolution, but if that were the sole justification for this resolution, then we would probably be considering thousands like it.

A second reason we act today is because it is in the interests of the United States to do so. In the Hong Kong Policy Act, approved unanimously by both Houses of Congress and signed by the President on October 5, 1992, the United States declared that, ''Hong Kong plays an important role in today's regional and world economy. This role is reflected in strong economic, cultural and other ties with the United States that give the United States a strong interest in the continued vitality, prosperity and stability of Hong Kong.''

Our law also declares that ''support for democratization is a fundamental principle of United States foreign policy. As such, it naturally applies to United States policy toward Hong Kong. This will remain equally true after June 30, 1997,'' that of course being the date of the handover from the British to the Chinese of the territory of Hong Kong.

Finally, the law says, ''The human rights of the people of Hong Kong are of great importance to the United States and are directly relevant to United States interests in Hong Kong. A fully successful transition in the exercise of sovereignty over Hong Kong must safeguard human rights in and of themselves.

''The United States should play an active role, before, on, and after July 1, 1997, in maintaining Hong Kong's confidence and prosperity, Hong Kong's role as an international financial center, and the mutually beneficial ties between the people of the United States and the people of Hong Kong.''

That is why we are here today. If we think back to the time prior to the handover, prior to 1997, we were assured that this could not happen, that it would not happen, and yet through an excretion of changes in the law, through inroads that are being made on the traditional freedoms that Hong Kongers have enjoyed, so slowly perhaps as to be imperceptible but now this one fell swoop suddenly very noticeable, the PRC is taking away the freedom of one country-two systems, that was guaranteed in 1997.

□ 1230

Our former colleague, Connie Mack, warned us in 1994, on the 10th anniversary of the Sino-British Declaration on the question of Hong Kong, of the failure of the Communist Government of China to respect the declaration, even as of that date: ''Immediately after signing the Joint Declaration, the PRC started working on the Basic Law, Hong Kong's post-1997 'mini-constitution.' The Basic Law was enacted not by Hong Kong's Legislative Council, the Legco, but by Beijing's rubber stamp National People's Congress that contravened the Joint Declaration. It subordinates the Legco to a Beijing-appointed executive; assigns a power of judicial interpretation to the Standing Committee of the National People's Congress, rather than to Hong Kong's courts; and it requires a law against 'subversion,' a concept unknown in the common law.''

It is that illegitimate law against subversion that today the House revisits. This is what is about to take place in Hong Kong. If the world is silent, as this interruption, as this deprivation of freedom moves forward, then our liberties, too, will be at greater risk.

Hong Kong is a jewel for the entire planet. It is our hope that the freedom that Hong Kong has traditionally enjoyed will spread northward throughout the People's Republic of China, that that will be the ultimate result of one country, two systems, not the other way around. But what is happening now, as we meet here today, is that this island of freedom is being weighted down by the long-standing rule of the Communist Party in the People's Republic of China; that the law is simply a tool of the party itself and not independent.

Mr. Speaker, I appreciate the careful consideration that this Chamber is giving to this resolution. I want to thank the chairman and the ranking member of the Committee on International Relations for bringing this resolution to the floor in a timely fashion, and I expect that all of our colleagues will vote in support of freedom at this important time in both China's history and our own.

Mr. WU. Mr. Speaker, I rise to express my strong support for H. Res. 277, a resolution supporting freedom and democracy in Hong Kong.

Throughout its modern history, Hong Kong has stood as a beacon of freedom and stability. With the Hong Kong people's ingenuity and hard work, the territory became a stable and prosperous democracy.

Since Hong Kong's 1997 change of status, the citizens of Hong Kong have faced the challenge of maintaining their civil liberties and democratic self-governance. While the Basic Law guarantees Hong Kong fifty-years of self-governance and freedom, the Beijing-appointed government of Hong Kong has been working to limit freedom in the territory.

I strongly support the goals of H. Res. 277. As a long-time friend and supporter of Hong Kong, I believe we must continue to support the Hong Kong people's efforts to preserve and advance the cause of freedom and democracy. I applaud the gentleman from California (Mr. COX) for sponsoring this resolution and I will continue to work with my colleagues to protect and advance freedom, democracy, and the rule of law in East Asia.

The SPEAKER pro tempore (Mr. BASS). The time of the gentleman from New Jersey (Mr. SMITH) has expired.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time having expired, the question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, H. Res. 277.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXPRESSING SENSE OF CONGRESS THAT ESCALATION OF ANTI-SEMITIC VIOLENCE WITHIN PARTICIPATING STATES OF OSCE IS OF PROFOUND CONCERN AND EFFORTS SHOULD BE UNDERTAKEN TO PREVENT FUTURE OCCURRENCES

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 49) expressing the sense of the Congress that the sharp escalation of anti-Semitic violence within many participating States of the Organization for Security and Cooperation in Europe (OSCE) is of profound concern and efforts should be undertaken to prevent future occurrences.

The Clerk read as follows:

H. CON. RES. 49

Whereas the expressions of anti-Semitism experienced throughout the region encompassing the participating States of the Organization for Security and Cooperation in Europe (OSCE) have included physical assaults, with some instances involving weapons or stones, arson of synagogues, and desecration of Jewish cultural sites, such as cemeteries and statues;

Whereas vicious propaganda and violence in many OSCE States against Jews, foreigners, and others portrayed as alien have reached alarming levels, in part due to the dangerous promotion of aggressive nationalism by political figures and others;

Whereas violence and other manifestations of xenophobia and discrimination can never be justified by political issues or international developments;

Whereas the Copenhagen Concluding Document adopted by the OSCE in 1990 was the first international agreement to condemn anti-Semitic acts, and the OSCE participating States pledged to ''clearly and unequivocally condemn totalitarianism, racial and ethnic hatred, anti–Semitism, xenophobia and discrimination against anyone as well as persecution on religious and ideological grounds'';

Whereas the OSCE Parliamentary Assembly at its meeting in Berlin in July 2002 unanimously adopted a resolution that, inter

alia, called upon participating States to ''ensure aggressive law enforcement by local and national authorities, including thorough investigation of anti-Semitic criminal acts, apprehension of perpetrators, initiation of appropriate criminal prosecutions and judicial proceedings'';

Whereas Decision No. 6 adopted by the OSCE Ministerial Council at its Tenth Meeting in Porto, Portugal in December 2002 (the ''Porto Ministerial Declaration'') condemned ''the recent increase in anti-Semitic incidents in the OSCE area, recognizing the role that the existence of anti–Semitism has played throughout history as a major threat to freedom'';

Whereas the Porto Ministerial Declaration also urged ''the convening of separately designated human dimension events on issues addressed in this decision, including on the topics of anti-Semitism, discrimination and racism and xenophobia''; and

Whereas on December 10, 2002, at the Washington Parliamentary Forum on Confronting and Combating anti-Semitism in the OSCE Region, representatives of the United States Congress and the German Parliament agreed to denounce all forms of anti–Semitism and agreed that ''anti–Semitic bigotry must have no place in our democratic societies'': Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) officials of the executive branch and Members of Congress should raise the issue of anti-Semitism in their bilateral contacts with other countries and at multilateral fora, including meetings of the Permanent Council of the Organization for Security and Cooperation in Europe (OSCE) and the Twelfth Annual Session of the OSCE Parliamentary Assembly to be convened in July 2003;

(2) participating States of the OSCE should unequivocally condemn anti-Semitism (including violence against Jews and Jewish cultural sites), racial and ethnic hatred, xenophobia, and discrimination, as well as persecution on religious grounds whenever it occurs;

(3) participating States of the OSCE should ensure effective law enforcement by local and national authorities against criminal acts stemming from anti-Semitism, xenophobia, or racial or ethnic hatred, whether directed at individuals, communities, or property, including thorough investigation and prosecution of such acts;

(4) participating States of the OSCE should promote the creation of educational efforts throughout the region encompassing the participating States of the OSCE to counter anti-Semitic stereotypes and attitudes among younger people, increase Holocaust awareness programs, and help identify the necessary resources to accomplish this goal;

(5) legislators in all OSCE participating States should play a leading role in combating anti-Semitism and ensure that the resolution adopted at the 2002 meeting of the OSCE Parliamentary Assembly in Berlin is followed up by a series of concrete actions at the national level; and

(6) the OSCE should organize a separately designated human dimension event on anti-Semitism as early as possible in 2003, consistent with the Porto Ministerial Declaration adopted by the OSCE at the Tenth Meeting of the OSCE Ministerial Council in December 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, anti-Semitism is a deadly disease of the heart that leads to violence, cruelty, and unspeakable acts of horror. The anti-Semite is, as Holocaust survivor Elie Wiesel grimly wrote last week, an ideological fanatic and pathological racist: ''An anti-Semite is someone who never met me, never heard of me, yet he hates me.''

While we all are aware and deplore the hate crimes and cowardly acts that are committed routinely by Hamas and their like-minded murderers, what is new, Mr. Speaker, is the enormous surge in anti-Semitic acts and the resurgence of hatred for Jews in Europe, the United States, and in Canada.

Just a brief look, Mr. Speaker, of some of the startling statistics makes the point. In France, for example, there was a 600 percent increase in anti-Semitic acts from the year 2001 to the year 2002. Thankfully, the French have moved with new legislation designed to not only chronicle and get a better handle on how often these hate crimes are occurring, but they are also trying to stop them.

The Anti-Defamation League, Mr. Speaker, did a survey that also showed a spike in five other countries of Europe. They found that 21 percent of the people in those five countries had strongly anti-Semitic perspectives or views. The ADL also looked at the United States and found that 17 percent of our own people in the United States had strong anti-Semitic views. If you extrapolate that, Mr. Speaker, that is about 35 million Americans. That is up 5 percent from just 5 years ago.

H. Con. Res. 49 recognizes this dangerous and alarming trend, condemns this ancient-modern scourge, and calls on each of the 55 countries that make up the Organization for Security and Cooperation in Europe to take concrete steps to eradicate anti-Semitism. The resolution before us today is an unequivocal condemnation of violence against Jews and Jewish cultural sites, racial and ethnic hatred, xenophobia and discrimination, as well as persecution on religious grounds wherever it occurs.

The resolution calls on all the states of the OSCE to ensure effective law enforcement and prosecution of individuals perpetrating anti-Semitic violence as well as urging the parliaments of all those states to take concrete legislative action at the national level. We are encouraging, Mr. Speaker, the creation of education efforts to counter these anti-Semitic stereotypes and the attitudes that we are seeing increasingly among younger people. We are calling for an increase in Holocaust awareness programs, and seeking to identify necessary resources to accomplish these goals.

Mr. Speaker, as chairman of the Commission on Security and Cooperation in Europe, I chaired a congressional hearing and three international summits on anti-Semitism within the last year alone. Joined by my good friend and colleague from the German Bundestag, Gert Weisskirchen, at the three special summits, and my good friend and colleague, the gentleman from Maryland (Mr. CARDIN), who I thank as well for his good work on this, these summits have focused on this rising tide of anti-Semitism.

The summits, Mr. Speaker, were held in Berlin, in 2002; in Washington, in December of 2002; and in Vienna, earlier this year, in February. We heard from world renowned leaders, including Rabbi Israel Singer, President of the World Jewish Congress; Ambassador Alfred Moses, Abraham Foxman and Ken Jacobson of the Anti-Defamation League; Mark Levin from the NCSJ; Rabbi Andrew Baker of the American Jewish Committee; Dr. Shimon Samuels, director of the Weisenthal Center located in Paris; and many others, Amnesty International and other human rights' organizations, all of whom made very powerful statements about this alarming rise of hate directed towards Jews.

Let me just quote for my colleagues what Dr. Samuels said, very briefly: ''The Holocaust, for 30 years, acted as a protective Teflon against blatant anti-Semitic expression. That Teflon has eroded, and what was considered distasteful and politically incorrect is becoming simply an opinion. But cocktail chatter at fine English dinners can end as Molotov cocktails against synagogues. Political correctness is also ending for others, as tolerance for multiculturalism gives way to populist voices in France, Italy, Austria, Denmark, Portugal, and the Netherlands. These countries' Jewish communities can be caught between the rock of radical Islamic violence and the hard place of a revitalized Holocaust-denying extreme right. Common cause must be sought between the victimized minorities against extremism and against fanaticism.''

Dr. Jacobson pointed out, and I quote, ''Sadly, some European leaders have rationalized anti-Jewish attitudes and even more violent attacks against Jews as nothing more than a sign of popular frustration with events in the Middle East. Something to be expected, even understandable, they say.''

Mr. Speaker, we have been hearing more and more about this idea of pretext; that there is a disagreement with the policies of the Israeli Government, that somehow that gives license and an ability and permission for some people to hate the Jews themselves. We can disagree, as we do on this House floor. The gentleman from Florida (Mr. HASTINGS), the gentleman from Maryland (Mr. CARDIN), and I have been working on this for years, and of course the gentleman from California (Mr. LANTOS). We disagree on some issues, but anti-Semitism? We do not hate. We do not use that as a pretext,

as a front to promote hatred. That is exactly what is happening in Europe, in the United States, and in Canada.

Let me point out too that, as a result of these summits, we have come up with an action plan. Mr. Weisskirchen and I have signed it, it has been agreed to by our commissions, and we are trying to promote it among all our States. Again, education, trying to get parliaments to step up to the plate, and trying to make a meaningful difference to mitigate and hopefully to end this terrible anti-Semitism.

Last week, the gentleman from Florida (Mr. HASTINGS) and I joined Rudy Giuliani in Vienna for an OSCE assembly focused on anti-Semitism. We have been doing it in the OSCE Parliamentary Assembly, but now the OSCE itself has taken up this important cause. And it will be followed up with a meeting, most likely in Berlin next year, to focus on anti-Semitism so that we rally the troops all over the world, starting with Europe, the U.S., and Canada to say ''never again.''

Let me also point out to my colleagues, and I thought his statement said it all, when Abraham Foxman, who gave riveting testimony at our Berlin conference, pointed out just recently in the Jerusalem Post, just a couple of days ago, and I would like to close with his statement, he said ''Anti-Semitism is surging in the world to the extent unprecedented since the end of World War II. Europe must take seriously the ideology of anti-Semitism coming out of the Arab and Islamic world. It must denounce the deliberate targeting of Jews by terrorist groups, whether it be al Qaeda or Hamas. It must denounce the vicious anti-Semitic material in the Arab press and educational systems and call on Arab leaders to do something about it. It must understand that the Holocaust happened not only because Germany was taken over by the Nazis, who developed a massive military power to conquer most of Europe, but also by the complicity—active and passive—of other Europeans. Today, the great threat comes from the combination of the ideology of hatred with Islamic extremists to acquire weapons of mass destruction.'' And then he bottom lines it and says, ''Let Europe never again be complicit in developments of this kind.''

Mr. Speaker, this Congress needs to go on record in a bipartisan way, Democrats, Republicans, Conservatives, Moderates, and Liberals to say anti-Semitism, never again, and we need to do it strongly today.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong support of the resolution.

First, I want to commend my dear friend, the gentleman from New Jersey (Mr. SMITH), the chairman of our delegation to the Organization for Security and Cooperation in Europe, for his lifelong indefatigable and passionate advocacy of human rights, and his powerful opposition in all fora to anti-Semitism. We are all in his debt.

I also want to thank the gentleman from Illinois (Mr. HYDE), of the Committee on International Relations, for moving this legislation so expeditiously to the floor. And I want to thank my good friend, the gentleman from Maryland (Mr. CARDIN), the ranking Democrat on our OSCE delegation, for his outstanding work on behalf of all of the causes that the human rights community is interested in.

Mr. Speaker, as the only survivor of the Holocaust ever elected to Congress, I am acutely aware of the dangers of allowing anti-Semitism to go unchecked. The horrors of the Holocaust in World War II began with anti-Semitism. Growing up in Europe in the 1930s, I saw firsthand the horrendous results of anti-Semitic rhetoric, leading to the nightmare of anti-Semitic violence, and, ultimately, to the mass murder of 6 million innocent men, women and children.

Mr. Speaker, today, anti-Semitism in Europe, as well as in a number of other places in this world, is approaching the appalling levels that I personally experienced in the 1930s.

□ 1245

We cannot, we must not, and we will not sit idly by and ignore the sharp escalation of anti-Semitic rhetoric and anti-Semitic violence.

Our resolution notes that expressions of anti-Semitism in some European countries range from vicious propaganda to physical assaults, from the burning of synagogues to the desecration of cemeteries. Since the 1990 Copenhagen Concluding Document, a number of resolutions have been adopted by OSCE condemning anti-Semitism. In that spirit, I welcome this effort.

Our resolution urges officials of our executive branch and Members of Congress to raise the issue of anti-Semitism in their bilateral and multilateral meetings with all foreign government officials where appropriate and to condemn in the strongest possible terms not only anti-Semitism but racial and ethnic hatred, xenophobia, discrimination and religious persecution of all types. We urge all member countries of the OSCE to ensure effective law enforcement by local and national authorities against criminal actions stemming from anti-Semitism and other types of racial hatred.

Most importantly, our resolution calls upon all States to promote educational efforts to counter anti-Semitic stereotypes and attitudes and to dramatically increase Holocaust awareness. Our best ammunition in this fight against anti-Semitism is education.

Mr. Speaker, the battle against this age-old and horrendous mental sickness will not be easily won, but I believe the recognition of the problem and the call for actions to deal with it is the first critical step. I urge all of my colleagues to support this important legislation which serves to eliminate the outrage of hate-filled anti-Semitism.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Florida (Ms. ROS-LEHTINEN), the chairman of the Subcommittee on the Middle East and Central Asia.

Ms. ROS-LEHTINEN. Mr. Speaker, I am honored to be in the company of the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) in cosponsoring this resolution. I rise in support of its passage and ask my colleagues to vote in its favor as well.

Mr. Speaker, one of the essential lessons of the Holocaust is that words lead to murder, that the teaching of contempt and acceptance of bigotry and anti-Semitism can lead to genocide. Today, over 50 years after the horrors of the Holocaust, anti-Semitism has again become a disease spreading throughout the world. In recent years I have witnessed its resurgence, particularly through my work relating to the United Nations Commission on Human Rights and legislative efforts concerning religious freedom in Europe.

At the commission, resolution after resolution, statement after statement are filled with the rhetoric of hatred, using the international fora to further promote and generate support for an anti-Semitic agenda, an agenda which condemns a freedom-loving people and a democratic nation, while many times legitimizing those regimes that torture, oppress, and subjugate their own people.

As the previous chair of the Subcommittee on Human Rights and as the current chair of the Subcommittee on the Middle East and Central Asia, and as cochair along with my colleague and friend the gentleman from California (Mr. LANTOS) of the Congressional Task Force on Anti-Semitism, I have pressed European officials to take concrete steps to monitor, investigate and prosecute to the fullest extent of the law crimes that are borne out of hatred for the Jewish people.

In January of this year, for example, Jewish leaders in France came to me with concern and anxiety about the increasing example of vandalism and personal attacks against rabbis in that country. I immediately called on the French foreign ministry officials and French parliamentarians to address this grave matter.

The situation in France, however, is only a microcosm of a growing problem that is sweeping throughout many OSCE states. While I will not delve into details because my colleagues, the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS), have already done

so, I will simply note, as has been said, we must learn the lessons and the mistakes of the past, or we are condemned to repeat them.

This is why it is imperative that we take immediate action to prevent further escalation of anti-Semitism and related violence, to help ensure that the evil of the Holocaust will never again be allowed to exist.

As Eli Wiesel, a Holocaust survivor and Nobel Peace laureate has said, ''A destruction, an annihilation that only man can provoke, only man can prevent.'' We can help prevent a repetition of history, and we can begin here today by voting in favor of this resolution. Let us adopt House Concurrent Resolution 49 and convey the commitment of the U.S. House of Representatives to work with our allies to confront and combat anti-Semitism and eradicate it from its roots.

Mr. LANTOS. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), the distinguished ranking Democratic member of the Helsinki Commission, who has demonstrated a passionate commitment to human rights and on all of the issues that that commission works with.

Mr. CARDIN. Mr. Speaker, let me first thank the gentleman from California (Mr. LANTOS). There is no Member of this body who has done more in his lifetime to fight anti-Semitism than the gentleman from California (Mr. LANTOS), and I congratulate him for his effective leadership against anti-Semitism here and around the world.

I also want to thank the gentleman from New Jersey (Mr. SMITH), who is the chairman of our OSCE delegation. I have the honor of being the ranking Democratic member. The gentleman from Florida (Mr. HASTINGS), who will be speaking shortly, is one of the commissioners. We have made the fight against anti-Semitism a top priority of our delegation. We have been effective in making it a top priority within the OSCE Parliamentary Assembly.

We have done that because we have seen a rise of anti-Semitism, physical assaults on individuals solely because they are Jewish, desecration of Jewish cultural sites, propaganda in the media have all been on the rise. We must have a zero tolerance policy about anti-Semitism.

The OSCE Helsinki Commission provides a unique opportunity for us to fight anti-Semitism. It not only has in its membership all of the countries of Europe, Canada and the United States, but it has the participation of our Mediterranean partners, which include Israel, Egypt and Jordan. The OSCE Helsinki Commission has had a history of effectively dealing with human rights issues, so that is why the United States leadership has been effective in bringing about the forums to deal with anti-Semitism. I know there was just a meeting in Vienna that the gentleman from New Jersey (Chairman SMITH) and the gentleman from Florida (Mr. HASTINGS) participated in. We adopted in the OSCE Parliamentary Assembly last year a very strong resolution against anti-Semitism as a result of the U.S. leadership, and we have signed a letter of intent with Germany to spell out specific actions that we need to take in order to fight anti-Semitism.

We can never justify anti-Semitic actions by international developments or political issues. We need to have an action plan to fight anti-Semitism. We need to have strong laws that are adopted by our member states and enforced. We need to speak out against anti-Semitism as parliamentarians. Silence is not an option. As all my colleagues have expressed, we need educational programs for our children. The resolution says we need to create educational efforts throughout the region encompassing the participating states of OSCE to counter anti-Semitic stereotypes and attitudes among younger people, increase Holocaust awareness programs, and help identify the necessary resources to accomplish this goal. Our children are our future. In many of these states, we are finding there are counterproductive programs promoting anti-Semitism.

We need a proactive agenda. This resolution puts this body on record in strong support of our resolution within OSCE to continue our commitment to support action plans to stamp out anti-Semitism. I urge my colleagues to support the resolution.

Mr. SMITH of New Jersey. Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY), who has been a champion not only of the fight against anti-Semitism but on behalf of all human rights causes.

Mrs. MALONEY. Mr. Speaker, I rise in strong support of this resolution, and I thank the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) for their extraordinary leadership on this important issue and so many others.

We are experiencing the worst outbreak of anti-Semitism in Europe since the end of Holocaust in 1945. Just under 60 years have passed since the defeat of Hitler and now swastikas have reappeared in Europe. They can be found sprayed on Jewish schools, drawn on gravestones in a desecrated Jewish cemetery, painted on the wall of a synagogue, and stitched on the flags of anti-Israel demonstrators, and in the hearts and minds of the people who attack rabbinical students and Jewish athletes.

When we allow intolerance and hatred to fester and flourish, we are faced with tragic consequences. Put simply, hatred, violence and prejudice must not be tolerated. Countries must speak out against anti-Semitic acts, but rhetoric is not enough. Words will not restore the hundreds of Jewish cultural and religious sites which have been burned, desecrated and destroyed throughout Europe, and words alone will not prevent these tragedies from happening again.

Governments and institutions must condemn these acts as we do today, and they must ensure effective law enforcement against them. They must also promote tolerance education for their children. There is no question teaching children about the horror and tragedy of the Holocaust and other tragedies will create a generation of youth who are less likely to commit hate crimes and who are more likely to mature into adults who will envision and work towards peaceful world relations.

When this body passes H. Con. Res. 49, we will be spending a strong message to the world that anti-Semitism must be confronted and must be eradicated. I thank both leaders, particularly the gentleman from California (Mr. LANTOS), for his extraordinary life commitment to ending anti-Semitism and for world peace.

Mr. LANTOS. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. HASTINGS), who has been throughout his congressional career and prior to that an indefatigable fighter for human rights.

(Mr. HASTINGS of Florida asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Florida. Mr. Speaker, I thank the gentleman from California (Mr. LANTOS) for yielding me this time, and before I go forward, I would be terribly remiss if I did not point out that the gentleman from California (Mr. LANTOS) has spent his lifetime in the struggle that some of us come to with equal passion, but not the clarity that he brings to the issue.

I also am happy to support the resolution offered by the chairman of the Helsinki Commission and to compliment the gentleman from New Jersey (Mr. SMITH) for his continuing work in the area of human rights and the gentleman from California (Mr. LANTOS) as being a stalwart champion for human rights.

□ 1300

As Chairman SMITH has already mentioned, last week he and I had the privilege to represent the United States at the Organization for Security and Cooperation in Europe's conference on anti-Semitism. A footnote right there. That conference came about because the gentleman from New Jersey (Mr. SMITH), the gentleman from Maryland (Mr. HOYER), the gentleman from California (Mr. LANTOS), the gentleman from Maryland (Mr. CARDIN), myself and others on the Helsinki Commission along with colleagues in Europe brought it to the attention of the parliamentary assembly by way of resolution which we will introduce yet another resolution for follow-up purposes when we are in Rotterdam 1 week from now. But it was in this body that that conference's seed was planted. The conference, which was the first of its kind,

provided the OSCE's 55 member states and NGOs with an opportunity to discuss ways in which governments can work to combat anti-Semitism within their borders and abroad.

Today's resolution is an important symbolic statement of the House that the United States will not stand idly by while many European governments neglect a rise in anti-Semitism. We must work with our allies and not hesitate to apply pressure when needed to ensure that governments properly address increases in anti-Semitism and other forms of discrimination.

A few years ago, there were hopes that anti-Semitism was gradually declining and restricted to fringe elements such as neo-Nazis, white supremacists and certain conspiracy theorists. However, recent developments throughout much of Europe and the Middle East suggest that there is a resurgent anti-Semitism with a much broader base and message that resonates at an alarming level. Many European leaders have formally recognized the resurgence of anti-Semitism in their countries and have begun to take the necessary steps to stop this spreading virus. But still, more must be done to ensure that what occurred to the Jewish and minority communities in Europe during World War II will never happen again.

Sadly, Mr. Speaker, the fight against bigotry and xenophobia is an ongoing struggle as many of us know from our own personal experience. Last week when the gentleman from New Jersey and I were in Vienna, we heard from a woman whose name is Rosalia Abella of the Ontario Court of Appeals. As she noted in one of the more poignant statements made at that conference, ''Indifference is injustice's incubator.'' Indeed it is.

Now is the time for the United States to be vocal and now is the time for the House to be active as it is today under the leadership of the gentleman from New Jersey and the gentleman from California. Today is not a day for complacency. If we remain silent, then there will be no tomorrow. We cannot legislate morality, we cannot legislate love, but we can teach tolerance and we can lead by example.

Mr. SMITH of New Jersey. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Speaker, I rise in strong support of the Smith-Cardin-Lantos resolution. I am a cosponsor of this resolution because I am deeply concerned about the surge of anti-Semitism in Europe and throughout other parts of the world, but particularly in Europe.

This is not a problem that simply can be monitored. It must be actively and aggressively dealt with, for we must never forget that just 60 years ago, Europe saw the worst scourge of systematic, government-ordained hatred, violence and murder in the history of mankind, in what was an unbelievable Holocaust.

The Organization for Security and Cooperation in Europe (OSCE) has recognized and condemned anti-Semitic violence in its member states. At its parliamentary assembly in July 2002, the OSCE resolved to aggressively enforce laws and investigate anti-Semitic criminal acts. It is important that the United States openly support the OSCE's resolution and actively encourage it to address hatred and prevent violence in Europe.

Mr. Speaker, there are several topics on which the United States and Europe disagree. There must be no disagreement, however, on the absolute right of the Jewish people to practice their religion freely and to live in peace and prosperity. The Organization for Security and Cooperation in Europe should not only investigate anti-Semitic crimes but also promote and facilitate discussions that address the root causes of xenophobic hatred.

I encourage my colleagues and the administration to take advantage of bilateral meetings with our European counterparts to reaffirm our deep commitment to the prevention of violence in Europe.

I again thank the gentleman from New Jersey for bringing this resolution to the floor and urge its adoption.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to the gentleman from New York (Mr. CROWLEY), a distinguished member of the Committee on International Relations.

Mr. CROWLEY. I thank my good friend the gentleman from California (Mr. LANTOS) for yielding me this time.

Mr. Speaker, I rise today to strongly support this resolution, and I thank the gentleman from New Jersey for sponsoring this crucial piece of legislation. I am very aware of the danger of being inactive about the threat of anti-Semitism. It was anti-Semitism that was responsible for the horrors of the Holocaust, the most horrible crime committed against the Jewish people ever. Sadly, I have to say here today that nearly 60 years after the end of World War II, anti-Semitism in Europe, in many of the OSCE member states, is on the rise again. Once again we witness evil propaganda, physical attacks against Jews, the burning of Jewish sites and the desecration of synagogues. We must not stand aside and ignore this grave escalation of anti-Semitic violence and hatred.

This resolution addresses this threat. It particularly calls on administration officials and Members of Congress to focus on anti-Semitism in their bilateral and multilateral meetings. It calls upon OSCE member states to swiftly bring anti-Semitists to justice and to focus on educational endeavors to fight anti-Semitic stereotypes.

I would also like to point out that this piece of legislation is similar to a resolution I introduced last year. House Resolution 393 also addresses the anti-Semitic threat in the OSCE region. It urges European governments to provide security and safety of the Jewish communities, to prosecute and punish perpetrators of anti-Semitic violence, and to cultivate a climate in which all forms of anti-Semitism are rejected.

I was proud that my colleagues in Congress joined me in sending this message to the European Union, but we must go further. Anti-Semitism continues to fester throughout the OSCE region. This resolution is the right follow-up to my legislation that passed in the last Congress.

Mr. Speaker, the threat of anti-Semitism is looming large and our fight against it is far from over, but I believe that recognizing this problem and taking action is critical. I therefore urge all of my colleagues to strongly support House Resolution 49 sponsored by the gentleman from New Jersey. I would ask them all to vote for this resolution unanimously. I want to thank the gentleman from California again for his work on this resolution and all my colleagues in bringing this to the House floor.

Mr. SMITH of New Jersey. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I am proud to join the gentleman from New Jersey and the gentleman from California as I have over the years on many human rights issues, and this is a human rights issue. Racism, religious hatred, these are things that decent people must condemn and we must unite in our strong opposition wherever this type of vile behavior and vile thought patterns emerge. We must recognize that there are, however, people who exploit these type of negative feelings and this type of racial hatred. Anti-Semitism is perhaps the epitome of this ignorance and irrationality and mindless hatred and it is again raising its ugly head both in Europe and in the United States.

Let us note that over 10 years ago, a major political figure in the United States referred to New York City as ''Hymietown.'' What is important is the fact that he was winked at and that for 10 years after that statement, he still remained a recognized leader. That did tremendous harm in America's black community. It sent a horrible message to young blacks and we are paying some of the price of an increased anti-Semitism today in our black community by mistakes that we made 10 years ago by not condemning that and other types of horrible remarks that should never have been made or accepted in our political debate.

In Europe today, we see that same kind of winking going on. Oh, yes, people are ignoring statements that are being made that are totally unacceptable to people who believe in civilized behavior and are opposed to this type of vile hatred, the vile hatred in relationship to their fellow man. This is an alarm bell today. I am very proud to stand here with the gentleman from

California and the gentleman from New Jersey ringing the alarm bell. We are not going to sit idly by and wink at an increase in this level of hatred towards our Jewish friends nor towards any other minority in the Western democracies. The Western democracies, our friends in Europe, just like we in the United States, have to remain vigilant and it is up to us as leaders of this society and the democratic leaders in Europe to call to task those who would wink and would not condemn this type of vicious trend in their society. We can cut it short now. Let us stand together united against anti-Semitism and all such hatred.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, in terms that we do not usually use on this floor but in terms that may be familiar to our friends in Europe, in the American context, I am a man of the left. I voted against the war in Iraq. I will vote for the resolution later about Israel's right to respond to terrorism, but I will put into the CONGRESSIONAL RECORD Tom Friedman's article urging them to think about prudence and restraint. I think the settlements are by and large a mistake. And I speak today in defense of this resolution, specifically to others on the left in Europe, many of whom have in my judgment been morally deficient in the obligation we have to speak out against prejudice and injustice across the board. Those who hold to liberal values have no moral right to put an ideological screen between victims and those values, and those on the left who use an excuse of a disagreement with the policy of the Sharon government or the Bush government or anybody else as a reason to be soft on anti-Semitism betray liberalism and betray its values.

By the way, with regard to the government of Israel, let me speak to the people on the left. I disagree with some aspects of its policy, but I staunchly defend its right to exist. But even more important, by every value that I as a liberal hold dear, the government and society of Israel is quite morally superior to any of its neighbors, and to focus only on those aspects of disagreement and to ignore its longstanding commitment to civil rights and civil liberties, in fact I think our society, the United States, has a good deal to learn from the society of Israel about how you deal with external threats and still show a respect for civil liberties.

I thank the gentleman from California and the gentleman from New Jersey for bringing this forward and the gentleman from Illinois for his support. I want to reiterate as a man on the left who shares a great deal of both general values and specific policy prescriptions with many on the left in Europe, I am appalled at those who fail to carry out our liberal principles fully and across the board. A vigorous and ongoing condemnation of anti-Semitism is a requisite part of that commitment.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

At the most recent conference that was held in Vienna, I just want to again thank the great work that Ambassador Minikes did, our Ambassador to the OSCE. He has worked very, very hard to help put together that anti-Semitism conference. He did an outstanding job. Ambassador Cliff Sobel, our Ambassador to the Netherlands, also worked very hard on it as well, as did many others in the State Department. It was a joint effort. Again I want to thank Rudy Giuliani for the good work he did in leading that.

Let me just also say that, Mr. Speaker, next week in Rotterdam we will have an OSCE Parliamentary Assembly and I plan on offering another resolution on anti-Semitism at that and hopefully we continue not only this dialogue but this outrage that we are expressing about intolerance. The more we raise our voices, the more we have mutually reinforcing policies, including good law, good law enforcement and hopefully a chronicling of these misdeeds so that law enforcement knows that they do indeed have a problem. This has been a particular problem in Europe, where hate crimes are committed and they are not attributed to the hate crimes that they represent.

□ 1315

The more we chronicle, the more we will see that there is an explosion of anti-Semitism in Europe. This is a good resolution. I thank the gentleman from California (Mr. LANTOS), and I thank the gentleman and chairman from Illinois (Mr. HYDE) for moving this bill expeditiously through the committee and for his strong support for it.

Mr. Speaker, I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield 1 minute to the gentlewoman from Nevada (Ms. BERKLEY), a distinguished member of the Committee on International Relations and a fighter for human rights.

Ms. BERKLEY. Mr. Speaker, I would like to thank the gentleman from California (Mr. LANTOS) and the gentleman from New Jersey (Mr. SMITH) for putting this before our body.

I grew up hearing about anti-Semitism from my grandparents and my parents, things that I could not believe could have ever happened; but the anti-Semitism acts that they spoke of seemed like historic oddities to me, something from a distant time and a distant place. I never dreamed, never dreamed that anti-Semitism could ever rear its ugly head again during my lifetime or the lifetime of my children.

Especially after World War II, I thought Europe and the rest of the world had learned a very important and valuable lesson. I ran for Congress so that I could speak out against issues that I thought were horrific; and anti-Semitism, and its continued existence on this planet, is certainly something that I wish to speak out against. I am glad that we are condemning anti-Semitism in no uncertain terms and putting the United States Congress on record and speaking out forcefully against this horrible scourge and plague.

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent to reclaim my time for purposes of yielding the remainder of my time to the gentleman from Maryland (Mr. HOYER).

The SPEAKER pro tempore (Mr. BASS). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman has 1 minute.

Mr. SMITH of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the chairman of the Helsinki Commission for yielding me this time. I am proud to be a co-sponsor of this very important resolution.

This is about anti-Semitism. But more broadly than that, it is about hate. It is about the human inclination from time to time to hate others who are different, to discriminate against others who are different, who have a different color of skin, who have a different religion, who have a different national origin. More human violence perhaps has been perpetrated in the name of those distinctions and prejudices and hate than any other.

It is important that we regularly and strongly and without equivocation speak out against those who would perpetrate and spread hate in our world, in our country, in our communities.

I thank the gentleman from New Jersey, and I thank my good friend, the gentleman from California, for their leadership on this issue. It is an appropriate statement for us to make as the representatives of a free and tolerant people.

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. DAVIS).

(Mr. DAVIS of Alabama asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Alabama. Mr. Speaker, I do not want this debate to end without adding my voice in support of the resolution.

Mr. LANTOS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER), a distinguished fighter for human rights.

Mr. NADLER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, many people thought that the Holocaust cleansed the Western world of anti-Semitism, that the catastrophe, the mass murder, and the genocide in the Holocaust caused the civilized world or at least the Western part of the civilized world to recoil in such horror that anti-Semitism would

not be a major problem again. We now know that maybe it did that for a generation or two, but that the scourge of anti-Semitism is returning in great and terrible force in its ancient homeland of Europe and other places.

Today we have two major problems of anti-Semitism: in Europe and in the Muslim world. It is very appropriate that we adopt this resolution today to ask the governments of Europe through the OSCE and individually to crack down on anti-Semitism, to speak out against it, to act against it because many of the governments of Europe, many of the parts of the political left in Europe and elsewhere as well as the right have not done so. They ought to do so. And this resolution is fitting and appropriate to adopt today for that purpose.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in support of H. Con. Res. 49, expressing the sense of Congress that the sharp escalation of anti-Semitic violence within many participating States of the Organization for Security and Cooperation in Europe is of profound concern and efforts should be undertaken to prevent future occurrences.

I begin by praising the Organization for Security and Cooperation in Europe for their conference this past weekend devoted to the issues of anti-Semitism and how to combat it. The Organization for Security and Cooperation in Europe (OSCE) is the largest regional security organization in the world with 55 participating countries from Europe, Central Asia, and North America. The OSCE has a comprehensive and cooperative approach to security, stressing preventative diplomacy and human rights.

The conference last weekend was the first high level OSCE conference devoted specifically to the issue of anti-Semitism. Over 400 government and nongovernment officials attended.

The conference took place at Vienna's Hofburg Palace. This same location is where Hitler stood, 65 years ago, proclaiming Austria's annexation to a cheering crowd of thousands. Sixty-five years later, what can we say about tolerance and diversity in Europe? What can we say about Human Rights worldwide? Specifically, 65 years after the beginning of the worst genocide in our time, what can we say we have learned about anti-Semitism and the horrors of racial hatred?

Much has changed since then. Yet today there are both overt and subtle versions of anti-Semitism, in the United States and abroad. Physical assaults, arson at synagogues and desecration of Jewish cultural sites are occurring. Unfortunately, government officials are not speaking harshly enough against them.

The conference on anti-Semitism opened a day after the Romanian Government retracted an earlier claim that ''there was no Holocaust'' on Romanian soil. In Greece, a recent newspaper cartoon had one Israeli soldier telling the other, ''we were not in Dachau concentration camp to survive, but to learn.''

France has experienced a six-fold increase in anti-Semitic incidents in the space of a year. In Poland, the word ''Jewish'' is used as a term of abuse for Polish soccer fans. In other parts of Europe, claims are made that Jews had forewarning of the September 11th attacks at the Pentagon and World Trade Towers.

The existence of anti-Semitism has played throughout history as a major threat to freedom. Participating states of the OSCE should unequivocally condemn anti-Semitism, racial and ethnic hatred and xenophobia, and they need to be loud and clear in their message.

We cannot allow future generations to be taught a distorted view of history. Prejudice must be rooted out of textbooks, governments must speak out against these wrongdoings, and anti-Semitic actions must be classified as hate crimes. We also need to ensure effective law enforcement. Finally, we must promote the creation of educational efforts and we must increase Holocaust awareness. I abhor and stand against all forms of hatred.

If action had been taken in the 1930s, many lives could have been saved. There are so many lessons of history that need to be learned, lest they not be repeated. For that reason I support H. Con. Res. 49.

Mr. PAUL. Mr. Speaker: I will reluctantly vote in favor of this legislation, partly because it is simply a sense of Congress resolution. But I am concerned about this bill and the others like it we face with regularity on the floor of Congress. We all condemn violence against innocents, whether it is motivated by hatred, prejudice, greed, jealousy, or whatever else. But that is not what this legislation is really about. It is about the Congress of the United States presuming to know—and to legislate on—the affairs of European countries. First, this is the United States Congress. We have no Constitutional authority to pass legislation affecting foreign countries. Second, when we get involved in matters such as this we usually get it wrong. H. Con. Res. 45 is an example of us getting it wrong on both fronts.

This legislation refers to the rise of anti-Semitism in Europe as if it is a purely homegrown phenomenon, as if native residents of European countries are suddenly committing violent crimes against Jews. But I think we are only getting part of the story here. What is absent from the legislation is mention of the well-reported fact that much of the anti-Jewish violence in Europe is perpetrated by recent immigrants from Muslim countries of the Middle East and Africa. Reporting on a firebombing of a Synagogue in Marseille, France, for example, the New York Times quotes the longtime president of that region's Jewish Council, Charles Haddad, as saying, ''This is not anti-Semitic violence; it's the Middle East conflict that's playing out here.''

Therefore, part of the problem in many European countries is the massive immigration from predominantly Muslim countries, where new residents bring their hatreds and prejudices with them. Those European politicians who recognize this growing problem—there are now 600,000 Jews in France and five million Muslims—are denounced as racist and worse. While I do not oppose immigration, it must be admitted that massive immigration from vastly different cultures brings a myriad of potential problems and conflicts. These are complicated issues for we in Congress to deal with here in the United States. Yes, prejudice and hatred are evil and must be opposed, but it is absurd for us to try to solve these problems in countries overseas.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 49.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on three of the motions to suspend the rules previously postponed. Votes will be taken in the following order:

S. 858, by the yeas and nays;

H.R. 2474, by the yeas and nays;

H.J. Res. 49, by the yeas and nays.

Proceedings on other postponed questions will resume later.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

ABRAHAM LINCOLN BICENTENNIAL COMMISSION

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 858.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. SOUDER) that the House suspend the rules and pass the Senate bill, S. 858, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 409, nays 2, not voting 23, as follows:

[Roll No. 312]

YEAS—409

Abercrombie	Bishop (GA)	Buyer
Ackerman	Bishop (NY)	Calvert
Aderholt	Bishop (UT)	Camp
Akin	Blackburn	Cannon
Alexander	Blumenauer	Cantor
Allen	Blunt	Capito
Andrews	Boehlert	Capps
Baca	Boehner	Capuano
Bachus	Bonilla	Cardin
Baird	Bonner	Cardoza
Baldwin	Bono	Carson (IN)
Ballance	Boozman	Carson (OK)
Ballenger	Boswell	Carter
Bartlett (MD)	Boucher	Case
Barton (TX)	Boyd	Castle
Bass	Bradley (NH)	Chabot
Beauprez	Brady (PA)	Chocola
Becerra	Brady (TX)	Clay
Bell	Brown (OH)	Clyburn
Bereuter	Brown (SC)	Coble
Berkley	Brown, Corrine	Cole
Berman	Burgess	Collins
Berry	Burns	Cooper
Biggert	Burr	Costello
Bilirakis	Burton (IN)	Cox

Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kucinich
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NAYS—2

Paul
Sensenbrenner

NOT VOTING—23

Baker
Barrett (SC)
Brown-Waite, Ginny
Conyers
Cubin
Everett
Flake
Fletcher
Franks (AZ)
Hayworth
Hunter
John
Kolbe
Larsen (WA)
Renzi
Saxton
Shadegg
Skelton
Smith (WA)
Stenholm
Tauzin
Weiner
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are reminded there are 2 minutes remaining on this vote.

□ 1342

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the remainder of this series will be conducted as 5-minute votes.

TEMPORARY AUTHORITY FOR CONGRESSIONAL HUNGER CENTER TO AWARD BILL EMERSON AND MICKEY LELAND HUNGER FELLOWSHIPS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2474, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 2474, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 0, not voting 23, as follows:

[Roll No. 313]

YEAS—411

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kucinich
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman

Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watt
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—23

Barrett (SC)
Bishop (GA)
Brown-Waite, Ginny
Chocola
Conyers
Cubin
Everett
Flake
Fletcher
Franks (AZ)
Hayworth
Hunter
Kolbe
Larsen (WA)
Renzi
Saxton
Shadegg
Skelton
Smith (WA)
Stenholm
Watson
Weiner
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BASS) (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1351

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''A bill to authorize the Congressional Hunger Center to award Bill Emerson and Mickey Leland Hunger Fellowships for fiscal years 2003 and 2004.''.

A motion to reconsider was laid on the table.

Stated for:

Ms. WATSON. Mr. Speaker, on rollcall 313 I would have voted ''yea.''

RECOGNIZING IMPORTANT SERVICE PROVIDED BY FOREIGN AGRICULTURAL SERVICE ON OCCASION OF ITS 50TH ANNIVERSARY

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the joint resolution, H.J. Res. 49.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the joint resolution, H.J. Res. 49, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 409, nays 0, not voting 25, as follows:

[Roll No. 314]

YEAS—409

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Fossella
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gephardt
Gerlach
Gibbons
Gilchrest
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kucinich
LaHood
Lampson
Langevin
Lantos
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stark
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOT VOTING—25

Barrett (SC)
Brown-Waite, Ginny
Cantor
Chocola
Conyers
Cubin
DeMint
Everett
Flake
Fletcher
Franks (AZ)
Hayworth
Hunter
Kolbe
Larsen (WA)
Linder
Miller (FL)
Pence
Renzi
Saxton
Shadegg
Skelton
Smith (WA)
Weiner
Young (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised there are 2 minutes remaining in this vote.

□ 1400

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RENZI. Mr. Speaker, I was attending Congressman Bob Stump's funeral service today and missed votes on the following measures:

1. On motion to suspend the rules and pass S. 858—Abraham Lincoln Bicentennial Commission Extension Act, roll No. 312. Had I been present, I would have voted ''yea.''

2. On motion to suspend the rules and pass H.R. 2474—to require that funds made available for fiscal years 2003 and 2004 for the Bill Emerson and Mickey Leland Hunger Fellowships be administered through the Congressional Hunger Center, roll No. 313. Had I been present, I would have voted ''yea.''

3. On motion to suspend the rules and pass H.J. Res. 49—recognizing the important service to the Nation provided by the Foreign Agriculture Service of the Department of Agriculture on the occasion of its 50th anniversary,

roll No. 314. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. BARRETT of South Carolina. Mr. Speaker, due to a meeting with President Bush at the White House, I unfortunately missed three recorded votes on the House floor earlier today.

I ask that the RECORD reflect that had I not been unavoidably detained at this meeting, I would have voted "yes" on rollcall vote No. 312 (Motion to Suspend the Rules and Pass S. 858); "yes" on rollcall vote No. 313 (Motion to Suspend the Rules and Pass H.R. 2474); and "yes" on rollcall vote No. 314 (Motion to Suspend the Rules and Pass H.J. Res. 49).

□ 1400

CALLING ON CHINA TO IMMEDIATELY AND UNCONDITIONALLY RELEASE DR. YANG JIANLI

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 199) calling on the Government of the People's Republic of China immediately and unconditionally to release Dr. Yang Jianli, calling on the President of the United States to continue working on behalf of Dr. Yang Jianli for his release, and for other purposes, as amended.

The Clerk read as follows:

H. RES. 199

Whereas according to the United States Department of State's 2002 Country Reports on Human Rights Practices in China, the Government of the People's Republic of China has "continued to commit numerous and serious [human rights] abuses", including "instances of . . . arbitrary arrest and detention, lengthy incommunicado detention, and denial of due process";

Whereas according to the 2002 Country Reports on Human Rights Practices in China, "the country's criminal procedures were not in compliance with international standards", "the lack of due process in the judicial system remained a serious problem", and "authorities routinely violated legal protections in the cases of political dissidents";

Whereas Dr. Yang Jianli, an internationally renowned scholar, prodemocracy activist, and President of the Foundation for China in the 21st Century, is an alien lawfully admitted for permanent residence into the United States;

Whereas Dr. Yang Jianli has been detained incommunicado by the Government of the People's Republic of China since April 26, 2002, when he was arrested for reportedly entering China with false or incomplete identity documents;

Whereas according to the United Nations Commission on Human Rights Resolution 1997/38, "prolonged incommunicado detention may . . . itself constitute a form of cruel, inhuman, or degrading treatment", which is prohibited by international law;

Whereas Dr. Yang Jianli has been deprived of his basic human rights by being denied access to legal counsel and contact with his wife and two children (who are United States citizens), and has also been denied his right to trial within a reasonable time or to release;

Whereas on May 7, 2003, the United Nations Working Group on Arbitrary Detention expressed the opinion that "[t]he non-observance of Mr. Yang Jianli's right to a fair trial is of such gravity as to give his deprivation of liberty an arbitrary character. Therefore, his arrest and detention is arbitrary being in contravention of Article 9 of the Universal Declaration on Human Rights and of Article 9 of the International Covenant on Civil and Political Rights"; and

Whereas the arbitrary imprisonment and the violation of the human rights of United States citizens and permanent resident aliens by the Government of the People's Republic of China are sources of continuing, grave concern to the House of Representatives: Now, therefore, be it

Resolved, That—

(1) the House of Representatives—

(A) condemns and deplores the incommunicado detention of Dr. Yang Jianli, and calls for his immediate and unconditional release;

(B) condemns and deplores the lack of due process afforded to Dr. Yang;

(C) strongly urges the Government of the People's Republic of China to respond to the repeated requests by Members of the House of Representatives for information about Dr. Yang's whereabouts and condition; and

(D) strongly urges the Government of the People's Republic of China to consider the implications for the broader relationship between the United States and the People's Republic of China of detaining permanent resident aliens of the United States without providing them access to legal counsel or family members; and

(2) it is the sense of the House of Representatives that the United States—

(A) should make the immediate release of Dr. Yang Jianli by the Government of the People's Republic of China a top concern of United States foreign policy;

(B) should continue to make every effort to assist Dr. Yang Jianli and his family while discussions of his release are ongoing;

(C) should make it clear to the Government of the People's Republic of China that the detention of United States citizens and permanent resident aliens and the infliction of human rights violations on these groups are not in the interest of the Government of the People's Republic of China because they create obstacles to improved bilateral relations and cooperation with the United States; and

(D) should reiterate the deep concern of the United States regarding the continued imprisonment of Dr. Yang Jianli and other United States citizens and permanent resident aliens whose human rights are being violated, and discuss their legal status and immediate humanitarian needs with the Government of the People's Republic of China.

The SPEAKER pro tempore (Mr. BASS). Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think as every Member of this body knows, the PRC and its leadership in Beijing would love to be regarded as a respected member of the international community. In pursuit of that goal, however, the PRC has sought and obtained membership in the World Trade Organization; and it has lobbied and received the Beijing Olympics of 2008. However, trade volume alone, and there has been a great deal of trade volume particularly between the U.S. and China, is not really a measure of success, I would say to my colleagues. What really determines the quality of a country is how it treats its own citizens, and how it respects fundamental human rights.

History shows that some very unsavory regimes held the Olympic games. We all remember the Nazi Olympic Games prior to the Second World War, but holding a game, having trade, having the air of respectability does not necessarily mean that it is a respectable regime.

The government of Beijing has an enormous way to go, I would respectfully submit, to earn the international respect that it craves. The Chinese government, and I consider it to be a dictatorship, but if they really hope to earn respectability in the eyes of the world, they need to make some very needed fundamental changes, and there is a case in point that we raise today, and I thank the gentleman from Massachusetts (Mr. FRANK) for bringing this resolution before us today.

Dr. Yang Jianli is a compelling case. H. Res. 199, introduced by the gentleman from Massachusetts (Mr. FRANK) highlights the case of this U.S. lawful permanent resident who has been unjustly detained incommunicado inside China since April 26, not of this year, but of last year, 14 months. Mr. Yang was arrested for reportedly entering China with false or incompletely identifying documents, has been denied access to counsel, contact with his wife Christina Fu and their two children, Anita and Aaron, and his right to a trial within a reasonable time.

Frankly, Beijing remains more concerned about the research, at least that is our belief, that the internationally respected scholar Dr. Yang, who was conducting studies regarding labor unrest in China, rather than how he got into the country. It is all about what he was studying.

Dr. Yang's research points to the dark side of the Chinese economic miracle, the so-called workers' paradise, where the working class remains the main victim of unemployment and forced early retirement due to the restructuring of State-owned enterprises. That then is Dr. Yang's major sin in Beijing's eyes. He was documenting the anger of workers directed at party bosses mired in personnel greed and corruption despite their official pledge to serve the people.

Beijing's loss of face in this case has only been compounded by the recent determination by the United States Working Group on Arbitrary Detention, which found that Mr. Yang's detention is arbitrary and in direct contravention of the Universal Declaration on Human Rights. As the U.N. working group has so clearly pointed out, the continued arbitrary detention of this man is not the action of a great nation which seeks the full respect of the international community.

The U.S. House of Representatives today is sending a clear, not ambiguous, message to the government of Beijing: Let Dr. Yang go, let him come home to his wife, his children. His wife is here with us and his children are on the floor of this House right now.

We care about this man. We care about it in a bipartisan way, Democrats and Republicans. A lot divides us in this Chamber. The case of Dr. Yang unites us.

Mr. Speaker, I reserve the balance of our time

Mr. LANTOS. Mr. Speaker, I yield myself such time as I might consume, and I rise in strong support of this resolution.

First, Mr. Speaker, I want to commend my friend, the gentleman from New Jersey (Mr. SMITH), and the gentleman from Illinois (Mr. HYDE), the distinguished chairman of the Committee on International Relations, for moving this resolution forward so expeditiously, but I particularly want to commend my dear friend and distinguished colleague from Massachusetts (Mr. FRANK) for his outstanding leadership on this resolution and indeed on all human rights issues.

Mr. Speaker, the resolution before the House addresses one human rights case that is unfortunately part of a much larger trend in modern day China. Over the past several years, the Chinese government has deliberately targeted naturalized Americans born in China and Chinese citizens permanently residing in the United States for harassment and imprisonment in the People's Republic of China.

Instead of, as one would expect, welcoming Chinese-American talent, the People's Republic of China is sending the message to the Chinese diaspora that it returns to China at its own considerable risk.

Mr. Speaker, in the case addressed in this resolution, Dr. Yang Jianli is a scholar and a leader of a prominent human rights organization. He is a permanent legal resident of the United States. He returned to the People's Republic of China in April of last year, and he has been detained incommunicado ever since that time. He has a wife and two children in the United States, all of whom are American citizens, and he has been unable to communicate with his family since the moment of his detention. He has been denied access to legal counsel.

Mr. Speaker, it is imperative that Dr. Yang be released and allowed to return to his family in the United States as soon as possible. I would also urge the executive branch of our government to make his release a priority. Until Dr. Yang is released, an ominous shadow will lie over U.S.-Chinese relations. It is absolutely incomprehensible and insane that this great nation of 1.2 billion people should keep an American citizen, the father of two small American children, incommunicado in a Communist prison in China.

I commend the gentleman from Massachusetts (Mr. FRANK) for introducing this resolution, and I urge all of my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). Does the gentlewoman from Florida seek unanimous consent to control the balance of the time?

Ms. ROS-LEHTINEN. Yes, I do, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. COX), the chairman of the House Policy Conference.

Mr. COX. Mr. Speaker, I thank the chairwoman for yielding me the time.

I too rise in strong support of H. Res. 199 calling on the government of the People's Republic of China to immediately and unconditionally release Dr. Yang Jianli.

Dr. Yang is being imprisoned for his love of democracy and his love of country. As a tireless fighter for human rights and democracy in China, Dr. Yang has remained faithful to his conscience and to his cause, even at the risk of imperiling his career and his life.

Nearly 15 years ago, after studying in the United States for 4 years, Dr. Yang suspended his graduate studies and returned to the land of his birth, to China, to support the students who were working for democracy in Beijing. On June 4, 1989, he watched as the tanks rolled in Tiananmen Square and narrowly escaped himself while his fellow students and activists were imprisoned and executed.

Throughout this ordeal his wife Christina Fu did not know if he was even alive. Today, Christina is being tortured in a living hell once more because once again she does not know whether the Chinese Communist Party will return her husband alive.

Her husband's imprisonment violates all of the procedures and rules that the PRC has set out in law, and it confirms our worst fears, that when it comes to the denial of human rights, nothing in the People's Republic of China has really changed since 1989.

Today's totalitarian regime continues to view freedom and liberty as dangerous threats to the existing order and acts accordingly, punishing democracy activists like Dr. Yang with ruthless impunity.

He is a permanent resident of the United States. His family lives here. His wife Christina is with us in the Chamber as are his children Aaron and Anita. I have met with Christina and with his family many times over the last several month, and we have tried in every way to send our concerns to the rulers in Beijing. This American family deserves to have their father back, and this man, whose human rights are being abridged by the PRC's violation of its own laws and every international covenant that it had signed, deserves basic fairness.

Dr. Yang has been held incommunicado in the People's Republic of China for over 13 months, incommunicado, meaning that nobody can talk to him. We cannot get the State Department to talk to him. We cannot see this American resident. We cannot report to his family in what condition he is. He has not been properly charged in violation of Beijing's own laws.

Earlier this month on June 4, which incidentally was the 14th anniversary of the Tiananmen massacre, the United Nations Working Group on Arbitrary Detention found that China violated Dr. Yang Jianli's rights as a citizen, as a citizen of China, and violated his rights as a resident of the United States by detaining him in a Chinese prison with no access to family or to a lawyer. As a consequence of these actions, the working group concluded that China is violating the Universal Declaration on Human Rights and the International Covenant on Civil and Political Rights.

□ 1415

It is fitting that a U.N.-sponsored organization, with its diverse membership and international credentials, would single out the PRC for its dreadful behavior. The Working Group consisted of representatives from Algeria, France, Hungary, Paraguay, and Iran. That is right, even Iran has condemned this abuse of human rights by China. The PRC ought to be very ashamed.

The day after the U.N. report, the Communist regime responded that it had complied with Chinese law by advising Dr. Yang's family of his detention via telephone. The PRC's statements conveniently avoid the discussion of any of the specific laws that govern the detention process. While claiming it provided a notice of detention, the regime in Beijing forgot to add its own procedural law requires that the family or employer of a detained person be notified within 24 hours of a detention. That formal notice of detention has been sorely absent for months.

Moreover, while PRC law also permits detention of 37 days without a warrant in emergency situations, Dr. Yang has been illegally detained in China for more than a year. This blatant disregard for the due process of law is further evidence of the PRC's collective disdain towards the established rule of law. Despite the unambiguous text of its own laws and the

weight of international condemnation, the communist regime continues to use deceit and manipulation to strengthen its totalitarian rule.

Just as it persecutes men and women like Dr. Yang, the PRC is attempting to extend its coercion beyond. The House is also considering today House Resolution 277, legislation that I authored to condemn the PRC's crackdown on freedom of speech in Hong Kong. As the city with the strongest tradition of freedom in China, Hong Kong is an island of liberty in a sea of oppression. Preserving free speech in Hong Kong will help ensure that liberty flourishes not just for the people of Hong Kong but throughout the PRC, so that in the future we will not be on the floor with resolutions for individual heroes and heroines such as Dr. Yang Jianli.

Mr. Speaker, securing liberty in the People's Republic of China and freedom for Dr. Yang are all part of the same struggle. The Chinese Communist Party must not be allowed to forget the sacrifices made at Tiananmen Square. They must not be allowed to extinguish the message of hope that Tiananmen survivors, like Dr. Yang, convey to the people of the People's Republic of China.

Mr. Speaker, I commend my colleague, the gentleman from Massachusetts (Mr. FRANK), for authoring this legislation; and I commend the gentleman from Illinois (Mr. HYDE), as well as the ranking member, the gentleman from California (Mr. LANTOS), for supporting freedom for Dr. Yang and freedom in China and around the world.

Mr. LANTOS. Mr. Speaker, I am delighted to yield such time as he may consume to the gentleman from Massachusetts (Mr. FRANK), the author of this resolution and one of the most indefatigable fighters for human rights in this body.

Mr. FRANK of Massachusetts. Mr. Speaker, we often congratulate and thank each other when we take these microphones, but I have to say that I do so here with the greatest sincerity of which I am capable. The gentleman from California, who has drawn on his own life experience to become an unabashed, unceasing opponent of oppression everywhere, is an inspiration to us.

I appreciate very much the chairman of the full committee, the gentleman from Illinois, for agreeing to bring this forward with great speed and allowing us to deal with it on a timetable that we hope will give it the maximum impact in freeing this brave man from a wholly unjustified imprisonment.

To the gentleman from New Jersey, who chairs the subcommittee, he has been staunch in his advocacy; and I express my great appreciation as well to the gentleman from California (Mr. COX), whose own expertise in dealing with the People's Republic of China has been built up over the years. He and my colleague, the gentleman from Massachusetts (Mr. CAPUANO), have been indispensable allies and partners in this fight.

And, Mr. Speaker, it is a very simple fight. We are saying to the government of the People's Republic of China, we understand your aspiration to be treated with all the respect due a great power. We ask you to act like one. We ask you to understand that even though there are many among us who differ with your form of government, are critical of some aspects of your society, we are prepared to recognize the fact of not just your existence but of your strength, of your power, and of your economy as it grows.

We and the Chinese Government occupy the same Earth, and that requires us to cooperate even where there are areas of disagreement. But there are limits to the extent to which this Nation, with our commitment to our basic principles, can look the other way. There are limits to the extent to which we can say economic self-interest and geopolitical self-interest preempt concern for principle. And here we have an example.

Mr. Speaker, Dr. Yang's crime is that he loved too much both liberty and China. Born in China, he worked as a Chinese citizen to bring to his fellow citizens the freedom that he understands is so important. He was expelled not because he hurt anyone, not because he stole anything, not because he mistreated anyone, but because he would not bridle his love of liberty; and so he was sent away. But he could not stay away.

He has, of course, a great love for his wife and his children, and they for him. And their commitment to his cause and the dignity with which they bear the pain of their separation inspires all of us who have worked with him. Dr. Yang risked a great deal to go back to China, not to steal, not to undermine, not to cause problems, not to engage in terrorism; but to try to help people live their lives in some freedom. And he, unfortunately, had to enter illegally. We acknowledge that. Because he would not have been allowed in that society to do what he wanted to do legally.

Having apprehended him, though I wish the Chinese had a different set of rules and did not feel threatened by a man who loved liberty and wanted to preach it, they had a right to apprehend him and send him back. And maybe they would not send him back right away; they would hold him for a week, two, three, to try to discourage him. But there is no justification for having held this wholly decent man so long without allowing him to be in touch with his family, without even any formal charges, and in a way that violated the most basic human norms. As my friend from California said, even the government of Iran, not to be confused with anybody's civil liberties union, joined in the condemnation of this mistreatment.

Mr. Speaker, we say to the government of China that many of us are prepared to go forward in a cooperative set of arrangements dictated by the interests of the peoples of the world, despite profound differences. We can talk about them. But when you impose with all the might of this great government of China, when you impose this incredibly harsh punishment on this solitary man, take him and keep him from his family, punish him so harshly for nothing that is a crime by any civilized standard, you drive a wedge between us. And I urge the government of China in its own interest to remove this wedge; to show that in fact the pessimists are wrong and that as you grow economically you can evolve socially, you can outgrow the total lack of self-confidence that makes you appear to quake before one lone individual committed to freedom.

Mr. Speaker, I urge the People's Republic of China to listen to this House of Representatives, to the President of the United States and the State Department, to the people of America and discontinue insisting on mistreating this brave man, not simply because it is the wrong thing to do on principle but because it is a very wrong thing to do practically. I urge the government of China to reconsider whether the enormous damage you are doing to relationships that you believe are important is worth the continued persecution of Dr. Yang. And I believe that rational people will come to the conclusion that the answer is ''no.''

Mr. Speaker, I again thank my colleagues for giving us a chance as a Nation to make this important statement of principle.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO), who has worked so hard on this resolution.

Mr. CAPUANO. Mr. Speaker, I rise to echo all the comments that have been made, but I want to make it clear. I want everyone to know what this gentleman has done.

To me, this gentleman is clearly a hero. We have used the word, but understand what he did. Here is a gentleman who came from China, established a very successful, very comfortable life here in America: a wife and two children living in one of our best and most beautiful suburbs of Boston; well-respected in the community, well thought of, well loved. Very easy for him to live out the rest of his life in that comfort without any real concerns. He could speak any way he wanted to speak, feel any way he wanted to feel, do any work he wanted to do. But what did he do? He took himself voluntarily from that comfort on his own to go back to China to fight for democracy.

If anyone here thinks they have the courage to do that, you are a better person than I am. I do not know that I would have the courage to do that. I wish I would, and maybe if faced with that someday, I hope I might be able to live up to those incredible standards. But I am not so sure. I am not so sure.

This is a true modern hero, fighting for what we all talk about all day long. We are here, with all of our differences, with all of our agreements and disagreements, fighting for a better democracy. That is what we are all here for. He is fighting for a simple democracy. We cannot abandon him. The fact that this resolution is on the floor obviously shows the U.S. Congress stands with Dr. Yang, stands with the principles that I think he epitomizes.

China, as a great country, has chosen to hold him without charges. There have been no charges. There is no lawyer assigned to him. No judge has heard this case. No jury has heard this case. No administrator has heard this case. His family has not been allowed to visit him. I went on an official delegation to China in January, and I was not allowed to visit him. No American official has been allowed to visit him. No doctor of the family, no representative of the family has been allowed to visit him. How can a great country ask us to treat them as a great country when they act in such a manner?

Any crime he might have committed has already been paid back to China in the 14 months he has been held in the manner he has been held. This man should be released immediately and returned to the bosom of his family and to a welcoming and, hopefully, grateful Nation of the American people because of what he has done for us.

Mr. WOLF. Mr. Speaker, I rise today in support of H. Res. 199, calling on the government of the People's Republic of China to immediately and unconditionally release Dr. Yang Jianli, and calling on the president of the United States to continue working on behalf of Dr. Yang Jianli's release.

Dr. Yang Jianli is an internationally renowned scholar, Harvard graduate, and the president of the Foundation for China in the 21st Century. Dr. Yang was actively involved in the Tiananmen Square protests in 1989 and was subsequently blacklisted by the Chinese government for his participation. Following Tiananmen Square, Dr. Yang fled to the United States and earned two doctorates. Dr. Yang is a permanent resident of the United States.

On April 26, 2002, Dr. Yang entered China using a friend's passport to investigate reports of labor unrest in northern China. Dr. Yang Jianli was detained eight days later and has not been heard from since. The Chinese government will not confirm where he is being held and he has been refused access to an attorney. He has been held for more than 13 months and no charges have been brought against him. The maximum fine for entering China illegally is a one-year prison sentence. Dr. Yang has already spent more than a year in detention. I call on the Chinese government for his immediate release.

The State Department's recent report on human rights states that the government of the People's Republic of China ''has continued to commit numerous and serious human rights abuses, including arbitrary arrest and detention.'' On June 4, a United Nations working group ruled that Yang Jianli has been illegally detained by the Chinese government and called for Dr. Yang's immediate release.

China lacks due process. Citizens continue to suffer at the hands of Chinese officials. It is time for the state-sponsored, state-led persecution in China to stop. I join the members of the House of Representatives and the international community in calling for Dr. Yang's immediate release. It is my hope that he will be released quickly and free to reunite with his wife and two children back in the United States.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 199, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1430

CONDEMNING TERRORISM INFLICTED ON ISRAEL SINCE AQABA SUMMIT AND EXPRESSING SOLIDARITY WITH THE ISRAELI PEOPLE

Ms. ROS-LEHTINEN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 294) condemning the terrorism inflicted on Israel since the Aqaba Summit and expressing solidarity with the Israeli people in their fight against terrorism.

The Clerk read as follows:

H. RES. 299

Whereas Palestinian Authority Prime Minister Mahmoud Abbas (Abu Mazen) announced at the June 4, 2003, Aqaba Summit, ''Our goal is clear, and we will implement it firmly and without compromise: a complete end to violence and terrorism'';

Whereas Prime Minister Abbas also pledged at the Aqaba Summit to establish a system based on ''rule of law, [a] single political authority, [and] weapons only in the hands of those who are in charge of upholding the law and order . . .'';

Whereas the Middle East roadmap begins with the assertion that ''A two state solution to the Israeli-Palestinian conflict will only be achieved through an end to violence and terrorism (when the Palestinian people have a leadership acting decisively against terror and willing and able to build a practicing democracy based on tolerance and liberty)'';

Whereas 22 innocent Israelis nevertheless were murdered and scores wounded in three separate suicide bombings within less than a week after the Aqaba Summit, and the death toll from these terrorist actions is the equivalent of 1,100 on the basis of the United States population, nearly ten times the number of battle deaths the United States suffered in the recent Iraq War;

Whereas Palestinians are also victims of these terrorists, who undermine prospects for a just and lasting peace;

Whereas Islamic fundamentalist Hamas and Palestinian Islamic Jihad consistently make clear their opposition to Israel's existence in any form and within any borders and their determination to use violence and terrorism to achieve their anti-Israeli, anti-Semitic goals, and Hamas leader Abdel Aziz Rantisi vowed ''not to leave one Jew in Palestine'';

Whereas experience with terrorism demonstrates that there can be no productive negotiations or dialogue with terrorists and that a policy based on compromise with terrorists can only be doomed to failure;

Whereas the concept of ''cycle of violence'', which implies moral equivalence between terrorists and their victims, should be rejected as a description of Israeli-Palestinian dynamics, since Palestinian terrorism justifies Israeli counterterrorist operations as the response of a legitimate government defending its citizens;

Whereas Israeli counterterrorist operations would cease entirely were Palestinian terrorism to cease; and

Whereas Israel has no choice but to use its own measures to fight terrorism if the Palestinians are unwilling to do so: Now, therefore, be it

Resolved, That the House of Representatives—

(1) condemns in the harshest terms the recent terrorist actions that victimized innocent Israelis;

(2) expresses solidarity with the Israeli people as they respond to ongoing terrorist attacks;

(3) expresses sympathy to the families of innocent Israelis and Palestinians who have lost their lives;

(4) commends the President of the United States for his vision of two states, Israel and Palestine, living side by side in peace and security;

(5) affirms that this vision can be fully realized only once terrorism is defeated, so that a new state may be created based on rule of law and respect for human rights;

(6) recognizes and respects Israel's right to fight terrorism and acknowledges Israel's fight against terrorism as part of the global war against terrorism;

(7) calls on all states to cease recognition of and political and material support for any Palestinian and other terrorist groups;

(8) calls on all states immediately to establish effective mechanisms to ensure that funding from private citizens cannot be directed to terrorist groups for any purpose whatsoever, including ostensible humanitarian purposes;

(9) calls on all states to provide support to the Palestinian Authority in its effort to confront and fight terror; and

(10) calls on all states to assist the Palestinian people in creating the institutions of a democratic state that will respect the rule of law and live in peace with its neighbors.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the rule, the gentlewoman from Florida (Ms. ROS-LEHTINEN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

Mr. RAHALL. Mr. Speaker, is the gentleman from California (Mr. LANTOS) opposed to the resolution?

Mr. LANTOS. Mr. Speaker, it is my resolution; and I strongly support it.

The SPEAKER pro tempore. Under clause 1(c), the Chair recognizes the

gentleman from West Virginia (Mr. RAHALL) to control the time in opposition to the resolution.

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent to yield half of my time to the gentleman from California (Mr. LANTOS) and that he may control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

GENERAL LEAVE

Ms. ROS-LEHTINEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 294.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, yesterday we marked the 1-year anniversary of the President's seminal address on the Middle East, where he underscored that ''it is untenable for Israeli citizens to live in terror,'' and President Bush clearly outlined, ''The United States will not support the establishment of a Palestinian state until its leaders engage in a sustained fight against the terrorists and dismantle their infrastructure.''

At the recent summit in Aqaba, Jordan, it appeared that the vision articulated by President Bush, a vision that is embraced by Israeli Prime Minister Ariel Sharon and accepted by the Palestinian prime minister, would finally be translated into a reality. However, over the past few weeks, we have seen history repeat itself as Palestinian terrorists have conducted a series of bloody bombings and road shootings against innocent Israelis.

These acts of terrorism must be condemned in no uncertain terms. We must send a message to the terrorists that such behavior will not be tolerated, that we view such attacks through the prism of the global war against terrorism, and as such within the parameters established by the President when he underscored ''you are either with us or you are with the terrorists.''

The choice for the new Palestinian leadership is a simple one: end the terror. Ending the terror, however, must go beyond mere words. The resolution before us clearly acknowledges Palestinian Prime Minister Abu Mazen's reiteration at the Aqaba Summit of a ''complete end to violence and terrorism.''

However, such a renunciation of terror must be accompanied by concrete, verifiable steps to confront, combat, and destroy the terrorists. As long as Israeli citizens continue to be victimized by terrorists, Israel will continue to defend herself. Thus, only the full implementation of a comprehensive Palestinian anti-terrorism plan aimed at destroying the terrorist organizations will serve as a true catalyst for peace. The focus should not and must not be on a cease-fire, which history has shown us is simply a respite to rearm. The end to terror must be unconditional, and it must be complete.

The new Palestinian leadership must arrest and hold the terrorists, not release them soon afterwards. Palestinian jails must not continue to be revolving doors from which the terrorists escape. The international community must work together to support these objectives, and a critical component of this effort is to sever all ties with any and all who cavort with terror. Specifically, if Europe is committed to the road map process, as a sponsoring party, the EU must do its part to implement it. Inherent in those responsibilities is the necessity to bypass and marginalize Arafat.

Nations must end political and material support for any Palestinian terrorist group and, in turn, divert those resources to assisting the new Palestinian leadership in fighting terror and in building ''a practicing democracy, based on tolerance and liberty,'' as President Bush has emphasized.

These concerns, the hopes that we all hold, our obligations and the cooperation we demand of our allies, and perhaps most importantly, the friendship and solidarity we feel toward Israel, are set forth in this important and comprehensive resolution.

This resolution serves as a warning to terrorists to beware. The current peace process is not business as usual. I commend the gentleman from Texas (Mr. DELAY) for his leadership on this issue, along with the gentleman from Illinois (Mr. HYDE) and especially our ranking member, the gentleman from California (Mr. LANTOS), and the gentlewoman from California (Ms. PELOSI) for their commitment. I ask my colleagues to vote ''yes'' on the resolution.

Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from Iowa (Mr. LEACH) and that he may control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I deplore the bus bombings and other acts of terrorism against innocent civilians wherever heinous acts of violence occur. The violence must stop. President Bush's vision of a two-state solution, two states living side by side in the Holy Land, must be implemented. I support the road map whole heartily.

Mr. Speaker, it was just a very short time ago this year that this body passed a resolution commending Israel and condemning the Palestinian Authority and calling upon the Palestinians to elect new leadership. Now the Palestinians have done just that. They have elected their new prime minister, Mahmoud Abbas. He has been in office for less than 2 months now, and now this body all of a sudden expects him to stop the violence that has raged out of hand for close to 3 years in such a short time. Prime Minister Abbas is trying very hard to negotiate an understanding among the militant groups that will end all acts of violence against Israelis. And as we speak, as we speak, a cease-fire appears to be taking hold. There appears to be such an agreement.

This process going on in the Middle East as we speak certainly needs no help from this body with this type of one-sided, inflammatory resolution for which this body is so well noted. Prime Minister Abbas must be given the time, he must be given the space, he must be given the opportunity to assert his authority and that of his new security chief Mohammad Dakhlan, with whom our own CIA and Israeli security forces have worked very well in the past, and can do so again.

Let us attempt some objectivity here, Mr. Speaker, if we are to remain the responsible super power that we are. The single most important step that the Israelis could undertake is to stop its policy of political assassinations of Palestinians unless they are proven to be ticking time bombs. Tom Friedman said in a recent column that both sides have crossed the line where self-defense has turned into self-destruction.

Is Israel better off or worse off after carrying out these assassinations? The day after it tried unsuccessfully to kill a senior Hamas leader, a suicide bomber killed 17 innocent people aboard a bus in Jerusalem, these acts occurring since the Aqaba Summit. The bomber said this act was in retaliation for the assassination attempt the previous week. Clearly the people of Israel are questioning this policy. In a poll last week by a leading Israeli newspaper, 58 percent of the Israelis polled supported ending this type of assassination policy and cooperating with the new Palestinian government to end all violence.

The fact is, the only time the Israelis have enjoyed extended periods of peace in the last decade is when the Palestinian Security Service, under Mr. Dakhlan, have cooperated with Israel and both sides spent their energy, successfully, I might note, in preventing acts of violence.

We are right today to call upon Prime Minister Abbas and his government to make greater and more efficient efforts to control the militant groups and end violence, but we also have a responsibility in order to be objective and even-handed, to ask the government of Prime Minister Sharon in this same resolution whether these policies are making Mr. Abbas's tasks easier or harder.

The people of Israel is asking this question, so should the Congress of the United States. Let us have a little balance here. Let us have a little balance

here. Let us call on the Palestinian Authority to make greater and more effective efforts against terrorists; but also, let us call on the Israeli Government to stop making Mr. Abbas's tasks more difficult. It is also time for Israel to reassess and hopefully end this process of political assassinations. We cannot allow the extremists on either side to sabotage the peace process. We cannot allow terrorists to torpedo the peace process. Let us look at some objectivity before we pass, once again, another resolution of this nature.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this resolution which condemns the recent wave of terrorism inflicted on Israel and expresses solidarity with the people of Israel in their heroic fight against terrorism.

First, Mr. Speaker, I thank the gentleman from Illinois (Mr. HYDE) for the gentleman's cooperation in bringing this resolution to the floor. I also want to express my appreciation to the gentleman from Texas (Mr. DELAY), the Republican leader, for his principled support, and to the gentlewoman from California (Ms. PELOSI), the minority leader, for her valued cosponsorship. The fact that these three leaders of the House have cosponsored my resolution is a powerful indication that it has strong bipartisan support.

Mr. Speaker, I introduced this resolution with one basic conviction, that Israel has as much right to fight against suicide bombers and ruthless terrorists as any other free and democratic nation. At the recent Aqaba Summit, the Prime Minister of Israel, Mr. Sharon, made some extraordinary and historic statements. He called for a democratic state living at peace with Israel with mutual respect and shared prosperity.

In less than a week of the Prime Minister's landmark speech, 22 innocent Israeli men, women and children fell victim to suicide bombings and over 100 were wounded. Israel's response to this unprovoked carnage was the only response a self-respecting democratic state could offer. When Israel responds with counterterrorist operations against suicide bombers, some criticize it for provoking a cycle of violence.

This is an absurd and sinister argument. Let us be clear about one thing. As our resolution states, Israel would not conduct counterterrorist operations if Palestinian counterterrorism would cease. The bloodshed, the violence, the tragedy would end.

The term ''cycle of violence'' must be permanently retired from the lexicon of Middle East politics since it preposterously implies moral equivalence between suicide bombers and the justified response of a free and democratic nation.

Based on comparative populations, the 22 Israelis who were murdered in the days following the Aqaba Summit are the equivalent of 1,100 Americans. Were al Qaeda again to murder over a thousand Americans, we would demand that our government take strong measures to eliminate the threat they pose. None of us would tolerate our government waiting while someone pleads with the terrorists for a temporary cease-fire.

In my recent meeting with Palestinian Authority Prime Minister Abu Mazen in Ramallah, he told me that he is opposed to terrorism. Subsequently he repeated his statement to President Bush and many others, but Abu Mazen's effectiveness as a leader will not be judged by his words, but by his deeds. Abu Mazen's political situation is unquestionably complex; but if he continues to refuse to use force against murderous terrorists, he will soon become irrelevant and his political demise will be sure to follow.

□ 1445

But should he choose to take bold action against terrorism, he will deserve and he will receive the support of this body and the American people.

Mr. Speaker, my resolution underscores the obvious. Israel's fight against terrorism is one of the front lines of the global war against terrorism. Israel's enemies are motivated by a hate-filled, sick, totalitarian ideology, as are our terrorist foes. Israel's enemies are ruthless and bloodthirsty, just like ours. If the Palestinian Authority will not or cannot destroy and defeat Palestinian terrorist groups, Israel has no choice but to take matters into its own hands. We are fighting our enemies relentlessly. Israel, under infinitely less favorable circumstances, can do nothing less.

Mr. Speaker, it is universally accepted that it is the right of all states, including the democratic state of Israel, to make the defense of its citizens its number one priority. This is the bedrock of my resolution. I urge all of my colleagues to join me in voting for it.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Michigan (Mrs. MILLER).

(Mrs. MILLER of Michigan asked and was given permission to revise and extend her remarks.)

Mrs. MILLER of Michigan. Mr. Speaker, I rise today in support of the Israeli-Palestinian peace process. The Aqaba summit earlier this month seemed to offer hope for the road map to peace offered by President Bush. For the first time, a Palestinian leader had condemned in Arabic for the entire world to hear the use of terrorism as a solution to the problems in the Middle East. Unfortunately, terrorist groups like Hamas refuse to stop the violence. The Palestinian Authority must immediately begin to dismantle the terrorist infrastructure in the West Bank and in Gaza, because there is no chance for a Palestinian state if terrorism continues. It is in the interest of the Palestinians to put an end to the violence. The victims of these attacks are not only innocent Israelis but also the Palestinian people who continue to be held down by the most radical among them. These radical terrorists communicate to the world their ultimate goal, the destruction of Israel. Any other end is unacceptable to these terrorists. Therefore, peace will not be reached until the terrorists are destroyed.

The time has come to rekindle the hope of Aqaba, to end the terrorism, to get back on the road map to peace.

Mr. RAHALL. Mr. Speaker, I yield such time as he may consume to the distinguished dean of the House the gentleman from Michigan (Mr. DINGELL).

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, I rise in strong opposition to violence, killing and to the senseless murders which have been taking place in the Middle East. I also rise in support of peace. I also rise in support of the road map for Middle East peace in the hope that it will be implemented and that the United States will provide the leadership that is needed. I also rise with still some hope in my heart that we could achieve the purposes which we thought were beginning with the summit at the Gulf of Aqaba and to express the hope that we will be able to see a time coming when Israeli, Muslim, Jew, Christian and the Palestinian people can know that there is peace in the Mideast. I also look forward to the leadership of the United States in moving towards achieving the real goal of this Nation, which is peace in the Middle East so that all persons, Israelis, Palestinians and everyone else who is concerned with that area can know that there will be peace there and so that the threat to the United States and the rest of the world of terrorism will suffer a real setback of the kind all of us here hope will be achieved.

George Santayana said something that I thought was very important. He said, ''He who does not learn from history is doomed to repeat it.'' I see that the hope that we had is being diminished both by the killings and by the fact that we are now moving away from what I had hoped would be the role of the United States in the Middle East, and that is the role of an honest broker, of a nation who could appeal to both sides to bring the killing to an end and to achieve a lasting peace negotiated by and between the parties. The Oslo process has collapsed. Eight hundred Israelis have died; 2,000 Palestinians have been killed. Twenty-two Israelis have been killed since the Aqaba summit, but about double that number of Palestinians. This is hardly the basis upon which peace can be achieved. It is also hardly the basis upon which we can say that the United States is providing the strong, the determined and the forceful leadership which is necessary to assure that both

parties do the things that are needed to achieve a real and a lasting peace to the area.

I would point out that if we do not listen to George Santayana, we have the possibility of repeating the mistakes of the past. What is it that we should be directing our attention to? Forceful, forcible, vigorous, strong efforts to achieve peace, to bring the parties together, to see to it that they talk, and to achieve the reputation amongst them of an honest, impartial broker, of a nation that is interested in seeing to it that both parties not only work together but achieve the best result of their negotiation that is possible to achieve. I do not see that in this resolution and that is the vice of this resolution. This resolution takes sides.

I am not prepared to quarrel with any of my colleagues as to who is at fault over in the Mideast. That is not the function of an honest broker. I am prepared to say that our efforts today and that our efforts as a Nation should be directed at one thing, and that is achieving peace on the basis of a reputation of honesty, decency and fairness and upon the basis of the trust of the parties in the area. I do not see this document as stimulating that kind of response. This document is one-sided. It condemns violence on one side. I hear nothing about the need for the United States to, in fact, lead toward peace or that the United States wants a termination of violence by all parties. That is clearly lacking here, but it is desperately needed. Our problem if we seek to be seekers of and builders of peace is to assure that we make possible the trust of all parties, Israelis and of Palestinians, so that we can get them to the table, a difficult task, to talk about peace, about building a peace which will last, which will give justice, equality, comfort and solace to all, men, women, children and also Israelis and Palestinians. That is absent in this resolution. It is something which must not only be in the resolutions of the Congress but it must be in the policies of the United States.

I say that I took great comfort and pleasure and pride when I saw that President Bush was getting the parties together and that he was really going to lead in this undertaking. I urge him to continue that undertaking, because in that is not only the interest of the Palestinians and of the Israelis but also of the United States. And a failure for this country to take a position which achieves the trust, the respect and the support of both parties for the negotiation is assurance that we will not have the success that we want and that we need. It also is assurance that we will not have the kind of security against terrorism which finds its seeds and which finds its roots in the kind of injustice that the people of the Mideast on both sides feel exists.

I urge us, then, to be honest brokers. I urge us, then, to strive for peace and for the trust of all persons over there who seek that peace. And I urge us to take the steps that are necessary. This resolution is not one of those steps. I urge my colleagues to reject it.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 2 minutes to the gentleman from Maryland (Mr. HOYER), the distinguished Democratic whip.

Mr. HOYER. I thank the distinguished gentleman from California for yielding me this time.

Mr. Speaker, I rise in strong support of this resolution which condemns the unconscionable terrorist attacks directed at the state of Israel since the Aqaba summit earlier this month and which expresses our solidarity with the Israeli people in the fight against terrorism. I might add that we ought to have solidarity with those Palestinians who join in the fight against terrorism.

Let me add, too, I am very proud to have joined the gentleman from California as well as the chairman of the Committee on International Relations and the majority whip in circulating a letter that was signed by more than 300 Members of this House that urges President Bush to adhere to the principles he articulated a year ago concerning the Israeli-Palestinian crisis. That letter and this resolution share this nonnegotiable demand: Any road map for peace must require the Palestinian side to unconditionally cease its campaign of terror and violence against Israel. Like the Dean of the House, my good friend, I desire to be an honest broker. But in that honesty, I need to observe what each side does. We must require the Palestinian side to unconditionally cease its campaign of terror and violence against Israel.

There are some who believe the United States and other nations must demonstrate more evenhandedness on the Palestinian question. However, Mr. Speaker, we must guard against making muddled parallelisms between justified actions by Israel and terrorist tactics that are designed only to inflame and destroy and undermine, I might say, the Prime Minister of Palestine from accomplishing the objectives articulated at Aqaba. As this resolution states, we must reject the concept of a cycle of violence as the gentleman from California has so powerfully said, because it implies a moral equivalence between terrorist and victim where no such parallelism exists. The state of Israel like every other nation on Earth has the right of self-defense and this resolution expresses American solidarity with Israel as it acts to maintain and secure its independence as a free and sovereign nation.

Mr. Speaker, we must continue to work to bring peace to this savaged region of the globe and achieve justice for Israel as well as justice for the Palestinian people, so many of whom have toiled under despots who only preach death and destruction.

I urge my colleagues to adopt this resolution.

Mr. LEACH. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. DELAY), the distinguished majority leader of the House.

Mr. DELAY. I thank the gentleman for yielding me this time.

Mr. Speaker, no man knows the battle between good and evil like the gentleman from California (Mr. LANTOS). It is an honor to once again have worked with him on this resolution. I am proud to call the gentleman from California my colleague and my friend.

Mr. Speaker, today Israelis will wake up and go to work. They may drive their children to day care or have lunch with their friends. Israeli children will go to school and play with their classmates. We do not know which ones and we do not know where, but soon some of them will probably die. A bright light will flash, a terrifying concussion will bloom through the air, and in an instant fear, blood, panic, pain and death. And somewhere in Gaza, violent men will laugh. If this is not evil, nothing is.

□ 1500

However unfashionable this so-called ''simplistic'' vocabulary is among the diplomatic elite, it is honest. It is the vocabulary of the American people and their President whose moral clarity has led our Nation in our ongoing war on terror. Individuals, nations, and organizations who equivocate, who see the savagery of terrorists and the self-defense of free states as two sides of the same coin, as a cycle of action and counteraction, undermine that clarity.

Those who say Israel's self-defense is an impediment to progress completely miss the point. The destruction of Palestinian terrorism is not an impediment to progress. It is the definition of progress. Offers of temporary cease-fires by Hamas and other terrorist groups are not the solution to the problem. The point of the war on terror is not just to defeat terror, but to destroy terrorists. Murderers who take 3-month vacations are still murderers. They are still enemies of the civilized world and must be hunted and targeted as such.

Mr. Speaker, Israel's fight is our fight. Israel's liberation from Palestinian terrorism is an essential component of the global war against terror, and in that war there is no moral equivalence between aggrieved parties engaging in a so-called cycle of violence. There is only the cold-blooded murderer and the soldier sworn to defend his nation. This resolution makes that distinction and affirms American solidarity with the people of Israel and their war against terror. It makes clear that the American people acknowledge Israel's fundamental right to defend herself and that her fight against terror is our fight, and it calls on the Palestinian leadership at long last to act in the interest of their suffering people and stop the terrorists.

No more empty promises, no more games, no more points of effort. There is a war on and the terrorists are going

to lose that war. Now the only question is whether Palestinian leaders will stand with the civilized world in defiance of evil or whether they will fail like their predecessors have failed. We must not allow the Palestinian people who have been so long robbed of hope by corrupt and hateful leaders to be used as pawns to undermine this President's vision for peace.

The ascension of Palestinian Prime Minister Abbas gives us some reason to hope, but Israel and the United States must adopt a policy of trust but verify, and the only way to verify the destruction of Palestinian terrorism is the end of Palestinian terrorism, period. When the violence stops, the peace process can move forward; and until it does, Israel must defend itself. And either way, she will not stand alone because the people of the United States will never abandon their brothers and sisters in Israel or any nation that is threatened by terror.

A vote for this resolution reaffirms the House's commitment to Israel and to the moral clarity of our war on terror. So I just urge all Members to cast that vote and join Israel's heroic stand against evil.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I join my colleagues in expressing outrage at terrorism perpetrated by Palestinian extremists since the Aqaba Summit. The people of the United States continue to stand in solidarity with the people of Israel. But I regret this resolution is not as complete or constructive as it might be. We mourn the 22 innocent Israelis that have been killed since the summit, but over twice that number of innocent civilian Palestinians have also died as a result of military strikes from Israel. Their loss should also be explicitly recognized in such a resolution.

I sincerely wish the House had used this opportunity to offer its clear support for the President's road map to Middle East peace. This road map is not perfect, but it is currently the only legitimate way to stop terrorism and get the parties back to the path of peace. Under the road map the Palestinian Authority must crack down on terrorism, and Israel must dismantle illegal settlements and begin an end to occupation. Abandoning the road map in the wake of the recent terrorism would not help Israel. In contrast, it would reward the terrorists.

I object to the resolution's condemnation of the phrase ''cycle of violence'' because it is a fact for the past 2½ years we have witnessed a heartbreaking and endless cycle of terrorist attacks, assassinations, reprisals and retaliations. Since the peace process collapsed, 800 Israelis and 2,100 Palestinians have been killed. The Israeli economy has collapsed. The humanitarian crisis in the West Bank and in Gaza has intensified. Therefore, it is imperative that under the road map security cooperation would resume. This is critical because it is clear that neither prime minister, Abu Mazen nor Sharon, neither of these can stop terrorism without the other. This conflict will never end without a comprehensive political solution; and we, the United States, must lead both parties to that agreement. Otherwise Israelis and Palestinians may be doomed to a life of violence and suffering forever. It is not what these people deserve, and it is surely not what America can afford.

Mr. LANTOS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. ACKERMAN), the ranking Democrat on the Middle East and Central Asia Subcommittee.

Mr. ACKERMAN. Mr. Speaker, I am reminded of the old vaudeville act where the guy goes to a doctor and he says ''Doctor, Doctor it hurts when I do this. What should I do? And the doctor says, 'Do not do that.'''

Every action has a reaction. And people who perpetrate violence and commit acts of violence provoke responses.

I rise in strong support of the resolution. I want to commend the gentleman from California (Mr. LANTOS), the author, for bringing it to us. The resolution brings something critical to our discussion about the future of the Israeli/Palestinian peace process, and that is moral clarity. We should be absolutely clear about this. Neither the Israeli soldier nor the American soldier who defends his nation by preemptively eliminating terrorists can with any decency be compared to the terrorist who intentionally sets out to murder innocent women and children on a bus or in a disco or in a pizzeria or in a shopping mall or in a supermarket or going to work in the Twin Towers in New York. Terrorism and the defense against terrorism are not a cycle of violence. Active defense against terrorism including strikes against terrorists and terrorist leaders and those who harbor them is a moral obligation of a free and democratic society. We do it because it is right, and Israel does it for the same reason.

Tempting as it may be, peace cannot be achieved through delusion, pretending that all parties to this conflict are of equal goodwill or everyone shares the belief that the two-state solution is a recipe for failure. Hamas and Islamic jihad engage in terrorism not to create the state of Palestine, but to destroy the State of Israel. Their victims are Jews not by coincidence of citizenship, but by active design. These are not just misguided militants or eager extremists, as our newspapers might label them. They are fanatical haters, murderous zealots committed to destroying both Israel and the Palestinian Authority, driving out both Jews and Christians and building an Islamic state on the ashes.

Mr. Speaker, peace may be possible; but it is not automatic. It is almost certainly impossible until these hate groups are crushed. The Palestinian Authority cannot succeed. It cannot fulfill its mandate as the single voice of the Palestinian people. It cannot perform its historic role as the agent of Palestinian statehood as long as these groups are allowed to exist. In the words of a former Israeli prime minister, we must pursue the peace process as if there were no terrorists, and we must pursue terrorists as if there were no peace process.

Mr. LANTOS. Mr. Speaker, since there are colleagues on various sides of this issue who wish to speak and, given the time limits, they no longer would have the opportunity, I ask unanimous consent that each side be given an additional 20 minutes.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from California?

Mr. RAHALL. Mr. Speaker, reserving the right to object, do I understand the gentleman correctly that it would be split as it was originally split, 10 minutes and 10 minutes on his side?

Mr. LANTOS. Mr. Speaker, if the gentleman will yield, the gentleman is correct.

Mr. RAHALL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. LEACH. Mr. Speaker, reserving the right to object, it is my understanding the leadership concurred with the notion of an additional 20 minutes to be split 10 minutes for and 10 minutes against.

Mr. LANTOS. Mr. Speaker, will the gentleman yield?

Mr. LEACH. Further reserving the right to object, I yield to the gentleman from California.

Mr. LANTOS. Mr. Speaker, I think this is an important debate. A good number of colleagues wish to speak on it. We waste so much time in this body on so many unimportant issues, I think an additional 20 minutes for each side is not an unreasonable request.

Mr. LEACH. Mr. Speaker, speaking personally, I am in full concurrence. My problem, reserving the right to object, is that I have been informed that leadership is very concerned about the bill to follow and would like to stick with what I understood was an agreement of 20 minutes total, 10 minutes to be divided between each side. And based on that, I would be constrained to object to 20, but I am very pleased to assert 20 minutes to divide it 10 and 10.

Mr. RAHALL. Mr. Speaker, will the gentleman yield on his reservation?

Mr. LEACH. I yield to the gentleman from West Virginia.

Mr. RAHALL. I think for once the gentleman from California (Mr. LANTOS) and I totally agree on this particular issue. I agree with what he just said about the importance of it. I agree to the extension of time as he has requested.

Mr. LEACH. Again, I am personally in full agreement, but I am informed

that this is a leadership decision and therefore would be constrained to object.

Mr. LANTOS. Mr. Speaker, will the gentleman yield?

Mr. LEACH. Further reserving the right to object, I yield to the gentleman from California.

Mr. LANTOS. Mr. Speaker, will the gentleman consult with the leadership while we take up the next 10 minutes to see if they agree to an additional 10 minutes?

Mr. LEACH. Yes. I think that is very reasonable.

The SPEAKER pro tempore. Is the gentleman from California making a new request?

Mr. LANTOS. Mr. Speaker, I am making the request that each side be given 10 minutes.

Mr. LEACH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The Chair will clarify. Is the gentleman from Iowa (Mr. LEACH) going to then yield one half of his time?

Mr. LEACH. Mr. Speaker, I am delighted to yield one-half of my time to the gentleman from California (Mr. LANTOS).

The SPEAKER pro tempore. The Chair will state that the gentleman from Iowa (Mr. LEACH) has 5 minutes, the gentleman from California (Mr. LANTOS) has 5 minutes, and the gentleman from West Virginia (Mr. RAHALL) has 10 minutes. The total times are the gentleman from West Virginia now controls 17 minutes, the gentleman from Iowa controls 5 minutes, and the gentleman from California controls 5 minutes.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the thrust of this resolution is four-fold:

A, it reflects America's concern for terrorism as an instrument to advance political advantage.

B, it expresses sympathy to the families of both innocent Israelis and Palestinians who have lost lives in this struggle.

□ 1515

C, it commends the President for his vision of two states, Israel and Palestine, living side-by-side and, thus, implicitly affirms the peace process that the President has so wisely helped precipitate.

D, it is implicitly designed to empower the new government of the Palestinian Authority. The goal is to strengthen those who have the best chance of negotiating a long-term resolution to the Palestinian-Israeli issue.

Here let me note that at the Aqaba summit, King Abdullah of Jordan turned to the Israeli and Palestinian Prime Ministers and said, ''Prime Minister Sharon, Prime Minister Abbas, I urge you today to end the designs of those who seek destruction, annihilation, and to have the will to begin to realize our dreams of peace, prosperity, and coexistence.''

This sentiment is what we ask the international community to follow. This direction is where our President, as well as the king of Jordan, is leading, and this is the direction we want this Congress also to go in.

Speaking personally, I would like to stress full support for the President's road map, for peace, but I would underscore that the road has been traversed before, but proved full of cavernous holes and multiple detours. The end is in sight. Everyone knows it will relate to a resolution along the lines of Camp David and subsequent talks at Tabba. But the slower the process, the more likely terrorists will be empowered.

The issue is speed. Three weeks or 3 months are vastly preferable to 3 years or 3 decades. The violence may not end with a political resolution, but it has no chance of ending without it.

Therefore, I think it should be the goal of this Congress to stress that violence is an evil in and of itself, but a resolution of this particular circumstance in international affairs, which is the most difficult, possibly, in the history of man, is an imperative. All of us identify with all reasonable people who are attempting all reasonable techniques to bring a resolution to this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. RAHALL. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

(Mr. PRICE of North Carolina asked and was given permission to revise and extend his remarks.)

Mr. PRICE of North Carolina. Mr. Speaker, many of us will vote for House Resolution 294 because we indeed deplore the terrorist attacks inflicted on Israel. We wish to express solidarity with the people of Israel. And we understand the necessity of the Palestinian Authority confronting and fighting terror and terrorist organizations.

I am baffled and dismayed, however, by the resolution's failure to straightforwardly endorse the effort of our government and our Quartet partners to implement the so-called ''Roadmap'' which, at this moment, represents Israel's best hope for ending terror and the Palestinians' best hope for achieving self-determination. We must condemn terrorism without qualification, and that is consistent with promoting the simultaneous accommodations by both sides which the Roadmap envisions. We must affirm Israel's right to defend itself, but that is consistent with urging on Israel tactics and timing that do not undermine the Roadmap initiative, as our President and our Secretary of State have recently articulated.

What this resolution fails fully to grasp is that concern for Israel's security and integrity is a major motivation for many of us, most of us, as we push for American leadership via the Roadmap. This effort will require all of the energy and persistence and support we can muster, in this body and in our government, in the critical weeks that lie ahead.

Mr. LANTOS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. MALONEY).

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, I rise in strong support of this resolution, and I thank Congressman LANTOS for his leadership and determination on this issue that is a priority to so many of us in this body.

I stand here today to express my outrage and grief over the latest round of terrorist attacks in Israel since the Aqaba (Ak-a-ba) summit earlier this month.

Twenty-two innocent Israelis have been murdered since the beginning of this month and many others have been injured in three separate homicide bombings.

For most of us, September 11, 2001, forever change our way of looking at the world. We learned that even the awesome power of the United States could not protect us from terrorists bent on destruction.

It forced us into a position that Israel has been in for a very long time—trying to protect loss of innocent life against an enemy that has no reservations about killing.

I strongly believe that Israel has the right to defend itself against suicide bombings and other terrorist attacks and that the world must recognize that Israel has a right to use military means to protect its citizens and its borders.

To bring an end to terrorism in Israel and peace in the region, Prime Minister Abbas must start by living up to his agreements, including a commitment to stop this violence against civilians. That means fulfilling promises of prosecutions.

His ability to maintain the rule of law would finally demonstrate a Palestinian interest in engaging in discussions of peace.

It is my true hope that Israelis and Palestinians can one day live side-by-side in peace.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 1 minute to the gentleman from California (Mr. BERMAN), my friend, the distinguished senior member of the Committee on International Relations.

Mr. BERMAN. Mr. Speaker, I appreciate the gentleman yielding me this time.

To my friends who are concerned about this resolution, I remind them of the words of Yitzak Rabin earlier quoted: ''I will fight terrorism as if there were no negotiations. I will negotiate as if there was no terrorism.''

While he will never admit it, Prime Minister Sharon in the last 3 weeks has moved to that position. Notwithstanding 17 Israelis killed in a bus bombing, other Israelis killed in two other terrorism attacks since the Aqaba statements, the Israeli government has continued with these negotiations.

The notion that the Roadmap would exist, that this process would be moving forward, that the hope that we

heard at a conference this weekend by the Dead Sea from both Arabs and Israelis about the chances of moving forward would come because the United States played a neutral role in this conflict, are terribly misplaced.

The reason that the Israelis have the courage to move forward, notwithstanding the continued terrorist attacks, is because they know that the United States Government and particularly that the Congress stands with them in this conflict.

This is a resolution that for the first time in the history of this House of Representatives recognizes a two-State solution, an independent Palestinian State, and seeks to strengthen and embolden the Palestinian Authority in governing a State without terrorism.

I urge support for the resolution.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise to discuss this resolution, although I have not yet determined how I shall vote on it.

The resolution has ''resolved'' clauses that speak for themselves and are reasonable. In the ''resolved'' clauses we do see a recognition of expression of sentiment about both the Palestinian as well as the Israeli innocent people who have been killed. Also, it recognizes the Roadmap and talks about some of the goals that we all agree on.

I do have some reservations as to the ''whereas'' clauses which seem to be one-sided. The clause most disconcerting to me happens to be the one that people seem to be the most frantic in trying to get across today, and that is the claim that in some way, by saying that this is a cycle of violence that is going on, as it says in the ''whereas'' clause, that this implies a moral equivalency. It does not. The cycle of violence could well have been started, and I do believe there is a cycle of violence going on; it could be that both sides have made mistakes. That does not mean they are both morally equivalent. Who is judging the morality of it? We are judging the reality of it.

The fact is, Israel may have made some mistakes. Certainly the Palestinians have made horrible immoral decisions in terms of suicide bombings and other types of acts of terrorism. But Israel may have made some mistakes. Was Sharon's visit to the Temple Mount, in retrospect, was that not a mistake? How about the Israeli settlement policy for these last few years? I think in retrospect these things have not furthered the cause of peace; these things have created a cycle of violence, if you will.

It is our job to try to come to grips with what is going on there and end this conflict, and quit trying to say that all of the blame is on one side. Both sides have made mistakes. Let us try to be an honest broker.

Now, I will probably be voting for the resolution, because the ''resolved'' clauses are things that I agree with. But I would hope that we would be honest with ourselves and try to discuss this in a way that will further the cause of peace and not just simply be one-sided.

Mr. RAHALL. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, there is no doubt in any of our minds of this country's strong support for the State of Israel. We have shown that time and time again. But as my colleague, the gentleman from California just indicated, neither side is totally innocent of all of the violence that has occurred over the years.

But as I look at and read this resolution, I think the question all of us have to answer, the only question that we have to answer is: Will passing this resolution further the peace process? And the answer is clearly no.

A reading of the resolution will find it lacking in one major regard and that is, there is no endorsement in this resolution of the Roadmap, the Roadmap which President Bush has worked so hard to promote to both sides; the Roadmap which was a subject of the Aqaba summit. Yes, there has been a flare-up in the hostilities since the summit. But now the House comes with a resolution which is one-sided. And again, I ask: will this resolution enhance the peace process? And I say to my colleagues, the answer is no.

Only yesterday, the Palestinian Authority agreed to a 3-month truce from any further hostilities. Many of us will say, 3 months! We want it permanent. How about 6 months? Mr. Speaker, how about taking some progress when we can get it? If this 3-month truce moves along the peace process, let us take it. And then fight for another 3 months, and another 3 months. It has to be done in small steps.

Our offices just received communications from two pro-peace Jewish groups. The first group was Americans For Peace Now, a premier Jewish organization working to enhance Israel's security through the peace process, and the second group that is questioning the wisdom of this resolution is the Israel Policy Forum, which supports American efforts at resolving the conflict between Israel and its Arab neighbors.

So I say to my colleagues, let us all answer the question together when the vote comes, and that is will a vote for this resolution enhance the Roadmap, and will it further peace in the region? And again, the conclusion I draw is that the answer is no.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 30 seconds to the gentleman from New York (Mr. CROWLEY), a distinguished member of the Committee on International Relations.

(Mr. CROWLEY asked and was given permission to revise and extend his remarks.)

Mr. CROWLEY. Mr. Speaker, I rise in strong support of the Lantos resolution.

The terrorist attacks against innocent Israeli citizens have increased at a horrific rate since the Aqaba summit. Palestinian terrorists are enemies of the peace process and enemies of the Jewish people. The peace process cannot move forward until all terrorist activity ceases against the State of Israel.

The murderous ways of Hamas must be stopped, and I fully support Israel's right to defend itself by any means necessary, as Israel supported our right to defend ourselves against terrorism after the attacks of 9/11.

The press reports these killings as suicide bombings. Some in our government have taken it a step further and called them homicide bombings. I think we should go one step further and call them what they really are: genocide bombings, with the intent to annihilate the State of Israel and the Jewish people.

Mr. Speaker, I ask all of my colleagues to support this worthy resolution.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me correct something in which I may have misspoke earlier when we were talking about an extension of time on all sides and I said that perhaps that was the only area in which the gentleman from California (Mr. LANTOS), my good friend, and I agreed. That is not the case. It was a misstatement on my part, and I do correct it, because as he has stated and as we have discussed on numerous occasions throughout our careers in this body, we perhaps see eye-to-eye on 95 percent of the issues involved in this particular area and in the Middle East. We certainly agree on the need to stop the violence. We agree on the need to end the terrorism. We agree on the strong Israeli-U.S. relationship that must always be maintained. And we certainly agree on the need for peace for all people in the region.

I must respond to some comments that were made by the gentleman from Texas (Mr. DELAY), the majority whip of the House. He spoke quite eloquently about all of the Israeli deaths, as does this resolution refer to those numbers as well. But I never once heard the gentleman from Texas (Mr. DELAY) mention any type of sympathy for the innocent Palestinian deaths that have occurred since the Aqaba summit alone. The resolution mentions the 22 Israelis killed, but fails to mention the 55 Palestinians killed, the 258 Palestinians injured just since the Aqaba summit.

□ 1530

Five ambulances have been destroyed; 33 houses have been demolished and 236 damaged; 7,116 trees uprooted; 328,000 meters of cultivated land have been destroyed; 500,000 meters of land confiscated for illegal settlement; 67 private businesses destroyed; water and irrigation pipes destroyed; homes demolished; people detained, as we saw in this morning's press.

All of these actions have occurred since the Aqaba Summit against innocent Palestinians, so it is that perspective that this resolution so much fails to mention.

I would say as well in calling upon both sides to agree with what they set upon at the Aqaba Summit, yes, there have been some illegal outposts, perhaps a flag here or a pole here that has been dismantled by the Israelis. But according to Israeli sources and journalists, 12 new outposts have been constructed since the Aqaba Summit, and there are rumored to have been five additional ones yet to be discovered. This has happened since the Aqaba Summit.

I would remind the gentleman from Texas (Mr. DELAY) that a recent poll of Christian conservatives here in the United States found that 78 percent of the Christian conservatives in this country support President Bush's vision for Middle East peace.

So, Mr. Speaker, there are a lot of areas in which all the speakers today have agreed. And certainly that makes some points of this resolution commendable.

But, again, in looking at its totality, the resolution lacks in its objectivity. It lacks, Mr. Speaker, in what I term the United States' best interest first. A lot of parallels have been draw today between the Israeli responses to terrorism and Israel's right to defend itself and the United States' global war against terrorism and our fight against al Qaeda. I would say the main question that needs to be asked here is does the Israeli assassination policy, when there is no proven link that those assassinated are ticking time bombs, where there has been nothing judicial pending against them, there has been nothing but allegations of terrorist activity, in those type of assassinations, is that fairness? Does it promote what is justice in the region. Does it promote the United States' best interest in fairness when it is done with what is perceived to be United States approval?

Maybe there are some in the Sharon government that compare this to our fight against al Qaeda. But those educated and those that will profess some sense of fairness will view this in a different light and see that that comparison is disingenuous to say the least. Certainly, Israel has the right to defend itself against those ticking time bombs and to prevent terrorist attacks from occurring. The United States has that right to fight the global war on terrorism, to fight al Qaeda whenever and wherever we can.

But to make the comparisons between what is happening in the West Bank and Gaza by these Islamic militant groups, to compare them with al Qaeda is stretching it a bit in this gentleman's estimation. We must realize what are the true roots of the al Qaeda and the true roots of why they hate us in the Arab world. Let us look at that response before we determine if we can compare the Israeli fight against terrorism with the United States' fight against al Qaeda.

There are many countries in the world that help us in the fight against the true terrorists, which is the al Qaeda network; and it is those countries that we will continue to need their help in our coalition fight against al Qaeda.

Mr. Speaker, I do say to all those who are participating in this debate, it has been healthy. It has been what we have needed in this Congress for some time, and I hope that we will have the opportunity to debate this issue many more times. I have demonstrated during this debate the question that many Israelis have about the policies of their government in regard to fighting terrorism, and I think it is just as worthy a debate here in this country as it is in the country of Israel. We have that right in our democratic system. We also have the responsibility in this country to look at actions that we take as Members of Congress and resolutions we pass, to ask first and foremost what is in the best interest of the United States of America.

I referred earlier to the cease-fire that has just been announced today and appears to have taken hold. While this resolution does not have the force of law, we must, and we know as Members of this body that every word we utter and every resolution we pass has profound impact across this world. Whether they are actually the words of the law or not, they do send a message. I think this is the wrong message that the United States should be sending at this particular time, this precarious time in the Middle East. Some say this cease-fire is only temporary and it would give the militant a chance to rearm during a 3-month cease-fire. This is the time that the new prime minister with whom the United States has built a relationship, with whom the Israelis have built a relationship, for the newly installed Prime Minister Abu Mazen, who has been in office for less than 2 months, this is the time he needs to gain the political credibility, to gain the support among his own people, to further crack down on the militants without creating a civil war among the Palestinians.

Now, perhaps that is the goal of some on the other side, but that is not the goal of the United States; and it should not be the goal of the United States. But, rather, we should give the newly created prime minister, the newly installed prime minister in the Palestinian territories the time, the space, and the opportunity he needs to gather the support he needs to crack down and, indeed, make this cease-fire, however temporary in nature, of a permanent nature.

Mr. Speaker, I urge that my colleagues look carefully and hard at this resolution before making up their minds and cast their votes in what in their good conscience they deem to be in the United States' best interest and in the interest of peace in the Middle East.

Mr. Speaker, I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nevada (Ms. BERKLEY) of the Committee on International Relations.

(Ms. BERKLEY asked and was given permission to revise and extend her remarks.)

Ms. BERKLEY. Mr. Speaker, I rise in strong support of this very important resolution, and I associate myself with the remarks of the gentleman from California (Mr. LANTOS), the gentleman from New York (Mr. ACKERMAN), the gentleman from California (Mr. BERMAN), and the gentleman from Texas (Mr. DELAY).

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the gentlewoman from Georgia (Ms. MAJETTE).

(Ms. MAJETTE asked and was given permission to revise and extend her remarks.)

Ms. MAJETTE. Mr. Speaker, I rise today to express my sorrow for the victims who continue to suffer the peril of deadly attacks of terror in Israel. I also rise in solidarity alongside the Israeli people in a stance against terrorists attempting to inhibit the progress of a successful peace process. I further rise in support of the cause of democracy and freedom in the Middle East.

In order to further a road map for peace, there must be an immediate dismantling of Hamas, Islamic jihad, and all other terrorist organizations that actively threaten the lives of those who seek to dwell peacefully in this region.

Mr. Speaker, I urge the House to support this important resolution to send a message to those who would willfully threaten the peace process.

Mr. Speaker, I rise today to express my sorrow for the victims who continue to suffer the peril of deadly acts of terror in Israel. I also rise in solidarity alongside the Israeli people in a stance against the terrorists attempting to inhibit the progress of a successful peace process. Most importantly, I rise in support of the cause of democracy and freedom in the Middle East.

A year ago, in President Bush's speech in the Rose Garden, two criteria were outlined as necessary predicates for a successful agreement: First, a change in leadership of the Palestinian people, which has already taken place, and second, changes in conditions, which have not yet been accomplished. Steps are being taken on both sides to begin to implement the ''Road Map,'' but so much must be done. There has still been no end to the ongoing violence in the region.

At the June 4th Summit in Aqaba, the new Palestinian Prime Minister pledged to end the violence and terrorism in this region ''without compromise.'' Since that time, there have been twenty-two innocent Israelis murdered and many others injured in three separate suicide attacks. More must be done to stop this violence now.

Mere promises are not enough. While it is promising that the radical groups Hamas, the Al Aqsa Martyrs Brigades and Islamic Jihad today offered to suspend attacks against Israelis for three months, I would note that Hamas members in Gaza have already raised

doubts about the deal. In order to further a ''roadmap for peace,'' there must be an immediate dismantling of Hamas, Islamic Jihad, and all other terrorist organizations that actively threaten the lives of those who seek to dwell peacefully in this region.

I urge the House to support this important resolution to seen a message to those who willfully threaten the peace process.

We will not tolerate violence nor yield to its demands.

We will continue to fully support the democratic state of Israel.

We support democracy and statehood for the Palestinian people.

Mr. Speaker, I would also note that what other democratic nations are doing also sends a message to the world community and to terrorists. For instance, I am deeply concerned about the plight of the Iranian opposition being detained in France today. I am concerned that the wrong message is being sent to the opponents of democracy and freedom when democratic nations punish supporters of democracy.

For these reasons, I urge my colleagues to support the measure before us, to stand up and speak loudly for democracy and freedom in the Middle East.

Mr. LANTOS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. ENGEL), a distinguished member of the Committee on International Relations.

(Mr. ENGEL asked and was given permission to revise and extend his remarks.)

Mr. ENGEL. Mr. Speaker, I rise in strong support of the resolution. Israel's fight against terrorism is our fight. As President Bush said, there are no good terrorists or bad terrorists, only bad terrorists.

I very strongly support this resolution standing with the people of Israel.

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the gentlewoman from California (Ms. HARMAN), the ranking Democrat on the Permanent Select Committee on Intelligence.

(Ms. HARMAN asked and was given permission to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, as the daughter of a refugee from Nazi Germany, issues of anti-Semitism and the continuing terrorist violence against Israel are close to my heart.

I strongly support the resolutions debated this afternoon and commend their sponsors. There is a fleeting chance for peace in the Middle East, the first since the brutal and feckless second Intifada began almost 3 years ago. But success depends on reining in Hamas, the Palestinian Islamic jihad, and others committed to ongoing terror.

One of those others is Palestinian Authority Chairman Yassir Arafat, who should be pressed or forced to step aside in order to allow the nation's government of Mahmoud Abbas to succeed.

Mr. Speaker, 5 years ago I accompanied President Clinton to Gaza and to Israel. Much of what he sought has been undone by the second Intifada. The escalation of violence has not only killed people, it has all but killed hope. We need to rekindle that hope. I urge passage of this resolution.

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. BELL), a distinguished member of the Committee on International Relations.

(Mr. BELL asked and was given permission to revise and extend his remarks.)

Mr. BELL. Mr. Speaker, friends of Israel recognize that the road map may bring opportunities for greater peace in our time; but for this effort to work, combatting terrorism must be the first step.

On June 4, 2003, Palestinian Prime Minister Abbas pledged a complete end to violence and terrorism. But Mr. Abbas says he is unwilling to use force to put an end to terrorists and terrorist groups, even while innocent Israelis continue to be murdered by suicide bombers and while the guaranteed and expected acts of retribution against his own people are carried out. That is why we offer this resolution to condemn the terrorism inflicted on Israel and express solidarity with the Israeli people. I urge my colleagues to support the resolution.

The SPEAKER pro tempore (Mr. SIMPSON). The gentleman from California (Mr. LANTOS) has 2 minutes remaining.

Mr. RAHALL. Mr. Speaker, I ask unanimous consent to reclaim the time I yielded back.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER pro tempore. The gentleman from West Virginia (Mr. RAHALL) has 5½ minutes.

Mr. RAHALL. Mr. Speaker, I do that in keeping with what I said earlier was an important debate and I believe that all Members who wish to speak on this should be heard.

Mr. Speaker, I yield half of my time to the gentleman from California (Mr. LANTOS).

The SPEAKER pro tempore. The gentleman yields 2¾ minutes to the gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Rhode Island (Mr. LANGEVIN).

(Mr. LANGEVIN asked and was given permission to revise and extend his remarks.)

Mr. LANGEVIN. Mr. Speaker, I rise in unwaivering support of House Resolution 294, to reaffirm strong relations between the United States and Israel and condemn the acts of terror against the Israel people.

The United States has a unique relationship with Israel, the only democratic nation in the Middle East. We must continue to support nations with similar ideological goals that share the same commitment to democratic principles. Our history of friendship spans many decades, and the United States has been the strongest advocate for efforts to craft a long-term peace settlement in the region.

If the United States is truly committed to establishing a lasting peace by pursuing the road map, then we must remain true to its principles and condemn violence and terrorist attacks. We must continue our efforts in Congress to promote peace in the Middle East and maintain a strong U.S.-Israel relationship. I urge all of my colleagues to vote for the resolution before us today.

Mr. Speaker, I thank the gentleman for yielding me time.

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the gentleman from California (Mr. CARDOZA).

(Mr. CARDOZA asked and was given permission to revise and extend his remarks.)

Mr. CARDOZA. Mr. Speaker, I rise today in support of this resolution.

Mr. Speaker, on June 24 of last year, President Bush unveiled a new vision for bringing peace in the Middle East. I support that vision. But that vision is one that we must support through a fairness situation where we do not make equivalency between what has happened by Mr. Sharon going to the Temple Mount and the death and destruction that have been wrapped upon Israel with the terrorist threat. I support the Lantos resolution.

Mr. Speaker, I rise today in support of this resolution, which condemns recent terrorist attacks against Israel and expresses solidarity with the citizens of Israel during this turbulent time.

On June 24 of last year, President Bush unveiled a new vision for bringing peace to the Middle East. He stated that the Palestinians must develop a new leadership, which must be committed to peace with Israel and to destroying the terrorist infrastructure. Only then would the United States consider recognition of a Palestinian state.

Since that time, the Palestinians have taken steps to establish a new leadership structure. Abu Mazen was appointed the first Palestinian Prime Minister following a bitter struggle with Yasser Arafat.

And I'm pleased to hear that—just this morning—Hamas, Islamic Jihad and Al Asqa have agreed to 3-month cessation of attacks against Israelis. That's a very positive step. But we've heard positive talk many times before. The proof will be borne out over time through deeds. Just this morning, the Israeli Defense Force disabled a large bomb in northern Israel. Clearly, the vigil for peace and security will have to be maintained.

I believe the key to the ''Road Map'' or any other effort to achieve lasting peace is to stay true to the principles outlined by the President last June; particularly, the necessity of combating terrorism as the first of a sequence of events.

And I believe the U.S. must remain supportive of Israel in its fight against terror until the Palestinian Authority is willing and able to carry out this responsibility.

Like my colleagues here today, I welcome the positive steps the Palestinians have taken, but we must also see decisive action to dismantle the terrorist infrastructure.

As Americans, we understand the fight against those who seek our destruction. We

stand shoulder to shoulder with Israel in their fight against those who oppose their existence.

The citizens of Israel are our allies, and we will continue to support their fight against terrorism and their government's efforts to provide safety and stability for its people.

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. SANDLIN).

(Mr. SANDLIN asked and was given permission to revise and extend his remarks.)

Mr. SANDLIN. Mr. Speaker, on June 24 of last year,President Bush stated that the Palestinians must develop a new leadership not tainted by support for terror. The new leadership must be committed to peace with Israel and to destroying the terrorist infrastructure. Only then would the United States consider recognition of a Palestinian state. Israel is fulfilling its commitment by dismantling unauthorized outposts, releasing Palestinian prisoners, allowing Palestinians to work in Israel, and releasing funds out of the treasury.

They cannot be expected to give up counterterror measures so long as Palestinians fail to comply with their road map obligation to stop terror. Like every other sovereign nation, Israel has the right to self-defense. As long as Palestinian leaders do not aggressively go after the terrorist infrastructure, the Israeli government has the responsibility to protect its citizens against further terrorist attacks.

Merely negotiating a cease-fire is not enough. Terrorism must end. Peace demands it.

Mr. Speaker, I rise today to express my firm commitment to the safety and security of Israel and the Israeli people. One year ago, President Bush called upon the Palestinian people to put in place leadership not tainted by support for terrorism. Terrorism is the great scourge of our age, and there is little doubt that it represents an insurmountable threat to peace throughout the world, but most particularly in Israel and in the Middle East.

In order for peace to be realized, terrorist groups like Hamas and Islamic Jihad must be contained. The Palestinian leadership—with support from the rest of the Arab world—must take a firm stand against the blight of violence and death that terrorists spread wherever they commit their atrocities. The destruction of the terrorist infrastructure that threatens innocent Israelis everyday is a necessary precondition to the success of the peace process and the recognition of a Palestinian state.

While I am encouraged that the Bush administration appears to be re-engaged in the peace process, the fact that 22 innocent Israelis have been killed and many more injured in a serious of suicide bombings since the summit in Aqaba, Jordan, demonstrates clearly the difficult and treacherous road to peace that lies ahead.

The sad fact is that we as a nation have too often overlooked or considered route the terror that daily threatens the peace and security of Israel. So, I ask you to consider a situation that would be better understood in our country. Think about a shopping mall or a busy street in New York, Dallas, Los Angeles, Chicago or New Orleans; and think about the people who might be on the bus on their way to school or to work; people going about their daily business, shopping for groceries or picking up that last-minute necessity. Now imagine that someone came along with a bomb in one of those cities, or right here in Washington, DC, and created an explosion that killed 7 or 70 or 700 in one fiery blast.

What would the response be in America? We would call out the Army, the Navy, the Marines, the FBI, the police, every agency that could retaliate, whether to capture or kill the responsible person and the leaders of an organization that would seduce a young person to sacrifice his or her life for such a heinous purpose.

Yet, when Israel responded to the murder of 17 innocent Israelis by launching an attack on the leadership of Hamas, the Bush administration criticized the attack as heavy-handed and an unnecessary complication to the peace process.

We would not stand by five minutes and accept such attacks on American civilians. And we should not expect Israel to stand by five minutes and accept it either. We cannot look at the violence on both sides as though it is comparable. It simply is not the same.

Israel's attacks are always in retaliation for violence that radical terrorists—murderers or killers, to use the President's terms—have brought down upon them. Hamas, Islamic Jihad, and the al-Aqsa Martyrs Brigades, among others, delight in taking responsibility for a suicide bomber who walks into a cafe or disco and takes 8, 10, 20 or more innocent lives.

Like every other sovereign nation, Israel has the right to defend itself against the cowardly acts of terrorists. The United States must not be caught in the trap of thinking of Israel's response to terrorism on its soil as the equivalent of the terrorism itself. There is no doubting the difference.

Mr. Speaker, I rise in strong support of this resolution expressing our solidarity with Israel. Just as we have when the terrorist attacks were on our soil or against our national interests, we must roundly condemn the acts of terrorists in Israel, and we must continue to exert pressure on Palestinian Prime Minister Abu Mazen to use very resource at his disposal, including force, to root out terrorism and remove it as an obstacle to peace. Moreover, we must be unwavering in our support for Israel's right to defend and secure herself against such senseless violence.

If the peace process is to succeed, rather than criticizing Israel for its efforts to combat terrorism, we must offer our full support and take whatever action is necessary to ensure that Israel is free from the scourge of terrorism.

Only then will the Israeli and Palestinian people realize the promise of peace embodied in the ''road map.''

I have no doubt that the Israeli and Palestinian people can live side-by-side in peace and prosperity, as so many do even today throughout Israel. Yet that goal will likely never be realized unless and until terrorist organizations like Hamas, Hizbollah, Islamic Jihad, and others are removed from the equation.

Mr. Speaker, I urge all members of the House to express their full support for Israel and their continuing commitment to the eradication of terrorism wherever it rears it violent and ugly head and to vote for this important demonstration of our commitment to peace.

Mr. LANTOS. Mr. Speaker, I yield 30 seconds to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

□ 1545

Ms. JACKSON-LEE of Texas. Mr. Speaker, this peace belongs to the American people. This peace belongs to President William Jefferson Clinton as well the present administration. This peace belongs to all of us who have worked to ensure a just and sustainable peace. The road map must be supported.

I rise, Mr. Speaker, to indicate to my colleagues that I spent 2 weekends ago in Oslo, Norway, working with women from Palestine and from Israel discussing the issue of peace.

I believe we can move forward. I am going to vote for this resolution. I believe that we can move forward, but I believe as well as we move forward we must accept the view and the understanding that as we abolish and get rid of terrorism we all believe and support an independent Palestinian State, and so I am going to associate myself with the women that I had the pleasure of being with in Oslo, Norway and will be writing a resolution to increase the number of women in the mideast peace process as we fight to secure a just and sustainable peace.

I rise today in support of House Resolution 294, condemning the terrorism inflicted on Israel since the Aqaba summit and expressing support for the Israeli people.

The Aqaba summit took place on June 4, 2003. Newly elected Palestinian Prime Minister Mahmoud Abbas proclaimed, ''our goal is clear, and we will implement it firmly and without compromise: a complete end to violence and terrorism.'' This is a laudable statement, and we are happy to see the Palestinian government taking such strides towards democracy and stability for their nation.

Prime Minister Abbas pledged at the Aqaba summit to establish a system based on rule of law and a single political authority. His intentions are the beginning steps needed for the Middle East Roadmap to Peace.

The roadmap begins with the assertion that ''a two state solution to the Israeli Palestinian conflict will only be achieved through an end to violence and terrorism.'' Prime Minister Abbas' leadership will be tested through these turbulent times, as terrorism is still rampant in the Middle East, and more people are suffering at the hands of violence.

Since that June 4 summit, less than three weeks have gone by, and already 22 Israelis are dead and scores more wounded. There have been three separate suicide bombings. When compared with our population, the death toll for the Israeli population would be equivalent to the loss of 1,100 American lives.

Palestinians are also victims of this violence as terrorists continue their attempts to undermine prospects for a lasting peace in the region. I was recently at a conference in Norway where Palestinian and Israeli women were joined by other leaders from around the world to seek a greater understanding of what must be done to secure peace in the region. Some

progress was made but I realize that there is much that remains to be done.

Peace will continue to be undermined as long as these terror attacks persist. Sadly, anti-Israeli and anti-Semitic groups are driving a wedge into the process to peace that many Palestinians and Israelis are trying so hard to build.

This is why I condemn in the harshest terms the recent terrorist acts, and express support for a peaceful and secure Israel and Palestine. I also offer my sympathy to the families of both the Israelis an Palestinians whose lives have been lost.

The roadmap to peace is a vision, not just for our generation, but for the future of Middle East stability. This vision can only be realized once terrorism is defeated, so that a new state may be created based on rule of law and respect for human rights.

Mr. LANTOS. Mr. Speaker, I am very pleased to yield 30 seconds to the gentleman from Florida (Mr. WEXLER), a distinguished member of the Committee on International Relations, my good friend.

Mr. WEXLER. Mr. Speaker, I rise in strong support of the resolution because I support the road map plan for peace. Those of us who care so deeply about the State of Israel and its security know that there is no alternative to a peace plan led by the United States, but the Palestinian people must understand that in order to attain the state they justly deserve that their terrorist attacks of Hamas, Islamic Jihad, Hezbollah must be defeated, and one of the ways that America helps defeat terror is to stand 100 percent behind Israel's right of self-defense.

The President was mistaken last week when he condemned Israel's right of self-defense in effect, and he made a distinguishing mark between the way the United States acts and the way Israel acts.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 30 seconds to the gentleman from New York (Mr. NADLER), my friend and distinguished colleague.

Mr. NADLER. Mr. Speaker, those who have opposed this resolution have opposed it for what it does not say, not for what it does.

The United States can be an honest broker and should be between Palestinians who want peace such as perhaps Abu Mazen, whose sincerity is still subject to proof, but it cannot be an honest broker with Hamas and other terrorist groups who desire genocide.

This resolution supports the road map by supporting the first preconditions for it, the disarmament of the terrorist groups, by agreement if possible, by force if necessary.

Finally, there is no equivalence between Israeli victims of premeditated murder and Palestinian victims who either were terrorists or were victims of warfare unleashed by Palestinian terrorists. This resolution strikes a proper balance, and I strongly support it.

Mr. LANTOS. May I inquire, Mr. Speaker, how much time we have left?

The SPEAKER pro tempore (Mr. UPTON). The gentleman from California (Mr. LANTOS) has 1¾ minutes remaining.

Mr. LANTOS. Mr. Speaker, I yield myself 1¾ minutes.

Mr. Speaker, all of us in this House are passionately committed to peace, and all of us in this House are passionately committed to justice. The Palestinian people are certainly entitled to an infinitely better life than what they have had for many years. The blame clearly lies with the surrounding Arab states which failed to allow them to establish civilized communities or to absorb them.

Other societies have done that. The Greeks of Cyprus absorbed the Greeks from northern Cyprus, and the people of Israel absorbed millions of their fellow nationals from all over the world.

There was a cynical attempt to perpetuate the misery of the Palestinians in refugee camps. Hopefully, with the President's vision, we will now see an end to this long, painful, tragic, misery-filled process.

To embark on that road, we must see the end of terrorism. There is no road map unless terrorism ceases, and if it does, the road map, in fact, will be implemented.

I congratulate the President for having the vision of recognizing that two states can live side by side in peace, with mutual respect and prosperity, but only if terrorism ends.

Abu Mazen, the new Prime Minister, has repeatedly indicated his opposition to terrorism. We have to help him to put an end to terrorism. He must gain control of the territory in Gaza, first in the north, then in central Gaza, then in southern Gaza and then on the West Bank, town by town, and as he does so, we will move towards peace, and the Israeli and the Palestinian people at long last will live in a civilized region.

I urge all of my colleagues to vote for the resolution.

The SPEAKER pro tempore. The gentleman's time has expired.

Mr. RAHALL. Mr. Speaker, I yield myself such time as I may consume.

This has been a good debate, a very healthy debate. There is no doubt that security cooperation needs to be restored between the Palestinians and Israelis. It has worked in the past. The road map now is the way to do it. Several of the speakers today have risen in support of the road map, and they will support this resolution. I cannot even find the word ''road map'' mentioned in this resolution, and that is a major, major problem with it.

The economies of both Israelis and the Palestinians are in dire shape. There is no question about it, and this road map, for which I have already commended and continue to salute the President for presenting it, is the way out.

Confidence building measures by both sides, coupled with stability and economic development, must occur, and it will help bring back the necessary hope that both sides so desperately need and the trust in one another that is so lacking at the current time.

There are obligations of both parties under the road map. This resolution, unfortunately, points only to obligations of Palestinians and insinuates they are not fulfilling those obligations. There are obligations by the Israelis as well that are very clear. Yet they are not stated in this resolution.

We must give Prime Minister Abu Mazen, a good friend with whom I have met, the help he needs to fight terrorism and we must not allow civil war among Palestinians to occur. The road map is the way to do that. It will take time.

I salute President Bush for his personal involvement, for Secretary of State Powell's involvement, for Condoleezza Rice's involvement via her trip to the region any day now, and I salute our security people, the United States security people, our CIA and others that are on the scene in an effort to help the Palestinians restore security. That takes time. That takes patience and that takes an opportunity, that we must give and Israelis must give the Palestinians to create that security that is so vital to bring peace to this area.

I am not going to urge my colleagues to vote one way or another on this resolution. They can make up their own minds, but each colleague I would say has to look in his or her conscience and has to determine in their best opinion what is in the United States' best interests in promoting the road map to peace in the Middle East.

Mr. Speaker, I yield back my time.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. LEACH) has 30 seconds left.

Mr. LEACH. Mr. Speaker, I yield myself the remaining time.

In conclusion, Mr. Speaker, this resolution is about two subjects—violence and peace.

On point one, the Congress cannot be equivocal in condemning terrorism. On point two, this resolution unequivocally commends the President for a vision of two states, Israel and Palestine, living side by side in peace and security.

This is the first President to assert legitimacy of a Palestinian state, and this resolution not only implicitly endorses the President's road map for peace but breaks affirmative ground in a congressional resolution on the Palestinian legitimacy issue.

Peace is the goal. Diplomacy, not violence, must be the means. On this basis, I urge this resolution's passage.

Ms. LEE. Mr. Speaker, I rise today in strong support of security for Israel and in utter condemnation of terrorism. I cannot, however, vote for a resolution that I believe fails to advance the Middle East peace process, and it undermines hope for the Roadmap.

On May 8, 2003, I wrote President Bush commending him for his efforts to help the parties find a way out of their ongoing tragedy. This letter read in part: ''I wanted to take this opportunity to applaud your efforts to reinvigorate the Israeli-Palestinian peace process. The

'Roadmap to Peace,' presented by the Quartet to the Israeli Government and Palestinian Authority, represents a welcome and desperately needed opportunity to work toward a lasting two-state solution that offers the prospect for an ordinary peace between current adversaries and with that peace, the promise of stability for the region. Such a solution is very much in our own national interest as well.''

I believe the principles laid out in the Roadmap, including its emphasis on reciprocity, must continue to guide us. Ending terror is imperative, and I absolutely agree with the sentiments in this resolution decrying terror and expressing sympathy for the loss of so many lives, Israeli and Palestinian, in this conflict. However, at this critical juncture, the resolution I wish that we were voting on was one that expressed those principles while at the same time voicing solidarity toward Israel by endorsing the Roadmap as our best chance to reach the much desired destination of peace and security. This resolution fails to reflect the reciprocity that is the hallmark of the Roadmap.

Mr. SHAYS. Mr. Speaker, I rise in support of the resolution.

The Aqaba Summit presented one of the most promising moments in years of conflict between Israelis and Palestinians. At that summit, Prime Minister Abbas pledged his commitment to a complete end to the violence and terrorism that has devastated the region. Prime Minister Abbas and Israeli Prime Minister Sharon also took the first bold step on the Roadmap to Peace by recognizing the right of one another to exist in peace.

Mr. Abbas and Sharon had just returned from Aqaba, however, when violence once again flared. There is no way the peace process can continue while terrorist organization such as Hamas continue to act with impunity in the West Bank and Gaza.

Prime Minister Abbas maintains that terror can only be stopped on moral and political grounds. He remains unwilling to use force to dismantle terrorist organizations. Under current circumstances, however, Mr. Abbas doesn't have the ability to forcefully dismantle such organizations. It is critically important that the United States, Europe, Russia, the United Nations and the Arab League renew their commitment to cut terrorism at its roots, and provide Mr. Abbas the support he needs.

International support means denying the flow of dollars to Hamas. I am a cosponsor of House Resolution 285, which urges the European Union to classify all of Hamas as a terrorist organization, and not just its military wing. I find it astonishing that a distinction would be made between the political and armed divisions of a terrorist organization.

The Arab League must also commit itself to peace in Israel by denying Yasser Arafat the funding and support he needs to maintain control over security forces in the Palestinian territories.

I continue to support an active U.S. role in the Middle East peace process because the suffering of people—destined to live on the same piece of land—is too great, and the stakes for them too high.

I support this resolution's condemnation of the recent terrorist violence that victimized innocent Israelis, as well as its expression of sympathy to the families of both Israelis and Palestinians who have lost their lives. I urge its adoption and thank the gentleman from California, Mr. LANTOS, for bringing it to the floor.

Mr. FARR. Mr. Speaker, I rise today in support of H. Res. 294, condemning the terrorism inflicted on Israel, expressing solidarity with the Israeli people, and calling on the Palestinian Authority to take immediate and effective steps to dismantle the terrorist infrastructure on the West Bank and Gaza. I also rise today to express my solidarity with all those who support the efforts towards peace between Israelis and Palestinians.

Mr. Speaker, I wish to associate myself with the comments of the gentlewoman from California, Representative CAPPS. I wish to echo her reservations about this bill. The introduction of this resolution should have provided us the opportunity to restate the United States' commitment to peace, and our commitment to the President's roadmap, which lays out responsibilities for both the Israelis and the Palestinians in the pursuit of peace. The roadmap, like any negotiated plan, is imperfect. But it is supported by the President, it is supported by Israel, it is supported by the Palestinian Authority. It is the best plan that we have right now.

Having said that, I am pleased that this resolution recognizes the plight of innocent Palestinians who have been caught in a cycle of terrorist attacks and government reprisals. It also recognizes the aspiration of Palestinians to create their own state, which will live in peace and prosperity with its neighbor Israel.

I look forward to working with my colleagues here in Congress, with the Administration and with the communities in the Middle East to foster a true and lasting peace in the Middle East. I believe that peace must be the ultimate goal of the United States policy towards the region. Peace is in the national interest of Israel, the future security of a Palestinian state, and in the national security interest of the American government and its people.

Mr. MATSUI. Mr. Speaker, I rise today in support of H. Res. 294. I am deeply saddened by the loss of lives at the hands of terrorists, and it is of great disappointment to me that the terror has escalated since the Aqaba summit. As the violence continues, even in the face of efforts by all sides to bring peace to the region, the United States must show nothing short of steadfast support for Israel as it continues to bear the entire burden of ending the violence.

The U.S. and Israel both agree that Prime Minister Abbas is the legitimate alternative to Yassir Arafat as leader of the Palestinian people. We welcome his statements acknowledging the need to stop terror both on moral and political grounds. However, the terrorist infrastructure is committed to the undermining of Prime Minister Abbas and the peace process.

Earlier this month, 22 innocent Israelis were killed and many others have been injured in continuous suicide bombings. Among the obligations in the roadmap is the responsibility of the Palestinians to stop all terror and violence against Israel. Merely negotiating a cease-fire with the terrorist groups is not sufficient. Terrorist groups can simply use this time to rearm and plan future attacks against innocent civilians. Militants must be arrested and arms collected to dismantle the terrorist infrastructure.

As long as Palestinian leaders do not aggressively go after the terrorist infrastructure, the Israeli government has the sole responsibility of protecting its citizens against further terrorist attacks. Israel has an obligation to safeguard its citizens and like every other sovereign nation, Israel has the same right to self-defense. If the Palestinian Authority does not act against terrorism, Israel must.

U.S. policy needs to be supportive of Israel in its fight against terror. Just as the U.S. has the right to send soldiers around the world to fight terrorists, Israel has the same right to fight terrorism in its own neighborhood and its own capitol.

The people of Israel are confronted with the grim realities of terrorism on a daily basis. Yet the darker reality is that were it not for the successful actions Israel takes in defense of its people, terrorism against them would increase tenfold. As Israel embarks on the difficult path to peace, it is essential that her efforts to quell acts of senseless terror have the full support of the United States.

Ms. WOOLSEY. Mr. Speaker, today the House will vote on H. Res. 294, a measure expressing solidarity with the people of Israel and condemning the terrorist attacks inflicted on them since the Aqaba Summit. The timing could not be any more ironic. Today as we consider this one-sided resolution on the Mideast, there are reports of a ceasefire taking hold that underlines the need for America to find a way to condemn violence in a way that does not favor one set of innocent victims over another. Unfortunately, this resolution does not meet this standard. Instead, this resolution, in its present form, will do more to take us away from peace than to bring us closer to an agreement that serves the needs and desires of all people in the Middle East.

That is not to say that I disagree with the text of this resolution: I condemn, in the strongest terms, all terrorist attacks against Israelis and remain committed to Israel's security and the well-being of Israeli citizens. Brutal attacks against civilians are always unacceptable and as a sovereign nation, Israel has the right to defend itself from these kinds of attacks. But, this resolution, which does not address the losses on both sides, sends the wrong message to Israelis, Palestinians, and the world community.

My concern is also that this resolution does not endorse the ''roadmap'' for peace, nor does it recognize the commitments and obligations that Israel must implement for the peace process to move forward. Furthermore,, it does not recognize the terrible pain and suffering that Israeli occupation and crackdown has caused in the disputed territories. We need to condemn Palestinian terrorists, but acknowledge the honorable goals of peace-loving Palestinians that want nothing more than a better life. This Congress should recognize the pain of every mother that has lost an innocent child because of violence in the Mideast, not only Israeli mothers.

Mr. Speaker I share the anger and sadness of my colleagues who have brought this resolution regarding the Mideast to the floor. But, I am convinced that this resolution will not advance the prospects for the lasting peace that we all want, which, is why I will vote against it.

Mr. PAUL. Mr. Speaker, I rise in opposition to this measure. Of course we all deplore terrorism and violence that any innocents are forced to suffer. There is, sadly, plenty of this in the world today. But there is more to this resolution than just condemning the violence in the Middle East. I have a problem with most resolutions like this because they have the appearance of taking one side or the other in a

conflict that has nothing to do with the United States. Our responsibility is to the American people and to the Constitution, not to adjudicate age-old conflicts half-way around the world.

When we take sides in these far off conflicts, we serve to antagonize the people affected and end up no closer to peace than when we started. This bill makes reference to the need to have solidarity with Israel. Elsewhere people say we should have solidarity with the Palestinians and the Arabs. So, as I have said before when bills such as this are on the floor, it is sort of a contest: Should we be pro-Israel or pro-Arab, or anti-Israel or anti-Arab, and how are we perceived in doing this? It is pretty important.

But I still believe, through all these bills attempting to intervene in the Middle East, that there is a third option to this that we so often forget about. Why can we not be pro-American? What is in the best interests of the United States? We do not hear much talk of that, unfortunately.

As I keep saying when votes such as this come to the floor, the best foreign policy for the United States is noninterventionism. It is a policy American interests first, costs must less money, and is in keeping with a long American tradition so eloquently described by our Founders.

I hope the peoples of the Middle East are able to resolve their differences, but because whether they decide or not is not our business I urge a no vote on this resolution.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, even though I agree in principle on the intent of the resolution, I believe it could have been drafted differently. I intend to vote ''yes'' on H. Res. 294.

All of us who support Middle East peace process are aware of the fragile relationship between Israelis and Palestinians. I believe that future progress toward peace will require a real commitment on the part of Israel and the Palestinians, and the active participation of the United States.

Mr. Speaker, I strongly support Israel, but I also strongly support efforts to bring about peace in the region, which will allow the Israeli and Palestinian people to live together side by side without having to endure this type of violence.

All sides of this conflict have responsibilities. Israel must take tangible steps now to ease the suffering of Palestinians and to show respect for their dignity. As progress is made toward peace, Israel must stop settlement activity in the occupied territories. Arab nations must fight terror in all forms, and recognize and state the obvious once and for all: Israel has a right to exist as a Jewish state at peace with its neighbors.

There is no excuse for terrorist acts. I want to save the lives of Israelis, and I want to save the lives of Palestinians. Both are equally precious, both deserve to live in peace and security.

It is in that spirit, and with that faith, that I will continue to work with the Administration to ensure the United States remains firm in its commitment to the principles necessary to guarantee the success of the Arab-Israeli peace process.

Mr. CARDOZA. Mr. Speaker, I rise today in support of this resolution, which condemns recent terrorist attacks against Israel and expresses solidarity with the citizens of Israel during this turbulent time.

On June 24 of last year, President Bush unveiled a new vision for bringing peace to the Middle East. He stated that the Palestinians must develop a new leadership, which must be committed to peace with Israel and to destroying the terrorist infrastructure. Only then would the United States consider recognition of a Palestinian state.

Since that time, the Palestinians have taken steps to establish a new leadership structure. Abu Mazen was appointed the first Palestinian Prime Minister following a bitter struggle with Yasser Arafat. Since assuming office, Abu Mazen has refused, however, to take concrete steps to rein in the terrorists in any way. And despite the change in leadership, Yasser Arafat maintains a high degree of control, including authority over major elements of the Palestinian security apparatus.

And I am pleased to hear that, just this morning Hamas, Islamic Jihad and Al Asqa have agreed to 3-month cessation of attacks against Israelis. That is a very positive step. But as we have seen many times before, the proof will be borne out over time. Also just this morning, the Israeli Defense Force disabled a large bomb in northern Israel. So clearly, the vigilance for peace and security will continue.

I believe the key to the ''Road Map'' or any other effort to achieve lasting peace is to stay true to the principles outlined by the President last June, particularly the necessity of combating terrorism as the first of a sequence of events.

Since the Aqaba summit earlier this month, 22 Israeli civilians have been killed and many others have been injured in three separate suicide bombings. Like every other sovereign nation, Israel has the right to self-defense. Israel must act against terrorism if the Palestinian Authority does not. As long as Palestinian leaders do not aggressively go after the terrorist infrastructure, the Israeli government has a responsibility to protect its citizens against further terrorist attacks. I believe U.S. policy must be supportive of Israel in its fight against terror until the Palestinian Authority is willing and able to assume this responsibility.

We must also wholly reject the concept of a ''cycle of violence.'' Use of that term implies a moral equivalence between those who commit terrorist acts and their victims. Israel's targeting of terrorist leaders is not the moral equivalent of targeting of innocent civilians, including women and children.

Like my colleagues here this morning, I welcome the positive steps the Palestinians have taken, but we must also see decisive action to dismantle the terrorist infrastructure. Without such action, the Road Map or any other effort, however well intentioned, will fail.

The Palestinian people deserve a leadership that looks beyond the narrow goal of nationalism and works toward bettering the lives of its people. Regrettably, the current leadership has shown no signs of embracing those goals. As Americans, we understand the fight against those who seek our destruction. We stand should to shoulder with Israel in their fight against those who oppose their existence.

The citizens of Israel are our allies, and we will continue to support their fight against terrorism and their government's efforts to provide safety and stability for its people.

Mrs. McCARTHY of New York. Mr. Speaker, as we are hearing all too frequently about continued violence in Israel, I rise in support of H. Con. Res. 294, expressing solidarity with Israel.

For me, terrorism has hit close to home on too many occasions. Just last Friday, Eugene and Lorraine Goldstein, an elderly couple from Plainview, which is on Long Island, were visiting their son in Israel. It was supposed to be a time of joy for the family, but became a matter of grief.

Eugene and Lorraine Goldstein, and their son and daughter-in-law were on their way to a wedding dinner for a grandson at the Holyland Hotel, and also celebrating their son and daughter-in-law's 27th wedding anniversary. The family was traveling along Route 60, a West Bank highway.

During the drive, the Goldstein's happy day was shattered by the bullets of terrorists. The Goldsteins were shot in an attack that the Palestinian group Hamas has admitted carrying out. Within minutes Eugene and Lorraine's son was dead, their daughter-in-law was injured, and they were severely wounded, taken to a Jerusalem hospital.

Eugene Goldstein is a watch salesman at the Fortunoff store in Westbury, also in my district. Fortunoff calls Eugene a ''superstar with a big wave and a big grin,'' and their family, friends and neighbors know the Goldsteins as good people. The family is in great shock, just one more family with lives destroyed from terrorism. I am praying that the Goldsteins recover quickly and fully, and my condolences go to their family for their loss.

Today, Israel finds herself in an unbearable situation. Despite Israeli trust, Yasser Arafat has allowed terrorism to pervade Israeli society. Prime Minister ''MA–MOOD'' Abbas must keep his pledge for a ''complete end to violence and terrorism.'' Until that happens, Israel has every right to enter Palestinian cities and refugee camps to root out terror. We cannot expect Israel to sit by and watch her country crumble, and her people be murdered in groups of 20 while they ride buses.

As a Member of Congress, I will support Israel's decisions regarding security and self-defense in any way possible.

Mr. STARK. Mr. Speaker, I rise to raise concerns with House Resolution 294, Condemning The Terrorism Inflicted On Israel And Expressing Solidarity With The Israeli People.

I am greatly troubled by the violence between Palestinians and Israelis over the last two weeks. It poses a great threat to the road map toward peace before it has had a chance to progress. I am outraged by extremists on both sides who continue to frustrate and delay the peace process. For the sake of the Israeli and Palestinian people, this process must be allowed to succeed.

While I join my colleagues in denouncing all acts of terrorism, this resolution unfairly places blame on one side in the ongoing cycle of violence between the Israelis and Palestinians. The United States should always act as a fair and impartial broker in the peace process. This resolution violates that responsibility.

Let me be clear. I condemn the recent bus bombings and other acts of terrorism carried out by Hamas just as I believe Israel must halt its policy of assassinations. The day after Israel attempted to kill a senior Hamas leader, a suicide bomber killed seventeen innocent people aboard a bus in Jerusalem. The cycle of violence being perpetuated by both sides must end, but this resolution does nothing constructive to further that goal.

It is only right that Congress call upon the new government of Prime Minister Abbas to

take more effective measures in controlling Hamas and ending violence. But we should also ask the government of Prime Minister Sharon to do the same. We should sponsor impartial legislation supporting continued dialogue to end the violence in the Middle East—protecting the human rights of the innocent involved in the cross fire. We must balance our demands on both of these governments.

Both sides have crossed the line—it is time to get back to the negotiating table. We are not aiding this already volatile situation by giving our weighted support to one side in this conflict. For that reason, I must abstain on this resolution.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and agree to the resolution, H. Res. 294.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LANTOS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

PROVIDING FOR CONSIDERATION H.R. 2417, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 295, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 295

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Permanent Select Committee on Intelligence now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the distinguished gentleman from Florida (Mr. HASTINGS), my colleague and friend, who I am happy to report sits on both the Committee on Rules and the Permanent Select Committee on Intelligence with me, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, the Committee on Rules has granted a modified open rule for H.R. 2417, the Intelligence Authorization Act for fiscal year 2004. This is the standard rule that we have used for many years for the consideration of the intelligence authorization. The rule is fair. It will allow ample time for consideration of all matters.

The rule provides for one hour of general debate equally divided between the chairman and ranking member of the Permanent Select Committee on Intelligence. Pro forma amendments listed in the report will be debatable under the 5-minute rule.

As in past rules for this legislation, amendments were required to be preprinted. This allowed for the vetting of amendments regarding classified matters, a procedure we have found to be a very good practice, helpful to both the committee and Members.

Finally, the rule provides one motion to recommit with or without instructions, as was announced.

Mr. Speaker, as in past years, we thought it best to allow Members a good opportunity to review the bill and debate the issues that they feel are important, those particularly to our Nation's security at this time when national security is on our minds. Our classified annex and staff has been made available to any Member of Congress that was interested previously or is interested now in reviewing the underlying bill and reports.

□ 1600

H.R. 2417 is, in fact, must-do legislation because of the rules of the House. It authorizes appropriations for fiscal year 2004 intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. In effect, what that is is the 15 agencies of the intelligence community.

In the nearly 2 years since the tragic terrorist attacks on September 11, the intelligence community continues to build its capabilities to combat new threats that are threats to our Nation's safety, the well-being of Americans at home and abroad. The bill authorizes resources to improve the analytical depth and capacity in all areas of intelligence, an area that has been in crying need. This will allow us to process and disseminate the information collected in a more efficient, hopefully wiser and more timely fashion, and make sure all interested parties have access.

In addition, this legislation continues the sustained effort and long-term strategy to enhance human intelligence, an area that is vital to our current war on terrorism and is essentially the core business of intelligence, plans, and intentions of the enemy. H.R. 2417 helps to improve information sharing among Federal, State, and local governments. This is an area and a desire where we have overlapping interests with other committees in the House. This bill also provides including increased training for State and local officials on how the intelligence community can support their counterterrorism efforts, again, a matter of some overlapping interest.

Mr. Speaker, these are only a few highlights from the bill that passed the Permanent Select Committee on Intelligence unanimously, in the true bipartisan fashion we like to operate our House Permanent Select Committee on. I am sure a whole breadth of topics will be discussed during our general debate; and I think that we have, in this modified open rule, provided ample opportunity for all matters to come to the floor.

I noted today in earlier debate that there was focus on one issue that was not necessarily the subject that was under debate, and that was the intelligence assessments of Iraq's weapons of mass destruction. Obviously, this is a topic currently under review by the House Permanent Select Committee on Intelligence, and I would like all Members and all interested listeners to understand that we have been conducting a review on the House Permanent Select Committee to discharge properly our oversight responsibilities. We have been using the tools of oversight that are available to us. I think they are adequate, and I think they are being well used. I think we are using them in a thorough and in a nonpartisan manner. And, in fact, the ranking member, the gentlewoman from California (Ms. HARMAN), and I have taken extra steps to detail how this review will be conducted and have actually issued a public statement on that.

I think it is worth rehashing what that statement says: committee hearings, closed and open, as appropriate, that will permit Members to question senior administration officials about the prewar intelligence on Iraq's weapons of mass destruction holdings and programs, and its links to terrorism, to include questions relating to the sufficiency of intelligence collection and analytical coverage on these targets.

Granting accesses to any Member of the House who wishes, under appropriate security provisions and House rules, to review the documentation provided to the Committee by the Director of Central Intelligence in response to a May 22 letter from the gentlewoman from California (Ms. HARMAN) and myself to provide information. And I am happy to report we are getting full cooperation from the Director of Central Intelligence on that.

Staff interviews of intelligence community personnel involved in drafting intelligence community analyses of Iraq's weapons of mass destruction holdings and programs and Iraqi links to terrorism.

Regular committee updates and status reports on current efforts to locate Iraq's weapons of mass destruction, which, after all, is a priority, including actions of the Iraq Survey Group and other government agencies employed in that task.

And a written report suitable to the results of the committee's review, including an unclassified summary as promptly as is possible.

In fact, I would say, Mr. Speaker, the committee has taken a very important additional step in its review. We have voted to allow access to the 19 volumes that we now have on hand of information provided by the Director of Central Intelligence outlining American intelligence analysis on Iraq and the sources that supported it. I do not believe we have ever done anything that specific before.

To those who believe that the Permanent Select Committee on Intelligence is not doing its job or that we are incapable of doing our job, they can come and literally read over our shoulder. I think that the committee is doing its job, and I am very proud of its members and its staff and the way it works; and I am very thankful that I have a ranking member who is anxious to preserve the nonpartisan approach that we take to the Nation's important security business.

Those who have questions about the competence of myself, my ranking member, or any of the other members on the Permanent Select Committee on Intelligence are welcome to express that today in a vote of no confidence; but I would urge that they not do that. We are doing our very best, and if you would like to come upstairs and help us try to do it better, we would welcome your presence.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I first want to thank my good friend, the gentleman from Florida (Mr. GOSS), the distinguished chairman of the Permanent Select Committee on Intelligence, for yielding me the time, and I yield myself such time as I may consume.

Mr. Speaker, I would like to first point to the extraordinary leadership of the gentleman from Florida (Mr. GOSS) and the ranking member, the gentlewoman from California (Ms. HARMAN), and the bipartisan spirit of the unanimous consent of the entire Permanent Select Committee on Intelligence in support of H.R. 2417. I rise in support of the rule providing for the consideration of that measure. It is the Intelligence Authorization Act for fiscal year 2004. This is a modified open rule, and I believe that it is adequate for a bill that is relatively noncontroversial and was reported from the Permanent Select Committee on Intelligence by unanimous vote, as I just said.

I would like to reiterate a part of what the gentleman from Florida (Mr. GOSS) has said and state to Members who wish to do so that they can go to the committee's office to examine the classified schedule of authorizations for the National Intelligence Program. This schedule includes the CIA, as well as the Foreign Intelligence and Counterintelligence programs within the Department of Defense, the National Security Agency, the FBI, and the Departments of State, Treasury, and Imaging.

Also included in the classified documents are the authorizations for the Tactical Intelligence and related activities and the Joint Military Intelligence program of the Department of Defense.

Mr. Speaker, the Intelligence Authorization Act we consider today will provide authorizations for some of the most important national security programs in this country. This bill is the result of the committee's ongoing oversight of the intelligence community and oversight responsibilities, which include hundreds of hearings, briefings, and site visits annually.

We are well aware that the global war on terrorism has focused even greater attention on the intelligence community and its mission. The men and women who serve in this community have faced many challenges in the past 21 months and, in my judgment, have responded admirably. This bill assists them in these many challenges. It fully supports the intelligence community's efforts in the war on terrorism by providing funds for analysis, analytic tools, and a unified overhead imagery architecture.

Overall, the committee found the intelligence community is making progress in many areas, but noted that there is currently no one office in the executive branch that is charged with coordinating all elements of the intelligence and law enforcement communities to ensure they cooperate and coordinate their efforts.

The committee also called on the Director of Central Intelligence to improve diversity in the workplace and special attention on recruitment initiatives for women and minorities. I would be terribly remiss right here if I did not mention two former members, one still alive and one who is deceased: former member Louis Stokes from Ohio, and our dear departed friend Julian Dixon, from California, both of whom spearheaded efforts to ensure greater diversity in the intelligence community.

I hasten to urge that the chairman of this committee, and the now leader of the Democratic Caucus, the gentlewoman from California (Ms. PELOSI), and certainly the gentlewoman from California (Ms. HARMAN), the gentlewoman from California (Ms. ESHOO), the gentleman from Texas (Mr. REYES), and the gentleman from Georgia (Mr. BISHOP), who served on the committee previously, have all been vigorous in their assertions that the intelligence community must do more in the area of diversity. So I will be introducing an amendment that I believe will assist the director in attaining the goals in this critical area.

I do urge my colleagues to support this rule and the bill; and before reserving the balance of my time, I take a point of personal privilege to thank the fine staff of the majority and the minority for the rather extraordinary work that it takes in putting this measure together, and the many measures that come across their desks on a given day, including putting up with some of us as Members and our requests. I urge my colleagues to support the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume, and I wish to thank the gentleman for his kind remarks. I also associate myself with his remarks about Lou Stokes and Julian Dixon, as well as the efforts of the gentlewoman from California (Ms. PELOSI), when she was ranking member in the committee, to deal with the diversity issue. It is critically important. And as the gentleman from Florida knows, I am prepared to accept his amendment at the appropriate time and pleased to have his leadership.

I would also point out that I believe the gentleman from Texas (Mr. REYES) has shown another element that has improved our bill that we approved and were able to bring to the floor in our mark. So that is an area that has received attention because it needed attention, and I am entirely satisfied that we are taking good steps.

I would also point out for other Members that we had a number of amendments requested. I do not think any were particularly controversial as to the bill itself. We have this year, because we are dealing with standing up the Department of Homeland Security, some questions about where we plug in the intelligence piece from our foreign

intelligence community, which is a very big piece, into the homeland security apparatus. The gentlewoman from California (Ms. HARMAN) has been a leader on that and done excellent work and is working with the gentleman from California (Mr. COX) and the gentleman from Texas (Mr. TURNER), the chairman and ranking member of the Select Committee on Homeland Security.

We also, obviously, are working closely in some other areas that are a little new for us with the gentleman from Ohio (Mr. OXLEY), the chairman of the Committee on Commerce, because of some questions about how we deal with some of the Treasury aspects, and, additionally, how we deal with some of the judicial aspects as we respond to the challenge in this country of preventive enforcement for people who would take advantage of our hospitality here and do mischief. And regrettably, we do get the reports regularly that there are still some of those folks in our midst. So we are going to be working in that area.

Not all of that is going to come to a final conclusion today. We are going to go from here, from our authorization bill, to a conference process. I expect there will be progress made in some of these areas where there is some apparent overlap between now and conference time, and certainly everybody is going to be assured that this committee is interested only in the portfolio of intelligence. That is what we do, the Foreign Intelligence Program. The other committees of standing that have jurisdictional areas that are associated we will work with closely and on a friendly and nonterritorial basis. I wish to assure them all of that.

We had, I understand, some amendments that came in late and we had one amendment that was not germane; but otherwise, I understand that the Committee on Rules made six amendments in order. Five were Democratic amendments, one was a Republican amendment; and I believe that the Committee on Rules responded very fairly. I see no reason to oppose this rule and every reason to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from California (Ms. HARMAN), the ranking member of the Permanent Select Committee on Intelligence.

Ms. HARMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I would state that I do not intend to use all the time. I will spend the first part of the debate on H.R. 2417 sharing my views about our bill and several other issues of enormous interest to the public.

Mr. Speaker, I rise in support of this rule and of the underlying bill, H.R. 2417. It is interesting and wonderful that both managers of this rule also ably serve on the Permanent Select Committee on Intelligence. The gentleman from Florida (Mr. GOSS) is our bipartisan and collaborative chairman, and the gentleman from Florida (Mr. HASTINGS) is a senior member on the Democratic side. Both have contributed enormously to this rule and, obviously, enormously to the product we will soon debate.

□ 1615

Under this rule, as has been explained, amendments will be considered under the 5-minute rule and thus debate on all amendments that were filed with the Rules Committee, germane and did not require waivers will be in order. I am certain we will have a spirited debate on several of those amendments, and I think that is exactly what we should be doing in the people's House. In that vein, I will conclude, and I look forward to a spirited debate in a few minutes.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I, too, wish to comment and respond that all of us know that individuals who accept the responsibility of the Permanent Select Committee on Intelligence go to it with nothing but good intentions and a desire to provide the greatest service to this Nation, so I appreciate very much the leadership of the gentleman from Florida (Mr. GOSS) and our ranking member, the gentlewoman from California (Ms. HARMAN). They have been unique in the shadow of the controversy of the Iraqi war to have come together on the question of weapons of mass destruction. I look forward to their work. They have come to this floor to indicate the opportunity for Members to review thousands of documents.

Mr. Speaker, I will continue to pursue my position, and that is that there should be an independent commission designed to investigate the issues dealing with the weapons of mass destruction. But in light of their bipartisan effort, I wrote an amendment that indicated subsequent to the completion of their work, 6 months subsequent to that, that we would have the opportunity to design a commission that would then be able to address the questions again, and that is an independent commission separate and apart from this body and as well, of course, the executive and legislative bodies.

I believe the intent was respectful of the Permanent Select Committee on Intelligence. I am disappointed that the amendment was not allowed to be admitted on the basis of waiving the points of order, but I will continue to insist that this is the appropriate process to proceed under.

It is not a question of whether or not we find weapons of mass destruction or not. It is not a question of whether we are in a battle over the truth. All we need is the truth, the finding of weapons of mass destruction or not. Many made the decision to vote for the war because we were told that we were about to be under imminent attack. I think the American people are owed the ultimate determination how that decision was made.

My other amendment had to do with providing local law enforcement assess to intelligence as needed and to get security clearances faster than they have been able to do so in the past. I hope we will be able to work together to ensure that happens so all of us who have local officials who need the information to perform their duties appropriately can assess this important intelligence to serve our communities. I look forward to this bill moving through the House, and working on these important issues.

Mr. Speaker, I rise in opposition to the Rule governing floor debate on H.R. 2417, the Intelligence Authorization Act for Fiscal Year 2004. I oppose this modified open Rule because it fails to make in order several amendments that improve this legislation and benefit the public.

I proposed two amendments to H.R. 2417 that were not made in order. The first amendment called for the establishment of a "National Commission on Weapons of Mass Destruction in Iraq." This Commission was to be responsible for reviewing and assessing the administration's knowledge of the status of and threats posed by Iraq's weapons of mass destruction program before America went to war. The need for and the benefits of this Commission are obvious. The administration declared war, without a declaration of war by the Congress, based upon the claim that Saddam Hussein possessed weapons of mass destruction and that the United States was in immediate danger of being attacked by the Iraqi regime. Over the several weeks of Operation Iraqi Freedom, dozens of American and British soldiers lost their lives and many more suffered grave injuries. I had the honor of personally meeting many of our valiant, injured troops on visits to Bethesda Medical Facility and Walter Reed Army Hospital. Their courage and sacrifice was overwhelming.

For many Americans, myself included, questions remain whether the deaths and injuries suffered by young Americans in Operation Iraqi Freedom were justified. To date, we have discovered no evidence of weapons of mass destruction in Iraq. Many Americans are left wondering if the justifications for waging war proffered by the administration were legitimate. That is why I proposed an amendment to H.R. 2417 calling for the establishment of a National Commission on Weapons of Mass Destruction in Iraq. We must study the intelligence available to the administration when war with Iraq was commenced. Was Saddam Hussein producing weapons of mass destruction? Was the Iraqi regime capable of producing weapons of mass destruction? Did the Iraqi regime conceal their weapons of mass destruction after Operation Iraqi Freedom began? These questions, and many more, need answers. The Commission established under my amendment would have provided those answers.

I support the amendment offered by my colleague from California, the Honorable BARBARA LEE. Her amendment calls for a General

Accounting Office report on the degree to which U.S. intelligence services shared information about weapons of mass destruction sites with the United Nations inspections teams searching for those weapons in Iraq. Ms. LEE's timely and important Amendment will provide many of the answers the American public seeks.

I also proposed an amendment to H.R. 2417 to expand the security clearance for law enforcement agents, specified by State executives, so that classified and vital information related to homeland security can be shared. This amendment was also not made in order, but is vital to preparing or local communities to wage the war on terrorism. Protecting our homeland will be conducted by local law enforcement agencies and small communities across the country. It is vital for valuable, often classified information related to homeland security to be accessible to local law enforcement agents. My amendment would have expanded the security clearance for designated State and local officials and given them the ability to receive vital information.

Mr. Speaker, I reiterate my opposition to this Rule. The Rule is too narrowly drafted and fails to make in order several valuable amendments offered by myself and my colleagues. I urge my colleagues to join me in opposing the narrowly-tailored Rule and in support of the amendment to H.R. 2417 offered by my colleague Ms. BARBARA LEE.

Mr. HASTINGS of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wish to respond to my colleague by inviting the gentlewoman from Texas (Ms. JACKSON-LEE) to come upstairs, as all Members are permitted, and see the material being worked on by the Permanent Select Committee on Intelligence and to read the mission of the committee in that regard. I think all Members would find that substantial work is being done, and I believe all Members of this body would be very proud of the efforts put forward by Permanent Select Committee on Intelligence in investigating the continuing concern that all of us in this body have, and I dare say the members of the Permanent Select Committee on Intelligence are probably more directly concerned in light of the fact that we are there on a day-to-day basis.

Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I rise to oppose the rule for the Intelligence Authorization Act for fiscal year 2004. I commend the gentleman from Florida (Mr. GOSS) and the ranking member, the gentlewoman from California (Ms. HARMAN), who are doing valuable work by looking into the intelligence surrounding Operation Iraqi Freedom.

By necessity and design, their work is classified. I feel strongly that their work must continue, but that this issue is beyond the scope of a single committee and is of such importance to our democracy that responsible public hearings by a select committee of users of intelligence are necessary. Members of relevant committees such as the Committee on Armed Services and the Committee on International Relations, who use intelligence to make policy decisions every day, provide valuable perspective that should be part of a broader review.

As a member of the Committee on Armed Services, I am a user of intelligence, and the information I receive shapes the decisions I make for many men and women in uniform every day. Members of Congress and military planners need to have confidence that intelligence is objective and provides a sound basis for policy decisions.

No decision is more grave than sending American fighting men and women into harm's way. We have a duty to be certain that public policy that we base these decisions on is credible and real. With American and British soldiers continuing to be killed at an alarming rate in Iraq, we have to be sure that our intelligence is providing a realistic view of the threats they have.

Having open hearings by a select committee of policymakers who are customers of intelligence would not only allow Congress to reclaim its vital oversight role, but help convince the American people that their elected officials and President have the right tools to make the right decisions to protect them.

Mr. Speaker, this is not about the purview of the Permanent Select Committee on Intelligence. I deeply respect the work that the Permanent Select Committee on Intelligence does, but with all due respect, as a customer of that intelligence, the classified work that the committee does needs to remain classified, but after that work is declassified and moves to the National Security Agency, to the Pentagon, to the military planners, to the differing alphabet soups of agencies, who then take that classified work and begin to shape public policy with it, once that work becomes declassified and is starting to be moved into the public policy realm, I and others in relevant committees, like the Committee on Armed Services and the Committee on International Relations, need to understand what exactly is being done to that intelligence to either promote it or shape it to perhaps fit a preconceived decision by people in the administration or in other parts of the policy-making chain.

I want to know if the intelligence work that is being done so ably by our intelligence people and the analysis done by them has been shaped in any way that would change my mind when I make these decisions. That is why I think we need a select committee. I urge my colleagues to vote no on the rule, but I support the work of the Permanent Select Committee on Intelligence.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. HARMAN), the ranking member.

Ms. HARMAN. Mr. Speaker, I would just point out to the gentlewoman from California (Mrs. TAUSCHER) that our committee is one of the users of intelligence. We are part of this community that uses intelligence information; and so it seems to me her point is right, and we are, therefore, the right committee to be assessing these questions and issues..

Second, we have already agreed on a bipartisan basis to hold public hearings as appropriate, and the subject and timing of our first hearing is under active discussion right now. I am hopeful it will be held in July. I certainly agree that the public needs to know about some of these questions. We will discuss them in more detail in a moment. I do commend her for raising this issue. We are trying to address it responsibly in the Permanent Select Committee on Intelligence. If we should fail, then it would be timely to set up a different committee, or a commission, or use another mechanism.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado (Ms. DEGETTE).

Ms. DEGETTE. Mr. Speaker, we are in a very curious position in Congress today. We standing here debating a critical bill to provide funding for our intelligence services while we ask whether those intelligence services might have suffered a massive failure in assessing Iraq's weapons of mass destruction program.

I use the word ''might'' very deliberately because we do not know whether there was an intelligence failure. That is why we need an investigation, and I commend my colleague from California for pushing for an investigation within the committee because not only the public deserves to know, but we deserve to know equally.

I am puzzled by many of my colleagues' lack of curiosity on this issue. The question of where Iraq's biological, chemical and nuclear weapons now may be is critical to the security of our Nation, and yet more than 90 days after the fall of Saddam Hussein, we have still not located one chemical weapon, biological weapon, or even their precursors production facilities or delivery systems.

We went to war because of the imminent threat those weapons posed. We need to find those weapons if they are there; and if they are not there, we need to ask the question what caused this massive intelligence failure that was presented to Congress as an imminent threat to our national security? Our soldiers in Iraq are still engaged in combat operations. Saddam Hussein may still be out there, Osama bin Laden and al Qaeda are still on the loose, and we need to ensure through our Permanent Select Committee on Intelligence that we have solid information as we move forward.

Congress has to exercise its powers of oversight openly and honestly and look into these in a thorough way. That is what our constituents deserve. That is what the American people deserve. I

look forward to working with the committee to make sure this happens in a timely fashion.

Mr. HASTINGS of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. HOLT), a distinguished member of the Permanent Select Committee on Intelligence.

Mr. HOLT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, although I think this should be a totally open rule, as has been the tradition for dealing with this bill each year, I do think that the House should understand that the bill that is being brought to the House today is not controversial in the sense that it was agreed to unanimously within the committee. I would add to the remarks of my friend from Florida that this is, once again, a truly nonpartisan and bipartisan effort. It is appropriate that the Permanent Select Committee on Intelligence should operate that way, both as the committee that provides oversight for intelligence activities and a committee that is, as the gentlewoman from California (Ms. HARMAN) points out, a consumer of intelligence product.

No doubt there will be a great deal of controversy to follow, a great deal of political discussion to follow in coming weeks and months about the intelligence that led up to the fighting and into the fighting in Iraq. In fact, I think this will be very good for the committee because it is an excellent case study of what intelligence should be, what intelligence should not be, how it can be used, and how it can be misused. I applaud the decision of the chairman and the ranking member to investigate the disturbing matter thoroughly, and I have no doubt that we will be able to investigate it thoroughly.

□ 1630

I applaud their decision to allow Members of the House to read the large volume of material that the Director of Central Intelligence has provided to the Congress. And our committee intends to issue a written report on its findings as promptly as possible.

We have only begun to examine in detail the testimony, the statements, the published intelligence relating to Iraq's weapons programs and terrorist associations. It is early in our investigation, too early in the military's search within Iraq itself to come to any definitive conclusions or explanations of our failure so far to substantiate the prewar claims and expectations of what we would find there. But I have no doubt that the House will be satisfied with the thorough and critical look that the committee will take in this issue.

There is no question that there is a lot of ambiguous information to search through. There is no doubt that there have been some exaggerated claims at least, and lives and deaths have hung on these things. We must take a thorough look at it. We will and I think the Members of the House will be satisfied with that look.

Mr. HASTINGS of Florida. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

I just wanted to add one bit of remark with regard to some of the comment we have just heard which I thought was very helpful. We understand very clearly and the Intelligence Community understands very clearly that finding the weapons of mass destruction or what happened to them or whether there was faulty intelligence is a critical issue and that is indeed ongoing. As the gentleman from New Jersey just said, we are early in the game and we have literally thousands of pages for our staff and Members to work through.

There is one thing that has not been said very clearly yet that does need to be said. I think we all share the desire to make as much of this known as possible to the public. We want the public to understand how good intelligence is and how good it is not. Frankly, I want to do everything I can to make the American people aware as well as people overseas who might be watching what we have to say here, whether they are our friends or our enemies, that our intelligence is indeed formidable and when in fact we find a place where there is a gap in it, it will be repaired and fixed and that gap will no longer be there. I think that will be a comfort to everybody. That process is partially what this bill is about. But we are doing this as regard to the debate with the weapons of mass destruction in Iraq at a time when we desire transparency but we understand that transparency might include some people who are our enemies in the Iraq area where there is still a very dangerous and difficult operational climate as we are tragically reminded every day.

I would ask that we understand that this is not just a question of going back and reviewing material at our leisure trying to come to some Solomon decision about whether it was good or bad or where we can fix it. This is matching information that we had which was the best we had at the time as far as we know with what we are beginning to find as we are able to talk to people who are captured in Iraq and other areas who are terrorists or are associated with them, document exploitation, those types of things and match that up. This process is a process that the committee has taken on. We are not just doing the prewar analysis. We are doing the what is going on now and where is it going on a daily basis.

I hope Members can be assured, we will be in a continuous position to assess, both give a score card to the community and perhaps to come back to our colleagues here and say there are some other areas where we need to invest in the Intelligence Community because a small investment will yield a greater national security return before we are through. That is an ongoing process and charge of this committee and one we take seriously.

Mr. Speaker, I urge support of the rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 2417 and on the rule that was just passed.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from Florida?

There was no objection.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

The SPEAKER pro tempore. Pursuant to House Resolution 295 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2417.

The Chair designates the gentleman from Georgia (Mr. ISAKSON) as Chairman of the Committee of the Whole, and requests the gentleman from California (Mr. OSE) to assume the chair temporarily.

□ 1635

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with Mr. OSE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida (Mr. GOSS) and the gentlewoman from California (Ms. HARMAN) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

I am very pleased to bring the Intelligence Authorization Act for Fiscal Year 2004 to the floor today. As always, this authorization is the culmination of both an intensive review of the intelligence budget request and the rigorous oversight of the Intelligence Community that the committee conducts on

an ongoing basis. And I mean ongoing basis. That involves Members and staff here in Washington and elsewhere around the globe.

In putting together this legislation and schedule of authorizations, the committee must first answer the question, what is the state of America's Intelligence Community? Overall there have been some significant improvements since the low point we hit in the last decade, and I am pleased about that. I applaud the President for making needed investments in intelligence capabilities and his appreciation for intelligence as a vital element of the national security of our Nation.

I am pleased to say that our intelligence authorization comes very close to the number that the President has asked for. In dollar terms, we have basically come in at exactly the level of the President's request. Within that framework and building on the progress made to date, the committee has been able to accomplish quite a bit. Among other things, the bill before us provides full support for the Intelligence Community's efforts in the war on terrorism, job one. It postures the United States for the future with a unified overhead imagery intelligence architecture.

I just can put it this way. We have been well served by technology for a number of years. Technology gets old, just like the rest of us, and gets fragile. We need to be in a position to keep a robust architecture of the best technology available and this bill goes a long way to doing that.

This bill also makes needed investments in analysis and analytic tools. Anybody who has followed the progress of the 9/11 joint review done with our colleagues in the Senate and our committees have come to the conclusion that a big part of the problem lies in the coordination and making the whole analytical piece work better. We have focused rather extensively on that this year. It is not a new subject for us.

We also address counterintelligence concerns stemming from such celebrated cases tragically as the Hanssen case and the Montes espionage cases. These cases did do us damage and there are others that can as well. Counterintelligence becomes even more important because we understand counterintelligence may stop people from doing damaging things to Americans here at home.

In addition, the bill continues the committee's push for improved and aggressive human intelligence tools and capabilities. Human intelligence, spying, espionage, getting enemies' plans and intentions is the core business of intelligence.

On the homeland front, homeland security is very much part of our mission in the sense that we must authorize the establishment of some connection between our foreign intelligence and our domestic authorities who are dealing with the problems on the homeland. So we authorize the establishment of a pilot program to enable State and local authorities to gather terrorist threat related information and push it upward to the Federal level.

The Intelligence Community must be forward leaning on this. As we have discovered consistently through our oversight and through the joint inquiry into the events of September 11, the United States does not have the luxury to be complacent about its national security requirements. Risk aversion, inattention to detail, lack of investment in capabilities, these are not options that the American people are willing to accept and certainly the committee is not willing to accept.

Mr. Chairman, I am also pleased that H.R. 2417 continues the nonpartisan tradition of the House Permanent Select Committee on Intelligence of reaching consensus. This is entirely appropriate because partisanship has no place in a debate over America's security. None at all. This measure was reported out of the committee by a unanimous vote of 16–0. And I daresay, we did not start with a piece of paper that we all agreed on. We got to 16–0 by dealing with some things that we did not necessarily all agree on but we did it in a responsible and, I would say, adult way, understanding that the flag we work for is the flag of this country, not the flag for any other agenda.

I urge the House to support H.R. 2417. I will look forward to making comments on individual amendments as they come along.

Mr. Chairman, I reserve the balance of my time.

Ms. HARMAN. Mr. Chairman, I yield myself such time as I may consume and rise in support of H.R. 2417.

First, I want to thank the chairman of our committee for the way he runs the committee. His approach is constructive, collaborative and cooperative and shows a real willingness to work with every member of the committee. I have had the privilege of serving on the Permanent Select Committee on Intelligence for 6 years. Chairman GOSS has gracefully and competently chaired the committee since 1997 and my predecessors as ranking member during my service include the late and great Julian Dixon and our able leader the gentlewoman from California (Ms. PELOSI). The membership of our committee is truly talented, diverse and hardworking, and deeply committed to fulfilling its oversight duties and responsibilities to the House. By the way, Mr. Chairman, so is our staff. Committee members and staff worked closely together to craft a bill that provides new and better capabilities to fight the war on terrorism as well as address a range of global challenges. As we have just heard from our chairman, it is a good bill and it received the unanimous vote of our committee.

An excellent summary of the public portions of our bill has been presented by the chairman, so I will not repeat it. The committee made thorough but sensible decisions to focus resources on the highest priority intelligence collections programs and placed limitations on certain new programs until they are defined in more detail. The bill also supports the strategic vision of the committee for strengthening the Intelligence Community. It provides additional support for all-source analysis and encourages virtual reorganization for better information sharing and collaboration across the agencies.

Mr. Chairman, whatever the details of this intelligence authorization bill, we all know that it was developed at a time of heightened concern about the nature and quality of the intelligence that led to the decision to go to war in Iraq. I know that there are questions on both sides of the aisle about this intelligence, questions which our committee is already asking. While an independent commission or other mechanism might be needed at some later date, the members of our committee have now initiated an investigation and I would like to spend a few minutes discussing our effort.

As our colleagues know, I voted to authorize the use of military force against Iraq because I believed the intelligence case was compelling. The Intelligence Community judged that Iraq possessed weapons of mass destruction and the danger, in the President's words, was grave and gathering. The aftermath of the war has revealed just how brutal Saddam Hussein's regime was. The discovery of mass graves in Iraq and the gut-wrenching grief of families victimized by the regime speak for themselves.

To date, however, coalition forces have only uncovered two suspected Iraqi mobile biological warfare agent production plants. Coalition forces have yet to uncover chemical or biological weapons or further evidence of Iraqi links to terrorism. Where are Iraq's chemical and biological weapons? Why can't our forces find them? For our committee, these questions have loomed over the preparation of this authorization bill. It has been anything but business as usual.

On May 22, Chairman GOSS and I sent a letter to the Director of Central Intelligence, George Tenet, expressing the committee's interest in learning in detail how the intelligence picture regarding Iraq's WMD and ties to terrorism was developed. The chairman and I have also met twice with the Director on this subject. In response to our request, the Intelligence Community has provided 19 volumes of information on Iraq's WMD programs and ties to terrorism. On June 12, the chairman and I announced the bipartisan and unanimous commitment of our committee to a serious, focused, comprehensive review of the quality and objectivity of prewar intelligence. We announced that we would hold hearings, closed and open—open means public—to question senior administration and intelligence officials about the prewar intelligence on Iraq's WMD and its links to terrorism.

□ 1645

I think it is very important that the committee hold public hearings, and I have the gentleman from Florida's (Chairman GOSS) personal commitment that we will. I hope our first hearing will occur in July. Our committee also decided to produce a written, unclassified report as promptly as possible, and in addition we agreed to give all House Members access to the materials provided by the intelligence community in response to the committee's request, under appropriate security conditions and House rules.

Last week our committee held two hearings in connection with our investigation, one examining the October, 2002, National Intelligence Estimate on Iraq's weapons of mass destruction programs and the other on the current search for Iraq's weapons. While we are still at an early stage in this investigation, I want to comment on what we have reviewed so far.

First, past possession of WMD. We know that Iraq had chemical and biological weapons in the past. In the 1980s the Iraqi military used chemical weapons against Iran and the Kurds. In the 1990s Iraq admitted to U.N. weapons inspectors that it had produced over 8,400 liters of anthrax and 3.9 tons of the chemical warfare agent VX. Drawing on both direct and circumstantial evidence collected over many years, the intelligence community also concluded that Iraq had people, planning documents, and equipment to support WMD production.

Number two, hiding WMD. The agents that comprise weapons of mass destruction are exceedingly easy to hide, a point neither the administration nor the intelligence community made adequately clear before the war in Iraq. Five hundred metric tons of bulk chemical agents would fill a backyard swimming pool. Biological agents can be hidden in small vials in private residences. But it is not so easy to hide delivery vehicles like unmanned aerial drones, missiles, or munitions. That none of these other harder-to-hide items has been found is cause for real concern.

Number three, overstating the case. When discussing Iraq's WMD, administration officials rarely included the caveats and qualifiers attached to the intelligence community's judgments. Secretary of State Powell, for example, told the U.N. Security Council that ''we know that Saddam Hussein is determined to keep his weapons of mass destruction . . . '' On the eve of war, President Bush said, ''Intelligence gathered by this and other governments leaves no doubt that the Iraq regime continues to possess and conceal some of the most lethal weapons ever devised.'' And on a March 30 Sunday news show, Defense Secretary Rumsfeld said that he knew where the WMD were located. Bogus information on Iraq's alleged nuclear connection to Niger was even included in the President's State of the Union Address. For many Americans, the administration's certainty gave the impression that there was even stronger intelligence about Iraq's possession of and intention to use WMD.

Number four, circumstantial evidence. The committee is now investigating whether the intelligence case on Iraq's WMD was based on circumstantial evidence rather than hard facts and whether the intelligence community made clear to the policymakers and Congress that most of its analytic judgments were based on things like aerial photographs and Iraqi defector interviews, not hard facts. This is an issue that we have to explore.

And, finally, number five, weak ties to al Qaeda. Iraq did have ties to terrorist groups, but the investigation suggests that the intelligence linking al Qaeda to Iraq, a prominent theme in the administration's statements prior to the war, contradictary contrary to what was claimed by the administration. Much remains to be investigated in this area.

Mr. Chairman, the highest priority of our committee, and I think of our Nation, remains finding and dismantling Iraq's WMD. It is counterintuitive to think that Iraq destroyed its weapons and did not report this to the United Nations. It is conceivable that Saddam destroyed them on the eve of or even after the start of the war once he recognized the futility of using them and the political advantage of keeping the United States from finding them; but the more likely scenario is that he buried or dispersed his weapons of mass destruction and that some may now be in the hands of terrorist groups outside of Iraq or counterinsurgents in Iraq who continue to harm and kill U.S. and British troops.

But even if Iraq's chemical and biological weapons are found tomorrow, and I hope they are, these issues warrant scrutiny by the Permanent Select Committee on Intelligence. It is already clear that there were flaws in U.S. intelligence. Iraq's WMD was not located where the intelligence community thought it might be. Chemical weapons were not used in the war despite the intelligence community's judgment that their use was likely. I urge this administration not to contemplate military action, especially preemptive action, in Iran, North Korea or Syria until these issues are cleared up. Certainly this Member would not support such action until these matters are cleared up.

As the committee moves forward with its investigation, we need also be mindful of the burden the intelligence agencies are carrying, not only in Iraq but also in the war on terrorism in other areas of the world. Our Nation is best served by an effective intelligence community, not one hobbled by risk aversion and finger-pointing. The committee's review must be based on facts, which I and others intend to follow unflinchingly wherever they may lead.

Our Nation needs a robust intelligence budget, which this authorization bill supports. At the same time, the committee's immediate priority is to resolve the questions regarding Iraq's weapons of mass destruction and ties to terrorist groups. If the answers dictate changes in the future intelligence budgets or policy, I am committed to bringing those recommendations forward. Meanwhile, this authorization bill deserves our strong support.

Mr. Chairman, I reserve the balance of my time.

Mr. GOSS. Mr. Chairman, I am very pleased that we are going to have a lot of Member participation in the general debate today.

Mr. Chairman, I yield 3 minutes to the gentleman from Nevada (Mr. GIBBONS), the chairman of the Human Intelligence, Analysis and Counterintelligence Subcommittee.

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. GIBBONS. Mr. Chairman, I rise in support of the intelligence authorization bill, and I thank the gentleman from Florida (Mr. GOSS) for yielding me this time.

This bill addresses vital intelligence needs, and may I say there is no greater need nor more important need, in my view, than the need for more and better human intelligence, also known as HUMINT. For America's intelligence community, fighting terrorism, as the chairman has said, is job one and rightly so. In order to learn the plans and intentions of America's terrorist enemies, which we must do to defend against another terrorist attack, we must improve the quality and quantity of intelligence from human sources. Technology certainly can help, but it has limited application. For instance, the overhead collection systems of the Cold War era continue to be a wonderful resource. However, they are not much good for tracking individual terrorists, and they certainly cannot get inside the heads of those individuals who are plotting to kill Americans. For that we must have HUMINT. HUMINT is the force multiplier.

As good as the information is that the National Security Agency collects, it is that much more powerful when HUMINT officers down on the ground locate individuals who can tell them just what those electronic signals mean while talking to them in their native language. This authorization bill recognizes this fact, and I am very proud of the significant bipartisan support given to our HUMINT capabilities by the community.

As I have said previously, throughout much of the 1990s there was a debate about whether America really needed to spend so much money on defense; and as for intelligence, some people even said there was no longer any need for the CIA. Mr. Chairman, that debate is long over. The task before us now is to continue to provide the necessary

resources for HUMINT programs so that our policymakers can have a better, more detailed understanding of what the intelligence analysis means.

Unfortunately, the HUMINT programs of the CIA, America's premier HUMINT agency, were nearly starved to death during the mid-1990s; and with the help from the House Permanent Select Committee on Intelligence, the Congress, and now a supportive administration, those programs are being resuscitated and brought back to new life. But despite this renewed commitment, the CIA still has to surge to cover the world's hot spots. This needs to change, and this bill helps us get there.

The men and women of the CIA wherever they are found are doing a wonderful job; but they need encouragement, they need support from Congress, and they need the support of the American people. Our committee has again this year, under the leadership of the chairman and with the support of the ranking member, made the commitment to provide the resources to properly support these fine people to add to their numbers, to improve their foreign language skills, and to get them overseas where they are needed and needed badly. The support for the effort of these people must be sustained and a vote on H.R. 2417 is a perfect expression of that support. I urge my colleagues to support this bill.

Ms. HARMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. REYES), a very valuable member of our committee.

Mr. REYES. Mr. Chairman, I thank the gentlewoman, ranking member, for yielding me this time.

I want to thank the chairman for his leadership, along with our ranking member, in presenting a bill that I think addresses many of the concerns that many Members of Congress have expressed to a number of us on the committee.

H.R. 2417 expresses, among other things, the committee's deep and longstanding concern about the lack of progress made by the intelligence community in diversifying its workforce, especially in the senior ranks and the core mission areas. In fiscal year 2002, the intelligence community had a smaller proportion of women and minorities than the Federal Government workforce and the civilian workforce at large. Women and minorities continue to be especially underrepresented in senior grades GS–13 through 15 and in Senior Intelligence and Executive Services positions.

This bill requires that the Director of Central Intelligence submit a report outlining the current diversity action plan including short- and long-term goals. This report should also include the DCI's plan for implementing diversity initiatives across the intelligence community and plans for measuring the progress made by the individual agencies in the intelligence community. The bill limits the use of a portion of the money authorized to be appropriated to the Community Management Account until such time as the Director of Central Intelligence reports to this committee on his plan for implementing an effective and a meaningful diversity plan.

Diversity in the workforce is a corporate imperative. It is critical to defeating global threats and simply makes good business sense. Therefore, the committee will look to the Director of Central Intelligence and each intelligence community agency director to ensure that more is done to diversify the intelligence workforce. The DCI and agency heads are also urged to take diversity into account when selecting officers to fill the many senior management vacancies in the agencies across the intelligence community. It makes good business sense. Therefore, I strongly urge my colleagues to support H.R. 2417.

Mr. GOSS. Mr. Chairman, I yield 4½ minutes to the distinguished gentleman from Illinois (Mr. LAHOOD), who is the chairman of the Terrorism and Homeland Security Subcommittee who has done an extraordinary job on a very difficult subject.

Mr. LAHOOD. Mr. Chairman, I rise in support of H.R. 2417, the Intelligence Authorization Act for Fiscal Year 2004.

□ 1700

I want to pay my respects and admiration to both the chairman and the ranking member who I think are extraordinary public servants and do a great job for our committee.

As chair of the HPSCI's Subcommittee on Terrorism and Homeland Security, I am continuously impressed by the men and women of the Intelligence Community. Over the past year, we have witnessed significant success in the war on terrorism, to include the capture of a number of significant terrorist operatives around the world. The men and women of the Intelligence Community have worked tirelessly to deter, disrupt, and destroy terrorist capabilities wherever they threaten our interests, and they have performed remarkably in support of our successful military action in Iraq. Their ability to carry out their mission is due, at least in part, to the support provided by the Select Committee on Intelligence.

Under the leadership of the gentleman from Florida (Chairman GOSS) and the gentlewoman from California (Ms. HARMAN), this House has consistently supported providing more resources and better tools to the Intelligence Community. This support has only now begun to reverse the underinvestment suffered by the Intelligence Community in the last decade.

As we continue to face threats to U.S. interests at home and abroad, we must remain vigilant. We must ensure that the Intelligence Community has the personnel, the skill, the languages, and the resources necessary to work against such threats. The Intelligence Community must be prepared to confront the asymmetrical threat to the future.

Mr. Chairman, to this end, H.R. 2417 provides authorization funding for the counterterrorism activities of the Intelligence Community. It provides money and other resources to deepen all-source analytical capabilities. This is most important when confronting the terrorist target. It is through our analytical efforts that all the dots that get collected ultimately get connected.

This bill also provides funding for the Terrorist Threat Integration Center proposed by the President of the United States in his State of the Union address. The TTIC is a primary example of how well the Intelligence Community is marshalling its resources, encouraging efficiencies, and disseminating timely intelligence across government in defense of the American homeland.

The President deserves a great deal of credit for his vision. The Intelligence Community deserves credit for putting that vision into action.

H.R. 2417 also authorizes additional funding to specifically improve the sharing of terrorist threat-related information across all levels of government, Federal, State and local, and it is through the aggressive collection, analysis, and dissemination of threat information that the agencies and organizations of the Federal, State, and local governments, as well as the private sector, can best protect the homeland, prosecute the war on terrorism, and work together to keep America safe.

The counterterrorism elements of the Intelligence Community are at the forefront of this effort, and this bill is an investment in that effort, and I urge support of H.R. 2417.

I want to say a word about two other issues. Some of us have been briefed on the House floor by Secretary Rumsfeld. He stood in the well of this House and briefed many Members. On one occasion, when asked the question, how do we know when we have won the war, he said three things: regime change, which we have accomplished; a new regime, which is now being put in place; and finding the weapons of mass destruction. I have great faith that with two of those goals accomplished, the third goal will be accomplished. I have great faith, after a number of briefings from folks in the Intelligence Community, that the weapons of mass destruction will be found. And I think all Members should have that kind of reassurance from the Select Committee on Intelligence, based on reports that we have received, based on information we have been given by the Secretary of Defense that that will take place.

If I could say one other thing. I want to say this, Mr. Chairman: I think our committee probably has stepped over the bounds a little bit by saying to every Member of the House they can have all of this information. I think sharing this information is going to

turn out to be a mistake. This is the greatest talking body in the whole world. People love to talk. Very few listen. And I am afraid that when 435 Members have access to the information we do, a select committee, an important committee, I am afraid of what is going to happen, particularly after what the New York Times had to say about a very important meeting that we had in the Select Committee on Intelligence, which is now out in the public. Nobody knows how it got out there, but I guarantee my colleagues, if we give 435 access, we got big problems.

Ms. HARMAN. Mr. Chairman, I would say to the gentleman, I have great faith that the WMD will be found too, and in the seriousness and responsibleness of the Members of the House.

Mr. Chairman, it is my pleasure to yield 2 minutes to the gentleman from Iowa (Mr. BOSWELL), who is ranking member of the Subcommittee on Human Intelligence, Analysis and Counterintelligence.

(Mr. BOSWELL asked and was given permission to revise and extend his remarks.)

Mr. BOSWELL. Mr. Chairman, I thank the gentlewoman for yielding me this time, and I thank the gentleman from Florida (Mr. GOSS) for his hard work. He is truly a leader, and he treats us with fairness, and he has the best interests of our Nation in his heart, as well as the gentlewoman from California (Ms. HARMAN). I appreciate that very much.

I would associate myself with some of the remarks that the previous speaker just made concerning having some faith. We are two-thirds of the way there, and I think we have reason to believe we will get there.

Mr. Chairman, I rise in support of H.R. 2417. As the ranking member of the Subcommittee on Human Intelligence, Analysis and Counterintelligence, working with the gentleman from Nevada (Mr. GIBBONS), who I appreciate very much his hard work and efforts, we have observed firsthand the dedication and the professionalism of the men and women on the frontline collecting intelligence around the globe. Through their sacrifices and their heroic efforts, they have helped make our Nation more secure and have contributed greatly to our military success in Iraq and Afghanistan. I am pleased that this bill provides the tools essential to intelligence collectors to meet operational goals; in particular, those related to military operations, combating terrorism, and countering the proliferation of weapons of mass destruction.

My colleagues will also appreciate that in H.R. 2417, it also requires the Director of Central Intelligence to report back to the committee on lessons learned from the war in Iraq. Careful analysis of the strengths and weaknesses of our technical systems and processes will allow both the executive branch and Congress to make better resource allocation decisions in the future.

H.R. 2417 also stresses the need for improved strategic and all-source intelligence analysis, both key to U.S. policymaker understanding of the capabilities and the intentions of rogue nations and individuals posing threats to U.S. interests. The bill further authorizes additional billets for analysts, as we all know we have to have people to do jobs, and additional funds for information technology upgrades to help analysts more efficiently do their job.

Mr. Chairman, this is a good bill. I trust my colleagues will support it.

Mr. GOSS. Mr. Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from Georgia (Mr. COLLINS), who is a new and valued member of our committee, and we welcome him.

Mr. COLLINS. Mr. Chairman, I too rise in strong support of H.R. 2417, the Intelligence Authorization Act for Fiscal Year 2004. It is a good bill with bipartisan support and, hopefully, it will be adopted, and I feel sure it will.

Since the September 11, 2001 terrorist attacks on our Nation, the Select Committee on Intelligence has noted the urgent need for better information-sharing between and among our various Intelligence Community's agencies, and Federal, State, and even local law enforcement are enjoying better shared intelligence. Since joining the committee earlier this year, I have observed the chairman, ranking member, and committee members, how they have advocated the implementation of new policies and technologies which are designed to facilitate the timely sharing of important information among our intelligence agencies and our local law enforcement.

Technical shortfalls in communications and collaboration systems, however, have undermined efforts to fully share information across the Intelligence Community. This bill makes an effort to correct those issues. These technical limitations can be overcome with proper management and capital investments. This bill provides significant funding to assist the Intelligence Community's leadership in developing and sharing useful information, management tools, capabilities, and operating systems throughout the Intelligence Community.

As important as technological solutions to information-sharing are the needs for updated policies to direct the flow of information. The community's leadership has not been sufficiently clear about its information-sharing policies with its various component agencies. As a result, information becomes irrelevant due to outdated directives or conflicting opinions about what information can or cannot be shared, and with whom. One of the key lessons learned by the committee's 9/11 inquiry last year was that a failure to communicate sensitive data on an urgent basis among intelligence law enforcement agencies can cost our Nation dearly.

The committee has taken steps to improve this situation with this important bill. It is a good piece of legislation, a strong piece of legislation. I encourage its passage and support it fully.

Ms. HARMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. PETERSON), a valued member of our committee.

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentlewoman for yielding me this time.

Today I rise in support of H.R. 2417, the Intelligence Authorization Bill for Fiscal Year 2004. I want to commend the gentleman from Florida (Chairman GOSS) and the gentlewoman from California (Ms. HARMAN), our ranking member, for their leadership and the professional, bipartisan manner in which they conduct the business of the Committee on Intelligence.

H.R. 2417 includes authorizations for the CIA, as well as Foreign Intelligence and Counterintelligence Programs within the Departments of Defense, Justice, State, Treasury, Energy and the FBI. The bill addresses critical threats to our national security, but it also calls attention to particular areas of concern. Among those concerns is the connection between drug trafficking and terrorist activities.

The committee is concerned about the level of personnel and funding resources dedicated to combat transnational crimes such as drug trafficking, arms smuggling, and money laundering. As seen in both Colombia and Afghanistan, the activities of terrorist organizations are closely linked to the drug trade. These illicit activities feed upon and sustain each other. To defeat terrorist organizations, the Intelligence Community must understand the transnational organized crime that supports them. Therefore, the committee calls upon the administration to reinvigorate the strategy in this area.

In addition, the bill extends the authority granted last year to allow foreign intelligence funds dedicated for Colombia to be used in a unified campaign against drug trafficking and activities by groups designated as terrorist organizations.

Finally, the bill establishes an Assistant Secretary of Intelligence and Enforcement within the Department of Treasury to enhance the identification and targeting of illicit financial transactions. This office will also seek to improve the coordination and dissemination of intelligence products concerning drug trafficking, international crime, and terrorist activities.

Mr. Chairman, I urge my colleagues to support this measure.

Mr. GOSS. Mr. Chairman, I am very happy to yield 3 minutes to the gentleman from Nebraska (Mr. BEREUTER), the distinguished vice chairman of the committee.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Chairman, I thank the chairman for yielding me

this time. I rise in strong support of the legislation.

This Member would like to commend the exemplary bipartisan efforts of the chairman and the distinguished ranking member, the gentlewoman from California (Ms. HARMAN). Often when people in Washington talk about the need for bipartisanship, what they really mean is that the other side should agree with them. In the case of the Committee on Intelligence, however, there has been true bipartisanship and genuine cooperation towards the goal of serving the Nation's interest. Although this bipartisanship is a tradition on the Committee on Intelligence, it is commendably reinforced by the leadership style and the efforts of the gentleman from Florida (Chairman GOSS) and the gentlewoman from California (Ms. HARMAN).

Under the chairman's leadership, and in this bill, the legislative branch will be moving rapidly to address a number of long-standing concerns in our collection and analysis of intelligence. This Member would mention just a few.

First, it should be recognized that in the aftermath of the terrorist attack of September 11, President Bush declared war on terrorist financing. There is, however, no single office in the Federal government that is responsible for ensuring that all elements of law enforcement and intelligence share terrorist information in a timely fashion. As a result, our counterterrorist financing efforts to date have not been as effective as they could be. The committee concluded that the Department of the Treasury needs to be more effective in implementing its counterterrorist financing mission from an intelligence sharing perspective. By elevating the intelligence function within the Treasury Department, this bill ensures that the coordination and information sharing between the Treasury and the rest of the Intelligence Community can be more effective.

This Member recognizes that the assistance and the cooperation of the chairman of the Committee on Financial Services, the distinguished gentleman from Ohio (Mr. OXLEY), will be required to achieve this important policy change. The Select Committee on Intelligence will continue to work with him and his committee, on which this Member also serves, to ensure that we get this correct.

Mr. Chairman, secondly, it should be noted that Americans have become painfully aware of the threats to the homeland and the risk that terrorist cells and their support networks may be operating in the United States. Several suspected cells already have been cracked. Indeed, an individual has just been convicted last week of conducting surveillance operations for possible al Qaeda attacks. The presence of this new and very real threat has compelled the FBI to transform the way it conducts investigations.

□ 1715

No longer does the FBI solely pursue investigations in order to build criminal cases. Now they are also actively at work to disrupt and destroy terrorist cells before they launch attacks. This is nothing less than revolutionary in the way that the FBI does its business. It is a very necessary transformation that the Permanent Select Committee on Intelligence is following closely through careful oversight. We in the legislative branch are attempting to ensure that the information flow between the FBI and the intelligence community is done effectively, but also within the confines of the law.

The committee intends to continue aggressive oversight. I want to assure our colleagues of this evolving relationship between this intelligence and law enforcement.

Third, and finally, this Member would remind his colleagues of the enormity of the challenge now faced by the intelligence community. The war on terrorism has required an unprecedented commitment requiring timely, actionable intelligence on a truly global scale.

In addition, our intelligence services are devoting significant resources to the effort to Iraq, not only to identify and to apprehend the remaining elements of Saddam Hussein's regime but also to locate Saddam's weapons of mass destruction. More on that subject later.

Mr. Chairman, I thank the chairman for yielding me time.

Ms. HARMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. CRAMER), the distinguished ranking member of our subcommittee on Technical and Tactical Intelligence, TNT, who became a grandfather for the second time yesterday.

Mr. CRAMER. Mr. Chairman, on behalf of my new granddaughter, Patricia Lanier, I would say it is my pleasure today to speak about a very important piece of legislation that our colleagues in this House will pass judgment on.

Mr. Chairman, I rise in support of H.R. 2417, the fiscal year 2004 intelligence authorization act. I am a fairly new member of this House Permanent Select Committee on Intelligence. It is a unique opportunity for Members of the House to serve on this select committee.

I came on to the committee at the time that the joint 9–11 hearings were taking place. And as I look around the room today and I observe my colleagues that participated in those joint sessions with the Senate, I want my other colleagues that are not on this committee to know how impressed I was with the leadership of this committee and our participation with the Senate as well.

I also want to take this opportunity to thank the staff who have been most kind and generous on both sides of the aisle to participate with us as we have gone through these very tough issues.

This is a good bill. It is a complicated bill. It is hard for some Members to understand. For example, traditionally, the executive branch, the Congress, the industry, we focus on expanding the capability of sensors. Sensors are used to take pictures, to intercept communications or to measure some special signature whether they are from satellites, whether they are from aircraft, or whether they are from ships. But the government has underinvested in abilities to task the collection systems properly and to exploit and disseminate the collection data once received.

For a number of years this subcommittee that I am on on this committee has worked to improve and rectify that imbalance. This year's bill accomplishes that and expands the concept as well. In years past, the committee has stressed the need for more investment and better management at the National Imagery and Mapping Agency and the National Security Agency to improve processing, exploitation and dissemination capabilities for imagery and signals intelligence. The committee sustained these initiatives in the current bill.

We also lay a foundation for applying information technology to solve problems revealed by the congressional investigation into the September 11 tragedy as well.

This is an important bill. I urge its support. I also want to point out that the missile in space intelligence command in my district is adequately covered by funding under this important piece of legislation.

Mr. GOSS. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BOEHLERT), the distinguished chairman of the House Committee on Science.

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, I rise in strong support of the intelligence authorization bill, and I want to start by commending the gentleman from Florida (Mr. GOSS) and the ranking member, the gentlewoman from California (Ms. HARMAN), for their leadership, their bipartisanship and their commitment. We are all in this together. And while I am at it, I want to compliment the most professional staff that I have seen of any committees in the Congress in my years in this institution.

As a member of the committee, I know well the threats facing our country. They are many. They are varied and they are serious. The job of intelligence is challenging and never ending. All of us, not just in the Congress but across the country, have become painfully aware that while many countries of the world are working with us to promote peace and stability, there are those who are committed to undermining our efforts. The Nation has been exposed to this ugly reality. The memory of September 11 will forevermore be seared on our souls.

Our collective awareness has increased as has our understanding of the

absolute need for a very capable intelligence community. This bill accelerates investment in enhanced capabilities and people to move the intelligence community from being postured from the threats of the past to being positioned to address the increasingly asymmetric threats facing us in the future.

It will not happen overnight, but the changes needed must and will come about at a rapid pace. Rebuilding the infrastructure and retooling for the future is under way even as we debate this issue. Every area of intelligence operations needs support and attention. But I want to focus on what I believe is the most critical need we face, and that is in the area of human intelligence.

Mr. Chairman, the sad fact is that we, of necessity, need to reverse course from the years of decline in investments in the people that make up our cadre of human intelligence officials. This does not mean we should not continue to invest in important technical systems, but we must not become solely dependent on them. Satellites in the heavens and all the sophisticated and complex technologies here on Earth must be complemented by our eyes and ears around the globe. There must be a proper balance between people and machines.

We are proud of our intelligence professionals because of the outstanding work they perform day in and day out, so often putting their lives at risk. What they do and how they do it is not easy. And they have earned our gratitude for their dedication and professionalism.

One of the basic tools that these professionals need in order to do their job is the ability to speak foreign languages. Quite frankly, and this is sad to say, this is a deficient area. I am not at all happy, and I will confess it up front, about the response we have received from the intelligence community leadership on this issue, despite our continuing efforts to improve language skills. We set a clear priority to ensure that we have people with native language capabilities regardless of where we might find ourselves. Yet year after year we have provided an increase in the amount of funds requested for language training, and year after year something happens that is not our intent.

The response to our concerns has been unsatisfactory. Year after year the intelligence community finds ways to avoid implementing these initiatives which are essential to its success.

Mr. Chairman, this year we insist that the community leadership resolve to fix the language inadequacy. No more finessing, no more fudging. Just do it or else.

Our country's intelligence community is still recovering from years of decline. There are fundamental shortcomings that must be addressed, and we will fail in this challenge if we do not adequately restore the resources to a sufficient level to get the job done.

While this budget represents a significant increase over the past years, we support it with the full knowledge and understanding there is a great deal more work to be done. Language being only one of the issues, but this is an issue that we have to pay attention to. It does not do us any good to have some sophisticated satellite costing a jillion dollars up in the heavens taking pictures of Afghanistan, if in the caves there are all these people bent on doing us harm and there is nobody in there who can understand them, communicate with them, or provide us with necessary intelligence. And that is what we intend to correct, and I am proud to say the committee stands strong behind this commitment and we will follow through on it.

Ms. HARMAN. Mr. Chairman, I yield myself 15 seconds. The 15 seconds is to tell the prior speaker, our wonderful colleague, that I totally agree with him. As the representative from the district in America that probably makes most of our intelligence satellites and has fabulous technology, that is great; but we need more investment in human intelligence. And he is right.

Mr. Chairman, I yield 2½ minutes to the gentlewoman from California (Ms. ESHOO), a classmate and good friend, one of the rookies on our committee, but already the ranking member on the Subcommittee on Intelligence, Policy, and National Security.

Ms. ESHOO. Mr. Chairman, I thank our distinguished ranking member, the gentlewoman from California (Ms. HARMAN), and the chairman of our committee for their joint leadership and the standards that they set for us every day.

I respect and have high regard for the men and women of the intelligence community, and I really consider it a high privilege to have been appointed to serve on the Permanent Select Committee on Intelligence in the House. As a new member, I have valued meeting and learning from the many talented and patriotic individuals in our intelligence community; and I believe it is important for the foreign policy and the national security of the United States that our intelligence community be given the tools and the support they need and that their efforts be focused on important priorities. That is why we are on the floor today in support of this authorization act for fiscal year 2004.

I do have some concerns today that I would like to voice. I serve as the ranking member of the Subcommittee of the Intelligence Policy and National Security, as the ranking member just said. The role of the subcommittee is to examine how intelligence supports national security policy, ensuring that intelligence is focused on the right priorities and is as reliable as it can be and that it is used appropriately by senior policymakers in furthering U.S. foreign policy. Issues such as potentially politicized intelligence, potential exaggeration of intelligence and imprecise characterizations of intelligence are of significant concern to me in my role on this committee. So I am very concerned about the role intelligence played in the foreign policy debates about going to war in Iraq.

The answers must await a thorough accounting, and we cannot predetermine what those outcomes are. But I am concerned that the administration and the American people and the Members of this House relied too heavily on their interpretation of the threat facing this country, a threat that was described as imminent, as grave and growing without sufficient transparency into the intelligence picture underpinning the argument for war.

I think we are learning that a foreign policy based on preemption puts far too much pressure on the intelligence community to deliver certainty when it simply cannot. So the intelligence community must be given all that they need to protect our magnificent Nation.

Every administration deserves the best intelligence that they possibly can get. But we must assure the credibility of this for the American people and for the world community.

Mr. Chairman, I urge my colleagues to vote in favor of this authorization act. It is important for our country and the protection of our people.

Mr. GOSS. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM), the distinguished gentleman who is a very valued member of our committees and has helped us on a number of fronts.

Mr. CUNNINGHAM. Mr. Chairman, I would like to first thank not only the chairman, the gentleman from Florida (Mr. GOSS), but he ranking member, the gentlewoman from California (Ms. HARMAN).

Our committee is a bipartisan committee. The defense committee that I sit on is also, with the gentleman from Pennsylvania (Mr. MURTHA) and the gentleman from Washington (Mr. DICKS) and people like that; and it is really a pleasure to work on.

□ 1730

When there is a pressure put on the ranking member to force political gain on weapons of mass destruction, it is a sign of true leadership and bipartisanship to not do that and to work with the chairman to come about and perform a bill like this, and we should all be proud of that, the Members, and I want to personally thank the gentlewoman from California.

The weapons of mass destruction, we cannot say too much about them, but the chairman and the gentlewoman from California (Ms. HARMAN) also made something in order that has not been done before, and that is for every single Member to be able to look at the information. I am convinced that if anyone on this floor looks at that information, they only have one conclusion. There are weapons of mass destruction still there. If we take a vial

this big, the size of an eye dropper and have two seeds in it and in 2 days a person can whip up a batch to kill every man, woman and child in New York City and then try and find that with deceit, a system that was designed to hide it on deceit or destroy it if people get close, and the one thing I can say is we were told there would be absolutely no way possible for Hans Blix and the U.N. to find such things, especially with Saddam Hussein still there trying to hide it. So that was a bogus issue.

I would also tell them that the committee does not just deal with terrorism, the war on drugs, local crime and the one thing that I could say before we ever did a pre-9/11 look was that we did not fund the folks enough. We need to change some laws.

The Phoenix report, we knew there were terrorists in Arizona, but our intelligence agencies were afraid to act because they would be sued because it would be racial profiling, and these guys put out papers supporting Osama bin Laden and al Qaeda, and we could not touch them under the first amendment and that is wrong. There is the same type of people there in Arizona today. One guy was so stupid he went to navigator school. He failed that. Do my colleagues know what he is in today? Airport security, and we cannot touch him.

So I think we need to go further and change some of our laws to protect American citizens, and I know there is a fine line in protecting rights and the other, but by golly, I know where I stand and I know where the committee stands, and I am proud of them.

Ms. HARMAN. Mr. Chairman, I thank the gentleman for his comments. We are all proud to serve on this committee. It is now my pleasure to yield 3 minutes to the gentleman from Maryland (Mr. RUPPERSBERGER), the rookie on the committee and a rookie in Congress, but he is no rookie to these issues.

Mr. RUPPERSBERGER. Mr. Chairman, I too want to acknowledge the leadership of the gentleman from Florida (Mr. GOSS), the chairman, and the gentlewoman from California (Ms. HARMAN), the ranking member. I have been in local politics for 18 years, and we have tremendous leadership on this committee, and I think all members of this committee put the Nation first.

I rise in support of H.R. 2417. The bill reflects the committee's support for the Intelligence Community and the men and women who serve in the intelligence agencies. Often unrecognized, these individuals have made great sacrifices to secure our homeland and to support the war in Iraq, the global war on terrorism and other important national priorities. I am proud to represent many of the men and women who work for the National Security Agency, NSA, in Fort Meade, Maryland, my Second Congressional District.

This bill addresses concerns for the health and well-being of NSA employees by providing additional funds to ensure a cleaner, healthier and better maintained workforce. It provides tort liability protection to NSA security officers so that they have legal protections similar to those provided other law enforcement officers.

The bill gives NSA the authority to provide living quarters to the bright and talented students participating in NASA's summer and cooperative educational programs.

It also encourages NASA to continue its acquisition reform initiatives and bring its processes in line with standard commercial and government practices. It increases funds available for the recapitalization and modernization of NASA's technical systems which will allow the Nation's Signals Intelligence Systems to keep pace with changing technology.

H.R. 2417 emphasizes the need for the Federal Government to improve information sharing with State and local governments. As the Baltimore County Executive, I was the county executive during 9/11, this is very important, and where appropriate, private companies.

To make this possible, the bill allows the Director of Central Intelligence to establish pilot projects to train State and local officials to increase the flow of information between them and Federal agencies. Advisory councils on privacy and civil liberties and State and local issues will help ensure the protection of individual rights, and the needs of State and local governments need to be properly addressed.

I am also pleased that this bill provides additional funding to the Armed Forces Medical Intelligence Center to enhance the analysis of health risks to our deployed forces.

Together, the enhancements provided for in H.R. 2417 will contribute to our Nation's efforts to prevent terrorism and to curb the proliferation of weapons of mass destruction around the globe. I urge my colleagues to support this bill.

Mr. GOSS. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from North Carolina (Mr. BURR), also a valuable member of our committee.

(Mr. BURR asked and was given permission to revise and extend his remarks.)

Mr. BURR. Mr. Chairman, I rise in strong support of H.R. 2417.

After terrorists struck on September 11, 2001, our government has been engaged in an aggressive prosecution of the global war on terrorism, a war that will be fought for years to come, I fear. Our efforts I have no doubt will be successful. To ensure success, however, we must prepare for the long road ahead of us. That is exactly what this bill does.

The men and women of Intelligence and Law Enforcement Communities have been instrumental in the numerous successes thus far. I thank them for their sacrifices, for their dedication. We are indebted to them for their tireless service.

In my view, the key to success in this war on terrorism is communication. We have to improve our communication across the Federal Government. We must improve and make seamless the flow of information within our Intelligence Community. It is essential to have good communication with our liaison partners, and better communication between Federal, State and local authorities and with the private sector must be ensured.

Without doubt, intelligence and law enforcement officers are our front line defenders in our daily battle against this evil. State and local authorities also stand at the forefront of this war. Success in safeguarding the homeland lies firmly in the ability to communicate effectively and share sensitive, timely and actionable information among Federal, State and local officials.

Mr. Chairman, H.R. 2417 is an important bill because it also specifically authorizes greater training and support to local and State authorities as it relates to preventing the possible use of weapons of mass destruction in the United States.

Additionally, H.R. 2417 authorizes funding to ensure greater participation of city, county and State law enforcement officials in joint terrorism task forces that are spread across this country.

Mr. Chairman, only with better communication and sharing necessary, relevant and actionable information with State and local authorities, can we best wage the best effort on the war on terrorism in our homeland.

I urge its passage.

Ms. HARMAN. Mr. Chairman, we have no further speakers except for me and I have some brief closing remarks. So I would yield if there are speakers over there and perhaps speak just before our chairman closes this debate.

Mr. GOSS. Mr. Chairman, I am pleased to advise the Chair to advise the gentlewoman that we have no further speakers except myself to make a few household and closing remarks.

Ms. HARMAN. Mr. Chairman, I yield myself such time as I may consume.

This debate has been friendly, collaborative, supportive, not just of each other but our staffs. It is clear that committee members are putting the country first in our service on the committee. I believe that our authorization bill is putting the country first in terms of the priorities it chooses, and I believe further, Mr. Chairman, that our investigation of the quality of intelligence supporting the war in Iraq is also putting the country first.

Our investigation has a long way to go but it is serious, collaborative, and bipartisan. We will do as much as possible in public, and we will report to the public on our findings.

Should we hit the wall and fail in our endeavor, then it may be time for a commission or an alternative committee or set of committees of Congress to take over. But meanwhile, I

want to commend the Members of this committee who serve with great distinction, and I urge the passage of this authorization bill, H.R. 2417.

Mr. Chairman, I yield back the balance of my time.

Mr. GOSS. Mr. Chairman, how much time do I have?

The CHAIRMAN. The gentleman from Florida has 2 minutes remaining.

Mr. GOSS. Mr. Chairman, I yield myself the remaining time.

I would like to also announce that the gentleman from Michigan (Mr. HOEKSTRA), who is the chairman of our Subcommittee on Technical and Tactical Intelligence, and the gentleman from Alabama (Mr. EVERETT) and the gentleman from California (Mr. GALLEGLY) are other members of the committee who will probably join us later on and we are equally proud of them.

We obviously have an extraordinarily high level of group of members, as my colleagues have seen, on both sides of the aisle who take this business quite seriously, and we are very pleased about that.

I would like to include for the RECORD the administration policy and exchange of correspondence with the chairmen of the appropriate committees. That would be the gentleman from Ohio (Mr. OXLEY), the gentleman from Wisconsin (Mr. SENSENBRENNER), and the gentleman from California (Mr. HUNTER).

STATEMENT OF ADMINISTRATION POLICY

H.R. 2417—INTELLIGENCE AUTHORIZATION ACT FOR FY 2004

(This statement has been coordinated by OMB with the concerned agencies.)

The Administration appreciates the support of the Permanent Select Committee on Intelligence for the work and efforts of the Intelligence Community (IC), as well as the Committee's inclusion in its bill of a significant number of requested provisions. The Administration would support H.R. 2417 if the concerns outlined below are addressed.

The Administration has not had the opportunity to review the classified schedule of authorizations, and reserves comment on those authorizations. The Administration would strenously object if certain high priority transformational development programs affecting the IC's future collection and research and development strategies, are not authorized as requested.

The Administration appreciates the Committee's support for our initiatives to improve our nation's intelligence capabilities, and believes that section 336, regarding improved information sharing among federal, State, and local government officials, addresses significant and important issues. However, the Administration has concerns with this and other sections of the bill (such as section 321) which seek to direct specific roles and responsibilities to be carried out by particular components of the Executive Branch. They could impinge on the President's constitutional authority to determine how Executive Branch agencies should be organized to carry out national defense and anti-terrorism activities.

Section 505, concerning the measurement and signatures intelligence (MASINT) research program, would provide the Defense Department the authority to review CIA and other intelligence agencies' MASINT programs. The Administration would oppose this expanded authority for DoD, as we believe the existing authorities and responsibilities are properly vested.

The Administration looks forward to working with the Congress on these and a number of other policy and technical concerns as H.R. 2417 moves through the legislative process.

HOUSE OF REPRESENTATIVES, COMMITTEE ON THE JUDICIARY, RAYBURN HOUSE OFFICE BUILDING,
Washington, DC, June 17, 2003.

Hon. PORTER GOSS,
Chairman, Permanent Select Committee on Intelligence, House of Representatives, Washington, DC.

DEAR CHAIRMAN GOSS: In recognition of the desire to expedite floor consideration of H.R. 2417, the intelligence authorization bill for fiscal year 2004, the Committee on the Judiciary hereby waives consideration of the bill with the understanding that you will continue to work with me on sections within the Committee on the Judiciary's jurisdiction and that for any of those sections on which we cannot reach a mutually agreeable resolution, you will remove them before enactment. I further understand that you will support the Committee on the Judiciary's request for conferees on these sections.

The sections in the bill as reported that contain matters within the Committee on the Judiciary's Rule X jurisdiction are:

104(e) (relating to funding for the Department of Justice's National Drug Intelligence Center);

321 (relating to procedures for using classified information);

332 (relating to the use of explosives by certain qualified aliens if they are in the United States to cooperate with the CIA or the United States military);

333 (relating to the naturalization of certain persons);

334 (relating to the types of financial institutions from which law enforcement can obtain financial records for criminal investigation purposes);

335 (relating to certain aspects of the mandatory source rules for Federal Prison Industries as they relate to procurements by the Central Intelligence Agency);

336 (relating to pilot projects to encourage the sharing of intelligence information between state and local officials and representatives of critical infrastructure industries on the one hand and federal officials on the other)

401 (relating to giving certain employees of the Central Intelligence Agency the protections of the Federal Tort Claims Act when they take certain actions to prevent crime)

504 (relating to giving certain employees of the National Security Agency the protections of the Federal Tort Claims Act when they take certain actions to prevent crime)

(These section numbers refer to the bill as reported.) Based on this understanding, I will not request a sequential referral based on their inclusion in the bill as reported.

The Committee on the Judiciary takes this action with the understanding that the Committee's jurisdiction over these provisions is in no way diminished or altered. I would appreciate your including this letter in your Committee's report on H.R. 2417 and the CONGRESSIONAL RECORD during consideration of the legislation on the House floor.

Sincerely,

F. JAMES SENSENBRENNER, JR.,
Chairman.

HOUSE OF REPRESENTATIVES, PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 16, 2003.

Hon. F. JAMES SENSENBRENNER, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR CHAIRMAN SENSENBRENNER: Thank you for your letter regarding H.R. 2417, the intelligence authorization bill for fiscal year 2004. As you noted, several provisions of the bill as reported fall within the Rule X jurisdiction of the Committee on the Judiciary. I will continue to work with you on these sections. For any of these sections on which we cannot reach a mutually agreeable resolution, I will remove them before enactment. Further I will support the Committee on the Judiciary's request for conferees on these sections.

The sections of the bill as reported that contain matters within the Committee on the Judiciary's Rule X jurisdiction are:

104(e) (relating to funding for the Department of Justice's National Drug Intelligence Center);

321 (relating to procedures for using classified information);

332 (relating to the use of explosives by certain qualified aliens if they are in the United States to cooperate with the CIA or the United States military);

333 (relating to the naturalization of certain persons);

334 (relating to the types of financial institutions from which law enforcement can obtain financial records for criminal investigation purposes);

335 (relating to certain aspects of the mandatory source rules for Federal Prison Industries as they relate to procurements by the Central Intelligence Agency);

336 (relating to pilot projects to encourage the sharing of intelligence information between state and local officials and representatives of critical infrastructure industries on the one hand and federal officials on the other);

401 (relating to giving certain employees of the Central Intelligence Agency the protections of the Federal Tort Claims Act when they take certain actions to prevent crime);

504 (relating to giving certain employees of the National Security Agency the protections of the Federal Tort Claims Act when they take certain actions to prevent crime).

(These section numbers refer to the bill as reported.) I appreciate you willingness to forgo consideration of the bill and not request a sequential referral based on this understanding.

I acknowledge that by agreeing to waive its consideration of the bill, the Committee on the Judiciary does not waive its jurisdiction over the bill or any of the matters under your jurisdiction. I will include a copy of your letter and this response in our Committee's report on H.R. 2417 and the CONGRESSIONAL RECORD during consideration of the legislation on the House floor.

Thank you for your assistance in this matter.

Sincerely,

PORTER J. GOSS,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON FINANCIAL SERVICES, RAYBURN HOUSE OFFICE BUILDING,
Washington, DC, June 17, 2003.

Hon. PORTER J. GOSS,
Chairman, Select Committee on Intelligence, Washington, DC.

DEAR CHAIRMAN GOSS: On June 12, 2003, the Select Committee on Intelligence ordered reported H.R. 2417, The Intelligence Authorization Act for Fiscal Year 2004. As you are

aware, the bill as reported contained several provisions which fall within the jurisdiction of the Committee on Financial Services pursuant to the Committee's jurisdiction under Rule X of the Rules of the House of Representatives.

As you know, we continue to have strong concerns about some of these provisions, particularly those relating to the creation of a Bureau of Enforcement and Intelligence within the Department of the Treasury. However, because of your commitment to support my position regarding all of these provisions as the bill moves through the process and the need to move this legislation expeditiously, I will waive consideration of the bill by the Financial Services Committee. By agreeing to waive its consideration of the bill, the Financial Services Committee does not waive its jurisdiction over H.R. 2417. In addition, the Committee on Financial Services reserves its authority to seek conferees on any provisions of the bill that are within the Financial Services Committee's jurisdiction during any House-Senate conference that may be convened on this legislation. I ask your commitment to support any request by the Committee on Financial Services for conferees on H.R. 2417 or related legislation.

Finally, I request that you include a copy of this letter and your response in the Select Committee's report on the bill, and that they be printed in the CONGRESSIONAL RECORD during the consideration of this legislation on the floor.

I appreciate your commitment to address my concerns as the process moves forward and willingness to work constructively toward common goals.

Sincerely,

MICHAEL G. OXLEY,
Chairman.

HOUSE OF REPRESENTATIVES, PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 17, 2003.

Hon. MICHAEL G. OXLEY,
Chairman, Committee on Financial Services, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN OXLEY: On June 12, 2003, the Select Committee on Intelligence ordered reported H.R. 2417, the ''Intelligence Authorization Act of Fiscal Year 2004.'' The bill as reported contained several provisions which fall within the jurisdiction of the Committee on Financial Services, pursuant to the Committee's jurisdiction under Rule X of the Rules of the House of Representatives.

I am quite aware of, and sensitive to the specific concerns you raise about the inclusion of section 105 in H.R. 2417 concerning the establishment of a Bureau of Intelligence and Enforcement within the Department of the Treasury. Once again, I want to convey my personal commitment to work with you to resolve this issue to our common satisfaction and support your position in a conference with the Senate on the Intelligence Authorization bill.

I very much appreciate your willingness to waive consideration of H.R. 2417 by the Financial Services Committee. I acknowledge that, by agreeing to waive its consideration of the bill, the Financial Services Committee does not waive its jurisdiction over H.R. 2417. I further recognize that the Committee on Financial Services reserves its authority to seek conferees on any provisions of the bill that are within the Financial Services Committee's jurisdiction during any House-Senate conference that may be convened on this legislation. I will support a request by the Committee on Financial Services for conferees on H.R. 2417 or related legislation.

Finally, I am pleased to accommodate your request to include a copy of your letter and my response in the Select Committee's report on the bill, and that they be printed in the CONGRESSIONAL RECORD during the consideration of this legislation on the floor.

I appreciate your commitment to work together so as to achieve an appropriate and mutually satisfactory resolution of this important national security matter.

Sincerely,

PORTER J. GOSS,
Chairman.

COMMITTEE ON ARMED SERVICES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 19, 2003.

Hon. PORTER J. GOSS,
Chairman, House Permanent Select Committee on Intelligence, Washington, DC.

DEAR CHAIRMAN GOSS: I am writing to you concerning the jurisdictional interest of the Committee on Armed Services in matters being considered in H.R. 2417, the Intelligence Authorization Act for Fiscal Year 2004.

I recognize the importance of H.R. 2417 and the need for this legislation to move expeditiously. Therefore, while the committee is entitled to a jurisdictional claim on this legislation, I do not intend to request a sequential referral.

The Committee on Armed Services asks that you support our request to be conferees on the provisions over which we have jurisdiction during any House-Senate conference. Additionally, I request that you include this letter as part of your committee's report on H.R. 2417.

Thank you for your cooperation in this matter.

Sincerely,

DUNCAN HUNTER,
Chairman.

HOUSE OF REPRESENTATIVES, PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 18, 2003.

Hon. DUNCAN HUNTER,
Chairman, Committee on Armed Services, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN HUNTER: Thank you for your letter regarding H.R. 2417, the intelligence authorization bill for fiscal year 2004. As you noted, elements of the bill as reported fall within the Rule X jurisdiction of the Committee on Armed Services. I will continue to work with you on these sections. I will support the Committee on Armed Services' request for conferees on these sections.

I appreciate your willingness to forgo consideration of the bill and not request a sequential referral based on this understanding.

I acknowledge that by agreeing to waive its consideration of the bill, the Committee on Armed Services does not waive its jurisdiction over the bill or any of the matters under your jurisdiction. I will include a copy of your letter and this response in our Committee's report on H.R. 2417 and the CONGRESSIONAL RECORD during consideration of the legislation on the House floor.

Thank you for your assistance in this matter.

Sincerely,

PORTER J. GOSS,
Chairman.

Finally, Mr. Chairman, I want to thank our staff. We have a perfect balance, I believe, between professional management staff and expertise on the various facets of the Intelligence Community which is what we need to do our job properly in terms of providing oversight on the one hand, to make sure the Intelligence Community plays in bounds and to make sure they have the necessary wherewithal, the advocacy piece that is our other side, the other hat we wear.

I am very much convinced that intelligence is the best investment. We are involved globally. There is no question the United States of America is no secret any place around the world, and in order for us to do the best we can in terms of our security, we have to have good information. It is a good investment.

Nobody would pretend that we are fully sufficient in all that we have. We can always do better, and I think we will probably be talking about sufficiency and insufficiency as we go along in our review.

Nobody would say that we are inherent. There is no document I know that is written that is inherent with the possible exception of the Bible, and some would say the New York Times, but I think they forfeited their right to that recently, nor is there anyone infallible. We are all human beings. What I can say to the American people is that I am satisfied that the men and women of the Intelligence Community of our Nation, and there are thousands of them, are doing their best for our national security, and I think we need to be behind them, and supporting this bill would be a good way to do that.

Mr. SIMMONS. Mr. Chairman, I rise today in support of H.R. 2417, a bill to reauthorize appropriations for FY 2004 for the intelligence and intelligence-related activities of the U.S. Government.

It has been my honor to serve this Nation with the Central Intelligence Agency for 10 years, five of which were spend as an operations officer in Southeast Asia. For over 30 years I served on active and reserve duty as a Military Intelligence Officer and have also had the unique privilege of serving as Staff Director for the Senate Select Committee on Intelligence under Chairmen Barry Goldwater and Daniel Patrick Moynihan. All this service took place at a time when our Nation was seeking to win the Cold War.

The collapse of the Soviet Union changed our world for the better, but did not eliminate the need for accurate and timely intelligence. We now face a new uncertainty and risk. Rather than focusing on one or two superpowers, we have to defend against numerous lethal covert terrorist groups.

H.R. 2417 responds to these changing threats by boosting the role of human intelligence or HUMINT gathered from human sources around the world; increases our ability to analyze material from a broad spectrum of sources; increases our capability to conduct counter terrorism; and authorizes protections and benefits for our intelligence officers at home and abroad.

Mr. Chairman, it is incumbent on this body to improve the intelligence capabilities of the Nation, to better serve as the ''eyes and ears'' of America in a difficult and dangerous world. This bill responds to this urgent requirement, and I support it completely.

H.R. 2417—INTELLIGENCE AUTHORIZATION ACT FOR FY 2004, UPDATED JUNE 24, 2003

FLOOR SITUATION

The House is scheduled to consider H.R. 2417, pursuant to a rule, on Wednesday, June 25, 2003. On Tuesday, June 24, 2003, the Rules Committee granted, by voice vote, a modified open rule providing one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence. The rule provides that the bill shall be considered for amendment under the five-minute rule. The rule provides that it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute now printed in the bill, which shall be considered as read. The rule waives all points of order against consideration of the bill, and against the committee amendment in the nature of a substitute. The rule provides that no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the Rules Committee report accompanying the resolution, and all points of order against said amendments are waived. The rule provides that each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. Finally, the rule provides one motion to recommit with or without instructions.

SUMMARY

H.R. 2417 authorizes appropriations for FY 2004 for (a) the intelligence and intelligence-related activities of the U.S. Government, (b) the Community Management Account, and (c) the Central Intelligence Agency Retirement and Disability System. The authorization level is classified. The funding levels and personnel ceilings for most programs are outlined in a classified annex to the committee report, which Members only may review in the offices of the Permanent Select Committee on Intelligence in H–405 in the Capitol.

HIGHLIGHTS

H.R. 2417 will:

Provide full support for the Intelligence Community's efforts in the war on terrorism;

Focus attention on the need to enhance Human Intelligence capabilities and tools;

Authorize additional resources to improve analytical depth in all areas of intelligence, and increase our analytical capacity to process, exploit, and disseminate all of the intelligence that is collected;

Posture the Intelligence Community to develop a framework for a unified overhead imagery architecture;

Include provisions that are intended to improve the government's ability to identify any spies that might be working against the United States and to provide the government additional leverage as it moves to prosecute such traitors, such as Hanssen, Ames, and Montes;

Establish a Bureau of Intelligence and Enforcement within the Department of the Treasury, to be headed by an Assistant Secretary for Intelligence and Enforcement, that will enhance the government's ability to gather and process information about the financial support of terrorism and other illegal activity;

Require the Director of Central Intelligence (DCI) to report on lessons learned as a result of military operations in Iraq;

Improve information sharing among Federal, State, and local government officials; including increased training for state and local officials on how the intelligence community can support their counterterrorism efforts;

Require the Intelligence Community's senior leadership to comprehensively examine (and report to Congress on) policy and technical issues related to digital information sharing, electronic collaboration, and ''horizontal integration'' across the Intelligence Community;

Extend the authority for the use of funds designated for intelligence and intelligence-related purposes for assistance to the Government of Colombia for counter-drug activities to be used also to fund counterterrorism activities in Colombia for each of FYs 2004 through 2005;

Provide limited immunity from tort liability to those Special Police Officers of the Central Intelligence Agency and the National Security Agency;

Authorize the personnel ceilings on September 30, 2004 for the intelligence and intelligence-related activities of the U.S. Government and permit the Director of Central Intelligence to authorize personnel ceilings in Fiscal Year 2003 for any intelligence element up to two percent above the authorized levels, with the approval of the Director of the Office of Management and Budget; and

Authorize $226.4 million for the Central Intelligence Agency Retirement and Disability Fund (CIARDS) in order to fully fund the accruing cost of retirement benefits for individuals in the Civil Service Retirement System, CIARDS, and other Federal retirement systems.

BACKGROUND

Agencies' activities affected by the Intelligence Authorization Act of 2003, include fourteen agencies of the U.S. government, such as: Central Intelligence Agency; National Security Agency; Defense Intelligence Agency; National Imagery and Mapping Agency; National Reconnaissance Organization; FBI (Counterterrorism and Counterintelligence); DOE; Homeland Security; and U.S. Coast Guard.

LEGISLATIVE HISTORY

H.R. 2417 was introduced by Chairman Goss on June 11, 2003. It was reported from the Select Intelligence Committee by a vote of 16–0 on June 12, 2003 (H. Rpt. 108–163).

COST ESTIMATE

CBO estimates that the unclassified portions of this measure will cost $320 million over the 2004–2008 period, assuming appropriation of the specified and estimated amounts. CBO also estimates the bill will affect direct spending and receipts by an insignificant amount.

H.R. 2417 contains intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the costs of complying with these mandates will not exceed the thresholds established by that act ($59 million for intergovernmental mandates and $117 million for private-sector mandates in 2003, adjusted annually for inflation).

AMENDMENTS MADE IN ORDER UNDER THE RULE (6 AMENDMENTS)

Rep. Cox will offer an amendment (#10) on Wednesday, June 25, 2003. The amendment strikes Section 336 (Improvement of Information Sharing Among Federal, State, and Local Government Officials) of the bill. Contact: 6–8417.

Rep. Farr will offer an amendment (#9) on Wednesday, June 25, 2003. The amendment seeks to improve the foreign language training of the intelligence community by providing: (1) training in the application of standardized foreign language skill assessment mechanisms; (2) development of curriculum for advanced proficiency intelligence community foreign language speakers and interpreters; (3) non-degree training for translators and interpreters; (4) training intelligence community foreign language teachers in the use of technology geared for teaching advanced ''critical languages;'' (5) intensive on-site foreign language training. Contact: 5–2861.

Rep. Harman will offer an amendment (#2) on Wednesday, June 25, 2003. It amends section (g)(1) of Section 343 of the bill by requiring the Director of Central Intelligence to report on whether further consolidation or elimination of watch list databases in Federal departments and agencies would contribute to the efficacy and effectiveness of the Terrorist Identification Classification System in identifying known or suspected terrorists. If passed, it would also require the Director of Central Intelligence to report on steps required to consolidate or eliminate such watch lists. Contact: 5–8220.

Rep. Hastings (FL) will offer an amendment (#1) on Wednesday, June 25, 2003. The amendment directs the Director of Central Intelligence to establish a pilot project to improve recruitment of ethnic and cultural minorities and women to meet the diversity of skills, language, and expertise required by the current mission. Contact: 5–1313.

Rep. Kucinich will offer an amendment (#8) on Wednesday, June 25, 2003. The amendment directs the Inspector General of the Central Intelligence Agency to conduct an audit of all telephone and electronic communications between the CIA and the Office of the Vice President that relate to weapons of mass destruction obtained or developed by Iraq preceding Operation Iraqi Freedom. Not later than one year after the date of enactment, the Inspector General shall submit a report to Congress on the audit conducted. Contact: 5–5871.

Rep. Lee will offer an amendment (#7) on Wednesday, June 25, 2003. The amendment requires the Comptroller General of the United States to conduct a study to determine the extent of intelligence sharing by the Department of Defense and intelligence community with United Nations inspectors searching for weapons of mass destruction in Iraq prior to Operation Iraqi Freedom. Contact: 5–2661.

Ms. MCCARTHY of Missouri. Mr. Chairman, I rise today to commend the collaborative efforts of my colleagues who serve on the Permanent Select Committee in crafting the FY2004 Intelligence Authorization, H.R. 2417.

This measure encourages information sharing among agencies, which is critical to our Nation's ability to respond to threats to our homeland security.

There are still important intelligence questions unresolved from our war in Iraq—questions that will, and should, face greater scrutiny in the coming months. This Intelligence Authorization provides added resources that will be used in securing the answers to those questions and we should support it.

Mr Chairman, in closing, I want to commend the committee for giving us a bill that strengthens the Intelligence Community and provides new and better capabilities to fight the war on terrorism, and I urge my colleagues to support this measure.

Mr. GOSS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time having expired, the debate is concluded.

Mr. GOSS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr.

HEFLEY) having assumed the chair, Mr. ISAKSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intellience-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on motions to suspend the rules previously postponed.

Votes will taken in the following order:

H. Con. Res. 49, by the yeas and nays;

H. Res. 199, by the yeas and nays;

H. Res. 294, by the yeas and nays.

The vote on H. Res. 277 will be taken tomorrow.

The first electronic vote will be conducted as a 15-minute vote. Remaining electronic votes will be conducted as 5-minute votes.

EXPRESSING SENSE OF CONGRESS THAT ESCALATION OF ANTI-SEMITIC VIOLENCE WITHIN PARTICIPATING STATES OF OSCE IS OF PROFOUND CONCERN AND EFFORTS SHOULD BE UNDERTAKEN TO PREVENT FUTURE OCCURRENCES

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 49.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 49, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 0, not voting 22, as follows:

[Roll No. 315]

YEAS—412

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—22

Brown-Waite, Ginny
Conyers
Cubin
Everett
Flake
Fletcher
Fossella
Franks (AZ)
Gephardt
Gilchrest
Hayworth
Hunter
Kolbe
Meehan
Norwood
Pombo
Renzi
Saxton
Shadegg
Skelton
Smith (WA)
Stark

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HEFLEY) (during the vote). Members are advised 2 minutes remain in this vote.

□ 1806

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the remainder of this series of votes will be conducted as 5-minute votes.

CALLING ON CHINA TO IMMEDIATELY AND UNCONDITIONALLY RELEASE DR. YANG JIANLI

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 199, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 199, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 412, nays 0, not voting 22, as follows:

[Roll No. 316]

YEAS—412

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn

Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clay
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Dingell
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick
Kind
King (IA)
King (NY)
Kingston
Kirk
Kleczka
Kline
Knollenberg
Kucinich
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Moran (VA)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Sanchez, Linda T.
Sanchez, Loretta
Sanders
Sandlin
Schakowsky
Schiff
Schrock
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stupak
Sullivan
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner (OH)
Turner (TX)
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velazquez
Visclosky
Vitter
Walden (OR)
Walsh
Wamp
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—22

Berman
Brown-Waite, Ginny
Conyers
Cubin
Everett
Flake
Fletcher
Fossella
Franks (AZ)
Gephardt
Gilchrest
Hayworth
Hunter
Kolbe
Norwood
Pombo
Renzi
Saxton
Shadegg
Skelton
Smith (WA)
Stark

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HEFLEY) (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1814

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONDEMNING TERRORISM INFLICTED ON ISRAEL SINCE AQABA SUMMIT AND EXPRESSING SOLIDARITY WITH THE ISRAELI PEOPLE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 294.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 294, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 399, nays 5, answered ''present'' 7, not voting 23, as follows:

[Roll No. 317]

YEAS—399

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldwin
Ballance
Ballenger
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Bell
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boswell
Boucher
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Burgess
Burns
Burr
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carson (IN)
Carson (OK)
Carter
Case
Castle
Chabot
Chocola
Clyburn
Coble
Cole
Collins
Cooper
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Doggett
Dooley (CA)
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emanuel
Emerson
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Feeney
Ferguson
Filner
Foley
Forbes
Ford
Frank (MA)
Frelinghuysen
Frost
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gillmor
Gingrey
Gonzalez
Goode
Goodlatte
Gordon
Goss
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grijalva
Gutierrez
Gutknecht
Hall
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hefley
Hensarling
Herger
Hill
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley (OR)
Hostettler
Houghton
Hoyer
Hulshof
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Janklow
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Majette
Maloney
Manzullo
Markey
Marshall
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCotter
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore
Moran (KS)
Murphy
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Nethercutt
Neugebauer
Ney
Northup
Nunes
Nussle
Oberstar
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rodriguez
Rogers (AL)

Rogers (KY)	Shimkus	Tierney
Rogers (MI)	Shuster	Toomey
Rohrabacher	Simmons	Towns
Ros-Lehtinen	Simpson	Turner (OH)
Ross	Slaughter	Turner (TX)
Rothman	Smith (MI)	Udall (CO)
Roybal-Allard	Smith (NJ)	Udall (NM)
Royce	Smith (TX)	Upton
Ruppersberger	Snyder	Van Hollen
Rush	Solis	Velazquez
Ryan (OH)	Souder	Visclosky
Ryan (WI)	Spratt	Vitter
Ryun (KS)	Stearns	Walden (OR)
Sabo	Stenholm	Walsh
Sanchez, Linda T.	Strickland	Wamp
	Stupak	Watson
Sanchez, Loretta	Sullivan	Waxman
Sanders	Sweeney	Weiner
Sandlin	Tancredo	Weldon (FL)
Schakowsky	Tanner	Weldon (PA)
Schiff	Tauscher	Weller
Schrock	Tauzin	Wexler
Scott (GA)	Taylor (MS)	Whitfield
Scott (VA)	Taylor (NC)	Wicker
Sensenbrenner	Terry	Wilson (NM)
Serrano	Thomas	Wilson (SC)
Sessions	Thompson (CA)	Wolf
Shaw	Thompson (MS)	Wu
Shays	Thornberry	Wynn
Sherman	Tiahrt	Young (AK)
Sherwood	Tiberi	Young (FL)

NAYS—5

Dingell	Paul	Woolsey
Kleczka	Rahall	

ANSWERED ''PRESENT''—7

Clay	Lee	Watt
Kilpatrick	McDermott	
Kucinich	Waters	

NOT VOTING—23

Brown-Waite, Ginny	Franks (AZ)	Obey
	Gephardt	Pombo
Conyers	Gilchrest	Renzi
Cubin	Hayworth	Saxton
Everett	Hunter	Shadegg
Flake	Kolbe	Skelton
Fletcher	Moran (VA)	Smith (WA)
Fossella	Norwood	Stark

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1823

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RENZI. Mr. Speaker, I was attending Congressman Bob Stump's funeral service today and missed votes on the following measures:

On motion to suspend the rules and pass H. Con. Res. 49—Expressing the sense of the Congress that the sharp escalation of anti-Semitic violence within many participating States of the Organization for Security and Cooperation in Europe is of profound concern and efforts should be undertaken to prevent future occurrences (Roll No. 315). Had I been present, I would have voted ''aye.''

On motion to suspend the rules and pass H. Res. 199—Calling on the Government of the People's Republic of China immediately and unconditionally to release Dr. Yang Jianli, calling on the President of the United States to continue working on behalf of Dr. Yank Jianli for his release (Roll No. 316). Had I been present, I would have voted ''aye.''

On motion to suspend the rules and pass H. Res. 294—Condemning the terrorism inflicted on Israel since the Aqaba summit, expressing solidarity with the Israeli people, and calling on the Palestinian Authority to take immediate and effective steps to dismantle the terrorist infrastructure on the West Bank and Gaza (Roll No. 317). Had I been present, I would have voted ''aye.''

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

The SPEAKER pro tempore. Pursuant to House Resolution 295 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2417.

□ 1824

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with Mr. SIMPSON (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose earlier today, all time for general debate had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered as an original bill for the purpose of amendment under the 5-minute rule and shall be considered read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 2417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Intelligence Authorization Act for Fiscal Year 2004''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Intelligence Community Management Account.
Sec. 105. Intelligence elements of the Department of the Treasury.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.

Subtitle B—Intelligence

Sec. 311. Modification of notice and wait requirements on projects to construct or improve intelligence community facilities.

Subtitle C—Counterintelligence

Sec. 321. Counterintelligence initiatives for the intelligence community.

Subtitle D—Other Matters

Sec. 331. Extension of suspension of reorganization of Diplomatic Telecommunications Service Program Office.
Sec. 332. Modifications of authorities on explosive materials.
Sec. 333. Modification of prohibition on the naturalization of certain persons.
Sec. 334. Modification to definition of financial institution in the Right to Financial Privacy Act.
Sec. 335. Procedural requirements for Central Intelligence Agency relating to products of Federal prison industries.
Sec. 336. Improvement of information sharing among federal, State, and local government officials.

Subtitle E—Reports and Technical Amendments

Sec. 341. Extension of deadline for final report of the National Commission for the Review of the Research and Development Programs of the United States Intelligence Community.
Sec. 342. Modification of various reports required of intelligence community elements.
Sec. 343. Technical amendments.
Sec. 344. Report on lessons learned from military operations in Iraq.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Protection from tort liability for certain Central Intelligence Agency personnel.
Sec. 402. Repeal of limitation on use of funds in Central Services Working Capital Fund.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

Sec. 501. Use of funds for counterdrug and counterterrorism activities for Colombia.
Sec. 502. Authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency.
Sec. 503. Authority for intelligence community elements of Department of Defense to award personal service contracts.
Sec. 504. Protection of certain National Security Agency personnel from tort liability.
Sec. 505. Measurement and signatures intelligence program.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2004 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The National Reconnaissance Office.
(6) The National Imagery and Mapping Agency.
(7) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(8) The Department of State.
(9) The Department of the Treasury.
(10) The Department of Energy.
(11) The Department of Justice.
(12) The Federal Bureau of Investigation.
(13) The Department of Homeland Security.
(14) The Coast Guard.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to

be appropriated under section 101, and the authorized personnel ceilings as of September 30, 2004, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 2417 of the One Hundred Eighth Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 2004 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed 2 percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall notify promptly the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever the Director exercises the authority granted by this section.

SEC. 104. INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Intelligence Community Management Account of the Director of Central Intelligence for fiscal year 2004 the sum of $192,640,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee shall remain available until September 30, 2005.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Intelligence Community Management Account of the Director of Central Intelligence are authorized 320 full-time personnel as of September 30, 2004. Personnel serving in such elements may be permanent employees of the Intelligence Community Management Account or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Intelligence Community Management Account by subsection (a), there are also authorized to be appropriated for the Intelligence Community Management Account for fiscal year 2004 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2004.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Intelligence Community Management Account as of September 30, 2004, there are hereby authorized such additional personnel for such elements as of that date as are specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 2004 any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Intelligence Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount authorized to be appropriated in subsection (a), $34,248,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, testing, and evaluation purposes shall remain available until September 30, 2005, and funds provided for procurement purposes shall remain available until September 30, 2006.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

SEC. 105. INTELLIGENCE ELEMENTS OF THE DEPARTMENT OF THE TREASURY.

(a) IN GENERAL.—(1) Title I of the National Security Act of 1947 (50 U.S.C. 402 et seq.) is amended by adding at the end the following new section:

''BUREAU OF INTELLIGENCE AND ENFORCEMENT OF THE DEPARTMENT OF THE TREASURY

''SEC. 119. (a) IN GENERAL.—There is within the Department of the Treasury a Bureau of Intelligence and Enforcement headed by an Assistant Secretary for Intelligence and Enforcement, who shall be appointed by the President, by and with the advice and consent of the Senate.

''(b) RESPONSIBILITIES.—(1) The Assistant Secretary for Intelligence and Enforcement shall oversee and coordinate functions of the Bureau of Intelligence and Enforcement.

''(2) The Assistant Secretary shall report directly to the Secretary of the Treasury.

''(c) COMPOSITION OF BUREAU.—The Bureau of Intelligence and Enforcement shall consist of the following offices:

''(1) The Office of Intelligence Support.

''(2) The Office of Foreign Assets Control.

''(3) The Financial Crimes Enforcement Network.

''(4) Such other offices as the Assistant Secretary may establish.''.

(2) The table of contents contained in the first section of such Act is amended by inserting after the item relating to section 118 the following new item:

''Sec. 119. Bureau of Intelligence and Enforcement of the Department of the Treasury.''.

(b) CONSULTATION WITH DCI IN APPOINTMENT OF ASSISTANT SECRETARY FOR INTELLIGENCE AND ENFORCEMENT.—Section 106(b)(2) of such Act (50 U.S.C. 403–6(b)(2)) is amended by adding at the end the following new subparagraph:

''(E) The Assistant Secretary for Intelligence and Enforcement.''.

(c) CONFORMING AMENDMENTS.—(1) Section 3(4) of such Act (50 U.S.C. 401a(4)) is amended—

(A) by striking ''the Department of the Treasury,'' in subparagraph (H);

(B) by striking ''and'' at the end of subparagraph (J);

(C) by redesignating subparagraph (K) as subparagraph (L); and

(D) by inserting after subparagraph (J) the following new subparagraph:

''(K) the Bureau of Intelligence and Enforcement of the Department of the Treasury; and''.

(2) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of the Treasury by striking ''(7)'' and inserting ''(8)''.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 2004 the sum of $226,400,000.

TITLE III—GENERAL PROVISIONS

Subtitle A—Recurring General Provisions

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise permitted under the Constitution or authorized pursuant to the laws of the United States.

Subtitle B—Intelligence

SEC. 311. MODIFICATION OF NOTICE AND WAIT REQUIREMENTS ON PROJECTS TO CONSTRUCT OR IMPROVE INTELLIGENCE COMMUNITY FACILITIES.

(a) INCREASE OF THRESHOLDS FOR NOTICE.—Section 602(a) of the Intelligence Authorization Act for Fiscal Year 1995 (Public Law 103–359; 108 Stat. 3432; 50 U.S.C. 403–2b(a)) is amended—

(1) by striking ''$750,000'' each place it appears and inserting ''$5,000,000'';

(2) by striking ''$500,000'' each place it appears and inserting ''$1,000,000''; and

(3) in paragraph (2), as amended by paragraph (2) of this subsection, by inserting after ''$1,000,000'' the second place it appears, the following: ''but less than $5,000,000''.

(b) NOTICE AND WAIT REQUIREMENTS FOR EMERGENCY PROJECTS.—Section 602(b)(2) of the Intelligence Authorization Act for Fiscal Year 1995 (Public Law 103–359; 108 Stat. 3432; 50 U.S.C. 403–2b(b)(2)) is amended—

(1) in the third sentence, by striking ''21-day'' and inserting ''7-day''; and,

(2) by adding at the end the following new sentence: ''Notwithstanding the preceding provisions of this paragraph, when the Director of Central Intelligence and Secretary of Defense jointly determine that an emergency relating to the national security or to the protection of health, safety, or environmental quality exists and that delay would irreparably harm any or all of those interests, the project may begin on the date the notification is received by such committees.''.

Subtitle C—Counterintelligence

SEC. 321. COUNTERINTELLIGENCE INITIATIVES FOR THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—(1) Title XI of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

''COUNTERINTELLIGENCE INITIATIVES

''SEC. 1102. (a) INSPECTION PROCESS.—(1) In order to protect intelligence sources and methods from unauthorized disclosure, the Director of Central Intelligence shall establish and implement an inspection process for all agencies and departments of the United States that handle classified information relating to the national security of the United States intended to assure that those agencies and departments maintain effective operational security practices and programs directed against counterintelligence activities.

''(2) The Director shall carry out the process through the Office of the National Counterintelligence Executive.

''(b) FBI COUNTERINTELLIGENCE OFFICE.—The Attorney General, acting through the Director of the Federal Bureau of Investigation, shall establish an Office of Counterintelligence within the Bureau to investigate potential espionage activities within the Bureau.

''(c) ANNUAL REVIEW OF DISSEMINATION LISTS.—(1) The Director of Central Intelligence shall establish and implement a process for all elements of the intelligence community (as defined in section 101(4)) to review, on an annual basis, individuals included on distribution lists for access to classified information. Such process shall ensure that only individuals who have a particularized 'need to know' (as determined by the Director) are continued on such distribution lists.

''(2) Not later than October 15 of each year, the Director shall certify to the congressional intelligence committees that the review required under paragraph (1) has been conducted in all elements of the intelligence community during the preceding fiscal year.

''(d) REQUIRED COMPLETION OF FINANCIAL DISCLOSURE STATEMENTS.—(1) The Director of Central Intelligence shall establish and implement a process by which heads of the elements of the intelligence community (as defined in section 101(4)) direct that all employees, in order to be granted access to classified information, submit financial disclosure forms required under section 1.3(b) of Executive Order No. 12969 (August 2, 1995; 60 F.R. 40245; 50 U.S.C. 435 note).

''(2) The Director shall carry out paragraph (1) through the Office of the National Counterintelligence Executive.

''(e) ARRANGEMENTS TO HANDLE SENSITIVE INFORMATION.—The Director of Central Intelligence shall establish, for all elements of the intelligence community (as defined in section 101(4)), programs and procedures by which sensitive classified information relating to human intelligence is safeguarded against unauthorized disclosure by employees of those elements.''.

(2) The table of contents contained in the first section of such Act is amended in the items relating to title XI by adding at the end the following new item:

''Sec. 1102. Counterintelligence initiatives.''.

(b) INTELLIGENCE AND NATIONAL SECURITY ASPECTS OF ESPIONAGE PROSECUTIONS.—The Attorney General, acting through the Office of Intelligence Policy and Review of the Department of Justice, in consultation with the Office of the National Counterintelligence Executive, shall establish policies and procedures to assist the Attorney General in the Attorney General's consideration of intelligence and national security equities in the development of charging documents and related pleadings in espionage prosecutions.

Subtitle D—Other Matters

SEC. 331. EXTENSION OF SUSPENSION OF REORGANIZATION OF DIPLOMATIC TELECOMMUNICATIONS SERVICE PROGRAM OFFICE.

Section 311 of the Intelligence Authorization Act for Fiscal Year 2002 (Public Law 107–108; 115 Stat. 1401; 22 U.S.C. 7301 note), as amended by section 351 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2401; 22 U.S.C. 7301 note), is amended—

(1) in the heading, by striking ''**two-year**'' before ''**suspension of reorganization**''; and

(2) in the text, by striking ''ending on October 1, 2003'' and inserting ''ending on the date that is 60 days after the date on which appropriate congressional committees of jurisdiction (as defined in section 324(d) of that Act (22 U.S.C. 7304(d)) are notified jointly by the Secretary of State (or the Secretary's designee) and the Director of the Office of Management and Budget (or the Director's designee) that the operational framework for the office has been terminated''.

SEC. 332. MODIFICATIONS OF AUTHORITIES ON EXPLOSIVE MATERIALS.

(a) AUTHORITY TO DISTRIBUTE EXPLOSIVE MATERIALS TO QUALIFIED ALIENS.—Notwithstanding any other provision of law, it shall be lawful for any person knowingly to distribute explosive materials to any qualified alien—

(1) if, in the case of a qualified alien described in subsection (c)(1), the distribution to, shipment to, transportation to, receipt by, or possession by the alien of the explosive materials is in furtherance of such cooperation; or

(2) if, in the case of a qualified alien described in subsection (c)(2), the distribution to, shipping to, transporting to, possession by, or receipt by the alien of explosive materials is in furtherance of the authorized military purpose.

(b) AUTHORITY FOR QUALIFIED ALIENS TO SHIP EXPLOSIVE MATERIALS.—Notwithstanding any other provision of law, it shall be lawful for a qualified alien to ship or transport any explosive in or affecting interstate or foreign commerce or to receive or possess any explosive which has been shipped or transported in or affecting interstate or foreign commerce—

(1) if, in the case of a qualified alien described in subsection (c)(1), the possession, shipment, or transportation by the alien of the explosive materials is in furtherance of such cooperation; or

(2) if, in the case of a qualified alien described in subsection (c)(2), the possession, shipment, or transportation by the alien of explosive materials is in furtherance of the authorized military purpose.

(c) QUALIFIED ALIEN DEFINED.—In this section, the term ''qualified alien'' means an alien—

(1) who is lawfully present in the United States in cooperation with the Director of Central Intelligence; or

(2) who is a member of a North Atlantic Treaty Organization (NATO), or other friendly foreign military force (as determined by the Attorney General with the concurrence of the Secretary of Defense) who is present in the United States under military orders for training or other military purpose authorized by the United States.

SEC. 333. MODIFICATION OF PROHIBITION ON THE NATURALIZATION OF CERTAIN PERSONS.

Section 313(e)(4) of the Immigration and Nationality Act (8 U.S.C. 1424(e)(4)) is amended—

(1) by inserting ''when Department of Defense activities are relevant to the determination'' after ''Secretary of Defense''; and

(2) by inserting ''and the Secretary of Homeland Security'' after ''Attorney General''.

SEC. 334. MODIFICATION TO DEFINITION OF FINANCIAL INSTITUTION IN THE RIGHT TO FINANCIAL PRIVACY ACT.

(a) IN GENERAL.—Section 1101(1) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401(1)) is amended by inserting '', except as provided in section 1114,'' before ''means any office''.

(b) DEFINITION.—Section 1114 of such Act (12 U.S.C. 3414) is amended by adding at the end the following:

''(c) For purposes of this section, the term 'financial institution' has the same meaning as in section 5312(a)(2) of title 31, United States Code, except that, for purposes of this section, such term shall include only such a financial institution any part of which is located inside any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the United States Virgin Islands.''.

SEC. 335. PROCEDURAL REQUIREMENTS FOR CENTRAL INTELLIGENCE AGENCY RELATING TO PRODUCTS OF FEDERAL PRISON INDUSTRIES.

The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) is amended by adding at the end the following new section:

''PROCEDURAL REQUIREMENTS FOR CENTRAL INTELLIGENCE AGENCY RELATING TO PRODUCTS OF FEDERAL PRISON INDUSTRIES

''SEC. 23. (a) MARKET RESEARCH.—Before purchasing a product listed in the latest edition of the Federal Prison Industries catalog under section 4124(d) of title 18, United States Code, the Director shall conduct market research to determine whether the Federal Prison Industries product is comparable to products available from the private sector that best meet the Agency's needs in terms of price, quality, and time of delivery.

''(b) COMPETITION REQUIREMENT.—If the Director determines that a Federal Prison Industries product is not comparable in price, quality, or time of delivery to products available from the private sector that best meet the Agency's needs in terms of price, quality, and time of delivery, the Director shall use competitive procedures for the procurement of the product or shall make an individual purchase under a multiple award contract. In conducting such a competition or making such a purchase, the Director shall consider a timely offer from Federal Prison Industries.

''(c) IMPLEMENTATION BY DIRECTOR.—The Director shall ensure that—

''(1) the Agency does not purchase a Federal Prison Industries product or service unless a contracting officer of the Agency determines that the product or service is comparable to products or services available from the private sector that best meet the Agency's needs in terms of price, quality, and time of delivery; and

''(2) Federal Prison Industries performs its contractual obligations to the same extent as any other contractor for the Agency.

''(d) MARKET RESEARCH DETERMINATION NOT SUBJECT TO REVIEW.—A determination by a contracting officer regarding whether a product or service offered by Federal Prison Industries is comparable to products or services available from the private sector that best meet the Agency's needs in terms of price, quality, and time of delivery shall not be subject to review pursuant to section 4124(b) of title 18.

''(e) PERFORMANCE AS A SUBCONTRACTOR.—(1) A contractor or potential contractor of the Agency may not be required to use Federal Prison Industries as a subcontractor or supplier of products or provider of services for the performance of a contract of the Agency by any means, including means such as—

''(A) a contract solicitation provision requiring a contractor to offer to make use of products or services of Federal Prison Industries in the performance of the contract;

''(B) a contract specification requiring the contractor to use specific products or services (or classes of products or services) offered by Federal Prison Industries in the performance of the contract; or

''(C) any contract modification directing the use of products or services of Federal Prison Industries in the performance of the contract.

''(2) In this subsection, the term 'contractor', with respect to a contract, includes a subcontractor at any tier under the contract.

''(f) PROTECTION OF CLASSIFIED AND SENSITIVE INFORMATION.—The Director may not enter into any contract with Federal Prison Industries under which an inmate worker would have access to—

''(1) any data that is classified;

''(2) any geographic data regarding the location of—

''(A) surface and subsurface infrastructure providing communications or water or electrical power distribution;

''(B) pipelines for the distribution of natural gas, bulk petroleum products, or other commodities; or

''(C) other utilities; or

''(3) any personal or financial information about any individual private citizen, including information relating to such person's real property however described, without the prior consent of the individual.

''(g) APPLICATION OF PROVISION.—This section is subject to the preceding provisions of this Act, and shall not be construed as affecting any right or duty of the Director under those provisions.

''(h) DEFINITIONS.—In this section:

''(1) The terms 'competitive procedures' and 'procurement' have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

''(2) The term 'market research' means obtaining specific information about the price, quality, and time of delivery of products available in the private sector through a variety of means, which may include—

''(A) contacting knowledgeable individuals in government and industry;

''(B) interactive communication among industry, acquisition personnel, and customers; and

''(C) interchange meetings or pre-solicitation conferences with potential offerors.''.

SEC. 336. IMPROVEMENT OF INFORMATION SHARING AMONG FEDERAL, STATE, AND LOCAL GOVERNMENT OFFICIALS.

(a) PILOT PROJECT TO ENCOURAGE STATE AND LOCAL OFFICIALS, AS WELL AS REPRESENTATIVES OF CRITICAL INFRASTRUCTURE, TO COLLECT AND SHARE RELEVANT INFORMATION.—Section 892(c) of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 482) is amended by adding at the end the following new paragraph:

''(3)(A) The Under Secretary for Information Analysis and Infrastructure Protection of the Department of Homeland Security, in consultation with the Director of Central Intelligence, may conduct projects in several cities to encourage officials of State and local government, as well as representatives of industries that comprise the critical infrastructure in those cities to lawfully collect and to pass on to the appropriate Federal officials information vital for the prevention of terrorist attacks against the United States.

''(B) The Director of Central Intelligence shall carry out any duty under this paragraph through the Director of the Terrorist Threat Integration Center.

''(C) Under the projects, training shall be provided to such officials and representatives to—

''(i) identify sources of potential threats through such methods as the Secretary determines appropriate;

''(ii) report information relating to such potential threats to the appropriate Federal agencies in the appropriate form and manner; and

''(iii) assure that all reported information is systematically submitted to and passed on by the Department for use by appropriate Federal agencies.

''(D) The Under Secretary shall carry out the pilot project under this paragraph for a period of 3 years.

''(E) Not later than 1 year after the implementation of the pilot project, and annually thereafter, the Under Secretary shall submit to Congress a report on the pilot project conducted under this paragraph. Each such report shall include—

''(i) an assessment of the effectiveness of the project; and

''(ii) recommendations on the continuation of the project as well as any recommendations to improve the effectiveness of information collection and sharing by such officials and representatives and the Federal government.''.

(b) PILOT PROJECT TO TEST USE OF TEAR-LINE INTELLIGENCE REPORTS.—(1) Subtitle C of title II of the Homeland Security Act of 2002 (Public Law 107–296) is amended by adding at the end the following new section:

''SEC. 226. PILOT PROJECT TO TEST USE OF TEAR-LINE INTELLIGENCE REPORTS.

''(a) AUTHORITY.—The Under Secretary for Information Analysis and Infrastructure Protection of the Department of Homeland Security, in consultation with the Director of Central Intelligence, may carry out a pilot program under which the Under Secretary may make intelligence information in the possession of the Department available to officials of State and local governments through the use of tear-line intelligence reports.

''(b) TEAR-LINE INTELLIGENCE REPORTS DESCRIBED.—For purpose of this section, a tear-line report is a report containing intelligence gathered by an agency or department of the United States that is in the possession of the Department that is prepared in a manner such that information relating to intelligence sources and methods is easily severable from the report to protect such sources and methods from disclosure. Such a report may be in a paper or an electronic format.

''(c) DURATION OF PROJECT.—The Under Secretary shall carry out the pilot project under this section for a period of 3 years.

''(d) REPORTS TO CONGRESS.—Not later than 1 year after the implementation of the pilot project, and annually thereafter, the Under Secretary shall submit to Congress a report on the pilot project conducted under this section, and shall include in the report an assessment of—

''(1) the effectiveness of the use of the tear-line reports in providing intelligence information on a timely basis to State and local authorities; and

''(2) if the use of such tear-line reports were to be made permanent, whether additional safeguards are needed with respect to the use of such reports.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Under Secretary such sums as may be necessary to carry out this section.''.

(2) The table of contents in section 1(b) of such Act is amended in subtitle C of title II by adding at the end the following new item.

''Sec. 226. Pilot project to test use of tear-line intelligence reports.''.

(c) HOMELAND DEFENDER INTELLIGENCE TRAINING PROGRAM.

(1) ESTABLISHMENT OF PROGRAM.—The Director of Central Intelligence may establish a comprehensive program of orientation and training to qualified State and local officials in accessing and using available resources of the intelligence community (as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4))).

(2) CONSULTATION.—Insofar as the Director establishes the intelligence training program under paragraph (1), the Director shall consult and coordinate with the director of the Federal Bureau of Investigation and the Secretary of Homeland Security on the development and administration of the program.

(3) PROGRAM GOALS.—Any intelligence training program established under paragraph (1) shall provide qualified State and local officials instruction on the mission and roles of the intelligence community to promote more effective information sharing among Federal, State, and local officials to prevent terrorist attacks against the United States.

(4) CURRICULUM.—Insofar as the Director establishes the intelligence training program under paragraph (1), the Director shall develop a curriculum for the program after consultation with qualified State and local officials. The curriculum shall include classroom instruction with respect to and orientation to the various elements of the intelligence community.

(5) REPORTS TO CONGRESS.—Not later than 1 year after the initial implementation of the intelligence training program under paragraph (1), and annually thereafter, the Director shall submit to Congress a report on the program. Each such report shall include—

(A) an assessment of the effectiveness of the project; and

(B) recommendations on the continuation of the project as well as any recommendations to improve the effectiveness of information collection and sharing by qualified officials and representatives and the Federal government.

(6) QUALIFIED STATE AND LOCAL OFFICIALS DEFINED.—For purposes of this subsection, the term ''qualified State and local officials'' means officials of State and local government agencies that Director of Central Intelligence determines—

(A) have received appropriate security clearances from the Director of the Federal Bureau of Investigation for access to classified information; and

(B) oversee or manage first responders or counterterrorism activities.

(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Director such sums as are necessary to carry out the intelligence training program under this subsection.

(d) ADVISORY COUNCILS.—(1) The Director of the Terrorist Threat Integration Center shall establish two advisory councils (described in paragraph (2)) to provide the Director such advice and recommendations as the Director may require to effectively carry out the functions of the Center.

(2)(A) One advisory council shall have as its focus privacy and civil liberties issues.

(B) The other advisory council shall have as its focus State and local government information needs.

Subtitle E—Reports and Technical Amendments

SEC. 341. EXTENSION OF DEADLINE FOR FINAL REPORT OF THE NATIONAL COMMISSION FOR THE REVIEW OF THE RESEARCH AND DEVELOPMENT PROGRAMS OF THE UNITED STATES INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Subsection (a) of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 50 U.S.C. 401 note; 116 Stat. 2442) is amended by striking ''September 1, 2003'' and inserting ''September 1, 2004''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 1007 of the Intelligence Authorization Act for Fiscal Year 2003.

SEC. 342. MODIFICATION OF VARIOUS REPORTS REQUIRED OF INTELLIGENCE COMMUNITY ELEMENTS.

(a) REPORTS ON ACQUISITION OF TECHNOLOGY RELATING TO WEAPONS OF MASS DESTRUCTION AND ADVANCED CONVENTIONAL MUNITIONS.—Subsection (b)(1) of section 721 of the Intelligence Authorization Act for Fiscal Year 1997 (Public Law 104–293; 110 Stat. 3474; 50 U.S.C. 2366), as amended by section 811(b)(5)(C) of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2424; 50 U.S.C. 2366), is amended by striking ''a semiannual'' and inserting ''an annual''.

(b) PERIODIC AND SPECIAL REPORTS ON DISCLOSURE OF INTELLIGENCE INFORMATION TO UNITED NATIONS.—Section 112(b)(1) of the National Security Act of 1947 (50 U.S.C. 404g(b)(1)) is amended by striking ''semiannually'' and inserting ''annually''.

SEC. 343. TECHNICAL AMENDMENTS.

(a) NATIONAL SECURITY ACT OF 1947.—Section 112(d)(1) of the National Security Act of 1947 (50 U.S.C. 404g(d)(1)) is amended by striking ''section 103(c)(6)'' and inserting ''section 103(c)(7)''.

(b) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—(1) Section 6 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403g) is amended by striking ''section 103(c)(6)'' and inserting ''section 103(c)(7)''.

(2) Section 15 of such Act (50 U.S.C. 403o) is amended—

(A) in subsection (a)(1), by striking ''special policemen of the General Services Administration perform under the first section of the Act entitled 'An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes'(40 U.S.C. 318),'' and inserting ''officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,''; and

(B) in subsection (b), by striking ''the fourth section of the Act referred to in subsection (a) of

this section (40 U.S.C. 318c)'' and inserting ''section 1315(c)(2) of title 40, United States Code''.

(c) NATIONAL SECURITY AGENCY ACT OF 1959.—Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended—

(1) in subsection (a)(1), by striking ''special policemen of the General Services Administration perform under the first section of the Act entitled 'An Act to authorize the Federal Works Administrator or officials of the Federal Works Agency duly authorized by him to appoint special policeman for duty upon Federal property under the jurisdiction of the Federal Works Agency, and for other purposes'(40 U.S.C. 318)'' and inserting ''officers and agents of the Department of Homeland Security, as provided in section 1315(b)(2) of title 40, United States Code,''; and

(2) in subsection (b), by striking ''the fourth section of the Act referred to in subsection (a) (40 U.S.C. 318c)'' and inserting ''section 1315(c)(2) of title 40, United States Code''.

(d) INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2003.—Section 343 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2399; 50 U.S.C. 404n–2) is amended—

(1) in subsection (c), by striking ''section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))'' and inserting ''section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))''; and

(2) in subsection (e)(2), by striking ''section 103(c)(6)'' and inserting ''section 103(c)(7)''.

(e) PUBLIC LAW 107–173.—Section 201(c)(3)(F) of the Enhanced Border Security and Visa Entry Reform Act of 2002 (Public Law 107–173; 116 Stat. 548; 8 U.S.C. 1721(c)(3)(F)) is amended by striking ''section 103(c)(6) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(6))'' and inserting ''section 103(c)(7) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(7))''.

(f) FEDERAL INFORMATION SECURITY MANAGEMENT ACT OF 2002.—Section 3535(b)(1) of title 44, United States Code, as added by section 1001(b)(1) of the Homeland Security Act of 2002 (Public Law 107–296), and section 3545(b)(1) of title 44, United States Code, as added by section 301(b)(1) of the E–Government Act of 2002 (Public Law 107–347), are each amended by inserting ''or any other law'' after ''1978''.

SEC. 344. REPORT ON LESSONS LEARNED FROM MILITARY OPERATIONS IN IRAQ.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Director of Central Intelligence shall submit to the appropriate committees of Congress a report on the intelligence lessons learned as a result of Operation Iraqi Freedom, including lessons relating to the following:

(1) The tasking, collection, processing, exploitation, analysis, and dissemination of intelligence.

(2) Accuracy, timeliness, and objectivity of intelligence analysis.

(3) Intelligence support to policymakers and members of the Armed Forces in combat.

(4) Coordination of intelligence activities and operations with military operations.

(5) Strengths and limitations of intelligence systems and equipment.

(6) Such other matters as the Director considers appropriate.

(b) RECOMMENDATIONS.—The report under subsection (a) shall include such recommendations on improvement in the matters described in subsection (a) as the Director considers appropriate.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Permanent Select Committee on Intelligence and the Committee on Armed Services of the House of Representatives; and

(2) the Select Committee on Intelligence and the Committee on Armed Services of the Senate.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. PROTECTION FROM TORT LIABILITY FOR CERTAIN CENTRAL INTELLIGENCE AGENCY PERSONNEL.

(a) IN GENERAL.—Section 15 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403o) is amended by adding at the end the following new subsection:

''(d)(1) Notwithstanding any other provision of law, any Agency personnel designated by the Director under subsection (a) shall be deemed for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment if the Agency personnel take reasonable action, which may include the use of force, to—

''(A) protect an individual in the presence of the Agency personnel from a crime of violence;

''(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

''(C) prevent the escape of any individual whom the Agency personnel reasonably believe to have committed a crime of violence in the presence of such personnel.

''(2) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code.''.

(b) CONSTRUCTION.—Subsection (d) of section 15, as added by subsection (a), shall not be construed as affecting the authorities of the Attorney General under the Federal Employees Liability Reform and Tort Compensation Act of 1988 (Public Law 100–694; 28 U.S.C. 2671, 2674, 2679(b), 2679(d)).

SEC. 402. REPEAL OF LIMITATION ON USE OF FUNDS IN CENTRAL SERVICES WORKING CAPITAL FUND.

Section 21(f)(2) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403u(f)(2)) is amended—

(1) in subparagraph (A), by striking ''(A) Subject to subparagraph (B), the Director'' and inserting ''The Director''; and

(2) by striking subparagraph (B).

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE MATTERS

SEC. 501. USE OF FUNDS FOR COUNTERDRUG AND COUNTERTERRORISM ACTIVITIES FOR COLOMBIA.

(a) EXTENSION OF AUTHORITY.—Subsection (a) of section 501 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2404) is amended by striking ''for fiscal years 2002 and 2003'' and inserting ''for each of fiscal years 2002 through 2005''.

(b) MODIFICATION.—(1) Subsection (e) of such section is amended to read as follows:

''(e) PROHIBITION.—No United States Armed Forces personnel, United States civilian employee or contractor engaged by the United States will participate in any combat operation in connection with assistance made available under this section, except for the purpose of acting to protect the life or the physical security of others, in self defense, or during the course of search and rescue operations.''.

(c) TECHNICAL AMENDMENT.—Subsection (d) of such section is amended by striking ''Sections 556, 567, and 568 of Public Law 107–115, section 8093 of the Department of Defense Appropriations Act, 2002,'' and inserting ''Section 553 and the certification requirements of section 564(a)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2003 (division E of Public Law 108–7; 117 Stat. 200, 205), and section 8093 of the Department of Defense Appropriations Act, 2003 (Public Law 107–248; 116 Stat. 1558; 10 U.S.C. 182 note),''.

(d) EFFECTIVE DATE.—The amendments made by subsections (b) and (c) shall apply to assistance made available under such section 501 during fiscal years 2004 and 2005.

SEC. 502. AUTHORITY TO PROVIDE LIVING QUARTERS FOR CERTAIN STUDENTS IN COOPERATIVE AND SUMMER EDUCATION PROGRAMS OF THE NATIONAL SECURITY AGENCY.

Section 2195 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d)(1) The Director of the National Security Agency may provide a qualifying employee of a defense laboratory of that Agency with living quarters at no charge, or at a rate or charge prescribed by the Director by regulation, without regard to section 5911(c) of title 5.

''(2) In this subsection, the term 'qualifying employee' means a student who is employed at the National Security Agency under—

''(A) a Student Educational Employment Program of the Agency conducted under this section or any other provision of law; or

''(B) a similar cooperative or summer education program of the Agency that meets the criteria for Federal cooperative or summer education programs prescribed by the Office of Personnel Management.''.

SEC. 503. AUTHORITY FOR INTELLIGENCE COMMUNITY ELEMENTS OF DEPARTMENT OF DEFENSE TO AWARD PERSONAL SERVICE CONTRACTS.

(a) IN GENERAL.—Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 426. Personal services contracts: authority and limitations

''(a) PERSONAL SERVICES.—(1) The Secretary of Defense may, notwithstanding section 3109 of title 5, enter into personal services contracts in the United States if the personal services directly support the mission of a defense intelligence component or counter-intelligence organization.

''(2) The contracting officer for a personal services contract shall be responsible for ensuring that a personal services contract is the appropriate vehicle for carrying out the purpose of the contract.

''(b) DEFINITION.—In this section, the term 'defense intelligence component' means a component of the Department of Defense that is an element of the intelligence community, as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

''426. Personal services contracts: authority and limitations.''.

SEC. 504. PROTECTION OF CERTAIN NATIONAL SECURITY AGENCY PERSONNEL FROM TORT LIABILITY.

Section 11 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new subsection:

''(d)(1) Notwithstanding any other provision of law, agency personnel designated by the Director of the National Security Agency under subsection (a) shall be considered for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, to be acting within the scope of their office or employment when such agency personnel take reasonable action, which may include the use of force, to—

''(A) protect an individual in the presence of such agency personnel from a crime of violence;

''(B) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

''(C) prevent the escape of any individual whom such agency personnel reasonably believe to have committed a crime of violence in the presence of such agency personnel.

''(2) Paragraph (1) shall not affect the authorities of the Attorney General under section 2679(d)(1) of title 28, United States Code.

''(3) In this subsection, the term 'crime of violence' has the meaning given that term in section 16 of title 18, United States Code.''.

SEC. 505. MEASUREMENT AND SIGNATURES INTELLIGENCE RESEARCH PROGRAM.

(a) RESEARCH PROGRAM.—The Secretary of Defense, acting through the Director of the Defense Intelligence Agency's Directorate for MASINT and Technical Collection, shall carry out a program to incorporate the results of basic research on sensors into the measurement and signatures intelligence systems of the United States, to the extent the results of such research is applicable to such systems.

(b) PROGRAM COMPONENTS.—The program under subsection (a) shall review and assess both basic research on sensors and technologies conducted by the United States Government and by non-governmental entities. In carrying out the program, the Director shall protect intellectual property rights, maintain organizational flexibility, and establish research projects, funding levels, and potential benefits in an equitable manner through Directorate.

(c) ADVISORY PANEL.—(1) The Director shall establish an advisory panel to assist the Director in carrying out the program under subsection (a).

(2) The advisory panel shall be headed by the Director who shall determine the selection, review, and assessment of the research projects under the program.

(3)(A) The Director shall appoint as members of the advisory panel representatives of each entity of the MASINT community, and may appoint as such members representatives of national laboratories, universities, and private sector entities.

(B) For purposes of this subsection the term ''MASINT community'' means academic, professional, industrial, and government entities that are committed towards the advancement of the sciences in measurement and signatures intelligence.

(C) The term for a member of the advisory panel shall be established by the Director, but may not exceed a period of 5 consecutive years.

(D) Members of the advisory panel may not receive additional pay, allowances, or benefits by reason of their service on the advisory panel, but may receive per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(4) The Director may accept contributions from non-governmental participants on the advisory panel to defray the expenses of the advisory panel.

The CHAIRMAN pro tempore. No amendment to the committee amendment is in order except those printed in House Report 108–176. Each amendment may be offered only in the order printed in the report, by a Member designated in the report, shall be considered read, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in House Report 108–176.

AMENDMENT NO. 1 OFFERED BY MR. COX

Mr. COX. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. COX:
Strike section 336.

Mr. COX. Mr. Chairman, as chairman of the Select Committee on Homeland Security, I am pleased to rise in support of H.R. 2417. The amendment that I have introduced I will address in a moment but let me state at the outset that there is no more important function in the war on terrorism than having and acting on good intelligence, intelligence about attacks that are yet to come, intelligence about who is involved, what is planned, where and when it will take place and how it might be executed.

The bill as it is written provides critical support for the Intelligence Community's efforts in the war on terrorism. I especially appreciate the provisions in the legislation focusing additional attention on enhancing our capability for gathering human intelligence as well as the provisions that provide additional resources to increase our analytical capacity to process and make use of the intelligence we do gather.

The amendment that I am offering seeks to strike section 336 of the legislation. Section 336 would amend the Homeland Security Act to create two pilot programs, one, to encourage State and local officials, critical infrastructure owners to collect and share relevant information; and, two, to test use of tear-line intelligence reports. However, Mr. Chairman, the Homeland Security Act already includes training and information sharing requirements for State, local and private sector officials. The Director of Central Intelligence, the head of the CIA, would under the language of the bill as it is written have a central role in both of these pilot programs which would inject the CIA into this domestic, homeland security function.

Under the first section 336 pilot program on sharing critical infrastructure information, the DCI would carry out his responsibilities through the Director of the Terrorist Threat Integration Center, or TTIC, which has never before been recognized in law and has no responsibilities whatever for critical infrastructure information. Using TTIC in this way would undermine the statutory function of the Office of Infrastructure Protection subdirectorate of the Department of Homeland Security. We do not need to pilotize the Department's existing statutory obligations.

The Secretary of Homeland Security, acting through the Under Secretary for Information Analysis and Infrastructure Protection, already is required to, and this is now a quote from existing law, ''coordinate training and other support to the elements and personnel of the Department, other agencies of the Federal Government, and State and local governments that provide information to the Department, or are consumers of information provided by the Department, in order to facilitate the identification and sharing of information.'' That is the Homeland Security Act as it is written.

The Homeland Security Act already requires that the Secretary of Homeland Security ''coordinate with elements of the Intelligence Community and with Federal, State, and local law enforcement agencies, and the private sector.'' Extensive information sharing requirements covering State, local and private officials already exist in the Homeland Security Act, for example, in sections 891 and 892.

Tear-line reporting, unclassified reports to convey the critical substance of classified intelligence reporting, is already a common practice. There is not a need for a pilot program. The Homeland Security Act already requires that the Secretary of Homeland Security ''in consultation with the Director of Central Intelligence, shall work to ensure that intelligence or other information relating to terrorism to which the Department has access is appropriately shared with State and local governments.''

□ 1830

At this point I hope that the distinguished gentleman from Florida (Mr. GOSS), chairman of the Permanent Select Committee on Intelligence, could rise to enter into a colloquy so that I might obtain additional information on the amendments to the Homeland Security Act contained within section 336 of the legislation, and I would yield for this purpose to the chairman.

As the chairman knows, I am offering an amendment to strike section 336 of the legislation as it proposes amendments to the Homeland Security Act that fall within the jurisdiction of the Permanent Select Committee on Homeland Security. I am prepared to withdraw this amendment pending appropriate clarification by the gentleman.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, I thank the gentleman for yielding.

I would like to clarify for the record that the provisions of H.R. 2417, Intelligence Authorization Act for Fiscal Year 2004, amending the Homeland Security Act, fall within the jurisdiction of the Select Committee on Homeland Security and that their inclusion in H.R. 2417 does not create a basis for the assertion of jurisdiction over the act by the Permanent Select Committee on Intelligence. Furthermore, I would like to clarify for the distinguished chairman that the chairman of the Select Committee on Homeland Security and I have indeed agreed upon a revision of the provisions that are acceptable to both our ranking members, that is, the gentlewoman from California (Ms. HARMAN) and the gentleman from Texas (Mr. TURNER), the gentleman's committee's ranking member. I will commit to work with the gentleman's committee and the Committee on the Judiciary for substitution of the revised language in the conference negotiations between the House and the Senate, and to that end I have also agreed to support the request of the Select Committee on Homeland Security for the appointment of two conferees on H.R. 2417.

Mr. COX. Mr. Chairman, reclaiming my time, I thank the gentleman for his comments.

I include in the CONGRESSIONAL RECORD copies of the exchange of correspondence between our two committees on this topic.

U.S. HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, June 25, 2003.

Hon. CHRISTOPHER COX,
Chairman,
Select Committee on Homeland Security, Washington, DC.

DEAR MR. CHAIRMAN: This letter is to memorialize our understanding that the provisions of H.R. 2417 (the ''provisions'') amending the Homeland Security Act (the ''Act'') fall within the jurisdiction of the Select Committee on Homeland Security, and that their inclusion in H.R. 2417 does not create a basis for the assertion of jurisdiction over the Act by the Permanent Select Committee on Intelligence.

We have agreed upon a revision of the provisions that is acceptable to both of our Ranking Members, a copy of which is attached, and we agree to work for a mutually agreeable resolution of this provision with your Committee and the Committee on the Judiciary, for substitution in the conference negotiations between the House and the Senate.

To that end, I have agreed to support the request of the Select Committee on Homeland Security for the appointment of two conferees on H.R. 2417.

Sincerely,

PORTER J. GOSS,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON HOMELAND SECURITY,
Washington, DC, June 25, 2003.

Hon. PORTER GOSS,
Chairman,
House Permanent Select Committee on Intelligence, Washington, DC.

DEAR CHAIRMAN GOSS: This letter is to memorialize our understanding that the provisions of H.R. 2417 (the ''provisions'') amending the Homeland Security Act (the ''Act'') fall within the jurisdiction of the Select Committee on Homeland Security, and that their inclusion in H.R. 2417 does not create a basis for the assertion of jurisdiction over the Act by the Permanent Select Committee on Intelligence.

We have agreed upon a revision of the provisions that is acceptable to both of our Ranking Members, a copy of which is attached, and we agree to work for substitution of the revised language in the conference negotiations between the House and the Senate.

To that end, I have agreed to support the request of the Select Committee on Homeland Security for the appointment of two conferees on H.R. 2417.

Sincerely,

CHRISTOPHER COX,
Chairman.

AMENDMENT TO H.R. 2417, AS REPORTED OFFERED BY MR. COX OF CALIFORNIA (FOR HIMSELF AND MR. TURNER OF TEXAS)

Amend section 336 to read as follows:

SEC. 336. IMPROVEMENT OF INFORMATION SHARING AMONG FEDERAL, STATE AND LOCAL GOVERNMENT OFFICIALS.

(a) IN GENERAL.—Section 892(c) of the Homeland Security Act of 2002 (Public Law 107–296; 6 U.S.C. 482) is amended by adding at the end the following new paragraph:

''(3)(A) The Secretary shall establish a program to provide appropriate training to officials described in subparagraph (B) in order to assist such officials in—

''(i) identifying sources of potential terrorist threats through such methods as the Secretary determines appropriate;

''(ii) reporting information relating to such potential terrorist threats to the appropriate Federal agencies in the appropriate form and manner;

''(iii) assuring that all reported information is systematically submitted to and passed on by the Department for use by appropriate Federal agencies; and

''(iv) understanding the mission and roles of the intelligence community to promote more effective information sharing among Federal, State, and local officials to prevent terrorist attacks against the United States.

''(B) The officials referred to in subparagraph (A) are officials of State and local government agencies that oversee or manage first responders or counterterrorism activities.

''(C) The Secretary shall consult with the Attorney General to ensure that the training program established in subparagraph (A) does not duplicate the training program established in section 908 of the USA PATRIOT Act (Public Law 107–56; 28 U.S.C. 509 note).

''(D) The Secretary shall carry out this paragraph through the Under Secretary for Information Analysis and Infrastructure Protection (acting pursuant to the duties described in section 201(d)(16)), in consultation with the Director of Central Intelligence and the Attorney General.''.–

(b) REPORT.—(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Homeland Security shall submit to Congress a report that describes the Secretary's plan for implementing such section 892 (as in effect on the day before the date of the enactment of this Act) and an estimated date of completion of the implementation.

Because of the agreement between our two committees, I will also ask unanimous consent to withdraw the amendment.

I look forward to working with the chairman and members of the Permanent Select Committee on Intelligence for an agreeable resolution of this matter in conference.

Mr. Chairman, if I have remaining time, I yield to the gentlewoman from California (Ms. HARMAN), the ranking member.

Ms. HARMAN. Mr. Chairman, I thank the gentleman for yielding. I rise to state that I fully support the agreement that has been worked out between the chairmen of the two committees on which I serve. Since the language at issue was language that was inserted in our bill at my request, I want to make clear that we should work out these jurisdictional issues, but we also should proceed to find the right sections of the right bills to insert additional language on information sharing which is still a critical need in the homeland security and the terrorist threat areas.

We also need to insert language at the right places about the protection of civil liberties. I listened to the comments by the gentleman from California (Mr. COX) concerning the fact that we have no statutory language for TTIC, the Terrorist Threat Integration Center, and perhaps we should decide about that in some other forum. Nonetheless, TTIC exists, and it is critically important that we make sure that it respects the civil liberties of Americans. So we will continue to search for new venues, but I thank both chairmen for finding the proper way to solve this issue.

Mr. GOSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not going to use the 5 minutes. I just want to clarify this point while the distinguished chairman of the Select Committee on Homeland Security is here that his efforts and the gentlewoman from California's (Ms. HARMAN) efforts to work out acceptable language had in fact transpired and we were prepared to accept an amendment to the bill to do that. There is another party involved, and we wanted to make sure that the appropriate full dialogue took place because what we are about here is really trying to plug in a Foreign Intelligence Program, which is what our portfolio is with the new efforts domestically to deal with terrorism on the homeland.

We are not interested in any territorial acquisition, as I have said many times. We are interested in plugging in the national foreign intelligence activity and capability in the right places in the right way. That will involve working with a number of committees. Fortunately, we have good Members who serve on a number of committees and we are using that expertise to make these bridging arrangements. I would like to publicly thank the gentlewoman from California (Ms. HARMAN) and the gentleman from California (Mr. COX) for their efforts to get the homeland security piece done. We have more work to do on this particular element. They have my pledge in the colloquy that we will work together to get this done properly, and I have nothing further to add to that.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from California.

Mr. COX. Mr. Chairman, I want to return the favor and thank both the gentleman from Florida (Chairman GOSS) and the gentlewoman from California (Ms. HARMAN), ranking member, for all of the work that went into making this language acceptable, the language that we had agreed upon. I am sorry it cannot be included procedurally, but our understanding to do it at the next step is certainly satisfactory to me; and I just want to say that I could not agree more with the sentiments of both the chairman and the ranking member about the importance of sharing information. That is what the mission of Homeland Security is all about, and we do have between us and among us ample opportunity to amend whatever laws it takes to get this job done; and I would point out that the Speaker has made it possible for all three of us to work together on the Select Committee on Homeland Security. So we are doing our version of fusion here in the House, and I am confident we will succeed.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 2 printed in House Report 108–176.

If the amendment proposed by the gentleman from California (Mr. FARR) is not to be offered, then it is now in order to consider amendment No. 3. printed in House Report 108–176.

AMENDMENT NO. 3 OFFERED BY MS. HARMAN

Ms. HARMAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Ms. HARMAN:

At the end of title III, add the following new section:

SEC. 345. MODIFICATION OF TERRORIST IDENTIFICATION CLASSIFICATION SYSTEM.

(a) CERTIFICATION REQUIREMENT FOR CONSOLIDATION OF WATCH LISTS.—Subsection (g)(1) of section 343 of the Intelligence Authorization Act for Fiscal Year 2003 (Public Law 107–306; 116 Stat. 2399; 50 U.S.C. 404n2) is amended—

(1) by redesignating subparagraph (D) as subparagraph (E);

(2) by inserting after subparagraph (C) the following new subparagraph:

''(D) Whether further consolidation or elimination of watch list databases in the departments and agencies with access to the System would contribute to the efficiency and effectiveness of the System in identifying individuals who are known or suspected international terrorists.''; and

(3) in subparagraph (E), as so redesignated, by adding at the end the following: ''If the certification under subparagraph (D) is in the positive, the steps required to consolidate or eliminate such watch lists.''.

(b) ESTABLISHMENT OF ADVISORY COUNCIL.—Subsection (b) of such section is amended by adding at the end the following new paragraph:

''(4) The Director shall establish an advisory council comprised of experts in the field of civil liberties and privacy issues to advise the Director on issues of civil liberties and privacy as they relate to the maintenance of the System.''.

Ms. HARMAN. Mr. Chairman, let me say first that the amendment which the gentleman from California (Mr. FARR) would have offered is an excellent amendment having to do with language skills, and my understanding is that we have accommodated him in some other way. I am sure the chairman will speak to that. And I would be happy to yield to him first on that subject.

Mr. GOSS. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, I appreciate the gentlewoman for yielding.

All I would say is that I was going to compliment the gentleman from California (Mr. FARR) for a very helpful, thoughtful contribution to our work product. In fact, we have been working on this subject for a number of years, which is the training question and the language question; and the gentleman has some very unique perspectives on this which have been very helpful to us. We are improved in our committee for his participation in this process. I do not believe it is necessary to offer the amendment. Apparently he has not, but I nevertheless wanted to appreciate publicly the contribution he has made.

Ms. HARMAN. Mr. Chairman, turning to my amendment, in August, 2001, the FBI was frantically looking for two men who became part of the terrorist suicide team on 9–11. Had we been able to find Nawaf al-Hazmi and Khaled al-Mihdhar, we may have been able to unravel the plot for 9–11. At least we would have stopped these two individuals from participating in it.

The problem, it turns out, was that the State Department and INS watchlists, which included their names, were not available to the FAA and the airlines. So the hijackers were freely allowed to board the ill-fated American Airlines Flight 77.

Two years later, the Federal Government still has as many as 50 databases used for tracking international terrorists and international terrorist organizations. Just recently, the GAO highlighted 12 watchlists run by nine agencies.

This is shocking. Information contained in one database need not be connected to information in another. Vital data that could help prevent the next terrorist attack could be missed. We must consolidate or at least ensure the interoperability of government watchlists, and my amendment pending before this House to this intelligence authorization bill addresses this.

In last year's intelligence authorization act, the Congress required the creation of a Terrorist Identification Classification System, TICS. This system is intended to be an authoritative real-time compilation of individuals and organizations known or suspected of international terrorism derived from all-source intelligence and available for use by other government agencies. The establishment of TICS is still a work in progress. The Director of Central Intelligence is required to report on progress by the end of November.

My amendment requires the Director of Central Intelligence to certify whether further consolidation, or increased interoperability, is the best way to increase the efficiency and effectiveness of TICS. Either way we go, the point is to connect the dots in real time.

The concept of a single government database to track suspected terrorists does raise some civil liberties concerns. To address the privacy and civil liberties concerns, my amendment requires the Director of Central Intelligence to establish an advisory council of experts on matters of civil liberties and privacy.

Mr. Chairman, the relationship of civil liberties and security has been an abiding concern for this committee. The gentleman from New Jersey (Mr. HOLT), one of our members, has been active in this area, and so has our chairman, who convened the first hearing, public hearing, on civil liberties earlier this year where a panel of witnesses from the ACLU to the Heritage Foundation agreed that we need to balance civil liberty and security.

As Ben Franklin once said: ''They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety.'' The Harman amendment addresses both liberty and safety, and I urge its adoption.

Mr. GOSS. Mr. Chairman, I move to strike the last word.

First of all, I want to congratulate the gentlewoman on an amendment that she has worked hard on and I know cares a great deal about, and I will say right up front that the amendment is acceptable to the committee. I do want to make a comment on it, though.

The amendment requires the DCI to consider whether further consolidation of the various U.S. Government terrorist watchlist databases might add to the efficiency of the watchlist system in identifying known or suspected terrorists. Absolutely a goal that we have to achieve. The question is what is the right way to do it? And the gentlewoman has raised the question properly. I commend her for it. Her dedication and expertise on counterterrorism issues I think is well known. She has served not only the Permanent Select Committee on Intelligence of this Congress but previous iterations of this effort on national commissions and so forth; and I think we all very much respect her judgment.

And as I said, this amendment is a good one and it brings the issue to the floor. It asks the DCI to review and determine how much more consolidation of the various terrorist watchlists is needed, but I would add the words ''if any.'' And the reason I say that is I am concerned about the potential loss of data that might result from the consolidation of all the watchlists available to the government. I do not know that that would happen. It is a question that has to be asked.

Additionally, I would think that there is one other area that I worry about a little bit, and that is sort of the idea of Big Brother. The one big unified, centralized U.S. Government computer database with all of the information available to the U.S. Government on individuals and their associates might be viewed to some as concerning, particularly those who worry about Big Brother invading their privacy.

I am not saying I have the answer; but at this stage of my thinking, I am sort of in the position to be inclined to support a network solution that virtually combines the data in various databases without actually dumping all of the information from all the databases into one big government Big

Brother database. So I would think that something on the order perhaps of Web browser or Web sniffer, some way of searching out all the databases simultaneously, using some of those extraordinary technological tools that are developed in the gentlewoman's district, the software that is out there that not only searches all of them at the same time but also crossreferences the search results in such a way that maximizes the researchers' efficiencies and at the same time gives us some of the safeguards, or the appearance of safeguards anyway, the perception that we are safeguarding better than one big database.

I do not wish to prejudge the outcome of the review. As we always do, we candidly state our positions on these things. As I said, I think the gentlewoman has raised exactly the right question. I thank her for her contribution in doing that, and I believe the amendment is worded properly so we go forward, and I will accept the amendment on behalf of the committee.

Mr. HOLT. Mr. Chairman, I move to strike the requisite number of words.

I support the gentlewoman's amendment also, and I am very pleased to acknowledge the atmosphere in this committee that allows us to function so well. It is what a committee should be. The gentleman from Florida (Chairman GOSS) and the gentlewoman from California (Ms. HARMAN), ranking member, avoid, I think, destructive partisanship and allow us to air our differences in a very constructive way.

I would like to draw attention to section 336 of this bill that includes a provision that I have strongly advocated for to require the director of the Terrorist Threat Integration Center to establish two advisory councils to help the center carry out its critical and time-sensitive work, Mr. Chairman.

□ 1845

One Advisory Council will focus on privacy and civil liberty concerns. We all know and understand that we are engaged in an ongoing fight against global terrorism and that our entire Intelligence Community is central to prosecuting and winning this struggle. But, at the same time, as we enhance our intelligence-gathering and analysis, it is equally important that the Director of the Terrorist Threat Integration Center and all employees there must respect the basic civil liberties that define our lives as Americans. Surely this Advisory Council will help us more nearly achieve the right delicate balance between security and liberty.

Now, equally important, this section of the bill also requires an Advisory Council to the Director of the Terrorist Threat Integration Center be established to concentrate on getting more and better information to State and local governments. The efforts to improve substantially our homeland security as a matter of urgency fall primarily upon our first responders and the local and State governments who employ them. In my meetings with State and local officials in New Jersey, and with first responders in my district, I have heard repeatedly that they receive only the most general and vague and almost useless information from Washington. They seldom, if ever, receive any more specific information about what they should guard against. Clearly, they deserve more timely and useful information if they are to function to protect the lives, the safety, and the security of Americans. This Advisory Council should help overcome this incomplete communication of practically useful intelligence information from the Federal to the community level.

Third, I would like to comment about the importance of incorporating information based on open sources. These sources of information are not classified secret. And traditionally, within the Intelligence Community and to this day, some individuals seem to think that if information is not classified secret, it is not valuable. In the 21st century this institutionalized mindset is unfortunate, since our sources of information and the amount of information readily available to the public domain and in the public domain have grown enormously. The Internet has enabled one to access information that was once extremely hard or impractical to obtain, and the dynamics of globalization, the accelerated integration of global industry, commerce, communication, and travel have created many new sources of information. The civil and commercial sectors, for instance, are looking into subjects and technologies that once were the exclusive preserve of governments and intelligence services. A prominent example is imagery from satellites that is publicly or commercially available. In HUMINT intelligence, open access to officials and experts is unparalleled today.

I believe that the Intelligence Community should be exploiting such open source information far more than it is today, and achieving this goal will require a culture change and the application of technology. I thank the chairman for agreeing to include in the report a call for the Director of Central Intelligence to study and report back to Congress within 6 months how to incorporate and use open source material in virtually every aspect of intelligence, from collection to analysis, and across all disciplines. There are many instances where open source information can be useful, perhaps even more useful than classified sources, and surely, in many cases, cheaper.

Now, Mr. Chairman, I spoke earlier about the decision by the gentleman from Florida (Chairman GOSS) and the gentlewoman from California (Ranking Member HARMAN) to investigate thoroughly concerns about weapons of mass destruction and the intelligence that led into our fighting in Iraq. Our committee intends to issue a written report on its findings as promptly as possible, and I spoke about that earlier.

I would like to say a bit more, though. One concern that I have had is that the administration officials too often appear to have dropped the caveats and the uncertainties expressed in the intelligence reporting. Another concern is that at times the intelligence reporting or the officials presenting the intelligence appear to have been very certain about their conclusions that were based on uncertain evidence.

The CHAIRMAN pro tempore (Mr. SIMPSON). The time of the gentleman from New Jersey (Mr. HOLT) has expired.

(By unanimous consent, Mr. HOLT was allowed to proceed for 1 additional minute.)

Mr. HOLT. Mr. Chairman, it is critically important to determine whether the Intelligence Community's estimates on Iraq were badly off base, or whether the Iraqi regime managed to destroy or spirit away the suspect weapons or materials. Either way, it seems clear that performance of the Intelligence Community was less than we would expect. It is clear to all of the world that the coalition did not have the intelligence information specific enough to find, identify, and secure any massively destructive weapons. That realization certainly raises questions about whether we were ready to go to war if the Commander in Chief and the Pentagon were convinced that the weapons were real, but they did not know quite where they were or how we would secure them once we went to war. But that is a question for another day. We will be talking about that in weeks to come.

Now, I would say, with the amendments that we have in front of us today, I offer my full support to this legislation.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from California (Ms. HARMAN).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider Amendment No. 4 printed in House Report 108–176.

AMENDMENT NO. 4 OFFERED BY MR. HASTINGS OF FLORIDA

Mr. HASTINGS of Florida. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. HASTINGS of Florida:

At the end of subtitle D of title III, insert the following new section:

SEC. 337. IMPROVEMENT OF RECRUITMENT, HIRING AND RETENTION OF ETHNIC AND CULTURAL MINORITIES IN THE INTELLIGENCE COMMUNITY.

(a) PILOT PROJECT TO IMPROVE DIVERSITY THROUGHOUT THE INTELLIGENCE COMMUNITY USING INNOVATIVE METHODOLOGIES FOR THE RECRUITMENT, HIRING AND RETENTION OF ETHNIC AND CULTURAL MINORITIES AND WOMEN

WITH THE DIVERSITY OF SKILLS, LANGUAGES AND EXPERTISE REFLECTIVE OF THE CURRENT MISSION.—The Director of Central Intelligence shall carry out a pilot project under this section to test and evaluate alternative, innovative methods to recruit and hire for the intelligence community women and minorities with diverse ethnic and cultural backgrounds, skills, language proficiency, and expertise.

(b) METHODS.—In carrying out the pilot project, the Director shall employ methods such as advertising in foreign language newspapers in the United States, site visits to institutions with a high percentage of students who study English as a second language, and other methods that are not used by the Director under the DCI Diversity Strategic Plan to increase diversity of officers and employees in the intelligence community.

(c) DURATION OF PROJECT.—The Director shall carry out the project under this section for a 3-year period.

(d) REPORT.—Not later than 2 years after the date the Director implements the pilot project under this section, the Director shall submit to Congress a report on the project. The report shall include—

(1) an assessment of the effectiveness of the project; and

(2) recommendations on the continuation of the project as well as for improving the effectiveness of the project in meeting the goals of increasing the recruiting and hiring of women and minorities within the intelligence community.

(e) DIVERSITY PLAN.—(1) Not later than February 15, 2004, the Director of Central Intelligence shall submit to Congress a report which describes the plan of the Director, entitled the ''DCI Diversity Strategic Plan'', and any subsequent revision to that plan, to increase diversity of officers and employees in the intelligence community, including the short- and long-term goals of the plan. The report shall also provide a detailed description of the progress that has been made by each element of the intelligence community in implementing the plan.

(2) In implementing the plan, the Director shall incorporate innovative methods for the recruitment and hiring of women and minorities that the Director has determined to be effective from the pilot project carried out under this section.

(f) DEFINITION.—In this section, the term ''intelligence community'' has the meaning given that term in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401(4))).

Mr. HASTINGS of Florida. Mr. Chairman, I rise today to offer an amendment to the Intelligence Authorization bill on behalf of myself and the following members who are immediate cosponsors of the Select Committee on Intelligence: The gentlewoman from California (Ms. HARMAN), the gentleman from Texas (Mr. REYES), the gentlewoman from California (Ms. ESHOO), the gentleman from Maryland (Mr. RUPPERSBERGER), and the gentleman from Iowa (Mr. BOSWELL). I would also like to thank the chairman of the committee, my good friend, the gentleman from Florida (Mr. GOSS), for his previously stated support for this amendment.

Further, I would be remiss if I did not recognize the efforts of former member Louis Stokes and now departed and former member Julian Dixon; our present minority leader of the Democratic Caucus, the gentlewoman from California (Ms. PELOSI), and the gentleman from Georgia (Mr. BISHOP), and I had forgotten about Tim Roemer, who also was very instrumental in this particular arena as a former member, and others on both sides of the aisle that have been interested in this issue.

Mr. Chairman, this amendment directs the Director of Central Intelligence to establish a pilot program to improve the recruitment, hiring, and retention of ethnic and cultural minorities throughout the Intelligence Community.

Leaders in the Intelligence Community have, for a number of years, expressed the view that diversity within their population can pay dividends with respect to cultural understanding and especially language capabilities. And, for an equal number of years, the Select Committee on Intelligence has urged them to improve their efforts of hiring, promoting, and retaining individuals from diverse backgrounds.

While we noted in our report to accompany H.R. 2417 that progress has been made and, indeed, it has been, especially in the more recent years just passed, we also noted a lack of progress with respect to hiring, promotion, and retention of women and minorities under the current plan. The Secretary of Defense has stated that, ''The current personnel system is not flexible enough to confront the dangers of the 21st century.''

The amendment we offer today addresses one of the many concerns raised by the Secretary and proposes a potential solution. It directs the DCI to develop a pilot program to achieve the goals for increased diversity amongst the Intelligence Community staff.

This amendment requires that the Director use methods such as advertising in foreign language newspapers or conducting site visits to high schools, and I would even encourage middle schools as we look toward the future, because it is interesting that in those areas I feel we find many of our grandchildren and little children know a lot about computers that a lot of us older hands do not know about; and colleges as well, with a high percentage of students from diverse backgrounds as two or more recruitment methods. It also requires an annual report from the Director to assess the effectiveness of this project in meeting his goals.

If the horrors of 9/11 taught us anything, it is that the biggest threat to our democratic ideals and cultural beliefs comes from those who do not share our ideals and beliefs.

The war on terrorism has focused even greater attention on the Intelligence Community as they have collectively faced these and many other challenges with commendable determination. It will take time, innovation, and a long-term strategy to ensure that the Intelligence Community remains capable of both understanding and responding to the threats of the 21st century.

I believe that this amendment will help the Intelligence Community meet the goals they have set for themselves and challenges in the decades to come. I urge my colleagues to support this noncontroversial amendment.

Mr. GOSS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am pleased that this amendment is before us. It is entirely consistent with the committee position, and I am very happy to accept it. I want to congratulate the gentleman from Florida (Mr. HASTINGS) for his continued, persistent, effective leadership on this, along with our colleague, the gentleman from Texas (Mr. REYES), who have both done the committee a big favor by keeping us focused on this.

The amendment directs the DCI to establish a pilot project to test and evaluate alternative and innovative methods to recruit and hire women and minorities with diverse skills, expertise, cultural, and ethnic backgrounds, and language proficiencies. That is obviously a very rich contribution to the Intelligence Community.

The pilot project would be carried out for a 3-year period, with a report on the effectiveness of the project at the end of the second year, as I understand the amendment.

The amendment also includes direction to the DCI to report to the committee by mid-February of the next calendar year on the DCI's diversity strategic plan, which is something we have been after for a while. This aspect of this amendment incorporates, in part, the amendment made to the schedule of authorizations by the gentleman from Texas (Mr. REYES) in the committee's markup. I think they are complementary to each other. I see no conflict, and I think that combined, they are a benefit.

Both members deserve and are commended for promoting the needs of the Intelligence Community in the area of diversity of skills, expertise, languages, cultural understanding, and ethnic background, which is not a fully met need, very clearly, in the Community, as we know.

In the committee report we stated that, and I am going to quote the language, ''Diversity throughout the Intelligence Community population can pay dividends with respect to the richness it brings to the work of the IC, particularly as it relates to cultural understandings of particular target sets, increased language capabilities, and increased skills to address particular intelligence problems.'' Amen.

I believe that this project will help. I very eagerly accept the amendment without reservation, and I am pleased that the gentleman has offered it.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I thank the chairman for the civilized and collaborative way in which this whole debate is going.

I rise in strong support of this amendment, and I just want to make a few brief points, Mr. Chairman.

When the DDCICM, the Deputy Director of Central Intelligence for Community Management—that is a mouthful—Joan Dempsey, came to say goodbye recently, it occurred to me that she was one of the few senior women in the entire Intelligence Community. The only other one I can think of is Joanne Isham, who is the Deputy Director of the National Security Agency. The same story can be said about people from other ethnic groups. That is unfortunate.

This amendment, which is carefully drafted and consistent with our policy in our committee for the last 15 years, will hopefully move the Community forward.

□ 1900

Earlier in this debate, I spoke, and others did, about the importance of beefing up HUMINT, our human intelligence resources. What is the point of human intelligence? The point is obviously to learn about terrorists. Their plans and intentions.

How do you do that? Well, you try to penetrate terrorist cells. How do you do that? Well, it would help if you looked like the terrorists and spoke their languages. And we cannot succeed in our effort if we just recruit the same old, same old. So it should be obvious that this is not the politically correct thing to do; it is the intelligent thing to do if we are trying to expand the talent pool and the capability of our intelligence agencies.

I strongly support this amendment. I thank the gentleman from Florida (Mr. HASTINGS), and the gentleman from Texas (Mr. REYES). They and others have done us a huge service.

Mr. REYES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Hastings amendment. As has been stated, and I hope those that are watching this debate tonight can see the kind of cooperation and willingness to work together to solve some of the issues that greatly effect the national security of our country watching our chairman and ranking member and other members of the committee talk about what is good for our country.

Mr. Chairman, I think that people of diverse backgrounds can bring their unique cultural experiences, skills and language proficiencies to bear on intelligence problems, intelligence issues and intelligence expertise. The percentage of women and minorities in the intelligence community has for way too many years been smaller than the percentage of women and minorities in the total Federal workforce and the civilian workforce. Fiscal year 2002 data demonstrates that women and minorities continue to be under-represented in the intelligence community, especially in core mission areas and the senior ranks, as has been noted here by other members of our committee.

The committee has repeatedly expressed grave concern about the lack of progress made by the intelligence community in recruiting, in hiring and retaining a diverse workforce, essential if we are going to protect our country's national security. New tools must be brought to bear on the challenge of sufficiently diversifying the intelligence community workforce. Intelligence agencies must think, as we like to say, outside the box. I believe that the Hastings amendment encourages this kind of thinking, out-of-the-box thinking, by requiring the Director of Central Intelligence to carry out a pilot project to test and evaluate innovative alternative methods for recruiting and hiring people with diverse backgrounds.

The amendment, like the general provisions that have been reported out of our committee, also requires that the DCI report to Congress on his current diversity plan, including short- and long-term goals and the progress that is being made in implementing it by each of the intelligence community agencies.

Mr. Chairman, not only does this make good sense. It is good practice, it is good business, and it is good public policy. And, therefore, I urge all of my colleagues to support the Hastings amendment.

Mr. BOSWELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the gentleman from Florida (Mr. HASTINGS) for putting this before us. I think its time is overdue, and I think it is reasonable that he would have a pilot project.

I just have to think back on my own life experience, and I will not tell you about that today, in starting in a country home, way out in the country. But I go to schools a lot, and I particularly want to talk to the young folk in regard to their futures and education and what it means to them. And I often tell them my story and, again, I will not tell you tonight, but what it can do for equal opportunity. It is the road to success.

So I think that it would be very good if I can go to my African American schools, which I will, to my Hispanic community, to my Asian-Americans and all the others and say to them, this opportunity is happening and you too can be an effective person if you will get your education and come forth, and we will have a pilot project to show that; but you can come forth, and you can be in the high-level place to make sure our country is secure as the others have done before you.

So I encourage you to do this, and I am really glad that you have done this. It is a reasonable request that is needed. It ought to be done, and I am glad to hear the responses that we are hearing here tonight. I congratulate the gentleman, and I thank the gentleman.

Mr. Chairman, I yield to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. Mr. Chairman, I thank my colleague for yielding. I join him in expressing support for this amendment and accolades to the gentleman from Florida (Mr. HASTINGS), the gentleman from Texas (Mr. REYES), and the others who are working on this.

I wanted to reiterate my concern about the lack of racial, linguistic, cultural and gender diversity within the intelligence community. Our intelligence network should reflect much more of the diversity and multicultural composition of the American people and of the world that we seek to understand. But no one should be comforted by the words in this amendment. This is the umpteenth time that the problem has been identified and that intelligence agencies have been exhorted, even required, to do better. I hope this amendment produces real results.

Mr. BOSWELL. Mr. Chairman, I thank the gentleman for his comments.

Mr. BISHOP of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take this opportunity to congratulate the gentleman from Florida (Mr. HASTINGS), the chairman, and the members of committee for the sensitivity and the concern that we are now paying to the issue of diversity.

For some time now this committee has been wrestling with the idea of diversity going back to former chairman Lou Stokes, former ranking member Julian Dixon. In my service on the committee for 6 years up until this term of Congress we have repeatedly been concerned. And I believe that the director has made it clear that diversity, cultural diversity, lingual diversity is a matter of good business sense for the intelligence community.

We all wish that we had been a little more sensitive and a little more knowledgeable prior to 9–11. But this I think is an opportunity now for us to get it right. And the gentleman from Florida (Mr. HASTINGS) has done an excellent job in helping us to think out of the box by requiring the director to carry out this pilot test project to evaluate innovative alternative methods for recruiting and hiring and retaining members of the intelligence community with a diverse background.

Let me take this opportunity to mention just one member of the African American community who is completing 30 years of service to both the military and the intelligence community, and that is Mr. Garnett Stowe who has retired as chief of staff of the National Reconnaissance Office. Mr. Stowe made tremendous contributions in his own right as a member of the intelligence community, but he too was very sensitive. And he took the time to come with the Congressional Black Caucus last year to appear on a panel that we had dealing with this issue of diversity in diplomatic and intelligence matters.

He has made a tremendous contribution to our country, to the free world through his 30 years of service; and I

certainly would like to take this opportunity as we debate this bill to congratulate him on a career of great service and wish him well in the future.

With that, I would just like to associate myself with all of the remarks that have been said in a positive way in support of the Hastings amendment. I worked very hard when I was on the committee. I am delighted that the gentleman from Florida (Mr. HASTINGS) and the gentleman from Texas (Mr. REYES) and the other members of the committee are continuing this work because it is one on which we must be vigilant. We cannot afford to give it up. We have got to get it done, and we have got to do it until we get it right. And I want to commend the committee and commend my colleagues for a job well done. Hopefully, we can complete this and get on the road to having the best real-time intelligence for our policymakers and our war fighters based on the most broad net of collection devices and individuals.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. BISHOP of Georgia. I yield to the gentleman from Florida.

Mr. GOSS. I appreciate the gentleman yielding. I just wanted to say I was remiss in my remarks not to note the gentleman's service on the committee on this particular issue and many other issues as well. It is a pleasure to welcome you back to the debate here.

Mr. BISHOP of Georgia. Mr. Chairman, I thank the gentleman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the Hastings amendment and to again restate my appreciation for the service of the gentleman from Florida (Chairman Goss) and the service of the ranking member, the gentlewoman from California (Ms. HARMAN). I also want to thank the members who served on this committee, and I do not want to say served, I want to have it correct, the gentleman from Florida (Mr. HASTINGS) is still serving on the Permanent Select Committee on Intelligence. His leadership we have appreciated.

In the debate previously, he extended to me an opportunity to pursue reviewing a number of documents dealing with the question of the weapons of mass destruction. I wanted to publicly say to him that I noted in my remarks earlier how pleased I was in a bipartisan way this committee would not only open up this massive documentation but also work together in a bipartisan way to find out the truth. And I still hold to that, and I will comment very briefly in my remarks on that point. But I wanted to rise initially to support the Hastings amendment because we learned a lot after 9–11.

We learned that information would come or has come or needs to come from people from all walks of life, ethnic backgrounds and languages. We found that in our intelligence community we did not have the reach that we possibly needed to ensure the safety of this Nation, to secure the kind of intelligence we needed to have representation in parts of the world where languages are spoken that we may not be familiar with. And so the issue of diversity is crucial. Not only that, I think it is important to have the ''mosaicness'' of America represented in the intelligence community, the intellect that they bring, the sensitivity that they bring, the cultural understanding that they bring, the knowledge that they bring about the Muslim faith, and also the understanding that all immigration, all people who are different does not equate to terrorism. That comes from a cultural understanding.

We know that in the United States military, we found that the military expanded its chaplain corps and that is, of course, to include people from many different faiths, and that those serving in the military come from many different faiths and many different racial and ethnic backgrounds. Many Hispanics are serving. Many Muslims are serving, many Native Americans, African Americans, obviously Caucasians, and certainly the wide breadth of diversity, Asian-Americans, in our Nation.

So this is a very good amendment, and I applaud the gentleman and I believe this will go a long way in securing America because that is what we are talking about in actually securing America.

I would like to take this opportunity also to lend my support to the Kucinich amendment. That clearly speaks to, I think, us getting at the truth, and that is to secure an audit that would include information about telephone and electronic communications between the CIA and the office of the Vice President.

I also lend my support to the distinguished representative, the gentlewoman from California (Ms. LEE), her amendment to require the Government Accounting Office to conduct a study to determine the extent of intelligence sharing by the Defense Department and the intelligence community with the United Nations.

Collectively, these amendments do not in any way indict the good work of the intelligence committee. What it does is helps to build, it provides anchors, it moves us forward in staffing diversity, but it also moves us forward in finding out particular aspects of this question dealing with the weapons of mass destruction.

I have already said on this floor that I believe that ultimately a commission, after the work of this House committee and after the work of the Senate committee, whatever their processes will be, that we look at creating an independent commission. I also believe that if we are to find wrong-doing that a special prosecutor would be appropriate as well.

I am prepared to work in this bipartisan effort, but I think truth is important. And, again, it is important not only for the American people, but my colleagues who in good faith, many who, sincerely, all of us, might I say came to the floor of the House and voted our conscience, many voting because they believed that we were under imminent attack by the alleged weapons of mass destruction. Many would say that those of us who argue this point will find it out. We will get ours. They will find the weapons of mass destruction.

□ 1915

Mr. Chairman, I will not be in any way offended because the question of America is about democracy and truth. It is about sharing with the American people the reasons why we make such decisions. It is not about a ''get you'' foreign policy. I do not need a ''get you'' foreign policy. I do not need to be victorious in this independent commission or the work of the intelligence committee. I do not need to find out that there were no weapons of mass destruction. I simply need to find the truth because the administration is obligated to tell the truth to the American people and to this Congress, for us to make the life and death decision of war and peace.

I also believe that war should have been the last option, but I believe my colleagues voted in good faith, and therefore, they should have the truth, the American people should have the truth, and I think a commission will bring us to a point of securing the truth.

So I rise in support of the Hastings amendment enthusiastically, the Kucinich amendment and the Lee amendment so we can move forward in a bipartisan manner.

The CHAIRMAN pro tempore (Mr. SIMPSON). The question is on the amendment offered by the gentleman from Florida (Mr. HASTINGS).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Florida (Mr. HASTINGS) will be postponed.

It is now in order to consider amendment No. 5 printed in House report 108–176.

AMENDMENT NO. 5 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. KUCINICH:

At the end of title III, add the following new section:

SEC. 345. REPORT ON COMMUNICATIONS BETWEEN THE CENTRAL INTELLIGENCE AGENCY AND THE OFFICE OF THE VICE PRESIDENT ON WEAPONS OF MASS DESTRUCTION IN IRAQ.

(a) AUDIT.—The Inspector General of the Central Intelligence Agency shall conduct an audit of all telephone and electronic communications between the Central Intelligence Agency and the Office of the Vice President that relate to weapons of mass destruction obtained or developed by Iraq preceding Operation Iraqi Freedom on or after September 11, 2001.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Inspector General shall submit to Congress a report on the audit conducted under subsection (a). The report shall be submitted in unclassified form, but may contain a classified annex.

Mr. KUCINICH. Mr. Chairman, we now know that there were not vast stockpiles of weapons of mass destruction in Iraq when the U.S. invaded and that, therefore, Iraq did not pose an imminent threat to the United States, as the administration claimed before the war.

The question remaining is whether the administration compelled the Central Intelligence Agency to release raw, undisseminated information they knew to be unreliable because it helped support the worst case scenario concerning Iraq's weapons program and, therefore, helped make the case, an erroneous case it turns out, that Iraq posed an imminent threat to the United States.

The administration has made numerous assertions. The President in his State of the Union said, The British government has learned that Saddam Hussein recently sought significant quantities of uranium from Africa. Our intelligence sources tell us that he has attempted to purchase high strength aluminum tubes suitable for nuclear weapons production.

Number one, the claim about uranium from Africa was forged. Number two, the aluminum tubes were not suitable for a nuclear enrichment program. These assertions made by the President in his State of the Union to justify an immediate war with Iraq were false.

Did the Vice President play a role in making false information become the public reason the President went to war in Iraq? The Vice President, as reported in the Washington Post of June 5, 2003, Vice President CHENEY and his most senior aide made multiple trips to the CIA over the past year to question analysts studying Iraq's weapons programs and alleged links to al Qaeda, creating an environment in which some analysts felt they were being pressured to make their assessments fit with the Bush administration's policy objectives. That is from the Washington Post on June 5, 2003.

Number two, the Vice President knew or should have known that documents purporting to show that Iraq had bought uranium from Niger were forged. On March 7, the IAEA Director General Mohamed ElBaradei reported the following to the U.N. Security Council: These documents which form the basis for reports of recent uranium transactions between Iraq and Niger are, in fact, not authentic. We have, therefore, concluded that these specific allegations are unfounded. We have found no evidence or plausible indication of the revival of a nuclear weapons program in Iraq.

It turns out that the forgeries were crude. Anyone with an Internet search engine could determine that these documents were forgeries. Yet on March 16, nine days afterwards, the Vice President repeated the falsehood on national television. He said, We believe, and he was talking about Hussein, has in fact reconstituted nuclear weapons.

The Vice President knew 1 year earlier, it appears, that the documents were forgeries and, therefore, the allegations false. According to the New York Times of May 6, 2003, More than a year ago the Vice President's office asked for an investigation of the uranium deal. So a former U.S. ambassador to Africa was dispatched to Niger. In February 2002, according to someone present at the meetings, that envoy reported to the CIA and the State Department that the information was unequivocally wrong and that the documents had been forged.

So public reports indicate the Vice President made assertions which were unreliable, and the Vice President visited the CIA, making analysts there feel, according to the Washington Post, that a certain output was desired from here.

In summary, what this amendment seeks to do is to probe what role the Vice President played in causing the CIA to disseminate unreliable, raw, previously undisseminated, untrue information about Iraq's alleged threat to the United States.

Specifically, this amendment would direct the Inspector General of the Central Intelligence Agency to audit all electronic and telephone communications between the Office of the Vice President and the CIA which would answer the question about how extensive the visits by the Vice President to the CIA were.

Mr. BEREUTER. Mr. Chairman, I rise in opposition to the Kucinich amendment.

The gentleman from Ohio has woven an interesting story and made a number of bald and bold assertions, but I think it is important to look at what the amendment says.

The amendment calls for the Inspector General of the CIA to conduct an audit of all telephone electronic communications between the CIA and the Office of the Vice President relating to Iraq and WMD. The amendment is unusual and frankly a bit confusing. It purports to address what is allegedly a very serious issue, the altering or shading of intelligence for political, perhaps for strategic, purposes, but then it focuses only on the Vice President and only on his phone and e-mail communications.

If there was a real problem, one would expect a comprehensive review, but the amendment targets only one individual, the Vice President, and this is an individual who has the right, indeed he has the obligation, to receive information related to, for example, Iraq WMD and a run-up to a war.

However, the Vice President's telephone conversations are not recorded. Thus, the information that is sought in this amendment does not exist when it comes to telephone calls. Perhaps a record of the number of telephone conversations between the Vice President and the CIA could be compiled, but this would tell us only how many calls were made and when they occurred. Frankly, this is not useful information.

Mr. Chairman, the fact that the Vice President was in contact with the Intelligence Community should not be surprising. Frankly, it would be very upsetting if there was insufficient contact. These are sensitive communications, of course, on important matters. We should all expect the Vice President's office to talk regularly with the CIA, to visit the CIA for that matter, and the rest of the Intelligence Community. So should not the Vice President and the President be avid consumers of intelligence in order to be well-informed in the decisions that they make?

Remember what the amendment says. It is targeting the telephone calls between the Vice President, only the Vice President, and the CIA, only that component of the Intelligence Community, and the electronic communications that took place between that individual and that agency.

So it seems very clear to me that it is not a comprehensive review. It is targeted at the Vice President, and one simply has to realize that it is going to be unsuccessful in really revealing any information that it purports to have as an interest of the amendment.

Mr. Chairman, I think the amendment should be defeated.

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, I want to point out for clarification purposes, and I thank the gentleman for yielding, that the result of this amendment would be both a count of the number of communications and an inventory of the substance of the communications. The count would establish the number of times the Vice President took the unusual step of traveling to the CIA to meet directly with CIA analysts and the inventory would establish the nature of those visits.

I thank the gentleman for yielding.

Ms. HARMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Ohio raises the serious issue of politicization of intelligence. The question of the integrity of the intelligence process is a legitimate one and has

been a continuing concern in the oversight of the intelligence agencies. The question of politicization of intelligence is an area that our committee, the Permanent Select Committee on Intelligence, will explore in its investigation of Iraq intelligence.

I must, however, oppose the gentleman's amendment. The amendment, in my view, does not take the best approach to ensuring a comprehensive look at the matter. It is narrowly focused on one possible area for investigation, and it addresses that one area in a way I believe would be counterproductive.

It is not clear to me that the audit as described in the amendment would develop useful information. The offices of the Inspectors General can be effectively utilized in congressional investigations and oversight, but the resources of these offices should be deployed according to a comprehensive plan of investigation.

In sum, I believe the gentleman has raised an important issue, and that issue should and will be examined in the context of our committee's investigation. The amendment in this form should be defeated.

Mr. KUCINICH. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, just to point out to the gentlewoman that I think it would be helpful if the committee supported the amendment because, at worst, if the amendment would be repeating the work of the committee, if it would be essentially redundant, then it could not hurt, and I would also want to point out that the gentlewoman is correct.

I mean, this amendment is narrowly focused, and it is aiming specifically at obtaining information relative to the relationship between the Vice President and the CIA. I thank the gentlewoman for yielding.

Ms. HARMAN. Just to conclude, Mr. Chairman, I believe that we can get to the issue of politicization of intelligence in a different manner, one that is bipartisan and one that falls within the thorough and comprehensive investigation of this committee. That would be a better way for this House to go.

Once again, I commend the gentleman for raising this issue but hope that we will decide to take a different course on this subject.

Mr. LAHOOD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the way I would characterize this amendment is as the cheap shot amendment. This is a totally political amendment. It is a totally cheap shot at the Vice President. It is an extension of a campaign being waged by the gentleman from Ohio who has made a number of speeches on this floor and around the country. I believe it is an extension of his presidential campaign to try and besmirch the record of this administration, to besmirch the good name of the Vice President, and I think when people have an opportunity to really look at the amendment, they can see that it is so shallow in its wording and in its nature, that it is what it is.

It is a political amendment. It is only brought here to the floor to continue an opportunity for the gentleman from Ohio to try and find something that simply cannot be found.

It also, I think, degrades the work of the Permanent Select Committee on Intelligence. This gentleman who is offering this amendment has been a Member of this House. He knows of the work of the Permanent Select Committee on Intelligence. He knows that if he had some kind of a complaint about the kind of activity that he is trying to allege the Vice President has engaged in that he could come to the Permanent Select Committee on Intelligence. He could petition the chairman, he could petition the ranking member. He could ask the Permanent Select Committee on Intelligence. I guess we are not good enough to do our work that you have to seek some kind of an outside counsel or outside organization to try and look into it.

□ 1930

This is unprecedented what this amendment asks for. It is unprecedented in its nature to think that this body, under this amendment, is going to go after the phone records of the Vice President. Now, anybody who does not see the politicizing of what is going on here cannot see the nature of it. You can see it in the words, because they are very shallow.

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. LAHOOD. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, I thank the gentleman. Under the gentleman's logic, there would be no reason at all for any amendments to be offered from this floor. We might as well dispense with the amendment process and move to a system in which the committees of Congress report bills for a simple up or down vote from the whole House. So we might as well extend the suspension calendar for all bills.

Mr. LAHOOD. Reclaiming my time, Mr. Chairman, let me respond to the gentleman by saying this. If this is the authorization for the intelligence bill, and the gentleman is offering this amendment under our authorization, why does the gentleman not give some direction to the Permanent Select Committee on Intelligence to look into the matter? Why does the gentleman have to find somebody else to do it? And the gentleman may respond, if he would like.

Mr. KUCINICH. Well, Mr. Chairman, I thank the gentleman for continuing to yield, and I would say that, first of all, the idea that it is the committee's jurisdiction and, therefore, should be left to the committee, I do not believe the gentleman is seriously proposing what I think is an absurdity, but the argument rests on the same absurd logic. All Members of the Congress have the privilege to offer amendments, and if a majority of the House agrees with the amendment, it passes. However, I do not believe it is legitimate or logical against my amendment to say that the Permanent Select Committee on Intelligence should enjoy an exemption from the amendment process.

Mr. LAHOOD. Mr. Chairman, what I am saying to the gentleman is apparently the gentleman does not think the Permanent Select Committee on Intelligence is doing their job. Apparently, the gentleman does not think we have the capability to carry this out, and so he has crafted an amendment to go to some outside group, some outside organization because the gentleman does not have trust and faith in what we have been doing and the work that we have been doing.

Mr. KUCINICH. Mr. Chairman, if the gentleman will continue to yield, I would ask that the gentleman not take offense. This is certainly, I would hope the gentleman would agree, a salient issue of interest to the American people and that the public does have a right to know, and there have been published statements that provide contradictory information relative to what is really a question of a singular cause of war. So I respect the gentleman's right to make these statements, and I would ask the gentleman to respect my right as a Member of Congress to offer this amendment.

Mr. LAHOOD. Well, I would say, Mr. Chairman, that if the gentleman wanted to offer an amendment on our authorization bill, at least he ought to give us the benefit of the doubt that we have professional staff and we have people who spend an inordinate amount of time, including the gentleman's ranking member because this is her only committee assignment. She spends all of her time in this Congress working on intelligence activities. Apparently the gentleman does not think enough of her expertise and the expertise of the committee staff on that side to give them some kind of an assignment.

And why the Vice President? Why not the President? Why not the Director of the CIA? Why not the Director of the FBI? This is a political amendment. This is an extension of a campaign.

The CHAIRMAN pro tempore (Mr. UPTON). The time of the gentleman from Illinois (Mr. LAHOOD) has expired.

Mr. LAHOOD. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. KUCINICH. Reserving the right to object, I would be happy to grant the gentleman an additional 2 minutes if he would be happy to return the favor to me.

Mr. LAHOOD. I will be more than happy to yield to the gentleman.

Mr. KUCINICH. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Illinois (Mr. LAHOOD) is recognized for 2 additional minutes.

Mr. LAHOOD. Why the Vice President? Why not other officials of the government? Why not officials of the government who have direct responsibility for intelligence-gathering information? If there is some kinds of a cabal going on around here, why did the gentleman just happen to pick this individual?

I believe this is what it is. This is a political amendment. This is an amendment to try and embarrass one member of this administration. This is an amendment to try and embarrass the second-highest-ranking elected official in our government by some way, shape, or form, thinking that if the gentleman gets some kind of phone records he is going to find something out.

As members of the Permanent Select Committee on Intelligence, we get information every day, 24–7, our staff. Pretty much 24–7, our staff are working on gathering intelligence; and this is a slap in the face at the Permanent Select Committee on Intelligence, to the gentleman's own members, to our members.

It really is what it is. It is a political amendment, and I stand by what I said. It is the cheap shot amendment. It is the cheap shot amendment of the year. It gets the award, in my opinion; and I hope people see it for what it is.

Mr. KUCINICH. Mr. Chairman, I ask unanimous consent for an additional 2 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. KUCINICH) is recognized for 2 minutes.

Mr. KUCINICH. Mr. Chairman, I want to say to my friend, the gentleman from Illinois (Mr. LAHOOD), that I would hope the gentleman would appreciate receiving clear direction for an inquiry. I can only assume that the gentleman does not want the direction of the whole Congress to get to the bottom of the Vice President's role.

Mr. LAHOOD. Mr. Chairman, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from Illinois.

Mr. LAHOOD. Mr. Chairman, I simply would say to the gentleman that he knows that we have established in this bill two advisory committees. We had people on the floor earlier suggesting a commission; but apparently, the gentleman does not think the oversight obligation that we serve, as the Permanent Select Committee on Intelligence, is enough. And I say it is a slight. It is a slap at us.

Mr. KUCINICH. Reclaiming my time, Mr. Chairman, I would just tell the gentleman that as a member of the Committee on Government Reform I certainly appreciate the role of government oversight, and I certainly appreciate the role of the Permanent Select Committee on Intelligence as well. I would say that if the gentleman did not want to get to the bottom of the role of the Vice President, which has been a matter of public contest and controversy long before I have spoken here, that would indeed be a reason to oppose the amendment; but it would not be a reason for anyone else in Congress to vote ''no'' on the amendment.

And to the Members of Congress, I say if they want to demand a thorough investigation into the role that the Vice President may have played in offering the American public discredited intelligence reports of a nonexisting Iraqi weapons program, then they should vote ''yes'' for my amendment.

Mr. LAHOOD. Mr. Chairman, will the gentleman yield once again?

Mr. KUCINICH. I yield to the gentleman from Illinois.

Mr. LAHOOD. Mr. Chairman, let me simply say this. I would say that the gentleman's ranking member has bent over backwards. It was the gentleman from New Jersey (Mr. HOLT) and others who asked for the two advisory committees. And it is other people on the gentleman's side who are asking for some kind of a commission. Now, we have not acted on that, and that is not in this bill; but I think every request that was made by the gentleman's side to the chairman has been granted.

The CHAIRMAN pro tempore. Time of the gentleman from Ohio (Mr. KUCINICH) has expired.

Mr. LAHOOD. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Illinois (Mr. LAHOOD) is recognized for 2 additional minutes.

Mr. LAHOOD. Really, Mr. Chairman, I think we have done everything we can. Now, to go outside of the jurisdiction of the committee and to take a cheap shot at the Vice President, it makes no sense, I say to the gentleman. It really does not. I think, really, the truth is, after listening to this and listening to the fact that the gentleman's ranking member is not going to support the gentleman's amendment, I think it is in his best interest to withdraw the amendment.

Ms. HARMAN. Mr. Chairman, will the gentleman yield?

Mr. LAHOOD. I yield to the gentlewoman from California.

Ms. HARMAN. Mr. Chairman, I appreciate the kind words, and it's nice that the gentleman from Illinois is worried about me and whether I am respected. I believe I am respected, and I believe that the person who offers this amendment respects me, and I certainly hope that he respects our committee.

I just want repeat something I said earlier, which is that our investigation will be thorough and it will be bipartisan and we will follow the facts unflinchingly. So I do not want the gentleman from Ohio to assert, because it is not correct, that we are taking things off limits. The reason I oppose the gentleman's amendment is that I think we will do a comprehensive job in a fair way, and all of us, on a unanimous basis, will proceed and go forward. We will do the right job for this House, and we should have a chance to proceed and do it that way.

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. LAHOOD. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, I take great pride in serving in the Congress with the gentlewoman and the gentleman. I would say, though, that I do not see this so much as being a battle over turf as I see it being an assertion of the need for pursuing the truth. And I would expect that the Permanent Select Committee on Intelligence has the capability to do the job, but I also think that this particular matter is so unique that it receive the attention of the House, which is why I have offered this amendment and why I will continue to insist on it.

Mr. HOEKSTRA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to my colleague's amendment, and I put it in the context of the work that this committee has done and that we have accomplished and the vision that we outlined in the Intelligence Authorization Act for 2004.

I serve as chairman of the Subcommittee on Technical and Tactical Intelligence. As such, one of our jobs is to oversee some of the Nation's most sophisticated intelligence technologies. I have the opportunity and responsibility for critically reviewing new concepts of operation. I must ensure that currently fielded systems continue to be capable of meeting the needs that we have outlined.

In this area, we are pursuing aggressive oversight. We have worked with the ranking member. We have been to the ranking member's district to meet with some of the contractors there; and I think it is a good example of how, in a bipartisan way, we have asked some tough questions of the intelligence community and of those groups that provide us with the materials and the equipment that we need. We have asked the Director of the Central Intelligence Agency to provide us with a long-range plan and how all of these pieces will fit together and what a strategic plan may look like for the next 6 to 10 years.

In the comments attached to the bill, we have outlined our disappointment

that that plan has not come forward to the committee, so that we are moving forward with a little bit less information, perhaps, at this time, than what we would like to have had. But I do not think that the amendment that the gentleman is bringing up is one that is going to work in the best interest of what we are trying to get accomplished.

On a weekly basis, this committee meets with the communities analytic cadre. We have met with them on a regular basis to review the intelligence that they prepared for us and they prepared for the President, the Vice President and Members of Congress; and that information is now available to all 435 Members of Congress so that they can take a look at what we were looking at and how we were shaping our judgments and where we were getting our information from.

I think it is important for the American people to know that. That information is not secret. We are being very open with our colleagues because we recognize the importance of maintaining the credibility of the process, the individuals, and the analysis that goes into the intelligence that we have gathered. We take this job very, very seriously.

One of the things that I am concerned about with this gentleman's amendment is that if we pursue this path, and in this case it identifies the Vice President but also implicates the folks at the different intelligence agencies as perhaps not keeping the best interest of the country in the forefront, then what we will end up with, and I agree with my colleague from Illinois that it is a cheap shot amendment because there is not a basis in fact to make these accusations against the Vice President or against the folks at the intelligence agency, but the result and danger is that what we are going to end up with is we are going to end up with a cadre of analysts that are going to be intimidated to such a point that they are going to go through the process, they are going to gather the intelligence, and they are going to be sitting there and saying, you know, I really cannot take the next step of providing some expert judgment, which I have been trained for, 5, 10, 15, 20, 25 years. I am not going to be able to share that expert judgment with the folks who recognize the source and the art of this work.

Remember, the job we give these folks, in plain English, is we ask them to go out and steal other people's secrets. We ask them to do that in an imprecise way and to put the pieces together. And when they have a few pieces of the puzzle, we ask them to try to paint for us what the picture and what the final puzzle may look like. If we put a cloud over their heads and say every time you have a few of the pieces out there and you have painted a picture for us, for us to better understand the environment after the fact, if what you laid out beforehand does not perfectly match what we find out afterwards, you have failed.

In reality, these are talented people. They are doing a very, very good job.

The CHAIRMAN pro tempore. The time of the gentleman from Michigan (Mr. HOEKSTRA) has expired.

(By unanimous consent, Mr. HOEKSTRA was allowed to proceed for 2 additional minutes.)

□ 1945

Mr. HOEKSTRA. They come back and they give us their best judgment. I am impressed with the work of the chairman and the ranking member, how they have set a course that says we are going to go through this in a bipartisan way. We are going to take a look at the information and how the people processed the information. We are going to take a look at how we analyzed it and how decisions were made off that information, but we are going to do that in a bipartisan way and we are going to make sure that we do not take this down a road of pure partisan politics because in the 2½ years I have been on this committee, in a bipartisan way we have kept as our primary focus what is good for this country, recognizing the sensitive nature of the information that we deal with, recognizing the importance of us to work through very, very difficult issues, but to reach a consensus that enables us to move forward.

That is exactly what the leadership of this committee has done, it is exactly the way that the members of the committee have guided their behavior, and it is what sets the behavior of our committee and the members of that committee apart from the amendment that is brought forward at this time.

It is a partisan amendment, it has a potential to be used in many, many different ways, but primarily in my analysis it hurts the prospect of truly improving the process so that when we move forward in the future, we will have the intelligence, the capability and the right people in place to ensure that we make the best possible decisions.

Mr. HOLT. Mr. Chairman, I move to strike the requisite number of words.

I rise to underscore the right of the gentleman from Ohio (Mr. KUCINICH) to offer this amendment and say that he is getting at a very important point, but to say further it is a bad amendment and should be opposed. It is both too narrow and too broad. He is certainly intending to get at an important point, but it is too narrow in that it deals with the phone records of one public official, and it is too broad in the sense that it is a fishing expedition. It is the kind of fishing expedition which I think so sullied some previous Congresses.

The question of whether intelligence has been cooked or coerced is a critical question, and I thank the gentleman for raising it. But in fact in the Permanent Select Committee on Intelligence we have already raised that, and we will continue to raise that issue. I ask the assistance of every Member of this body on both sides of the aisle to help us formulate the questions that need to be asked and to hold us to task that those questions are asked to the satisfaction of all Members of this body and of the citizens of America. But I do not believe that this amendment will help us do that. I must oppose this amendment, and I encourage my colleagues to oppose it.

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, I think it would be useful as we begin these debates for us to reflect on the essential constitutional role of the Congress and on the importance of separation of powers and on the cause which took a Nation into war because we are not talking about just any other matter here, we are talking about a matter that resulted in the people of this country having their sons and daughters sent to Iraq.

Nothing less than the entire involvement of this Congress will do to be able to hold safe the constitutional prerogatives of separation of powers. No congressional committee can override the requirements of the Constitution and the role of this Congress.

When Members of this Congress gave the President authority to pursue an attack against Iraq, they took upon themselves a serious and grave responsibility, and since information has been presented that raises grave questions about the cause of our action against Iraq, we have a moral obligation to get into this, and I take nothing away from the Permanent Select Committee on Intelligence, but I would tell Members, the Permanent Select Committee on Intelligence should take nothing away from Members of the House.

Mr. HOLT. Mr. Chairman, reclaiming my time, perhaps the gentleman did not hear me earlier this evening when I said that what we are looking at are critical questions that have to do with lives and deaths that have occurred or might occur. It has a lot to do with the future direction of our country; but I do not believe that this amendment will help us carry out the investigation that we need to carry out and ask the questions that we need to ask and have for the future the kind of truth-telling intelligence agents and analysts who will help this country get where we want to go.

Mr. LAHOOD. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from Illinois.

Mr. LAHOOD. Mr. Chairman, I want to respond to the latest speech of the gentleman from Ohio (Mr. KUCINICH), and that is to say if the gentleman really wants the prerogatives of the House to be worked out, let the Permanent Select Committee on Intelligence do it. The gentleman's amendment says the IG or the GAO is supposed to

go in and get the Vice President's phone records. If the gentleman thinks it is such a great idea, let us do it. We have been doing it. Why have some outside group do it? That is the flaw in the gentleman's amendment. That is what our committee is supposed to do. That is the flaw, and that is what politicizes it.

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, I would direct the gentleman from Illinois to an article in the Washington Post on June 5 which says that the esteemed chairman of the Permanent Select Committee on Intelligence said there is ''no indication that analysts at DIA or CIA changed their analysis to fit what they perceived as the desire of the administration officials.''

The CHAIRMAN pro tempore (Mr. SIMPSON). The time of the gentleman from New Jersey (Mr. HOLT) has expired.

(On request of Mr. KUCINICH, and by unanimous consent, Mr. HOLT was allowed to proceed for 1 additional minute.)

Mr. KUCINICH. Mr. Chairman, will the gentleman yield?

Mr. HOLT. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, it goes on to say the intelligence oversight panels have received no whistleblower complaints from the CIA or other intelligence agencies on the issue. I would maintain that this would not be a subject of whistleblowing, and only the Office of Inspector General or in this case the investigative agency would have an opportunity to be able to get this in an evenhanded way, and it takes it out of politics at a time when Members suggest this is only political.

I might further add that I did not make my reputation in this House by raising partisan issues, and I do not see this as a partisan issue, I see this as justifying the administration's claim that this country had to go to war against Iraq because there was imminent threat.

Mr. GOSS. Mr. Chairman, I move to strike the requisite number of words.

I want to point out two things, and they are meant to be constructive. First of all, it is certainly true everybody in the United States counts on it being true and it is true that the Vice President and the President are responsible for the protection of the national security. The national security team involves the Vice President. The President and the Vice President are regular consumers of intelligence information, and were they not, we probably should be calling for some kind of an investigation.

I do recall it was not so long ago that one of the complaints from one of the Directors of the CIA was in fact just that, that he did not get enough quality time and enough access with the top leaders of the country and the Intelligence Community was not being well-served. That was at another time and we need not go into that.

My suggestion to the gentleman from Ohio (Mr. KUCINICH), who I have great respect for, is that this amendment is truly not worthy of his best efforts. I do not believe the gentleman is fully informed on it. It appears that the gentleman is basing his amendment and information and his case on media. Again, at the risk of getting impaled by the media, I have this trouble with the errancy problem in the media.

Media simply does not know everything, and if they did, they would stop asking me and the gentlewoman from California (Ms. HARMAN) and other members of the committee questions. Believe me, the media does not know everything. They are not fully informed, and if the gentleman is using the media, the gentleman is not fully informed.

I invite the gentleman to come upstairs, sign the secrecy agreement if the gentleman has not already, and review the material. That is why we have it there. If the gentleman took advantage of that, the gentleman would be better able to understand what we are doing, and I would hope would be supportive of our efforts. Having said all that, I hope we are getting ready for a vote on this amendment.

Ms. LEE. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the Kucinich amendment.

Mr. KUCINICH. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Ohio.

Mr. KUCINICH. The gentleman from Florida (Chairman GOSS) is familiar with the amendment and the letter of the amendment, and I would ask if the chairman would be willing to commit the Permanent Select Committee on Intelligence to seeking specifically the information that I am asking here of the Inspector General. Would the Permanent Select Committee on Intelligence be willing to conduct publicly an audit of all telephone and electronic communications between the Central Intelligence Agency and the Office of the Vice President as they relate to this matter?

Mr. GOSS. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, certainly we will publicly not commit to that. We will publicly commit to where the review of the information takes us. We have a bipartisan agreement on that. We have 20 able members who are members of good judgment and good sense who will follow the review and the material that comes in to the appropriate places.

The gentlewoman from California (Ms. HARMAN) has used the word ''unflinching.'' It is a fair word. I assure the gentleman I am going where the information takes us.

Mr. KUCINICH. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Ohio.

Mr. KUCINICH. I would suggest to the gentleman and I would not impugn his answer by stating that his unwillingness to clearly commit to gathering this information publicly would in any way reflect a partisan position on his part, just as my desire to have the Inspector General bring that information forward is not reflective of a partisan position on my part.

Mr. GOSS. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Florida.

Mr. GOSS. There are two reasons why this would be a difficult task to do publicly, and I would not make that broad a commitment. The first is that much of the material that the gentleman is talking about is probably classified if the gentleman is talking about the content of what may or may not be involved in calls, and I cannot go there.

The second part is the matter of Constitution which does understand that working documents and so forth of the executive are respected and privileged. That has always been the case no matter who is in the White House.

Mr. KUCINICH. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Ohio.

Mr. KUCINICH. Mr. Chairman, it would be more than instructive. It would be classified information if the Vice President manipulated CIA analysts to disseminate false, raw unreliable information to justify a war in Iraq. I am hopeful no one is saying that and I am not aware that the administration has asserted executive privilege in an attempt to shield such information from the Congress. I am not aware of that at all. Maybe that has happened privately, but I am not aware that such an assertion can be private and that in fact such an assertion has been made.

Mr. GOSS. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Florida.

Mr. GOSS. That is an option that they have and that is why I cannot make a commitment. I cannot overcome that.

Mr. KUCINICH. Mr. Chairman, will the gentlewoman yield?

Ms. LEE. I yield to the gentleman from Ohio.

Mr. KUCINICH. I would say in order for the test to be made to make the request first then imposes our responsibility as Members of Congress, and as a coequal branch of government, we are entitled to do that and the executive branch is entitled to assert executive privilege, if they so choose, and that would be illuminating, I think.

Ms. WATERS. Mr. Chairman, I rise today to ask that the Bush administration provide the American people with a full account of the events leading up to the war with Iraq.

The amendment sponsored by Representative KUCINICH is a good starting point but there is still much that we do not know about the basis of our war with Iraq. Since August of last year, when the administration began beating the war drum, they have offered little concrete evidence backing up their claims that Iraq posed an ''imminent threat'' to the United States.

The rhetoric employed by the administration was strong and unwavering:

On September 12, 2002, the President told the UN: ''Right now, Iraq is expanding and improving facilities that were used for the production of biological weapons . . . . Iraq has made several attempts to buy high-strength aluminum tubes used to enrich uranium for a nuclear weapon.''

On October 7, 2002, the President said: ''It [Iraq] possesses and produces chemical and biological weapons. It is seeking nuclear weapons.''

The Vice President said earlier this year on ''Meet The Press'' that: ''we believe he [Saddam Hussein] has, in fact, reconstituted nuclear weapons.''

And the Secretary of Defense joined in saying: ''We know where they [weapons of mass destruction] are, they are in the area around Tikrit and Baghdad.''

Yet, despite this certainty, 3 months after the fall of Baghdad, no chemical, biological or nuclear weapons have been found. Nor have the facilities to make these weapons been found. The administration has tried to capitalize on our fears born out of the September 11th terrorist attacks, suggesting there was a link between Saddam Hussein and leaders of al Qaeda.

Even though this connection has been disproved consistently, the President still cites it as fact.

And today, we learned that at least one member of the intelligence community felt pressured to shape his reports to fit the administration's position on weapons of mass destruction even though he had no evidence to support those claims.

Congress must work to ensure that the information that comes out of the intelligence community is reliable and is not unduly influenced by anyone. This is not a partisan issue. This is about restoring the credibility of the United States both with our constituents and throughout the world.

The President has said that he is confident that weapons of mass destruction will be found; the evidence is strong he says.

I encourage him to shine the light of day on the evidence so that the world can understand why the United States went to war—unprovoked—and put the lives of thousands in danger.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. KUCINICH. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Ohio (Mr. KUCINICH) will be postponed.

□ 2000

It is now in order to consider amendment No. 6 printed in House Report 108–176.

AMENDMENT NO. 6 OFFERED BY MS. LEE

Ms. LEE. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. SIMPSON). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Ms. LEE:

At the end of title III, add the following new section:

SEC. 345. REPORT ON INTELLIGENCE SHARING WITH UNITED NATIONS WEAPONS INSPECTORS SEARCHING FOR WEAPONS OF MASS DESTRUCTION IN IRAQ.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to determine the extent to which intelligence developed by the Department of Defense and by the intelligence community with respect to weapons of mass destruction obtained or developed by Iraq preceding Operation Iraqi Freedom was made available to the United Nations weapons inspectors and the quantity and quality of the information that was provided (if any).

(b) SPECIFIC MATTER STUDIED.—The study shall provide for an analysis of the sufficiency of the intelligence provided by the Director of Central Intelligence to those weapons inspectors, and whether the information was provided in a timely manner and in a sufficient quantity and quality to enable the inspectors to locate, visit, and conduct investigations on all high and medium value suspected sites of weapons of mass destruction.

(c) ACCESS TO INFORMATION.—(1) Subject to paragraph (2), the Comptroller General may secure directly from any agency or department of the United States information necessary to carry out the study under subsection (a).

(2) The appropriate Federal agencies or departments shall cooperate with the Comptroller General in expeditiously providing appropriate security clearances to individuals carrying out the study to the extent possible pursuant to existing procedures and requirements, except that no person shall be provided with access to classified information under this section without the appropriate security clearances.

(d) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the study conducted under subsection (a). The report shall be submitted in unclassified form, but may contain a classified annex.

Ms. LEE. Mr. Chairman, first I would like to thank the gentleman from Florida (Mr. GOSS) and the gentlewoman from California (Ms. HARMAN) for her support and her leadership in crafting this bipartisan bill. Also to my staff, Julie Little and Shannon Smith, I want to thank them for their very diligent work.

This is a commonsense amendment seeking an answer to a question that the American people have a right to know: How was our intelligence regarding Iraqi weapons of mass destruction handled in the months before the war? Specifically, this amendment seeks a GAO study to determine the extent and timeliness with which the Intelligence Community shared information about suspected weapons in Iraq with the United Nations inspectors on the ground searching for those weapons.

There are growing questions being raised about the use or possible misuse of intelligence in the months leading up to the war against Iraq. If intelligence was distorted, that raises serious doubts around the world about United States credibility. Our President told the American people, the Congress and the world that inspections had failed, that Iraq unquestionably possessed weapons of mass destruction, and that these weapons posed such a dire, imminent threat to the United States that we had no choice but to go to war. All other options, he said, had been exhausted. But the question we must continue to ask is, were those options truly exhausted? Were they, in fact, fully pursued? Did the United States Intelligence Community share information with the United Nations inspectors about suspected weapons sites? Did it happen in a timely and sufficient manner?

President Bush went before the United Nations General Assembly and stated, ''My nation will work with the U.N. Security Council to meet our common challenge.'' He and Secretary Powell pledged to work with the United Nations to pursue inspections to seek out and destroy weapons of mass destruction. What we have before us is a question of both policy and credibility. If we failed to fully share intelligence with United Nations inspectors, we may have undermined their effectiveness. If we relied on intelligence that was distorted or less complete than implied, if we failed to share crucial information with our allies, then we have undermined our own national credibility.

This Nation launched a preemptive war based on what it claimed was indisputable evidence. If that evidence was not so solid and especially if it was distorted, then we severely undercut our ability to convince the world about future dangers from weapons of mass destruction in other countries. The doctrine of preemption, which I happen incidentally to strongly oppose, totally collapses without credibility.

For these reasons, we need to find the answer to these questions. The American people have a right to know. A respected and esteemed member of the Senate Select Committee on Intelligence said that he has been working for the last 6 months to try to force disclosure of important facts relevant to the sharing of intelligence information on suspect weapons of mass destruction sites by the CIA with the United Nations arms inspectors.

He continued, and I quote, ''If it had been public knowledge in February or March of this year that the CIA had not shared information on all of the top Iraqi WMD suspect sites with the United Nations inspectors, it could have worked against the administration's timetable for initiating military

action against Iraq. There could have been questions as to why; it could have made the administration's decision to cut short the U.N. inspection process and to institute military action less compelling; and there could have been greater demand that we share all such information with the United Nations before abandoning the inspection process.''

I share his concerns and I echo his call for a bipartisan investigation. These are not partisan issues, they are fundamental questions about credibility and they need to be answered. This amendment calls for a GAO study into the sharing of United States intelligence with the U.N. inspections teams. It calls for a report to Congress with a classified annex if necessary for security reasons. We are all aware that to date the United States military has not found weapons of mass destruction in its searches since the end of the war. We also know that that does not prove the weapons are not there. They may well be. And I believe we should bring in more IAEA and United Nations inspectors to help seek out, secure and destroy them if they are hidden in Iraq.

Given the Administration's confident and unequivocal statements that Iraq possessed weapons of mass destruction and given the President's assurances that he wanted to work with the United Nations to seek non-military solutions through a renewed inspections process, it is important that we learn to answer to the question of whether or not intelligence was shared in a timely and sufficient manner with the UN inspections teams.

I urge you to support this amendment.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. Members are reminded to refrain from improper references to the Senate.

Mr. BEREUTER. Mr. Chairman, I move to strike the last word. I rise in opposition to the Lee amendment. It calls, of course, for the Comptroller General of the United States to conduct a study and determine the extent of intelligence sharing within the Intelligence Community, DOD and the U.N. inspectors in Iraq.

I would like to make two general points first. As a part of the Permanent Select Committee on Intelligence's review of the Intelligence Community regarding prewar intelligence on Iraq, the committee has already begun to examine this issue and will assess the effectiveness and procedures governing the sharing of intelligence to international and foreign bodies.

Secondly, the committee acknowledges that the Comptroller has some capabilities for investigation. But I would note that the Permanent Select Committee on Intelligence has a long and distinguished record of conducting bipartisan and thorough reviews of intelligence matters. Therefore, before outside help is requested, it seems only appropriate that the committee should have an opportunity to fulfill its mandate for the House and for the Congress to conduct rigorous oversight of the Intelligence Community. This subject area of the amendment is not going to be neglected.

Now a few details. In the run-up to renewed weapons inspections in Iraq late last year, U.N. weapons inspector Hans Blix told the press that although his team could use U.S. intelligence, the team was not supposed to trust anyone, and that it was the team's decision, not a particular government's, as to what facilities and where the inspections were to be carried out.

The earlier U.N. mission to Iraq was accused of spying for the United States. Therefore, Hans Blix indicated that he had to make the distinction between his possible use of intelligence and his team's ability to conduct an independent and neutral investigation of Iraq's WMD facilities. Blix admitted using CIA reports in a November 28 interview with CNN but cautioned that he would not allow his team to be dictated to by a foreign government.

Some have suggested that the U.S. failed to provide the arms inspectors with useful information. At this point, this Member believes that this is simply not true, not true at all. We are going to find out about that, however, when we complete our investigation. Hans Blix actually received, I think, unprecedented access to intelligence.

The U.S. provided the U.N. weapons inspectors with the ability to task and assign U.S. U–2 surveillance aircraft operating over Iraq. He told the U–2s where to go and what to target. This is virtually unheard of, U.N. civilians ordering U.S. pilots on hazardous missions. Why did we do this? Why did we give a U.N. official this extraordinary opportunity and authority? In the words of Hans Blix, ''The U–2 data will improve our ability to carry out our inspections.''

If there was a problem in timely response to intelligence, the problem was in the U.N.'s ability to act on information after they had received it from the United States or from other sources. This is not really too surprising since there were literally hundreds of Iraqi agents or personnel whose job it was to slow down the inspectors, to send them in the wrong direction, or to make sure they would end up in the wrong place, or to report on their progress so that deception and deceit and cover-up could take place before they arrived. This is not a failing of the United States but, rather, the inability of UNMOVIC to overcome Iraqi denial and deception techniques.

The gentlewoman, I hope, would understand that if there were problems in communication of intelligence, much of the problem was the U.N. reluctance to rely on U.S. sources. This is addressed in an article in USA Today and I do not cite it except that they are quoting Blix. They were reluctant, they said, to rely on U.S. intelligence for fear that Iraq would accuse them of spying for the United States, an accusation that Iraq made, of course, the first time we had inspectors in. Here is a quote:

''Still smarting from their admission that U.S. intelligence gave inspectors secret missions during the last round of inspections in 1998, U.N. officials have deliberately curbed access to the CIA and allied intelligence agencies.''

The ground rules established by the U.N. stipulated that the CIA would not equip the inspectors, unofficial discussions between the CIA and the inspectors were prohibited, and only the U.N. would be allowed to analyze the data that was collected.

We have got a lot to look at. Members will have access to some of this very information across the board in an unprecedented fashion. This is a responsibility of the Permanent Select Committee on Intelligence. We have the capabilities. We have the intent. I would say we ought to be given the opportunity. Therefore, I rise in opposition to the gentlewoman's amendment. I hope it will be rejected.

Ms. HARMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have enormous respect for the sponsor of this amendment. She is prepared to vote her conscience in this House, even if she is a minority of one. I think that is admirable, courageous and her constituents should be enormously proud to be represented by her. I am certainly proud to serve with her.

I listened carefully to the comments made by the gentleman from Nebraska. Frankly, I agree with them. I think that is the context of the search for weapons by the U.N. inspector. However, agreeing with them does not get me to his conclusion. My conclusion is that we should support this amendment because it contains a specific request for a discrete investigation that would be of value in understanding precisely what information was shared with the U.N. weapons inspectors.

It may turn out that more was shared than we know. It may turn out that less was shared than we know. And it may turn out, and I think it will, that what the gentleman from Nebraska had to say includes the context in which it was shared. Nonetheless, I think this investigation could provide a constructive baseline in understanding the difficulties of conducting U.N. inspections.

Finally, Mr. Chairman, let me just say that the specific matters to be studied under this amendment are not to my knowledge currently part of the scope of our Committee's review. We are not specifically investigating what information was shared with the U.N., though we certainly could, I suppose. Thus, I believe the amendment is helpful and I would urge us to support it.

Ms. WOOLSEY. Mr. Chairman, I move to strike the requisite number of words.

I rise to support the Lee amendment. I thank the ranking member for her support. As this House, our Nation and

the world debate the quality of the intelligence that the war in Iraq was fought over, it is too easy to forget that our troops were not the first to search the Iraqi desert for weapons of mass destruction. United Nations inspectors spent a decade searching for and destroying illegal Iraqi weapons facilities, but in the days and months leading up to the war, they were scorned for their failure to find weapons of mass destruction.

This resolution calls on the GAO to investigate how much cooperation the United States intelligence agencies gave United Nations inspectors. Understanding about that cooperation with the United Nations, or lack thereof, will give us a better picture of the efforts this Nation took to avoid war with Iraq. If America did not fully share its intelligence with U.N. inspectors, Congress needs to find out why.

The fact is that the rhetoric leading up to the war in Iraq led many Americans to believe that finding weapons of mass destruction would be absolutely easy, that the U.N. inspectors must have been grossly incompetent. But I do not believe that to be true and I think that our inability to find weapons of mass destruction now requires the United States to reexamine the rhetoric and the events that led up to the war. We need to find out beyond reports from USA Today if our U.S. intelligence agencies were cooperating fully with the U.N. inspectors. And we need to find out if the prewar rhetoric reflected the intelligence we shared with the United Nations.

This amendment is about getting answers to questions that we are all asking in this country. I urge my colleagues to support the Lee amendment.

□ 2015

Mr. GOSS. Mr. Chairman, I move to strike the requisite number of words.

I have given this amendment very careful consideration, and I appreciate the effort. I do believe we have got the matter handled already in the committee, and I will tell the gentlewoman that; and I would invite the gentlewoman upstairs to talk to us about it in a classified setting if she would like to.

The reason I say that I think this is unnecessary is I think it is duplicative of work we are doing that, frankly, we are best prepared to do. But I would like to point out there are a couple of problems with the United Nations that we have been working with for quite a number of years, and I think we, frankly, have the expertise to judge better than anybody else. Perhaps our sister body in the Senate, Senate Intelligence Committee, would dispute that; but I would say that either the Senate or us are going to do a pretty good job on this, and in fact we are both working on it.

The question of how much information we shared with the U.N. is a fair question to ask, and the answer is we shared a remarkable amount, more than they could handle. It turns out as we heard from the gentleman from Nebraska's (Mr. BEREUTER) comments that the U.N. inspectors were very worried about being called spies of the United States and there was quite a debate about taking any information from the United States at all lest this be a U.S.-driven thing and Hans Blix did not want that and he said so publicly a number of times and said that frankly they could do the job fine without us.

But notwithstanding, we had been working with them for some time and giving them some good information and frankly at some peril because the U.N. leaks like a sieve, and there are some things about the U.N. that are worth noting. Not all the members of the U.N. are particularly friendly to the United States of America, and that brings us to the question of do Americans want us to be sharing our crown jewels and our sovereignty with nations who may not want to be particularly helpful to us and some who may actually want to be harmful to us.

So there is a question there of whether our American constituency would like us to keep this in control in the House or get it out where some other people might want to make some mischief for the United States of America and our security. And I am very much aware of that because we have actually had problems in the past that are documented, which I am not going to go into but which are documented, where materials and information was not properly safeguarded or was willfully given to the wrong people in the U.N. That is not a good track record and I think would not be prudent of us to ignore.

I would say that for some time U.N. weapons inspectors had unprecedented access to U.S. intelligence information. Whether they used it or not or wanted to use it was their problem, including analytical reports. We obviously protected our sources. We had imagery from the U–2 reconnaissance aircraft, which I think everybody knows now. Probably what some people do not know which I believe I can say is that the U.N. inspectors had the ability, the task to request how that U–2 was used. That is rather remarkable, turning over an asset like that to another country, a set of countries.

I believe everybody knows that Colin Powell played intercepts for the Security Council that are frankly things that do not happen in our committee very often. They do not play intercepts for us very often. So I would say an unusual amount of information, perhaps more than I would have approved of, was given to the U.N.

And there is a problem with the U.N. that I want to go into a little further, and it is an appearance problem; and it is one I think we are better prepared to handle in the House than an outside group trying to come in here. There is a lot of feeling, I think, that the U.N. does not always get it right in terms of our national purpose or national mission, and I would point out that the presidency of the Security Council for the month of June is the Russian Federation. I would like to also point out, and I think I can say this in a responsible way, that there are an extraordinary number of Russian espionage activities going on in our Nation's capital as I speak, even though we are on a friendly basis. Nations do spy on each other. Russians are still in a little bit of their paranoia and their conspiratorial mode that there are things to find out about us that if they just ask us, they will not believe the answer; so they have to spy on us. We have a good friendship with them, but it has got a ways to go. There is a little bit of a problem there.

There is a problem with Syria which is on our terrorist list being on the Security Council. These kinds of things lead one to pause about how we do business, and these are matters which we are well aware of on our committee. And on the Commission on Human Rights, which has recently been in the news at the U.N., it is clearly true that the U.N. took a slap at the United States by throwing us off that commission in order to put Cuba on it. That is not really great. The chairmanship of that committee, I understand, right now is Libya. Libya's human rights record is not worth commenting on, it is so terrible. Zimbabwe? Give me a break.

The CHAIRMAN pro tempore (Mr. SIMPSON). The time of the gentleman from Florida (Mr. GOSS) has expired.

(By unanimous consent, Mr. GOSS was allowed to proceed for 1 additional minute.)

Mr. GOSS. Mr. Chairman, when we take a look at this, the U.N. business is a complicated, complex business. We work closely with the Department of State, I&R, and others in this. We for years had a good working relationship. I do not think it is necessary for us to abandon that relationship or supplement it. So I am going to urge that we do not mess with what we have got now. If it turns out that there is a need to do that down the road, I will come back and admit it. But I do not think we are there at this point; so I will thank the gentlewoman for her amendment and the spirit in which it is offered.

Ms. LEE. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentlewoman from California.

Ms. LEE. Mr. Chairman, let me just thank the gentleman very much for his response and for this debate, but I want to reiterate the purpose of this amendment, really, and it has nothing to do with whether one supports or opposes the United Nations. Basically, this amendment requires the GAO to conduct a study, a report, that would be submitted in an unclassified form but may contain a classified annex with regard to the sharing of information between our intelligence agencies and the

United Nations leading up to the war against Iraq. I believe the American people have a right to know this and this is what this sentiment of this amendment is, and I would urge the gentleman to reconsider.

The CHAIRMAN pro tempore. The time of the gentleman from Florida (Mr. GOSS) has again expired.

(By unanimous consent, Mr. GOSS was allowed to proceed for 1 additional minute.)

Mr. GOSS. Mr. Chairman, I well understand the purpose of the gentlewoman's amendment, and what I am trying to say and outline for her is that dealing with the United Nations with intelligence is an extraordinarily complex issue, and I do not think there is a particular body in Congress that has more experience than the oversight committees on intelligence, House and Senate. And I therefore say give us a chance to do our job and I think she will understand. If the gentlewoman wants to know how much intelligence has been shared with the U.N., I guarantee we can find out upstairs.

Ms. LEE. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentlewoman from California.

Ms. LEE. Mr. Chairman, I thank the gentleman again for that response; but, again, this amendment allows the American people to know what that information was in a declassified form. This amendment allows for a classified index, and I believe in terms of the fact that U.S. tax dollars were of course used in this war that people, the American people, just have a right to ask these questions and have the right to know. This has nothing to do with whether one supports or opposes the United Nations.

Mr. GOSS. Reclaiming my time, this is not supporting or opposing the U.N. I will tell the gentlewoman flat out that I do not have the capacity to declassify information. Our committee does not. We can get involved in a process, but the declassification question is another issue which I would love to enlist her support on on how we can make it better, but that is not part of this amendment.

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. The Chair will once again remind Members to refrain from improper references to the Senate.

The question is on the amendment offered by the gentlewoman from California (Ms. LEE).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Ms. LEE. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentlewoman from California (Ms. LEE) will be postponed.

Mr. GOSS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. DREIER) having assumed the chair, Mr. SIMPSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2417) to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, had come to no resolution thereon.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GARRETT of New Jersey). Under the Speaker's announced policy of January 7, 2003, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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.)

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

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

EXCHANGE OF SPECIAL ORDER TIME

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to take the Special Order time of the gentleman from New York (Mr. HINCHEY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MEDICARE: H.R. 1 TURNS BACK THE CLOCK

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

Mr. BROWN of Ohio. Mr. Speaker, as a member of the Committee on Energy and Commerce, I worked on the markup of the prescription drug bill, the Republican Medicare privatization bill, the other day; and I really could not figure out why Republicans were in every case doing the bidding of the drug companies and in every case doing the bidding of the insurance companies.

□ 2030

I asked the chairman if it could be perhaps that because the drug companies contributed about $80 million to campaigns last year, about 85 percent of that to Republicans, and the chairman said that could not be it. I asked if because our committee markup on two different occasions was delayed, stopped until the next day, stopped early because President Bush was headlining a major Republican event honoring the CEO of Glaxo Wellcome, one of the largest drug companies in the world, in this case a British drug company. He said that had nothing to do with it. I asked if it could be perhaps because President Bush was in the midst of raising millions of dollars this year from the drug companies and the insurance companies, if that is why the Republican drug bill was written by the drug industry and the insurance industry, and he said no to that.

Now, I will take the chairman of the Committee on Energy and Commerce at his word, that Republicans were not at the beck and call of the drug and insurance industry because the drug and insurance industry so richly funds the Republican Party. I will take them at their word.

But I finally figured out the reason that Republicans always do the bidding of the drug and insurance companies and why the Republicans want to privatize Medicare is because they just do not much like Medicare. And while that may sound strange to some Members of this House or anyone else that might be watching, I think we need to look at the history of Medicare.

In 1965, there were only 11 Republican Members of Congress out of 150 or 160 or so, only 11 Members of Congress on that side of the aisle that actually supported the creation of Medicare. Gerald Ford, later to become President, opposed it. Bob Dole, later to be a Senator and then a presidential nominee. Opposed the creation of Medicare. Strom Thurmond, a longtime, longest-serving Senator in U.S. history, opposed the creation of Medicare. Donald Rumsfeld, now the Secretary of Defense, was a Member of the House in those days and he opposed the creation of Medicare. Basically, almost every single Republican opposed the creation of Medicare. They made all kinds of comments about big government and socialized medicine, all of those kinds of things they said because they just did not want a government health care program like Medicare.

Then, during the Reagan administration, Republicans tried several attempts to privatize Medicare. They cut reimbursement for hospitals, they cut reimbursement for doctors, they tried to scale back the Medicare benefit for seniors, but they really could not get much through a Democratic Congress. But then, the day came in 1995 when Newt Gingrich came on the scene as the new Speaker and Newt Gingrich literally waited fewer than 100 days, literally fewer than 100 days until he tried the beginning of the dismantling of Medicare.

What Speaker Gingrich did was he tried to cut Medicare $270 million and

then to turn around and give a major tax cut, taking the money from Medicare, and giving a major tax cut to the wealthiest people in sight. Does that sound familiar? That is what they are basically doing today, giving tax cuts to the wealthiest 1 percent. In this case, the tax cut for millionaires is $90,000.

Speaker Gingrich also made a statement. He said, ''We can't get rid of Medicare''; this was back in 1995. He said, ''We can't get rid of Medicare in round one because we don't think that is politically smart, but we believe it is going to wither on the vine.''

Bob Dole that same year bragged to a conservative group, a group of conservative politicians who do not like Medicare; sort of the Republican line. He said, Bob Dole said, I was there 30 years ago fighting the fight, voting against Medicare, trying to stop it from ever being created.

So it is pretty clear, Mr. Speaker, that it may not be just the fact that Republicans raise a ton of money from the drug companies and a ton of money from the insurance companies, and that is why they are for Medicare privatization and that is why they want to turn Medicare over to the drug and insurance industries. It may not be that; it may be that they have an honest, philosophical difference with us and with 90 percent of the American public. They just do not like Medicare. They voted against creating it. They bragged about voting against creating it. Speaker Gingrich voted to cut it on several occasions.

And now in 2003, with a Republican President, a Republican Senate and a Republican House, this is their golden opportunity to privatize Medicare. That is what this vote is all about this week. The Republicans, at the behest of the insurance companies and the drug companies, want to privatize the health care system that has worked for America's seniors.

The gentleman from California (Mr. THOMAS), the new Republican star in their efforts to privatize Medicare, in their efforts to dismantle Medicare, has said, and I will end with this, Mr. Speaker, he said, to those who would say the bill would end Medicare as we know it, our answer is, from the gentleman from California (Mr. THOMAS), Republican chairman of the Committee on Ways and Means, we certainly hope so. Old fashioned Medicare is not very good. We want to end it.

Mr. Speaker, we need to vote ''no'' on the Republican plan, vote ''yes'' on the Democratic plan that will preserve Medicare and provide a solid prescription drug benefit for our seniors.

THE SONS OF COLVILL

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

Mr. GUTKNECHT. Mr. Speaker, I rise tonight in honor of Minnesota's 135th Infantry.

It is hard for us to imagine what it must have been like in the spring of 1861 when cannons announced the first battle of the Civil War by firing on Fort Sumter in Charleston Harbor. Minnesota's first Governor, Alexander Ramsey, happened to be in Washington on other business. Upon learning the news, he raced to the White House to become the first Governor to volunteer troops for the Union Army.

A few nights later, in Red Wing, Minnesota, William Colvill used his considerable size and agility, as he stood almost 5 feet, 5 inches tall, to elbow his way to the front of the line to become the first volunteer in the first regiment of the first State that volunteered troops to preserve the Union.

Minnesota's First Regiment fought with distinction in many of the bloodiest battles in the Civil War, including Fredericksburg, Bull Run, and Antietam. American history has a special footnote, however, to commemorate their actions on July 2, 1863 in that most famous of Civil War contests, the Battle of Gettysburg.

General Winfield Scott Hancock, commander of the Union forces, saw the vulnerability of General Sickles' New Yorkers, who had moved forward, leaving a huge gap in the Union line. Hancock noticed that the First was positioned somewhat south of the middle of the long Union line on Cemetery Ridge. He nervously rode up and asked, Colonel Colvill, how long can you hold your position? Colvill, who spoke in short, crisp sentences firmly answered, ''General, to the last man.''

Now, this was no idle boast. By the end of that day, the regiment would suffer 82 percent casualties.

That single phrase, ''to the last man,'' survives today as the motto of the Minnesota National Guard detachment that traces its heritage to the Minnesota First Regiment.

When the regiment headed off to war from Fort Snelling in 1861, they were 1,023 strong. After Pickett's charge at Gettysburg had been repelled only 2 years later, just 67 men could answer the call.

The Minnesota First went on to see action in the Spanish American War and served with distinction in the Philippine Insurrection. During World War I it was mustered into service, but did not see action as a unit.

That changed in 1941 when war clouds gathered far across the sea. The 135th Infantry became the first division to be activated and shipped out. Advance units of the 135th sailed to Africa to take on the famed Africa Corps of Field Marshal Rommel. Despite being outmanned and underequipped, the 135th turned back the Desert Fox and his Army.

After World War II, the 135th once again saw action in Korea.

Today, the 135th is a battalion; no longer a regiment. It has five companies compared with 20 years past. It is concentrated in southeastern Minnesota as a member of the historic 34th Red Bull National Guard Division.

That is why, this July 11 through 13, the thin ranks of the 135th Infantry's combat veterans of World War II and the Korean War, the ''Sons of Colvill'' as they are known, will gather to remember. They will close ranks in Mankato, Minnesota, to honor those who have fallen and to remember one more time the sacrifices of a generation.

Once again, they will listen to the special music that identifies the 135th: ''March of the Red Bull Lesions,'' ''The Old Gray Mayor,'' ''The Sons of Colvill.'' It will be a final hoo-ah for the surviving men of World War II, and it will be one more commemoration for the thinning ranks of the Korean War vets. And, it will be one last chance for us to say, ''thank you, well done, oh good and noble servants. You have brought hope and freedom to millions who will never know your names.''

Mr. Speaker, I salute the brave Minnesotans who have given so much to keep the lamp of liberty burning brightly throughout the world. To the families of those who have made the supreme sacrifice, we cannot adequately salve the wounds that will never heal. The best that we can say is that we will never forget.

May God bless you. May God continue to bless our country and all who defend her.

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

EXCHANGE OF SPECIAL ORDER TIME

Ms. WOOLSEY. Mr. Speaker, I ask unanimous consent to take the time of the gentlewoman from the District of Columbia.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

WOMEN AND PRESCRIPTION DRUGS

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, like the gentleman from Ohio (Mr. BROWN) said, this is deja vu all over again. Here we are, once again, discussing ways to help seniors afford the prescription drugs that they need and must have and, once again, the majority insists on a sham proposal that gives seniors nothing more than a false sense of security.

I am here tonight with the gentlewoman from California (Ms. LEE) to remind everyone that as we debate proposals to add a prescription drug benefit to Medicare, the decisions we make

will overwhelmingly impact the mothers, grandmothers, sisters, and aunts across this country. Women are living longer than ever, and they are living longer than men. That is good news. However, the poverty that many women experience during their final years is certainly not good news.

There are several reasons women's golden years are not so golden. While most women have worked their entire lives, a good portion of this work was not in the paid workforce. You do not earn a pension for the time spent caring for children or elderly parents. When many of our mothers and grandmothers were in the workforce, they were denied equal pay for equal work, therefore earning less. Some worked only part-time, trying to balance the responsibilities of their jobs and their families. As a result, they have made less over their lifetimes, and now their monthly Social Security benefit is considerably smaller than their male counterparts.

These women deserve financial stability and still, the Republican prescription drug proposal denies them the security that comes with knowing that they can afford to pay for their medical care. Not only will the majority's plan not help senior women, it will push Medicare beneficiaries into HMOs, creating more instability. I am not speculating; I have watched it happen in my district.

Just a few years ago, the Health Plan of the Redwoods, a good, small HMO that served my constituents in Sonoma and Marin Counties, went bankrupt. After first limiting services and physician payments, they had to close their doors. This bankruptcy interrupted care for a number of my constituents, a great number of them senior women.

We should not force Medicare beneficiaries to accept the same kind of instability in exchange for a prescription drug benefit. The Republican plan ignores the proverbial 800-pound elephant in the room: the astronomically high prices of prescription drugs.

Take a minute and think about the reason our senior women cannot afford prescription drugs. It is because prescription drugs are too expensive. To me, it is good, old-fashioned, common sense that we should take steps that address the root of the problem and find ways to reduce these prices. But the majority apparently does not enjoy the same common sense that my democratic colleagues and I do.

Their plan specifically forbids the Secretary of Health and Human Services from negotiating lower prescription drug prices. Can my colleagues imagine that? The Republican plan prohibits the Secretary of Health and Human Services from trying to make the cost of prescription drugs lower.

□ 2045

Private insurance companies then must on their own negotiate with far less bargaining power. The Veterans Administration has proven that negotiating can result in lower prices, but the Republicans have once again proven that they care more about the profits of the pharmaceutical companies than the bottom lines or about senior women.

Many older women have little or no financial security. But there is one thing even more dangerous than that, and that is a false sense of security. Millions of women will read the newspapers; they will be delighted to learn that there is now a Medicare prescription drug benefit. But imagine their surprise, imagine the surprise of the typical elderly woman when she learns that her so-called benefit will require her to pay $4,000 of the first $5,000 in annual drug expenses. And that is on top of a monthly premium that is yet to be determined.

Frankly, I find it shameful that the majority claims that they are delivering a drug benefit to seniors when in reality the plan will cover only a small portion of their expenses. And it will actually outlaw practical steps to reduce these expenses in the first place. I dare my Republican colleagues to tell their mothers what they are doing to Medicare.

After a lifetime of hard work, both in and out of the home, our mothers and grandmothers deserve better than this fraudulent plan the republicans are pushing. We can do better and we must.

PRESCRIPTION DRUG PLAN NOT FAIR TO OUR CHILDREN

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

Mr. SMITH of Michigan. Mr. Speaker, I agree with the previous speaker on several issues, and that is that we should delay this bill and try to improve it. And I am going to make comments suggesting that it is not fair to seniors, but it is not fair to our kids and our grandkids. I have four children, and they are trying to save money to send my grandchildren to college. And one question I would pose is, why should they pay more taxes to pay for seniors' prescription drugs?

The retiring seniors that we are going to see over the next 10 years are probably the wealthiest seniors this country has ever had in the past, probably will ever have in the future. Mr. Speaker, we now expect a vote on the addition of a prescription drug benefit to Medicare on June 26. And this vote would authorize the largest expansion of our entitlement programs since we amended the Social Security bill back in 1965 and added Medicare. So Social Security, because of the allure of more senior votes, Members of Congress and the President decided to expand the benefits to seniors to add Medicare.

When Medicare was under consideration in 1965, a few Members realized the sort of burdens that would come to place on future taxpayers, and Chairman Wilbur Mills of the House Committee on Ways and Means predicted in September of 1964 that the costs of even part A of Medicare, which was then under consideration, would soon exceed projections and that ever-increasing taxes would be needed to finance it. He predicted it would come to pass that Medicare costs would leave Congress hamstrung, facing uncontrolled increases in costs and to the indefinite future. Mills dropped his opposition to Medicare under pressure from the President of his own party, but he was right about the program's consequences.

This summer, as Congress considers the largest single expansion of any entitlement program since 1965, we should consider how a prescription drug benefit will burden future workers and taxpayers and not give seniors what they expect. The Federal Government is in serious financial problems. When the baby boomers start retiring in the next 10 to 12 years, we see more people going out of the workforce, if you will, paying in to Social Security and taxes and taking out benefits from Medicare and Social Security.

When the Federal Government comes to a pinch in another 12 to 15 years, guess what is going to happen to the prescription drug program that has been promised? Number one, I suggest that government, Congress and the President will say, well, to reduce costs, we need to spread the costs over a wider segment of the population, and so we are going to require all seniors, regardless of whether you have prescription drugs in your retirement program or not, regardless of whether you have a good insurance program that covers prescription drugs, we are going to require everybody to take the government's system.

Guess what comes next as government faces this fiscal pinch? Rationing, and then the government will follow what many other countries have done such as Canada and many other countries that have government-run programs. They are going to say, well, we are going to limit the prescription drugs that are available to seniors. This proposal suggest that $400 billion, and it is pretty much used up, is going to be required for spending in the next 10 years for prescription drugs. We should think carefully about the consequences of making a whatever-it-costs commitment into the indefinite future.

I chair the Subcommittee on Research in Science and the medical technology is now expanding more rapidly than our ability to pay for it. That means the medical technology of the future is going to be very impressive and very successful on maintaining our health and helping us to live longer. In fact, the future has suggested that in the next 20 years, anybody who wants to live to be 100 can do so, but it will cost money. And we are sort of programming that we will pay for those benefits, whether it is $40,000 a treatment or $60,000 a treatment after they

finish their first deductible and the 3,000 or whatever we end up with. And that is another question, none of us have read this bill yet.

It now looks like a bill we will consider this week will add prescription drug benefits with minimum offsets for Medicare. It is not fair to our kids to add this responsibility to everybody else's kids and grandkids and my 10 grandkids, and I would hope we look more carefully at this and review it over the Fourth of July recess and come back and try to have a better bill.

This will add enormous liabilities to a Medicare system which is already predicted to be insolvent. Economists calculate that the newly created unfunded liability of such a reform is $7.5 trillion. This means that a prescription drug bill that adds 12 percent to Medicare's costs comes with a present cost of $7.5 trillion, or a bit more than the entire public debt. You add this to an unfunded liability of $9 trillion for Social Security and you end up saddling our kids with a huge debt.

These projections assume that prescription drug costs will grow at the same rate as the rest of Medicare, and that the prescription drug benefit will not be expanded over time. Recent history would suggest that prescription drug costs are growing more rapidly than the rest of Medicare. In 1965, OMB projected that Medicare would spend $9 billion in 1990. The actual figure was $67 billion. Having projected $26 billion in spending for 2003, we will spend $245 billion. Because medical technology—the cost of prescription drugs will be much higher.

This drives home the point that any expansion of Medicare imposes a cost on taxpayers. Such a reform basically transfers the burden from retirees to taxpayers. More accurately, it means that we are transferring costs from us to our children and grandchildren. We're spending now and sending the bill to people who are yet to be born or too young to defend themselves.

This is selfish and it is wrong. I'm not against a prescription drug benefit if it is responsible. But it must not place heavy and increasing burdens on workers, taxpayers, and the economy in the future. I oppose the bill that is now under consideration because it does not meet this test.

Once again, we have not had an opportunity to see and review a bill on an important topic before we are required to vote on it. It is rumored, in fact, that changes are still being made. Few members will actually know exactly what's in this bill until after it has passed.

I believe that the better approach would be to release the bill tomorrow and then delay the vote until after the upcoming Fourth of July work period. That would allow all of us in Congress to read the bill, consult with our constituents, and make a fully informed decision on a program that could profoundly affect our future and that of our children and grandchildren.

I urge Congress to reject the bill tomorrow so we can take a more responsible and deliberate approach to reforming an important program like Medicare.

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

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

PRESCRIPTION DRUG PLAN SHOULD BENEFIT SENIORS, NOT DRUG COMPANIES

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

Ms. LEE. Mr. Speaker, I rise today to ask Congress to pass a prescription drug bill for our senior citizens, not for the insurance and the pharmaceutical industries. The Bush administration continues to sell our Federal domestic programs to corporations and to industry donors.

Today, hundreds of seniors stood against the Republican prescription privatization plan. They blew the whistle on this. They blew the whistle on this deceptive legislation; and tonight, we too are blowing the whistle. Their bill will dismantle Medicare as we know it.

This prescription drug bill does not provide affordable drugs under Medicare. Instead, it leaves seniors, particularly women, to pay the price for pharmaceutical advertising and insurance industry lobbyists. Democrats have been fighting against these industry economics for years, and we know what a good Medicare prescription drug benefit looks like. It is affordable and available to all. It is inclusive and provides drug coverage for all communities, rural and urban. It includes all seniors and all walks of life without establishing a means tests or a voucher system.

Last week, the House Republicans under the leadership of really the Bush administration released their prescription drug benefit. The Republicans contend that seniors should be forced to use private insurance companies for drug coverage rather than Medicare in order to force competition. But the bottom line is the Republicans are really providing a benefit to the insurance industry and to the pharmaceutical industry.

The industry would have the ability to design their own prescription drug plan. The industry would decide what to charge and which drugs seniors can get. The Republican plan exploits seniors and the disabled by requiring private insurance plans to stay in the program for only 1 year. This could leave seniors vulnerable to unavailable plans, rotating doctors and shifting prescriptions. Just thinking about all of these threats to our seniors really does make me sick.

Tonight I want to focus on women and remind the Republicans of the voters really that they are ignoring. Women in this country will suffer first hand if the Republican prescription privatization bill passes, not only because we live longer, but because we pay into the Medicare system longer. Almost eight out of 10 women on Medicare use prescription drugs regularly, though most pay for these medications out of pocket. Women on Medicare spend 20 percent more on prescription drugs than men. And in 1999 alone, women on Medicare spent $430 more a year on medications than men. The Republican bill puts women, it puts our seniors, our disabled really on the industry's chopping block. It should make you really cringe to witness the corporate welfare that the Republicans are creating for the insurance and pharmaceutical industry in their bill.

Since 1980, drug prices have increased by over 256 percent, while the consumer price index on which Social Security's cost-of-living adjustments are based rose just 98 percent. And in their bill they will not even allow our Secretary of Health and Human Services to discuss and negotiate lower prices for their medications. How shameful that is.

In the Bay Area, specifically in my home town of Oakland, California, my elderly and disabled constituents are paying up to $2000 more a year for basic drugs than in Canada, Europe and Japan. These disparities may seem bad now; but under the Republican plan before us, they will only get worse. I could go on and on, but the point is that seniors and the disabled are paying on average 89 percent more than our international counterparts. This is just dangerous and downright unfair. It is bad public policy.

Our senior women are having to make hard decisions about which drugs they can afford and if they should really buy drugs or pay for food. There is a better way.

Democrats have a low-cost prescription drug plan that does not pit seniors against one another, but makes access to prescription drugs a reality for all. The plan has incorporated many of the components of another plan called the Meds Plan, which many of us are supporting.

Under this plan, we ensure that seniors and people with disabilities have affordable, comprehensive and guaranteed access to prescription drug coverage. The proof is in the details. A $25 a month premium, a $100 a year deductible, an 80/20 cost-sharing between Medicare beneficiaries, a $2,000 minimum for Medicare beneficiaries, and a sliding scale for low-income individuals for up to 150 percent of the median.

Under the Republican plan, let me state that the bill that the Republicans have put forward will really punish people for getting sick. The Democrats will not punish our seniors for getting sick. The Republican plan gives authority to insurance companies and HMOs to really prey on Medicare and Medicaid beneficiaries. The Democratic plan reduces the costs of drugs. The Republican plan does not. The Democratic plan does not end Medicare. The Republican plan does.

The Democratic plan does not end Medicare. The Republican plan does.

The Democratic plan reduces the costs of drugs. The Republican plan does not.

In short, the Democratic plan brings our country one step closer to insuring access to all people for much needed care, while the Republican Prescription Privatization plan is a divisive tool that will enrich the insurance and pharmaceutical industry.

The Republican plan gives authority to insurance companies and HMOs to prey on Medicare and Medicaid beneficiaries.

Unlike the Republican bill, the Democrats won't punish you for getting sick.

I urge my colleagues to vote against the Republican Prescription Privatization bill.

HELL IN A CUBAN PRISON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LINCOLN DIAZ-BALART) is recognized for 5 minutes.

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, the gentleman from New Jersey (Mr. SMITH) had a wonderful idea the other week. We should speak every single week about the men and women who are languishing in prisons in the totalitarian state of Cuba, that island that has been for 44 years oppressed by a totalitarian dictator. So each week we bring forth, a number of us here, different political prisoners and speak specifically about their cases to remind our colleagues and those who will listen about the horrors just 90 miles from the shores of the United States.

□ 2100

The following are excerpts, Mr. Speaker, from a letter from dissident Juan Carlos Gonzalez Leyva who is blind. These excerpts of a letter were sent out of his prison in Holguin, Cuba, as recorded by his wife Maritza Calderin. The letter was sent to the United Nations Human Rights Commission in Geneva.

To Sylvia Iriondo of mothers and Women Against Repression. This is a letter, Mr. Speaker, sent out of prison by Juan Carlos Gonzalez Leyva.

After 13 months in prison, I have not been tried or sentenced by any court even as efforts have been made to persuade me to betray God and human rights and collaborate with the dictatorship. Since mid-December, State security used inmate Joe Prado, as he calls himself, to throw in my cell a substance that produced a burning sensation on the skin and nasal congestion, a great deal of phlegm and bronchial inflammation. The situation still continues.

Since January, they have added another substance to the sawdust they throw at me. This one gives me the sensation of millions of bugs constantly running all over me. It causes a great deal of itching and prevents me from sleeping. I do not know if this is a biological substance or chemical agent, but I know it is not insects because when I touch my skin there are no actual bugs that I can feel, although this sensation is palpable.

Normally the sawdust shower is a daily occurrence. Yesterday it started around 6:00 p.m. when I was on my knees praying. The sensation is that of a multitude of bugs suddenly coming down on my face and my body. This torment continues until 2:00 or 3:00 in the morning.

The inmate follows me everywhere. I have to eat out of a can that I try to keep covered all the time because he will throw the nausea-provoking substance into the food.

Sometimes I feel as if I have a chain attached to my body and the weight of the world on my shoulders. I feel that I am going to collapse, that I cannot take this anymore, but I pray to God, and Jesus Christ gives me strength. It is a constant struggle, a constant torture.

On February 1, I placed my mattress in front of the cell's iron bar doors to get some fresh air. Officer Fabu, the unit chief, snatched the mattress away from me, threw me on the floor, took me by the neck and dragged me. He told me that if I wanted to sleep, I could sleep on the bare floor with the dirt, other prisoner's shoes, roaches, ants, mice, et cetera.

One night they threw so much of the substance into the cell that it was as if the walls were boiling. So I had to retreat to my bed and resign myself to do without the little bit of fresh air I was getting through the iron bars.

The substance also causes acute pain in both of my eye sockets. The pain is so severe that at times it seems my eyes are popping out. Every day the unit chief threatens me with death if I continue the hunger strike to protest the prosecution's request of 8 years in prison.

They do not allow me to speak to my lawyer and I do not have religious assistance or access to any information. I am only allowed to listen to the round tables and the State-run newscasts. For the skeptics, I can say that hell does exist and Satan shows all of his faces here.

In here, I listen to the weeping of young and old women, their terrible and frightful laments forever embedded in my mind. They plead because they are locked in cells that are like drawers where are held men, women and the elderly, the sick and the incapacitated. They plead because the four walls become a grave site.

These are catacombs where people scream but the sound is drowned out by a hermetically sealed metal door. When the women plead, the prison guards laugh and say, ''What they want is a man.''

I trust God and our Lord, Jesus Christ, to give me the strength to face any situation, whether to live in squalor, as I live now, or to die and meet my Lord and my God.

The political prisoner of Cuba, Mr. Speaker, 90 miles from the shores of the United States, an island that has suffered 44 years of totalitarian and oppression while the world does nothing, but we do not forget and we will not continue denouncing the horrors of the totalitarianism that the people in Cuba suffer and we will not stop struggling until Cuba is free.

The SPEAKER pro tempore (Mr. GARRETT of New Jersey). 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.)

CHECK WITH THE SENIOR CITIZENS

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

Ms. SCHAKOWSKY. Mr. Speaker, once upon a time, in 1989, there was a bill that had passed the United States Congress and was signed into law called the catastrophic health care bill, and it had bipartisan support, and all of the national organizations of senior citizens supported that legislation, and it was supposed to provide catastrophic coverage to senior citizens for health care.

One problem, no one had really checked with rank and file senior citizens to find out if they wanted this legislation that caused them to have the highest effective tax rate of any Americans, to pay for benefits that they thought simply were not worth it. In other words, the senior citizens sat down with their calculators and figured out they were not interested in this legislation that had passed.

This is a photo that appeared on the front page of the Chicago Tribune in August of 1989. Here we see some senior citizens who are clearly very angry, with signs surrounding an automobile in which was the chairman of the powerful House Committee on Ways and Means. These senior citizens were not exactly in a friendly mood and were telling this chairman in no uncertain terms that they wanted the repeal of the catastrophic health care bill.

It was not very long afterwards that this sparked a rebellion of senior citizens across the country, and in a rare occurrence in this body the catastrophic health care bill was repealed.

I think this should serve as a warning to all of my colleagues. Check with the senior citizens. You can sit here all day and all night and say the problem is that Medicare is outdated, that it is antiquated or you can say what the Chairman of the powerful House Committee on Ways and Means of today said, To those who say that the bill proposed by the Republicans would end Medicare as we know it, our answer is we certainly hope so. Seniors listen: We certainly hope so.

Mr. Speaker, I hope the seniors are listening. Old fashioned Medicare is not very good, says the chairman, the Republican chairman of the House Committee on Ways and Means.

You better check with those seniors, because what they tell us is they like Medicare. They want Medicare. The only thing wrong with Medicare is that it does not cover enough, like prescription drugs, but what they like about it is that it is a known benefit, it is a known premium, and it is there for them when they need it.

Another word that is used all the time is choice. We are going to give senior citizens choices now. Well, I have to tell my colleagues, in all the years that I was the executive director of the Illinois State Council of Senior Citizens and in all the years that I was in the State legislature and now in Congress, never has a senior citizen come up to me and said, Congresswoman, what I want is a choice of HMOs, a choice of insurance companies, send me those brochures so I can pick, tell those insurance agents to get me on the phone so they can pitch their insurance company to me.

Seniors want the kind of choice they get under Medicare, a choice of doctors, a choice of hospitals, a choice of specialists. That is the kind of choices that they want.

In fact, the only choice under this Republican bill is the choice that HMOs and insurers get, not senior citizens, because private drug plans, HMOs, get to choose what premiums to charge. There is no uniform benefit of premium under Medicare.

Private drug plans get to choose the copayments that they will charge. Private drug plans get to choose what pharmacies are in their network. They get to choose what drugs are covered. So if you want to give the HMOs and the insurance companies that kind of choice, then this bill is for you, but if you want to give senior citizens what they really want, then you are going to expand Medicare the way the Democrats have proposed, by giving them a prescription drug benefit under Medicare that they can count on, that they know what the premium is.

This legislation that is passed in the House is going to do exactly what the chairman said. It is going to destroy Medicare. It will be the end of Medicare. That is what happens in 2010 with this bill. So if you do not want to be chased down the street, then all of us better say no to the Republican bill.

HOMELAND SECURITY TECHNICAL CORRECTIONS ACT OF 2003

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

Mr. COX. Mr. Speaker, I include for the RECORD the following exchange of letters relating to yesterday's debate on H.R. 1416, the Homeland Security Technical Corrections Act of 2003.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, May 14, 2003.

Hon. CHRIS COX,
Chairman, Select Committee on Homeland Security, House of Representatives, Washington, DC.

DEAR CHAIRMAN COX: In recognition of the desire to expedite floor consideration of H.R. 1416, the ''Homeland Security Technical Corrections Act of 2003,'' the Committee on the Judiciary hereby waives consideration of the bill. Section 11 of H.R. 1416 creates new §5 in the Homeland Security Act of 2002 (Public Law 107–296). New §5 mandates that any report or notification required by the Homeland Security Act be submitted to the Select Committee on Homeland Security as well as to any other Committees named in the Act. Section 225 of the Homeland Security Act incorporated the Cyber Security Enhancement Act which, among many other things, requires the Attorney General to report to the Judiciary Committee regarding the use of electronic surveillance in emergency situations and requires the U.S. Sentencing Commission to submit a report in response to the Cyber Security Enhancement Act. To the extent that §11 of H.R. 1416 affects these reports required by §225 of the Homeland Security Act, these provisions fall within the Committee on the Judiciary's Rule X jurisdiction. However, given the need to expedite this legislation, I will not seek a sequential referral based on their inclusion.

The Committee on the Judiciary takes this action with the understanding that the Committee's jurisdiction over these provisions is in no way diminished or altered. I would appreciate your including this letter in the Congressional Record during consideration of H.R. 1416 on the House floor.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Chairman.

SELECT COMMITTEE ON HOMELAND SECURITY, HOUSE OF REPRESENTATIVES,
Washington, DC, May 15, 2003.

Hon. F. JAMES SENSENBRENNER, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR CHAIRMAN SENSENBRENNER: Thank you for your letter regarding H.R. 1416, the ''Homeland Security Technical Corrections Act of 2003.'' As you noted, §11 of the bill falls within the Rule X jurisdiction of the Committee on the Judiciary to the extent it concerns the two reports described in your letter. I appreciate your willingness to forgo consideration of the bill, and I acknowledge that by agreeing to waive its consideration of the bill, the Committee on the Judiciary does not waive its jurisdiction over this provision.

I will include a copy of your letter and this response in our committee report and in the Congressional Record during consideration of H.R. 1416 on the House floor.

Thank you for your assistance in this matter.

Sincerely,

CHRISTOPHER COX,
Chairman.

MEDICARE PRESCRIPTION DRUGS

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

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I come before you tonight to talk about the Medicare Prescription Drug and Modernization Act of 2003 and to place it in context with the overall goals and beliefs of the President and the Republican party.

The Republican bill, H.R. 1, is quite simply a first step toward the Republicans' goal to privatize Medicare. My colleagues on the other side of the aisle want to do this for a couple of reasons.

The first is that they firmly believe that the private sector and the free market are always right and that government is always wrong. I am afraid that they have a very narrow-minded and simplistic view of how our economy, our government and our country are supposed to function.

There has been a shift in the rhetoric used during political debate in this country since the election of this President. There has been a conscious effort by his office and the Republican leadership of the House to use language that paints critical issues in simplistic black and white, us versus them, good versus evil, terms, ultimately simplifying the debate into a three word sound byte.

I view this as a very unfortunate occurrence because it allows a certain mental laziness to take over this body. When it is really our duty, it is our duty to debate, to discuss and to think very carefully and critically about very complex and important work that we do in this Chamber.

No one here has more respect for the power, the creativity and problem solving ability of the free market as I do. I am a hard-nosed, show-me-the-bottom-line businesswoman through and through, but my admiration of the market is based on years of deep study of its function and a real understanding of how it works.

My Republican colleagues, on the other hand, seem to feel that the invisible hand of Adam Smith and the hand of God are the same thing but our free market is not an all powerful system without limitations.

The free market is an incredible tool that has advanced many areas of human endeavor, but in order for it to work, it must include one very important ingredient, profit, and without this critical component, the free market system is useless.

Medicare was created in 1965 precisely to address the failure in this market. It was not profitable to treat our seniors with a free market health insurance industry so they found a solution to insuring the elderly. They just decided that they would not cover them. After all, old people get sick too much and insurance companies would have to pay. They figured that if you want to make money in the medical insurance game, insure young, healthy people, not old sick people.

Luckily for America, during the 1960s and 1970s and 1980s Democrats controlled this Congress and they were not satisfied with the solution that would push our mothers and our fathers, our grandmothers, our grandfathers out into the cold. So Democrats set up the government entitlement called Medicare.

□ 2115

We said, we value our elders. Even though the market says leave them behind, we will not. We will protect you and treat you with compassion and the dignity that you deserve in your old age.

So why do the Republicans want to privatize Medicare so badly? Maybe they have amnesia. Maybe they do not remember what happened when we left the health care of aging parents and grandparents to the free markets. Or maybe they are so swept up in their blind faith in the market that they believe that somehow the market will just take care of things. But we have already tried them and it did not work. Remember?

Taking care of the elderly is not profitable, nor should it be. Profit is not always the most important thing. These are the people that reared us. They are the people that took care of us when we were sick. They are the people that taught us right from wrong. I will not be a party to this slap in the face to my parents and to the seniors in my community being offered by the Republican majority of this body. Their bill purports to offer a prescription drug benefit for Medicare beneficiaries, but it fails to offer any guarantee that seniors will actually receive it.

The prescription drug plan is only available through private insurance companies or HMOs.

And besides all this, it does not ensure that all seniors will get this coverage. The eligibility of all seniors has been a hallmark of the Medicare program.

If that was not bad enough, in a provision of the bill completely unrelated to creating a prescription drug benefit, the House GOP bill would increase seniors' costs for doctor visits by raising the Part B premium and indexing it to inflation.

This provision is included for no other reason than to raise the cost of traditional Medicare and force seniors into Managed Care Plans.

And who does this benefit? Seniors? I think not. It benefits Insurance Companies and Pharmaceutical Manufacturers—the real constituents of the Republican Party.

Republicans are doing in this bill what they have consistently done this whole Congress: Advantaged the wealthy and the powerful and put the screws to the little guy.

Just last night, DAVID OBEY stood on this floor and asked the Republicans to cut back, from $88,000 to $83,000, the tax cut for those whose annual income is over 1 million dollars in order to pay for desperately needed homeland security projects.

The Republicans said ''no.'' Cutting taxes for the wealthy and powerful is more important.

Just a few weeks ago, I tried to offer an amendment to the tax bill that would have pushed back the start date of the dividend portion of the tax cut for 1 year—just seventenths of one percent of the tax cut—to fund homeland security projects to make our country safer.

The Republicans said ''no.'' Cutting taxes when we are in astronomical debt is more important.

How about the Child Tax credit? ''No,'' say the Republicans, we are not going to help out poor children or the children of veterans of a war in Iraq where Marines and Soldiers are still dying.

Today, I offered an amendment to the Medicare Bill, in order to offer a real prescription drug benefit to all seniors, and to do it through Medicare.

I hope that the committee will allow this amendment to be considered on the floor of this House. It is an important amendment because it is not designed to protect the profits of the insurance companies or the pharmaceutical industry. It is designed to help our seniors.

It is clear to me and to my Democratic colleagues where the Majority's loyalties lie. From homeland security to education, from veterans benefits to the Child Tax credit, and now finally to the health and well being of our parents and grandparents, the Republican message is clear: We do not care about you.

OLDER WOMEN AND MEDICARE

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

Ms. WATSON. Mr. Speaker, I want to stress the importance of a health safety net that has worked for the American people. It is our duty to protect the seniors that have contributed to society over their lifetimes. Our older constituents have built or supported most of what America is today and we owe them respect. We owe them the safety net that is called Medicare.

I want Congress to know that not only is Medicare important for the American people, it is a huge issue for America's women. Women, indeed, are the face of Medicare. Women constitute 58 percent of the Medicare population at 65, and women constitute 71 percent of the Medicare population over the age of 85. Women can expect to live on the average 19 years into retirement, while men can only expect to live 15 years. We must take care of our mothers, our sisters, and our daughters. We can do no less.

Across the breadth of the United States, the older and the poorer the woman, the higher the out-of-pocket health costs. The more she needs assistance, the less she will actually receive. Because of barriers to enrollment, close to half of older women with incomes below the poverty line are not enrolled in Medicaid. Research suggests that women on Medicare spend 20 percent more on prescription drugs than their male counterparts. Middle class women who have made wise financial planning decisions, can quickly find that high drug costs will eat away any retirement security they have worked to establish.

Mr. Speaker, I want to give you some thoughts on cultural diversity in regards to women and Medicare. More minority women than Caucasian women are uninsured or rely on public rather than private health insurance. Minority women are more likely to have lower incomes and to live in poverty than other women. The percentage of women on Medicare with incomes of less than $10,000 a year is a very telling statistic. Twenty-four percent of white women, or 14.7 million; 56 percent of African women, and there are 1.8 million; and 58 percent of Latina women, and there are 1.2 million, live way below the poverty line. Clearly, not only should we strengthen the safety net but we should find out why so many women need that net.

So, Mr. Speaker, a health safety net for the American person is imperative. Our older constituents have built or supported most of what America is today, and we owe them a great amount of gratitude. They should go to bed each evening feeling secure that they have health benefits when they are needed. They should know that their benefits are universal and affordable.

What a shame, a shame, that our seniors have to leave the United States and go to Canada or Mexico, where the same prescription drugs, same ingredients, are much, much cheaper. We have seniors who are eating dog food rather than regular food because they have to pay the cost of these expensive drugs.

In closing, Mr. Speaker, these older Americans should be given a benefit that they can rely on, that they will know they can live a quality of life with respect rather than the one they would have to live if we whittle away at Medicare. Let us honor our seniors.

REPUBLICAN PRESCRIPTION DRUG BILL

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

Ms. BERKLEY. Mr. Speaker, I oppose the Republican prescription drug plan. I represent the fastest growing Congressional District in the United States. I represent the fastest growing senior citizen population in the United States. When I came to Congress, I thought I would modernize Medicare, improve Medicare, strengthen Medicare. I never dreamed that I would participate in the destruction of Medicare. This legislation before us this week destroys the Medicare system.

I oppose this plan. It does not offer a guaranteed prescription drug benefit for seniors. It ends traditional Medicare that seniors in my district and throughout the United States rely on. Under this Republican proposal, there is no guarantee that private insurance companies will offer prescription drug coverage. While Republicans estimate that the cost of the premium would be $35, the fact is we do not know how much the premium is going to be. Private insurance companies can devise their own plan and raise premiums whenever they want to meet their bottom line rather than meet the needs of our senior citizens.

The Republican plan does not guarantee that seniors will receive any help

with rising drug costs. The plan creates a donut hole in the coverage. Seniors who have more than $2,000 in prescription drug expenses are responsible for all of their drug costs until they reach $5,000 in medical costs. And they still have to pay the premium. Forty-seven percent of seniors in the United States fall into this gap.

The plan does not guarantee that private insurance companies will remain in the market for more than 12 months. Seniors could be forced to change insurance plans with different doctor panels every year. Seniors know and trust their doctors. Many seniors have received care from the same doctors for years. Placing this burden on our seniors is unconscionable.

The Republican plan does not modernize Medicare. It does not improve Medicare. It does not strengthen Medicare. It dismantles benefits and puts seniors into HMOs and PPOs. In 2010, Medicare will compete with private health care plans. This will result in higher premiums for hospitals and physician benefits. Seniors, particularly women, will bear the burden of these increased costs. Instead of dismantling traditional Medicare, we should strengthen the program to provide the best care for our seniors.

We should be adding a prescription Medicaid benefit to Medicare, and I also support adding a provision to increase Medicare provider reimbursements. Thousands of doctors are leaving Medicare because Medicare reimbursements do not cover nearly enough of the patient's health care costs, leaving the doctors to make up the remainder of the costs. Increasing reimbursements allows physicians to continue treating Medicare patients while confronting rising health care costs.

It makes absolutely no sense to me that we have a Medicare system that allows people to see the doctor of their choice, and when the doctor provides a prescription medication, a senior cannot afford that press medication. How outrageous is that in our Nation?

I also support provisions to simplify the Medicare paperwork process. Today, doctors are spending far too much time filling out forms; not enough time treating their patients. Many doctors say if we could cut through this red tape, they could devote more time to caring for their patients. And what is best for the patient is why we are here tonight.

Las Vegas has one of the fastest growing populations of seniors in the Nation. I owe it to the seniors in my district to support a meaningful prescription drug benefit; a benefit that is available to all seniors who need it, a benefit that does not have significant coverage gaps, and a benefit that allows seniors, and not insurance companies, to choose their doctors and not force seniors to leave the Medicare system that they know and they trust in order to receive desperately-needed prescription medication.

I ask all of my colleagues to join me in opposing the Republican plan, supporting the Democratic plan that is easier, fairer, and that our seniors approve and agree with.

HEALTH CARE REFORM

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

Mr. DAVIS of Illinois. Mr. Speaker, the current Medicare debate highlights the need for fundamental changes in the way that health care is provided in the United States. The Medicare prescription drug bill currently before the House fails to address any of the fundamental problems in our health care system.

The need for affordable prescription drugs for our Nation's seniors is one component of the health care reform needed in the United States. And just like last year, this House will pass a Medicare prescription drug bill that fails millions of Americans. The current plan will perpetuate the inequalities in health care suffered by poor and rural Americans, as this plan hurts both groups.

Seniors with incomes between 135 and 150 percent of the Federal poverty level will pay the same deductible and copays as someone with an income 300, 500 or 1,000 percent of the poverty level. The only relief is a sliding scale premium. Those with incomes 150 to 200 percent of poverty will receive no relief at all.

Rural Americans have already faced severe restrictions in their choice of providers. And in 2003, only 19 percent of rural Medicare beneficiaries have the option of enrolling in a Medicare managed care plan.

□ 2130

These seniors are likely to face similar restrictions in the choice of prescription drug plans, without a fallback prescription plan through Medicare. This discrimination against certain seniors is intolerable. Not only does the current plan restrict access to drugs, but it also could limit what drugs seniors can take. In 2002, 55 percent of all Medicare private plans covered only generic drugs, provided no coverage for brand names. This means that those who must take a specific brand-name medication for which no generic form exists or need a new, more effective drug cannot obtain them. The answer is not to provide more private prescription drug plans.

The current Medicare prescription drug bill only perpetuates the failures of our health system. The solution to the current crisis lies in a prescription drug benefit that helps to contain prescription drug costs, provides better access to generic drugs, and is built into Medicare. Absent a comprehensive solution that provides medical and prescription drug coverage for all Americans, there is no excuse for restricting the access of our Nation's seniors to prescription drug coverage. Our seniors need a comprehensive standard benefit for all. We cannot afford to further privatize Medicare, offer different plans to different people, and threaten the program that has provided health care for over 39 million people.

Our Nation's seniors need a uniform, comprehensive plan. Absent a comprehensive solution that provides medical and prescription drug coverage for all Americans, there is no excuse to do anything less. The solution to the current crisis lies in a plan that helps to contain prescription drug costs, provide better access to generic drugs, and is built into Medicare.

Just as hospital and physician coverage is assured by Medicare and includes a standard benefit for all seniors, so must prescription drug coverage. In the complex world of medical insurance, it is crucial for us to provide reliable coverage under one plan to reduce confusion on the part of Medicare beneficiaries. We cannot afford to further privatize Medicare, turning it only into a health voucher program by the end of the decade, and threatens the program which has provided health care for over 39 million Americans. Let us be real and have a real prescription drug program for our seniors.

AMERICANS SHOULD COME FIRST IN PRIORITIES

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

Mr. EMANUEL. Mr. Speaker, I agree with a number of our preceding speakers who have talked about the importance of Medicare and why their principles and values are different than some of our other colleagues.

Tonight I would like to address another subject in the closing days before our July 4th district work period, and that is a child tax credit.

Mr. Speaker, yesterday the president of Pakistan was here and the President of the United States guaranteed $3.5 billion to Pakistan. He came in, got a nice reception at Camp David, and flew out with a check for $3.5 billion. That is equal to the amount that it would cost to provide the 12 million children, 6.5 million working families a full $1,000 tax credit in this country; yet they are not receiving it.

In Pakistan they came in, smiled, shook hands, and walked out with $3.5 billion. In America, 12 million American children will be left without a tax cut as they go into the summer months. As their parents buy clothes and shoes and backpacks for the coming school year, they will not have the full $1,000 child credit.

Two weeks ago, The New York Times reported that we are providing 200,000 Iraqis $20 a day for no-show jobs. I come from Chicago. We know something about no-show jobs. We think we understand no-show jobs. Yet while we provide these Iraqis $20 a day, 200,000 of

them for the last 2 months, that comes to about $1,000, we have 200,000 active duty GIs who in the Republican tax bill are not provided the full $1,000 tax credit. Somehow we have put in this administration and in this Congress more priority on the 200,000 no-show Iraqis who are getting $20 a day than our active men and women who are getting shot at and could lose their lives. They deserve a tax cut.

I noted the other day in our commitment to Iraq for reconstruction, we committed to 20,000 units of housing reconstruction; and yet here in America under the President's budget, there are only 5,000 units of public housing. We committed to 13 million Iraqis getting universal health care, half the population, yet not a dime for America for the uninsured who work full time. We committed to rebuilding 12,500 schools in Iraq, yet in many of our schools across this country, there are no dollars for investment in remodernization.

What make Iraqis and the investments in Iraq more important than investments here? I support rebuilding Iraq, given the war; but we should not deconstruct here in America. We have set a set of priorities and principles in place that has put America behind where we put our priorities overseas. This administration needs to remember that here at home working families deserve a tax cut, the 12 million children of working parents, 6.5 million working families who will not get the $1,000 tax cut because this Congress, under the stewardship and leadership of this administration, is too busy.

Yet the Premier of Pakistan came in and walked out with an equal amount of dollars, $3.5 billion. In Iraq, folks will be getting $20 a day who do not show up for work, yet our GIs on active duty will not get the full $1,000 tax cut they are promised. Where are the values? Where are the principles that say you should do that? I think I know a number of my colleagues on the other side of the aisle who have good values. We have talked about our families, our hopes and faith. If their mothers knew what they were doing here, giving 200,000 Iraqis $20 a day, denying a tax cut to our GIs, I think they would have another view because those are not the values their mothers raised them with.

In closing, we make choices. President Kennedy once said to govern is to choose. I am saddened that, as we get ready to start sending out checks to the top 1 percent in the sense of wealth, that the 12 million children of working families will have been forgotten and will go without that tax cut.

Mr. Speaker, we will go home with unfinished business as it relates to our values and our principles. We should remember the folks who get up every morning, go to work, try to make that paycheck stretch all the way to the 31st of the month. We should remember what they are trying to do with their children, to know the difference between right from wrong; and what do we say to them, we are going to keep that speed bump in your way so your day is harder. But somehow, we are putting a better sense of values on the Premier of Pakistan who walked out in one day with $3.5 billion, equal to the amount it would cost to rectify the error in the conference when the Republican leadership of the Senate and the Republican leadership of the House and the Vice President of the United States sat in the room and cut those kids out of the tax cut.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) is recognized for 5 minutes.

(Ms. EDDIE BERNICE JOHNSON of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Ms. CORRINE BROWN of Florida addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

BETTER PRESCRIPTION DRUG PLAN NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE of Texas) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I wish to join my colleagues tonight. Many of the women of the United States Congress have made a commitment to their constituents to represent them in a very fair manner, but they also recognize the importance of not leaving the sensitivity and the understanding of the needs of the women of America at the door as they take their oath to be Members of Congress.

So today I rise to join my colleagues to emphasize the importance of the Medicare prescription drug debate on the women of America. This is one of the most important debates; and unfortunately, as we rallied today with many of the senior citizens from all over the country, many of them were women. We were not able to say to them that this House had come to a reasonable conclusion and a reasonable proposal that responds to their needs.

The Republican prescription drug plan ignores the needs of our sisters, mothers and grandmothers; and we oppose the passage of such legislation. It ignores the reality that women often outlive their male counterparts, making Medicare beneficiaries disproportionately female. It ignores the points that if these females outlive their spouses, in many instances their income is lower. Many might say does that not give them a double benefit? No it does not. In many instances they may be living on Social Security. That is not enough. They may also be living on a small pension; sometimes one is diminished because of the other. Social Security is lowered because you may have a small pension. Many of them are elderly, and many of them are sick. Some of them face catastrophic illnesses.

In the course of trying to live their life, provide housing, food, they have to make choices. I have seen constituents, particularly in the elderly population, who have had to choose prescription drugs over food and nutrition, who have had to choose prescription drugs over a place to live or the right kind of place to live.

It is very important tomorrow when we debate this issue, if we do, that we concentrate on this enormous deficit as relates to the Republican plan, the doughnut, the hole, if you will, that our dear friend, the gentleman from New Jersey (Mr. PALLONE), has so eloquently articulated, the very large gap between the monies you receive and the amount of monies you will ultimately get at a point when you max out, if you will. $2,000 maybe, and then for a long period of time our senior citizens, those who will be under Medicare, will get no money whatsoever until they reach a certain amount.

Mr. Speaker, this is intolerable. It makes it very difficult for someone on a fixed budget. This makes any decision regarding the future of Medicare critically important to millions of women, and that is because they live in many instances a longer period of time. And many women spend time out of the workforce caring for their children and sometimes for their own parents. Let me add another component. Many women sometimes go into a second generation of raising their grandchildren, and so they have the expenses of their grandchildren; but yet they have the needs of their own health needs. While in the workforce, they often earn less than their male counterparts, and for these reasons women earn less then men over their lifetime and their Social Security monthly benefits are smaller.

As a result, an older woman is more likely to face serious financial pressures, and she needs Medicare to be meaningful. She needs us to close the doughnut. We need a guaranteed prescription drug benefit that provides an even, unending source of guaranteed prescription drug benefit to provide the support that these women need. This is not done by the Republican plan. In fact, what the Republican plan does is it unravels the safety net that has been provided for older women.

The proposal replaces a real safety net with a false sense of security by promising a prescription drug benefit, but allowing women to slip through the doughnut hole, the coverage gap. Imagine a beneficiary's surprise when she discovers that Medicare will not help her cover her prescription drug costs after $2,000. She must wait until she qualifies for catastrophic coverage with a drug cost of over $4,900.

Mr. Speaker, we must work closely with colleagues to craft a bill that answers the question of a guaranteed prescription drug benefit. As I close, this issue is crucial to the American psyche, to the American needs of our elderly citizens.

Finally, I want to add just a moment about affirmative action, the decision that was rendered just a couple of days ago by the Supreme Court. Let me congratulate the interpretation which we felt would have always been the right interpretation, that is, that race can be a factor in equalizing the playing field and that the positions held by the University of Michigan were not quotas.

Mr. Speaker, let me say we need to do a better job in serving the American people with a better prescription drug plan that will deal and address the needs of women of America; and thank goodness for the Supreme Court decision on affirmative action.

□ 2145

MEDICARE MODERNIZATION LEGISLATION

The SPEAKER pro tempore (Mr. GARRETT). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, here it is in Washington, nearly 10 o'clock at night and the Republican leadership of this institution does not even have a prescription drug bill ready for us to read as homework tonight. They tell us that we are going to debate this tomorrow, maybe 2 hours at the most, one of the most important changes in our country's history in terms of health care for our seniors. They tell us maybe after midnight tonight we might be able to go up to the Rules Committee to offer our amendments and to have them considered. They will deny most of those amendments, but the interesting thing about going to the Rules Committee after midnight, no press is there. Nobody will know, in one of the most significant pieces of legislation that will be considered in this 21st century. So the American people will not know. The press will not know.

I am here tonight to say I intend to offer an amendment before the Rules Committee that is likely to be rejected, but it is a very important amendment. This amendment says that whatever prescription drug plan is considered here tomorrow, under their very restrictive rules, should do exactly what we do in the Department of Veterans Affairs and exactly what we do at the Department of Defense and that is have negotiated pricing for the drugs that our seniors will buy. Why? You get the best price. Everybody knows when you buy in quantity, you get a cheaper price. It is a very simple concept. But what has the Republican majority in this House, the radical right, done? They have actually put a provision in the bill and here it is. This is the bill that was before the committee and we know this provision will be retained in whatever the Rules Committee considers tonight, but it basically says that it prohibits our government, our Secretary of Health and Human Services from negotiating with the biggest drug companies in the world to get the best price for prescription drugs for our seniors. So what they are going to do, imagine they have got a provision that prohibits what we do at the Department of Veterans Affairs already and it prohibits what we do at the Department of Defense already in our financial purchasing system which gets our people the best prices. That is in the base bill. My amendment would get rid of that and it would say, hey, if you are going to do it and we have success across our government, just like Canada has success in their country by negotiating with the most powerful pharmaceutical companies in the world, why should we treat seniors any differently? Why should we make them pay higher prices? Indeed, in the Republican bill they make seniors pay any cost of drugs over $2,000 a year up to a level of perhaps $3,500 and it might be more because they are drafting the bill somewhere here in the Capitol. I do not know where they are. I went up to the Rules Committee to find the bill and the doors were all locked to the chairman's office.

But in any case here is what is currently being paid, for example, in the United States. Let us just take one of these drugs here, Norvasc, which is for high blood pressure. Normally it sells in one of our pharmacies for about $182.99, the Canadian price is $152.82, and the price at the Department of Veterans Affairs is $102. It is a definite savings. That is true with a whole series of pharmaceutical products that could be available to our seniors. So what the Republicans are basically saying in their bill to our seniors is, you have to pay the higher price because we won't permit you to negotiate price, we won't negotiate it for you, because our bill fundamentally denies it. This provision was written by the pharmaceutical companies themselves. Gee, does that surprise anybody?

I am only one Member of Congress representing 660,000 beautiful people in the northern part of Ohio. I am only one. Do you know there are six lobbyists for the pharmaceutical companies in this town for every one of me that there is? So basically many times I go home at night and I say to myself, folks back home, I am all you got and I am sticking with you. And I say to the pharmaceutical companies, I don't take your money, I don't want your money, but I'll show the public where your money goes. Is it any wonder why they put the provision in the base bill that went through the Committee on Energy and Commerce like lightning the other day?

Let us take a look at PhRMA. This group is so powerful that just in the last election cycle, just in one year, 2002, they contributed over $3 million. Ninety-five percent of it went to, guess, which party? The Republican Party. I happen to be a Democrat. Too bad for the Democrats. They only get 5 percent of the $3,100,000 that was donated just in the fiscal year 2002. Why do you think they gave all that money to the leadership of this institution? Take a look at Pfizer. They gave 80 percent of the $1.8 million they just contributed in 2002 to one party, the Republican Party. You can go down the list. Almost all the money goes to one party. So is it any surprise to us why the bill that we cannot find here in the Capitol and we will not even be allowed to talk about until after midnight and we are all staying up late to do that for our constituents, do you really wonder whether this government is on the level?

I urge my colleagues tomorrow to vote ''no'' on this bill and to vote ''no'' on these pharmaceutical companies until we can get negotiated pricing in this bill.

TITLE VIII—SECTION 1809(C)(1)(D)

Noninterference—In carrying out its duties with respect to the provision of qualified prescription drug coverage to beneficiaries under this title. The Administrator may not:

(i) require a particular formulary or institute a price structure for the reimbursement of covered outpatient drugs;

(ii) interfere in any way with negotiations between PDP sponsors and Medicare Advantage organizations and drug manufacturers, wholesalers, or other suppliers of covered outpatients drugs; and

(iii) other wise interfere with the competitive nature of providing such coverage through such sponsors and organizations.

U.S., CANADIAN, NEGOTIATED VA/DOD PRESCRIPTION DRUG PRICES

Drug name/prescribed for	U.S. retail price	Canadian retail price	FSS negotiated price (VA & DoD)
Glucophage/Diabetes Millitus	$69.99	$30.16	$60.95
K-Dur 20/Low potassium levels	55.99	29.01	25.58
Norvasc/High blood pressure	182.99	152.82	102.11
Prilosec/Heartburn	134.99	67.71	63.32
Prozac/Depression	302.97	140.69	186.98
Synthroid/Hypothyroidism	39.09	17.82	29.73

Comparison is drawn between drugs of equal dosage and quantity.

Sources: Data Compiled from Veterans' Affairs Commission and Alliance for Retired Americans.

2002 PHARMACEUTICAL CONTRIBUTIONS, BY PARTY

Rank	Organization	Amount	Democrats (percent)	Republicans (percent)
1	Pharmaceutical Research & Manufacturers of America	$3,180,552	5	95
2	Pfizer Inc	1,804,522	20	80
3	Bristol-Myers Squibb	1,590,813	16	83
4	Eli Lilly & Co	1,581,531	25	75

2002 PHARMACEUTICAL CONTRIBUTIONS, BY PARTY—Continued

Rank	Organization	Amount	Democrats (percent)	Republicans (percent)
5	Pharmacia Corp	1,480,241	22	78
6	GlaxoSmithKline	1,301,438	22	78
7	Wyeth	1,188,919	17	83
8	Johnson & Johnson	1,075,371	39	61
9	Schering-Plough Corp	1,057,978	21	79
10	Aventis	954,349	22	78

Source: Center for Responsive Politics.

REGARDING REDISTRICTING HEARING IN HOUSTON THIS SATURDAY

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

Mr. FROST. Mr. Speaker, I rise this evening to call attention to the House to a racist piece of literature currently being circulated by the Harris County Republican Party to its e-mail subscribers. There is going to be a redistricting hearing in Harris County, Houston, on Saturday and so the Harris County Republican Party is right now e-mailing this information to all its regular subscribers. It says:

''She will be there to express her views. Will you be there to express yours?''

Who is ''she''? She is the gentlewoman who is here with us right now, SHEILA JACKSON-LEE. There is a very nice colored picture of SHEILA, whom everyone can see is African American. SHEILA is one of four Democratic Congress Members from Harris County. The other three are white. One African American, three whites. Of course, the gentlewoman appears in this e-mail and there is no picture of GENE GREEN, who is white, there is no picture of CHRIS BELL, who is white, and there is no picture of NICK LAMPSON, who is white, there is only a picture of the one African-American Member.

And so what does it say? ''She will be there to express her views. Will you be there to express yours? Reminder: Redistricting Hearing in Houston this Saturday.'' Then it gives the time and the place and the details. I would ask the gentlewoman from Houston, what does she think about this e-mail posted by the Harris County Republican Party on their Web site?

Ms. JACKSON-LEE of Texas. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Obviously I think it is important that we all establish the fact that redistricting is a political process. That, in fact, our lines have been drawn by a duly organized and sanctioned Federal court, that we are in lines that have been reapproved by the voters of our respective districts and that this has not been done in the last 50 years, the redrawing of district lines. I am delighted to be one of four colleagues in the Harris County area, but I am offended by the fact that my picture is used to provoke members of the Republican Party to attend a hearing that happens to be in my congressional district. It is true that my district by the Republican plan offered by the Republicans of Washington will be a plan that literally destroys the 18th Congressional District, cuts it in half, takes out the heart of that district, the very birthplace of the Honorable Barbara Jordan and Mickey Leland, will be taken out of the 18th District. In fact, one of my good constituents says that the 18th does not need a bypass nor does it need heart surgery.

And so I do not mind in an open hearing anyone coming. It is an open hearing. But I am certainly concerned. What is the message of my face being utilized over my colleagues' faces? What is the intent of even putting up a picture? They might say, ''SHEILA JACKSON-LEE, GENE GREEN, CHRIS BELL and NICK LAMPSON will be present. Will you be there?'' That is a fair enough statement. That is a political statement. ''The Democrats will be there. Will you be there?'' But, no, in subtlety, not even the dignity of the name. I should sound a little bit modest. I would imagine there would be a lot of people who would not know who this is, but they know it is a black face. So maybe they are suggesting that a black person will be there to offer their views. Would you not want to run to the hearing so that you can offer yours?

I think this is a sad commentary. I believe and I hope that as I look at the Web page of Democrats and others who are working to get their constituents to this hearing that we will not stoop to this level. I want to simply say to my constituents in the 18th Congressional District in Texas, come out and have your voices heard. Come out and speak your views. You may agree or disagree with me. But I realize that those who want to be empowered will agree that this plan that they are putting forward does not help the people of the 18th Congressional District or the minorities who are represented in that district or the people that are represented in that district.

By the way, as the gentleman well knows, I represent a very diverse district and proudly so. People from all walks of life. But shame on the Harris County Republican Party. Shame on them for stooping to this level. Frankly, I am going to be reaching out and I am going to ask my constituents to call the Harris County Republican Party and ask them, do they not have a better way of communicating to the people a reasonable expression of soliciting their coming to this particular meeting.

Mr. FROST. I thank the gentlewoman for her eloquent statement. I would only observe that this type of racist appeal is something that we saw in our State 20 or 30 years ago. I thought we had moved beyond that. I am ashamed for the State of Texas and I am particularly ashamed for the Harris County Republican Party that they would stoop to racism in the year 2003.

FEDERAL SPENDING

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

Mr. DUNCAN. Mr. Speaker, it seems that the Federal Government is so big and bureaucratic that it cannot do anything in an economical or efficient way. In fact, we read and hear about so many examples of waste of Federal money that we too often take it for granted or shrug our shoulders about it.

The San Francisco Chronicle reported recently that the Defense Department ''couldn't account for more than a trillion dollars in financial transactions, not to mention dozens of tanks, missiles and planes.'' Listen to what this story said:

''Though defense has long been notorious for waste, recent government reports suggest the Pentagon's money management woes have reached astronomical proportions. A study by the Defense Department's Inspector General found that the Pentagon couldn't properly account for more than a trillion dollars in monies spent. A GAO report found defense inventory systems so lax that the U.S. Army lost track of 56 airplanes, 32 tanks and 36 Javelin missile command launch units.''

This story, Mr. Speaker, was not based on reports from some antidefense group. It came from studies done by the Defense Department's own Inspector General and the General Accounting Office of the Congress. This comes on the heels of the Congress overwhelmingly voting for the biggest increase in defense spending ever. And now the Defense Department wants another mega-billion increase and a mega-billion supplemental appropriation, all taking place after we downsized the military by about 1 million troops and closed several bases. All of us want to support the military, but surely we cannot just sit around and allow such horrendous waste to continue.

Then there is the case, Mr. Speaker, of Eric Rudolph. The FBI spent untold millions and had hundreds of agents involved over several years in this manhunt. The FBI should be embarrassed that Rudolph was finally found by a rookie local small-town police officer who had only been on the force for about 9 months. And he found him in Rudolph's home area. We give far too much of our law enforcement dollar to Federal agencies which make only a very tiny fraction of the arrests, probably less than 1 percent. What we need to do is give far more of our law enforcement money to local police and sheriff's departments. They are the officers who are fighting the real crime, the street crime that people want fought.

Finally, Mr. Speaker, talk about waste, we have spent hundreds of billions, with a B, on our intelligence agencies over the last 10 or 15 years. We spend more on intelligence than all the rest of the world combined. We will vote to authorize even more spending on intelligence tomorrow. Yet during this time our intelligence agencies missed the coming down of the Berlin Wall; they missed, failed to predict, the breakup of the Soviet Union; they missed on 9/11. Worst of all, they missed or exaggerated on Iraq. Even the Weekly Standard, probably the most pro-war publication in America today said, ''The failure to discover stocks of WMD material in post-Saddam Iraq raises legitimate questions about the quality of U.S. and allied intelligence.''

Columnist Josh Marshall, writing in The Hill newspaper asked: ''Did we have bad intelligence? Did political appointees dismiss good, but less threatening intelligence? Or was damning intelligence actually cooked up for political purposes? Those are all legitimate questions. But when Congress starts trying to get at the answers, we should be open to the more complex but in its own way no less disturbing possibility that at least some of the main proponents of this war were so consumed by their goal to crush Saddam and so driven by ideology that they fooled themselves as much as anyone else.''

These are good, legitimate and very important questions. Another good question: Why did the National Security Agency find out ''about the attacks of 9/11 by watching CNN,'' as reported by intelligence expert and author James Bamford?

□ 2200

This is an agency that we built a plush supertechnical $320 million building for a few years ago at a cost of $320 a square foot. Probably the most important question of all, why are we getting so little and so much of that for all these hundreds of billions of taxpayer money?

The standard response of all Federal departments and agencies when they are criticized is that they were underfunded. If they had just been given more money, this or that problem would not have occurred. These agencies, if anything, are overfunded, far more money than any company in the private sector. Our intelligence committees are filled with good people; but no one seeks to serve, much less is appointed, to the intelligence committees unless they are strong supporters of the intelligence community. Once they are on the committee, they are heavily courted by the intelligence agencies. So it will be very difficult for a member of these committees in either body to ask the really tough questions that need to be asked. But, Mr. Speaker, I hope for the sake of our own taxpayers and for the future of national security of this Nation that someone on one of the intelligence committees will start asking the hard questions and demanding the truthful answers that our citizens deserve.

MEDICARE

The SPEAKER pro tempore (Mr. GARRETT of New Jersey). Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, I stand here this evening on the east coast. It is 10 o'clock, and our schedule is such that in the House of Representatives tomorrow we should be debating on this floor a bill to provide a more modernized Medicare delivery system which will focus on the needs of those receiving Medicare, mostly seniors, senior citizens, and also those with disabilities, their needs for medication. And as I am speaking, one of the last to speak this evening, remarking on the particular needs that women have, women my age because I am in that category who live longer and perhaps have worked out of the home less because of the needs of caring for both children and sometimes elders, and, therefore, pensions and other means of having security and retirement are not quite as readily available. So this burden weighs heavily on me. As I speak this moment, deliberations are under way for the rules for which we will debate this legislation tomorrow, and we will see what comes out of our time together on the floor of the House tomorrow.

It is a momentous occasion because in my time of being a Member of Congress, having come to this place out of the health care field, having been a public health nurse for quite a few years in my community on the central coast of California, I have listened to my constituents in this new role of being their representative in the House of Representatives, the people's House, which by its very definition connects us to the citizens for whom we have this great opportunity and responsibility of being their voice here in the Federal Government to make sure that their needs and their inspiration and their motivations are heard.

So I take seriously when many folks in my congressional district tell me that they are the ones who are buying these medications because their heart ailment or their arthritis or their different chronic conditions are requiring them to take medications, that they really cannot afford these if they are retired or living on a fixed income because of Social Security requirements and also maybe their pension.

These are not exorbitant amounts usually. They do not consider themselves poor. They have worked all their life, done well really, the Greatest Generation is what many have called them; and yet they find themselves struggling at a time when they had looked to their government with the promise of Medicare, which they had seen there for their parents, this program that was instituted in the 1960's, and they say why is it that I cannot pay for my medications? They are so expensive. I go one month and it is a particular cost, sometimes $100 or several hundred; go another month and it has been practically doubled in price. It is terrifying for seniors who face perhaps hospital stays if they do not take their medication. The blood pressure shooting up, consequences and side effects to conditions that they want to control so that they can live independent lives, not to be dependent on their children or on others or on society, God forbid, having lived independent lives.

So I carry this burden to Congress, and I am proud of being part of a country that had the wherewithal and the mindset, first of all, to start the Social Security system so that we recognize that we really do want to respect the security needs of our seniors; and then when we recognized that health care was beyond the reach of many of them in the 1960's, we devised a plan. I was not here then, of course; but I saw that it made such an impact on citizens that I was working with and dealing with living amongst my own family members to see that Medicare could be there because the private sector, the insurance companies found that this population was hard to insure. These are the years when people need their medical doctors and their sometimes hospital stays and often medications to stay alive and to stay healthy, and Medicare has been a blessing because people are living longer. I think there is a direct connection.

Now we face this crisis. I commend this administration and this Congress foreseeing that this is a time that we must do something about this. But we now must do it in the right way. We have seen that a public provision is what is needed for Medicare. We must also make sure that we do not go off that track and try to privatize this one aspect of it. We have had that option, and that itself was rather an experiment to offer Medicare+Choice. A few years ago that became very popular. That has not worked in my area on the central coast of California, and it is rural.

I will wrap this up by saying that the decisions that we will make tomorrow will have tremendous ramifications, and we need to learn from the people we represent and listen to them and do what they have asked us to do, which is to keep this plan a public plan as it has been, provide the prescription medication in the way that we know that will serve their needs best.

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

(Ms. SOLIS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Ms. ESHOO addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

(Mrs. MALONEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. WYNN 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 Michigan (Mr. STUPAK) is recognized for 5 minutes.

(Mr. STUPAK 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 Illinois (Mr. RUSH) is recognized for 5 minutes.

(Mr. RUSH 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. PASCRELL) is recognized for 5 minutes.

(Mr. PASCRELL 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 Georgia (Mr. MARSHALL) is recognized for 5 minutes.

(Mr. MARSHALL 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 Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

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

THE REPUBLICANS' MEDICARE PRESCRIPTION DRUG PROPOSAL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for half the time until midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, many of my Democratic colleagues took to the well this evening to talk about their concerns over the Republican Medicare bill, the Republican Medicare prescription drug bill that we expect to come to the floor here in the House of Representatives tomorrow. But I have to start out this evening by pointing out unfortunately that we do not really know what bill is going to come up tomorrow. We are waiting. Many of us are actually waiting right now to see what the Committee on Rules will do. The Republican bill has not actually been filed yet, and the latest information is it may not be filed until 11 or 12 o'clock and Committee on Rules will then consider the bill an hour after that, which might be one or two o'clock in the morning, and at that time Members, particularly Democratic Members, would be asked to come, review the bill very quickly obviously, and suggest any amendments or changes they might have to the Republican bill.

And I would suggest that that is certainly not the way to operate, particularly on a bill that is so important. I think all of us agree that Medicare is one of the most important programs that the Federal Government has ever offered, and to think that most of us will come here tomorrow and will not have even had the opportunity to see the bill and that the Republicans in having this Committee on Rules meet late at night where they would consider amendments would do such so late when most Members will not even be able to offer an amendment, it is just really a travesty of the process; and I have to believe that it is intentional. I do not think there is any question about it. The last vote today in the House of Representatives was about 5 o'clock. Why could all this not begin during the day or just after the session ended? Why does it have to take place at 12 o'clock midnight or even later?

It puts a great deal of fear in me, and it is pretty obvious from looking at some of the proposals that have already been considered in the committee, both in the Committee on Energy and Commerce, where I serve, as well as in the Committee on Ways and Means, that what the Republicans have in mind essentially kills Medicare. And I know that is a very severe thing to say. Many of my colleagues have said that this evening, that the Republican Medicare prescription drug proposal actually kills or destroys Medicare, and one might say to oneself how could we make such a statement? What is the basis for our making that statement? And I would say that the real reason we say it is because if we look at the Republican bill here in the House, it essentially privatizes Medicare. What does that mean?

The Federal Government operates a Medicare program. It is a Federal program operated by the government. And what the Republicans are proposing in this bill is that rather than have the government run a health care program for seniors and pay out the money for the program to the doctors and the hospitals, that rather they would give seniors a certain amount of money. We call it a voucher. And those seniors would instead under the Republican plan be expected to go out and purchase their health insurance privately just like somebody might who is younger.

The problem with that, though, is that historically when Medicare was started back in the 1960s under President Lyndon Johnson, the majority of seniors could not find health insurance. They were unable to buy health insurance because the way insurance works, it is like a pool, and people who are older tend to be frailer, tend to be sick or tend to have to go to the hospital more. Those are not the people that insurance companies want to sell a policy to because they cannot make any money. And most of the insurance companies have told us that effectively they are not going to sell those insurance policies because they still cannot make any money today.

Nothing has changed from the 1960s until this year. Seniors are still the most vulnerable and the sickest population, the population that has to go to the hospital and to the doctor most often. Why in the world would anybody want to sell an insurance policy to seniors or at least to a lot of seniors?

What we are seeing here is that the Republicans, maybe because of their ideology, maybe because of their being beholden to the insurance companies, whatever reason there is, they essentially want to set up a system whereby the traditional Medicare that we have, which is a government program that guarantees certain benefits, would now essentially be privatized and they would get a certain amount of money and hope that they could go out and buy health insurance in the private market. It is a very vicious, in my opinion, thing to do. It is a wrong thing to do because Medicare has been a very successful program.

If we look at Medicare at the time when Lyndon Johnson signed the first bill, the situation for America's seniors has just changed dramatically. Most seniors had no health insurance. Many of them could not afford any kind of significant health care. They had to go to a clinic or they had to go to charity care in order to pay for their health care, but all that has changed. Right now America's seniors have high-quality medical care, and they have protection from the devastating causes of illness because of this Federal program. And each of the 40 million Americans served by America today can attest to the program's stability, its affordability, and universal nature that has touched all seniors as well as disabled people alike. So why do the Republicans want to change that? What possible reason could they have to change it?

I would hope that the Republican majority would realize that if they do pass

legislation that changes and drastically changes Medicare and privatizes it that they are not really modernizing the program and what they are effectively doing is killing the program.

□ 2215

Now, I cannot say that I am optimistic about what the Republicans might do tonight in the Committee on Rules. It just seems like many Republicans, because of their idealogy, want to dismantle Medicare or they want to privatize drug coverage, or they want the prices of prescription drugs to continue to soar. It really gets to my second point which I think was very well made by my colleague, the gentlewoman from Ohio (Ms. KAPTUR), just a little earlier this evening.

She pointed out, essentially, that not only do the Republicans, in their effort to change Medicare and, I say, essentially destroy Medicare, not only do they not want to continue the traditional government program that we have had so successfully under Medicare, but in putting together what they claim will be a prescription drug program, which is the reason, theoretically now, why they are changing Medicare, is because they want to provide some kind of prescription drug program. However, they are doing it in a way that does not really add a meaningful prescription drug benefit, and that makes seniors pay a lot of money for their prescription drugs and, in some cases, more out-of-pocket than they would have to pay now, even without a benefit program. But, most of all, they do not want to address the issue of price.

Mr. Speaker, when I go around to my senior citizens, they tell me they like Medicare but, they say, the only thing they do not like about Medicare is that it does not cover prescription drugs, and the reason they feel that it should cover prescription drugs is because the cost of prescription drugs has gone up so much that they simply cannot afford to pay for those prescription drugs out-of-pocket.

Now, one might say to oneself, if the real problem with prescription drugs is the increasing costs, then why do the Republicans not want to do something about it? Why do they not just say in their bill that one of the ways that we are going to help senior citizens is by saying that the Secretary of Health and Human Services, or the Administrator in Washington of the Medicare program, could take the buying power of all of these senior citizens and essentially negotiate lower prices? I mean this is what the HMOs do now, they negotiate lower prices when they buy prescription drugs. This is what the Veterans' Administration does. This is what the military does. They try to negotiate lower prices for prescription drugs, as the gentlewoman from Ohio said, by buying in bulk.

But what we find in this Republican bill is that they not only do not want to do that, in the same way that they were concerned about insurance companies, wanting to help them, now they want to help the drug companies by not allowing any mechanism in the bill that would lower drug costs or that would allow the Federal Government to lower drug costs.

So what we have, and the gentlewoman from Ohio pointed it out very effectively, we actually have in the Republican prescription drug bill a clause which is entitled the ''Noninterference Clause'' that says, ''In carrying out its duties with respect to the provision of qualified prescription drug coverage to beneficiaries under this title, the Administrator,'' and that refers to the Medicare Administrator, ''may not require a particular formula or institute a price structure for the reimbursement of covered outpatient drugs; interfere in any way with negotiations that are taking place between some of the other elements of the plan; or otherwise interfere with the competitive nature of providing such coverage through such sponsors and organizations.''

This is a little roundabout way of saying that the Administrator of the Medicare program cannot do anything to interfere with price. He cannot negotiate price reductions. He cannot say to the drug companies, well, one of you give me a better price than the other. And the reason for that is because essentially, they do not want the drug companies to have to worry about possibly losing some money or not making as much money because the price goes down.

I only mention this by way of introduction, because there are a lot more things that I want to say tonight about the Republican bill that is going to be before us tomorrow, Mr. Speaker. But I only say this because I think that the sort of hallmark of this Republican legislation, and the greatest criticism that I have and that most of my Democratic colleagues have about it, is one, it tries to destroy Medicare by privatizing it, which may be, in some ways, a boon to the insurance companies or a way of helping the insurance companies; and secondly, it does nothing about lowering the price of prescription drugs, which again I think is some significant effort on the part of the Republicans to help the prescription drug companies.

So instead of looking at this legislation as a way of trying to help seniors improve Medicare by simply adding a prescription drug benefit, what we see is the Republican Party and the Republican leadership in the House essentially being in bed with the insurance companies and the drug companies to make sure that whatever is offered for Medicare and for prescription drugs does not in any way harm them or their interests.

Mr. Speaker, I do not have any problem if an insurance company or a drug company wants to make some money. There are a lot of drug companies in my State of New Jersey, and God bless them, they should make money and they should hire more people. But it is ridiculous that in crafting this legislation that is so important to the future of America's seniors, that the two things that are most important, the two things that are most important to the Republicans is that they do not do anything to hurt the insurance companies or anything to hurt the drug companies. I think that says a lot about where they are coming from with this bill that we expect to be considered tomorrow.

Mr. Speaker, I yield to the gentleman from Ohio (Mr. BROWN), who is the ranking member on our Subcommittee on Health and who has been here every night talking about the need for a prescription drug benefit, but realizes, as I do, that this Republican bill falls short and, in fact, hurts the Medicare program.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE), my friend, and the fabulous work he has done and the courage he has shown in standing up to very powerful interest groups in this country in supporting and fighting for a drug benefit.

I noticed something that the gentleman just said as I was sitting here watching this evening, that this bill does nothing to hurt the drug industry or the insurance industry. In fact, this bill, by and large, was written by the drug and insurance industries.

Let us talk for a moment about price. When any of us, Republicans or Democrats, people on that side of the room and people on this side of the room, go to a town meeting or go to a senior center or walk down the street or walk downtown or walk through a shopping mall and talk to people of all ages, especially seniors, but people of all ages about the whole issue of prescription drugs, the first thing they say is, why are our drug prices higher than the drug prices anywhere else in the world? And these are prescription drugs generally made in the United States, developed in the United States, manufactured in the United States. And, in fact, these drugs often, much of the research and development for these drugs was done in America and funded by U.S. taxpayers through the National Institutes of Health.

So we have the most profitable industry in America, 20 years running, whether it is return on investment, return on sales, return on equity, the drug industry, we have an industry that enjoys the lowest tax rate in America, in large part because of what this Congress and this President have done in giving them tax advantages. And, on top of that, we have an industry where much of the research, almost half of the research and development which leads to this industry's profits, to the drugs this industry manufactures, almost half of the research and development has been done by taxpayers, a full half has been done by taxpayers and by foundations. We put

all of that together, and then we say, why is it fair that this industry charges American consumers more than consumers in any other country in the world?

I have sponsored a dozen or so bus trips to Canada for seniors in my district and people who are not seniors, on some occasions. It is about a 2½ hour ride from Lorain in my district. We have taken trips from Medina and we will take them from Akron. It is about a 2, 2½, 2¾ hour drive to Canada. They buy their prescriptions, they have saved literally hundreds of dollars per person, sometimes even more than that.

But why should drugs made in the United States and, in many cases, underwritten by taxpayer research, why should those drugs cost two and three times more here than they do in Canada? The reason is, frankly, because of the drug industry's influence on my colleagues on the other side of the aisle. The reason is President Bush's close alliances with the drug companies and the fact that the drug industry funds large parts of his campaign.

The gentleman from New Jersey may remember a couple of years ago, last year when we considered this drug bill about this time of year, we were in the middle of our committee work and the gentleman from Louisiana (Chairman TAUZIN) recessed the committee for the day at about 5 or 6 o'clock because all of the Republican Members had to go off to a fundraiser headlined by President Bush, sponsored by the CEO of Glaxo Wellcome, a British drug company who makes millions of dollars a year, sponsored by them and headlined by President Bush. President Bush personally thanked the CEO of Glaxo Wellcome for all of the work they did in raising literally millions of dollars. Then, it is no surprise that come election time, the drug industry put in literally $80 million, hard money, soft money, independent expenditures, all the way, directly or indirectly, they put money into campaigns, they put that kind of money into these political campaigns. We can see the chart, if the gentleman from New Jersey would point out the chart next to him and in front of me, about drug company contributions, and if the gentleman would explain that.

Mr. PALLONE. Well, the gentleman mentioned Glaxo. Down here I guess is line 6, GlaxoSmithKline in the last congressional campaign gave $1.3 million to congressional candidates. Twenty-two percent went to Democrats, 78 percent went to Republicans. And then if you look at all of the PhRMA, which is the prescription drug trade company, they spent $3.1 million, 5 percent for Democrats, 95 percent for Republicans. So those statistics alone give us an idea of where the money is going.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, the issue is partly campaign money, but the real issue is the fact that Republicans and President Bush have invited the drug companies into their offices, into the Oval Office to meet with the President's people, into the Lincoln bedroom, if you will, in terms of putting big amounts of money into the White House, big amounts of money into President Bush's campaign and getting out pieces of legislation that benefit them.

In this country we continue to pay two and three and four times what the Canadians pay, the French pay, the Germans pay, the Japanese, the Israelis, the Finns, the Brits, all of the wealthy countries in the world, we pay two and three and four times what they do. And this drug bill, written by the drug companies and introduced by the Republicans, there is nothing in this bill, nothing in this bill to get prices under control. And that is what is outrageous, when the drug industry continues to fleece the American public. And it does not just hurt every senior who reaches into his pocket to pay the high cost of drugs, it is also what it does to American business, what it does to GM, or what it does to GoJo Industries in Akron or what it does to Inyacare in Elyria.

On the one hand, taxpayers are paying for all of this research and, on the other hand, Medicaid and other tax-supported institutions in this country are paying high prices for prescription drugs. I yield back to the gentleman.

Mr. PALLONE. Mr. Speaker, I just wanted to explain, if I could just briefly, and then I would ask the gentleman from Ohio (Mr. BROWN) to comment on it as well, why I say that what the Republicans are proposing here is basically a boondoggle for the insurance companies as well as for the drug companies, and why, the very fact of the Republicans trying to do their bidding is going to destroy the program.

I talked earlier about two things. I said on the one hand, we know that insurance companies, generally speaking, do not want to cover senior citizens because they are older, they are frailer, they are more expensive. So in suggesting in the bill, in mandating, I should say, in the Republican version of the bill, in the House version, that by a certain year seniors will get a voucher and they will have to go out and shop for their insurance privately, we know that no insurance company is going to want to offer that insurance.

So what the Republicans do is they subsidize the private insurance companies. Basically, at our Committee on Energy and Commerce Committee markup the other day when we were both there, some questions were asked by the Democrats about how this process is going to work. How is it that you are going to give a voucher to seniors and they are going to go out into the private sector to buy insurance instead of Medicare when we know that insurance companies do not want to offer that coverage because they cannot afford it? The response that came back from the Republicans and the counsel for the Republicans: we will just keep giving them more and more money, higher and higher subsidies, until someone finally provides this type of insurance privately.

Now, what does that do? That means that these insurance companies are going to have a windfall, but they are not going to provide the same kind of coverage that seniors have now under the government-run Medicare program, so the seniors are going to get less services and the Federal Government is going to be paying more money. It undermines the very nature of the program and simply lines the pockets of the insurance companies. Talk about that, and then we will go to the drugs.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, Congress continues, as they have done with Medicare HMOs, as President Bush has pushed for, and as the Republicans in their drug plan, cowritten by the drug and insurance industries suggest and propose, we have continued to ''subsidize'' is one word, ''pay off'' is another one; we continue to dump more and more millions and tens of millions, hundreds of millions of dollars, ultimately billions of dollars we dump into these insurance companies, and what are we getting?

There was a study put out literally today by a group called Families USA, a group that represents seniors and especially families around the country, a large organization.

□ 2230

They did a study of the average salary of CEOs for big insurance companies, the big HMOs that will benefit from this Medicare privatization plan. So understand, President Bush wants seniors out of traditional Medicare, put them in these private insurance HMOs. Now the average pay for the CEOs of these largest insurance companies, HMOs that will be handling Medicare if the Republicans get their way, is more than $15 million.

Now, contrast the $15 million salary, plus I am not even counting stock options and all that, but just their base salary, contrast $15 million the CEO of the insurance companies make with the $130,000, which is what the CEO, if you will, Tom Scully of the Center for Medicare and Medicaid Services makes, the agency that runs Medicare for our government.

So you have got $15 million on the average for the CEO of the insurance companies which will run Medicare if the Republicans get their way, versus $130,000 running Medicare the way it is done now, traditional Medicare.

You make one other comparison. You have the insurance companies are spending three and four times on administrative expenses more than Medicare spends. Medicare's administrative expenses are between 1 and 2 percent. Insurance company Medicare expenses are between three and four times that amount. And then the last comparison if you are in traditional Medicare, you stay in Medicare. They do not cut you

out. They do not throw you off. They do not decide to abandon you. They do not take your plan out of the county. If you are in a private Medicare HMO, even with these big salaries they are paying the executives, maybe because of that, they pull out of a county. They drop tens of thousands, hundreds of thousands of seniors out of their plan.

One CEO in particular, United Health Care, a big insurance company HMO, paid Norm Payson, last year he was paid $76 million. And that $76 million could cover about 30,000 seniors for prescription drugs. So look at what you have got. You have got big salaries, high administrative expenses, and organizations that will dump seniors out, that is, unreliable care; or you have lower salaries, smaller bureaucracy, a government program which will never ever dump seniors, which will provide reliable care, which will always be there for those seniors.

It is a pretty easy choice. You have the Republican plan, the privatized plan; or you have the Democratic plan, traditional Medicare, which seniors in this country have used and plans that have obviously served seniors well for 38 years.

Mr. PALLONE. I agree with the gentleman completely. And my only point I am trying to stress here tonight and the gentleman certainly made the same point is because of the fact that the Republicans want to cater to the insurance interests and to the prescription drug pharmaceutical companies' interests, they are essentially going to destroy the Medicare program, in other words, if you look at the insurance aspect. If they keep giving more and more larger subsidies to private insurance companies so they will eventually cover senior citizens, there will be so little money left in the traditional Medicare program that is government run that it will be broke. The government will not be able to pay for it anymore.

So essentially by giving all this money to the private insurance companies to get them to try to insure seniors, we will make it much more difficult for the traditional Medicare program to operate.

Let us go to the prescription drugs part. We know there are several problems with the Republican plan on prescription drugs. First of all, it is not very generous. In other words, you will have to pay a lot more than out-of-pocket and not get much of a benefit. In the case of the House plan, there is a huge doughnut hole so that if your expenses are over $2,000 until maybe $4,000 or $4,500, you get no benefit. In the case of the Republican plan in the Senate, it only pays for 50 percent of your coverage. So seniors are going to have to pay a lot of money out of pocket, and they are going to have to get very, very little in return. In addition to that, in order to get the plan, they have to join an HMO. So, again, here we go back to the same thing again which is the Republicans are saying if you wanted to get any kind of drug benefit, and it is not even a good benefit, you have to join an HMO; and if no HMO wants to join the drug plan, we will give them more money so eventually they will.

But the real problem is we know that unless something is done by the Federal Government to control the price of the drugs, the cost of the drugs is going to rise and the Federal Government will not be able to pay for the program. In other words, I am saying because you do not have any way of controlling prices either through negotiation or some other means, the cost of prescription drugs is going to continue to go up and the drug companies are going to get all of this money.

But at the same time, the Federal Government is going to have an increasing problem paying for it. In other words, if you were able to control prices in some way by having the Secretary or the Medicare administrator negotiate prices, you would save money for the program and you would not have to keep shelling out all these dollars or limiting the generosity of the program so that seniors do not get much of a benefit. They are going to kill the whole idea of the drug program by not having some limitation on price.

Mr. BROWN of Ohio. It can be so simple. In Canada, what the Canadian people do, what the Canadian Government does is they have created a small office with a board called the Pricing Board and the Pricing Board negotiates on behalf of 29 million Canadians with individual drug companies, German companies, French companies, American companies, Canadian companies. They negotiate price and then the drug is sold, for every drug manufactured, then the drugs are sold to retailers, sold wholesale into Canada at those much, much lower prices because they have negotiated them on behalf of 29 million Canadians. Then the drug stores negotiate, and they end up with much lower prices.

So it would not be difficult for this Congress to figure out a way, there are a dozen ways, the Canadian way is a very simple and effective way obviously because you can tell from the prices there, but it is not difficult to come up with a way to bring prices down.

The reason that the Republicans have not chosen any of those methods is anybody's guess; but it is hard to believe that they are doing it for any other reason than their political closeness, if you will, political allegiances to the big drug manufacturers.

I know it offended our chairman in the markup and it offends some Republicans, including the President, to suggest that their behavior on this bill is connected to their drug company contributions. But when you saw the drug companies spend 80 or $90 million last year, 85 percent of it going to Republicans, when they spend that kind of money, it is hard to believe that the Republicans would do anything without the drug companies' approval.

I would argue the Republicans have not just not done anything without drug company approval. I suggest they have turned over the writing of the legislation to the drug companies. They could not have done a less effective job. They could not have done a worse job of controlling prices, of ratcheting drug prices down than this bill does.

As the gentlewoman from Ohio (Ms. KAPTUR) pointed out, as the gentleman from New Jersey (Mr. PALLONE) pointed out earlier this evening, this bill not only does not do anything to try to restrain prices, to ratchet prices down; it expressly prohibits the government from doing anything to get the price down. It is so logical to say to the Secretary of Health and Human Services, all you have to do is negotiate on behalf of U.S. consumers, Medicare beneficiaries or the entire consuming public of all ages. You simply need to negotiate price.

Another way we could do it is say that Medicare should pay no more than the Canadian price or the average price of the G–7 nations, the largest economies in the world, whatever price they are paying. There is a lot of ways to do it; but the way not to do it is the Republican way of doing nothing and actually prohibiting the government from doing anything from getting prices down. The higher prices are hurting seniors individually, hurting American business, and American competitiveness in this economy that continues to drift, continues to stagnate; and it obviously is hurting U.S. taxpayers because we are paying too much for drugs.

I yield back because I think the gentleman wants to share with other Members of the House the language that is actually in the Republican drug bill.

Mr. PALLONE. Absolutely. And I mentioned this noninterference clause, and I will mention it again. Before I do that, just quickly, I know we have spent a lot of time tonight, not only us but our Democratic colleagues earlier this evening, talking about what is wrong with the Republican plan. Maybe we should quickly explain what our alternative is, and the gentleman talked about it in terms of the price.

We are saying forget about all this nonsense of changing Medicare and privatizing Medicare. Forget about all this nonsense about having to go to an HMO to get your prescription drugs. Just take the same Medicare program that has been so successful and add a prescription drug benefit in the same way that we added a few years ago a program under part B that pays for your doctor bills.

In other words, without getting too complicated, Medicare part A pays for your hospitalization. Medicare part B is a program where you pay a certain amount of money per month for a premium, and when you go to your doctor there is a $100 deductible for the whole

year, and 80 percent of the costs of your doctor bill is paid for by the Federal Government and 20 percent is paid for by you. Very simple program. You pay a small premium, 80 percent of the costs by the Federal Government, 20 percent co-pay by you, a $100 deductible which is not much. You might go through that on your first doctor visit.

What we are saying is do the same thing with the prescription drug benefit. Add another part to Medicare, charge $25 a month for a premium, have a $100 deductible for the first $100 drug expense you pay in the course of the year; and then after that, 80 percent of the cost of your prescription drugs are paid for by the Federal Government and 20 percent are paid for by you up to a certain level, 3, $4,000 catastrophic when it is all paid for by the Federal Government.

But most important, what we put in the Democratic alternative which is what my colleague from Ohio mentioned, is we have mandated that the Secretary of Health and Human Services or the Medicare administrator has to negotiate lower prices because now that person has 40 million seniors that they can negotiate in bulk as the gentlewoman from Ohio (Ms. KAPTUR) said and try to get a lower price.

Now, if you do that, you save so much money that you can afford to essentially have a program that covers all seniors and gives them a guaranteed benefit and does not have any doughnut hole or time, if you will, when they are not covered. I used this chart during the Committee on Commerce of a dunking doughnut, and I said the GOP is dunking seniors because one out of every two seniors is in the hole. I guess it is a cute way to say that under the House Republican plan one out of two seniors is going to be in a situation where at some point they are going to have to pay 100 percent of their drug costs because the Republicans say that up to $2,000 we will pay a certain percent, but after that we will not, and so for one out of two seniors they will be in a situation where they do not have any coverage during the course of the year.

Mr. BROWN of Ohio. That is exactly my argument. Under the Republican plan, you just simply do the math, and we know that seniors around the country will do the math. I hope they do the math before tomorrow when we vote on this bill because once they have, they will see they are not getting very much in this benefit. For a senior in the United States under the Republican plan who has $5,000 in drug costs, the government will only pick up $1,000. Four thousand of that will come from out-of-pocket costs. So $5,000 drug costs, saving only 20 percent of that. The government will only pay 20 percent. The senior will pay $4,000 out-of-pocket costs. What is so disingenuous about the Republican plan is that it is hard to figure out because they charge a premium. They say it might be $35, but the only time it has ever been tried it was $85 a month. Then there is a $250 deductible. Then they pay 20 percent of the first $2,000, but after $2,000 they pay zero percent. The government does of the next $2,100. It is very complicated.

That is what you are talking about. The Democratic plan operates the same way traditional Medicare does. It is a simple $35 premium, $250 deductible, 20 percent co-pay, and then 100 percent coverage by the government of catastrophic coverage if you have huge drug bills.

It is very simple by the way the Democrats do it because it operates the same way that traditional Medicare does. Seniors know how Medicare operates. The Republican plan is so confusing, so Rube Goldberg-like, so complex, so difficult to understand, I challenge my Republican friends on the other side of the aisle to try to explain it. I do not think anybody can explain it very well. But they will have to explain it when seniors see, if this bill passes, seniors see how difficult it is to understand that.

The point the gentleman made too is that not only is the Democratic plan simple and the Republican plan a Rube Goldberg, complex, almost unfathomable kind of plan, but the Republican plan does nothing to keep prices down. And the Democratic plan gives the Secretary of Health and Human Services the right to negotiate and bring prices down the way the Canadians do and to reimport drugs, to bring drugs in from Canada if they are not cheap enough in the United States.

□ 2245

And that simply makes all the difference in the world; that our plan is simple, and our plan will bring drug prices down, and our plan is a generous, adequate benefit for America's seniors.

Mr. PALLONE. And again, because the gentleman and I feel very strongly about the fact that we feel the Republicans are just catering to the insurance companies and to the prescription drug companies, the very reason why the Republican plan, in my opinion, is so complicated and ultimately, I think, breaks Medicare and destroys Medicare is because they are going out of their way to try to cater to these two special interests. Because to the extent that they feel the necessity of privatizing and having seniors eventually buy private health insurance, they are essentially breaking the system.

And in the same way because they refuse to have any kind of negotiated price and bring prices down, they are making the prescription drug program essentially not a generous plan because what they want to do essentially is have more seniors buy drugs at higher prices but not allow them to have a plan that is really something that is going to be meaningful for them and help them.

I feel strongly what is going to happen if this Republican plan were to ever become law, and hopefully it does not, but probably what would happen is most seniors would not opt for it because they would find it is not worth having. And just to illustrate that, I think pretty dramatically, the Consumers Union put out a report on June 17, just a week ago, that was entitled ''Skimpy Benefits and Unchecked Expenditures. Medicare prescription drug bills fail to offer adequate protections for seniors and peoples with disabilities.'' And in talking about how skimpy these benefits were and why most seniors probably would not opt for them, they gave some examples which I thought were pretty significant.

Specifically, we found, the report says, that the average Medicare beneficiary, without prescription drug coverage, spending $2,318 in this year, 2003, would find that his or her out-of-pocket costs for prescription drugs, including premium deductible copayments and the donut, are higher in 2007 despite the new prescription drug benefit, and would total $2,954 in real 2003 dollars.

So what they are saying is for the average Medicare beneficiary, who spends about $2,300 a year in out-of-pocket costs, if they had to pay the premium and they were under the deductible and the copayments in the donut hole that the Republicans here in the House have proposed, they would actually end up spending more money out-of-pocket with the Republican plan than they are spending now. So why in the world would anybody buy it?

What is going to happen here is that the senior citizens are going to realize that this is not even worth having, and they are going to vote with their feet. They are not even going to take advantage of the plan because they are going to realize that it is worthless.

Here is another example. A Medicare beneficiary with the relatively low expenditures in 2003 of $500, in other words these are the seniors that do not spend much for drugs, maybe a third of the senior population, would find his or her out-of-pocket payments for prescription drugs are $790 in 2007. So, again, if they do not spend much money on prescription drugs, they would have absolutely no reason to opt for this Republican plan.

Then they go to a person in the top third of prescription drug spending with costs of $3,000 in 2003 would find his or her out-of-pocket costs reaching $4,000 in 2007.

I do not want to go on and on here with this, but the only point I want to make is that it is such a hoax. Because we can talk here all night about why they are privatizing and why that is bad or why they have the donut hole or why they are not doing anything about price, but the bottom line is nobody is even going to want this plan. Why in the world would they even buy it when it is going to cost them more if they have it, for most seniors, than if they do not?

That is what all the senior groups are pointing out. This is a huge hoax because most seniors will calculate and figure out it is not even worth having this plan. That, I think, is the worst aspect of all. Because there is all this hype, with the President getting on TV and saying we are going to do this plan and we are going to provide prescription drugs, and it is not anything anybody is even going to want because it is not worth having.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, the President has been bringing Members to the White House today and lobbying them, and I also know the President this week has raised a lot of drug company money and insurance company money. The President is using the power of the Presidency trying to get people to pass this. And from the reports coming out of the meetings from Members whom I have talked to, in both parties, the President is not talking about the details of the bill. He is just saying you have to do this for me. We need a prescription drug benefit. Seniors deserve it. But he is not doing the math for them.

If every Member of Congress tonight, tomorrow morning, before we vote on this tomorrow during the day would sit down and calculate, listen to the discussions like this and calculate individual numbers about what seniors are going to get, and then would look at what drug prices are, as the gentlewoman from Ohio (Ms. KAPTUR) pointed out, what drug prices are in Canada, France, and Germany, what they are in the United States, and how this bill does nothing about that, and then look at how this bill privatizes Medicare in 2010, I think Members, particularly if they began to listen to what people at home are saying, would have a very different take on this bill, no matter what the President said, no matter how many campaign contributors that Republican leadership and the President of the United States want to honor by passing this legislation.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Speaker, I would just like to thank my very able colleagues, the gentleman from New Jersey (Mr. PALLONE), who led this fight in the committee, and also the gentleman from Ohio (Mr. BROWN), who has helped turn this into a major national issue, finally, as it should be. The sad fact is that here in the House the bill that is going to be produced is, I suppose you could say is a mouse. It will not be a lion that roars for all Americans seniors.

If you earn $8,000 a year on Social Security, the Republican plan will cause you to pay whatever is left over after $2,000 of expenses up to the level of, I think it is over $3,500. You are not covered. Where are you going to get that kind of money if you only earn $8,000 a year on Social Security?

The amendment I am waiting here to offer, it is now 11 p.m. at night here in Washington, would require the executive branch to negotiate price across the government for Medicare part D, in the same way as we negotiate for the Department of Veterans Affairs and the Department of Defense. They call it the FSS negotiated price. And I will just go through a couple of these drugs here, but the main point is that the Republican radical right bill forbids negotiated pricing in Medicare. It actually, in title VIII of the bill, forbids negotiated pricing, which we already do in the VA, in the Department of Veterans Affairs.

Let us go through a couple of the costs. If you look at a drug like K-Dur 20, which helps if you have low potassium levels, U.S. retail price for that is $55.99, the Canadian price is $29, and the price that is negotiated through the Department of Veterans Affairs is $25.58. A negotiated price, because you have group buying, reduces the cost to all.

To send an individual senior out there in their own little canoe in a very big ocean, they have very little consumer power. Only with group buying, as we do through the Department of Veterans Affairs, do you really get the same kind of prices that the Canadians have. Group buying. Yet the Republican bill denies that negotiated price.

Another drug. If you look at Prozac, for depression, U.S. retail price over $300. The VA negotiated price $186.98. It is obvious. It is obvious, is it not, that a negotiated pricing is what should be embedded in the bill? But it is not in there. In fact, it is forbidden.

If we really want to understand why, and the gentleman from Ohio (Mr. BROWN) and the gentleman from New Jersey (Mr. PALLONE) have really become experts at identifying what is going on around this Capitol, we should take a look at the contributions of the major pharmaceutical companies. Take a look at a company like Bristol-Myers Squibb, who gave over a $1.5 million in the year 2002 for lobbying Members of Congress. Eighty-three percent of those funds went to the Republican side of the aisle. Millions and millions of dollars from companies that make billions by overpricing the American consumer. It is very clear that they have at least six lobbyists here for every one of us.

So here we stand at a few minutes to midnight waiting for the Republicans to produce a bill. Nobody knows where they are. The doors are closed. Such an important bill that will serve our people, hopefully serve our people, for generations to come. We cannot even find the bill. What are they doing? Where are they?

I would say to the majority leader, the gentleman from Texas (Mr. DELAY), this is no way to run the country. You should have had this bill on the floor 2 weeks ago. We should have gone through every line so every Member here would understand what is in it. But rather than that, you are having your fund-raisers. And, in fact, Pfizer Company just contributed $200,000. That was the price of one of the big seats at the roundtable dinner President Bush just had, and they were able to contribute. You think there is no connection? We were not born yesterday, were we?

So we have a bill that forbids negotiated pricing, even though we know that is one of the few protections we can offer seniors. The Democratic bill provides a real defined benefit. Every senior qualifies. It has a $25 premium per month. It does not force you to pay those high costs, over $2,000. It has negotiated pricing. It is for everyone. And it lets you keep your doctor. It lets you have negotiated pricing, and it does not make you go into an HMO, a Medicare HMO, which have all failed in most places in the country. And that is what the Republican bill does, it tries to privatize that and put you out of the overall Medicare system.

So I just want to thank my colleagues for being here tonight and allowing me to share in this special order, and thank you both for your royal, royal fight to in order to get fair and affordable prescription drug coverage for all of our seniors.

Mr. BROWN of Ohio. If the gentleman will yield for just a moment, and I know the gentleman from Connecticut (Mr. LARSON) is here, but the gentlewoman from Ohio (Ms. KAPTUR) just talked about privatization, as we have. We know that idealogically, in addition to the drug company and the insurance industry contributions to the Republicans and how that seems to affect their thinking, we also know that some Republicans just do not like Medicare. There is a history of it.

Donald Rumsfeld, Gerald Ford, and Bob Dole voted against it when it was created 38 years ago. Newt Gingrich tried to cut it so he would have money for his tax cuts. Same old story. But the gentleman from California (Mr. THOMAS), who is the number one point man in this entire Congress to privatize Medicare, he said this morning, and the gentleman from California (Mr. THOMAS) is the Republican chairman of the Committee on Ways and Means, he said, ''To those who say that the bill would end Medicare as we know it, our answer is, we certainly hope so. Old-fashioned Medicare isn't very good.''

That is like Newt Gingrich saying Medicare would wither on the vine and Bob Dole, just a few years ago, before he ran for President, saying I fought the fight to try to stop Medicare from being created. These guys do not like Medicare.

Mr. PALLONE. I just want to say, they operate on the premise, and they keep saying it over and over again, I have heard it on the other side in the well, on the Republican side, that Medicare is broke, Medicare needs to be fixed, and Medicare does not work. It is not true. They say those things in order to set up Medicare to be changed significantly.

The bottom line is my seniors tell me Medicare works. Medicare is good.

That is what the gentleman from California (Mr. THOMAS) is essentially saying, keep this line up that Medicare is bad and broken, then you can make all these changes because you say you are going to improve. But it is not being improved. It is actually being destroyed by what they are trying to do.

Mr. Speaker, I now yield to the gentleman from Connecticut (Mr. LARSON).

Mr. LARSON of Connecticut. I thank the gentleman from New Jersey, Mr. Speaker, and I am proud to join my colleagues from Ohio, the gentlewoman and the gentleman from the Buckeye State, as we talk this evening. And as my colleagues have eloquently expressed, I want to associate myself with their remarks.

I think Roosevelt said it best of our colleagues on the other side of the aisle: The Republicans seem frozen, frozen in the ice of their own indifference. Their indifference to what this proposal will mean to the elderly. The hypocrisy of having this much-needed benefit not take effect until 2006 shows the indifference of Members having to return to their districts and go to senior centers and telling them that the much-waited benefit that they so desperately need will not be there for another 3 years. We can afford trillions in tax cuts, but we cannot afford to put into effect a program that will benefit them.

□ 2300

Mr. Speaker, as the gentleman has pointed out this evening, the most galling thing for seniors and for Members of Congress, several on the other side of the aisle who have recognized the importance of using the full faith and credit of the United States Government to leverage the cost of prescription drugs, at the end of the day, this is a cost issue. When we think about it, what we have done is asked our senior citizens to subsidize not only all the private plans in the United States of America and all the programs that are available to Federal employees, but basically all the programs available around the globe because pharmaceutical companies have stated that while those prices can be fixed, the only prices in the industrialized world that are not are those that are imposed on the backs of those who can least afford them, the seniors of the United States.

All this lip service to the Greatest Generation ever is dashed when we talk about the hypocrisy of making a program available 3 years from now. For someone in my district who has to make the choice between the food they put on their table, heating and cooling their homes, and the prescription drugs that they need to take, we have turned them into refugees from their own health care system. They have to board buses and go to Canada in order to get the drugs at a price that they can afford. We are a better Nation than that. The indifference of the other party to the needs of these elderly, the indifference in their proposal.

I come from the insurance capital of the world. The HMOs are not going to cover a program that is actuarially infeasible to make a profit on. To have a program that is full of the so-called doughnut where we know that the elderly will fall into this hole, and the programs could be pulled at any moment with no specific guarantee, none of the entitlements that are under the Medicare system. And the further indifference, to try to delude the elderly into thinking their plan comes under Medicare by creating a new subsection which basically defers responsibility to the future and to companies that are unwilling to write the prescription drug benefits.

I applaud the gentleman for being down here night after night. When I go to my district, my constituents ask why are the Democrats not saying anything? And as the gentlewoman from Ohio said, it is because all of the deliberations are taking place behind closed doors, and what can and cannot be said will be determined after midnight upstairs on the third floor with no member of the press present, with no C–SPAN cameras covering what goes on in the Committee on Rules, and that will ultimately determine the fate of seniors and whether or not Democrats will be able to put their proposals side by side and have them voted up or down.

I thank the gentleman for waging this fight. I fear we will have to take this fight to the streets in order to get our point across.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I associate myself with the remarks of the gentleman from Connecticut (Mr. LARSON) and to say it is important to remind ourselves why Medicare was first set up. The gentleman talked about actuarial soundness.

We have Medicare because the private market will not serve this segment of American society. That is why Lyndon Johnson worked so hard after 50 years of Democratic effort to enact Medicare in this Congress. To say to seniors you can go out in a private HMO Medicare, we will call it Medicare but it is really not Medicare because it is not guaranteed, all of the HMOs dealing with Medicare in my region have collapsed.

They are not going to be there. It is just like physicians trying to take assignment. How many physicians do not take assignment even today? Do we think that without Medicare we are going to be able to serve this population? We have to have the strength of group buying and of the Medicare program nationally for this drug benefit or, indeed, for all seniors across this country to be helped.

I want to thank these fine Members of Congress, but Americans first, who are here tonight, to be voices for those who expect us to do the job for 40 million people who cannot be in this Chamber tonight; and I am proud to be here a few minutes before midnight with the gentleman from New Jersey (Mr. PALLONE), the gentleman from Connecticut (Mr. LARSON), and the gentleman from Ohio (Mr. BROWN), who understand the Johnson-Roosevelt legacy and refused to cower before this radical right wing which has taken control of this Chamber.

Mr. PALLONE. Mr. Speaker, I want to say I think all of us feel very strongly that we want to look at this practically. We are not ideologically driven. We are not driven by campaign contributions. We just feel it is time to add a prescription drug benefit to Medicare; and we feel strongly that Medicare works, it is a good program. It is not something that needs to be scrapped because the seniors are not telling us they do not like Medicare.

The simple thing the Democrats say is we need a prescription drug benefit. It is time for that. Let us simply add it to the existing Medicare program. Let us set it up like we do with part B and have a low premium and a low deductible and 80 percent of the cost paid for by the Federal Government. And as the gentlewoman from Ohio (Ms. KAPTUR) said, we have to have negotiated prices because otherwise the cost of the program is going to become so prohibitive the Federal Government would not be able to pay for it eventually.

Ms. KAPTUR. It will just become an entitlement program for all of these pharmaceutical companies to load up and raid the pockets of seniors across this country, bankrupt them, really.

Mr. PALLONE. Exactly. We are going to have the debate tomorrow, I hope. I just do not understand why something which is so simple is not understood by our Republican colleagues, and I come to the conclusion that they are in the pocket of the special interests, whether it is the insurance companies or the pharmaceutical companies. Otherwise it does not make sense.

Mr. BROWN of Ohio. Mr. Speaker, I would add it is pretty clear there are two things going on. One is the huge contributions from drug and insurance interests and connections between that and the Republican plan, essentially since it is pretty clear those interest groups wrote the plan.

Second, they just do not like Medicare. There is clear evidence of a 38-year history of that. But the proof is in the pudding. One, it is what the legislation looks like. The second way the proof is in the pudding is that this debate is held in the middle of the night. The Committee on Rules will meet later this evening. It is already 5 after 11 in Washington. The Committee on Rules will meet behind closed doors with no C–SPAN and no reporters basically there to make these decisions.

And while the Senate is debating their plan, which is moving toward some bipartisanship, for several days, we will have a debate tomorrow of only a few hours. That will be the end of it. The Republicans do not want the public to learn about this. That is why it

is so important that our colleagues speak out and make sure that people understand the difference between the simple Democratic plan that adequately covers seniors and ratchets down the price of prescription drugs, and the Republican confusing plan which gives very little benefit, is written by the drug companies, pushes seniors out of traditional Medicare into private plans, and does nothing about getting prices down.

Mr. PALLONE. Mr. Speaker, in closing, I thank the Members, and we will go onward to the Committee on Rules. Let us hope that they actually meet sometime before midnight. We will certainly carry this forward tomorrow because we are not going to stop until we have the opportunity to have a really good Medicare prescription drug plan.

□ 2310

MEDICARE MODERNIZATION

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

Mr. LARSON of Connecticut. Mr. Speaker, again I would like to commend the gentleman from New Jersey, the gentlewoman from Ohio and the gentleman from Ohio for their remarks. I plan to attend the Rules Committee meeting, whenever it is called to order, to put forward an amendment, an amendment that I believe is much needed. As I said earlier this evening, I believe ultimately, Mr. Speaker, that this comes down to cost. For us to have the elderly of this country unfairly bear the cost not only of private sector plans, Federal Government plans in this country but around the globe is just flat out unfair. There is no reason why we cannot do for Medicare what the VA does for its veterans. There is no reason why we cannot have formularies, why we cannot have pricing. Those who would argue that this would amount to price fixing have to come to grips with reality, that the price is fixed. In this case it is a price that is fixed on the backs of senior citizens across our country, senior citizens who, as I said earlier, feel as though they are refugees from their own health care plan, who board buses to go to Canada to get prices that they are denied here in their own country. Every western democracy, every industrialized nation in the world has seen fit to leverage the full faith and credit of their governments on behalf of their seniors except the United States of America. The preeminent military, social, culture and economic leader in the world cannot find it within itself to provide senior citizens in this country with a benefit they richly deserve and need.

My proposal is a very simple one. It takes into account what the VA is capable to do for veterans. It takes into account what the private sector offers, what our own Federal employees are able to receive, what you would be able to get as a prescription price if you traveled to Canada, and says, take HHS, take the Department of Defense and the VA and impacted Federal agencies and have them collectively come up with a price that ultimately takes into consideration the need for research and development but also the need to come up with a fair and equitable price for the elderly. No matter what plan ultimately is conceived, if at the center of that plan we do not address the issue of cost, then we have gained nothing. And to have a plan and to be able to go back to your district and say that we propose a plan that does not take effect until 2006 when in the presidential campaign both candidates and every Member of this body, I daresay, campaigned on the fact that they were going to provide seniors with the prescription drug relief that they needed, to renege on that promise is a travesty. To be frozen in indifference, indifference to the need and wants of our senior citizens, is a sham. We have to speak out about that. Ronald Reagan said that facts are a stubborn thing and the fact of the matter is that seniors all across this Nation pay a disproportionate amount of their moneys to get prescription drugs.

My father, God rest his soul, used to say to my mother, Jesus, Mary and Joseph, Pauline, who won the war? The very nations that we defeated in the Second World War provide prescription drug relief for their citizens and yet we, the greatest country on the face of the earth, cannot find the money. Oh, we have plenty of money to give to the wealthiest 1 percent of this country by way of a tax cut, but we cannot find the wherewithal to come up with a prescription drug program for the greatest generation in America.

RECESS

Mr. BROWN of Ohio. Mr. Speaker, I move the House adjourn until tomorrow at 10 a.m.

Mr. PALLONE. I second the motion, Mr. Speaker.

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

PARLIAMENTARY INQUIRY

Mr. BROWN of Ohio. Mr. Speaker, parliamentary inquiry. Does a motion to adjourn not take precedence over any other motion?

The SPEAKER pro tempore. The chair did not recognize the gentleman for that purpose. There is therefore no question now pending before the Chair at this time, and the Chair may declare a recess.

Ms. KAPTUR. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. For what purpose does the gentlewoman from Ohio rise?

Ms. KAPTUR. I would like to make an inquiry of the Chair as to why the gentleman from Ohio's parliamentary request to adjourn the House was not received by the Chair.

The SPEAKER pro tempore. When there is no question pending, the Chair has the authority to declare the House in recess. As such, pursuant to clause 12(a) of rule I, the chair declares a recess subject to the Call of the Chair.

Accordingly (at 11 o'clock and 15 minutes p.m.), the House stood in recess subject to the call of the Chair.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2839. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Vietnam, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Financial Services.

2840. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with South Korea [Transmittal No. DDTC 034-03], pursuant to 22 U.S.C. 2776(c) and 22 U.S.C. 2776(d); to the Committee on International Relations.

2841. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Canada [Transmittal No. DDTC 012-03], pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

2842. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to South Korea (Transmittal No. DDTC 043-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

2843. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DDTC 035-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

2844. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DDTC 036-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

2845. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DDTC 037-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

2846. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Israel (Transmittal No. DDTC 038-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

2847. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Belgium, Canada, Denmark, France, Germany,

Ireland, Italy, Norway and the United Kingdom (Transmittal No. DDTC 010-03), pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

2848. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold under a contract to Japan (Transmittal No. DDTC 039-03), pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

2849. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Ridgely, MD [Docket No. FAA-2002-13936; Airspace Docket No. 02-AEA-22] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2850. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class D Airspace; and Modification of Class E Airspace; Topeka, Phillip Billard Municipal Airport, KS [Docket No. FAA-2003-14347; Airspace Docket No. 03-ACE-4] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2851. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Clinton, IA [Docket No. FAA-2003-14460; Airspace Docket No. 03-ACE-13] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2852. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Davenport, IA [Docket No. FAA-2003-14461; Airspace Docket No. 03-ACE-14] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2853. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Independence, IA [Docket No. FAA-2003-14598; Airspace Docket No. 03-ACE-21] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2854. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Muskegon, MI [Docket No. FAA-2002-13818; Airspace Docket No. 02-AGL-19] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2855. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Modification of Class E Airspace; Eureka, KS [Docket No. FAA-2003-14847; Airspace Docket No. 03-ACE-32] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2856. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Moundridge, KS; Correction [Airspace Docket No. 02-ACE-12] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2857. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Establishment of Class E Airspace; Cavelier, ND [Docket No. FAA-2002-14044; Airspace Docket No. 02-AGL-22] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2858. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Amendment to Class E Airspace; Windsor Locks, Bradley International Airport, CT [Docket No. FAA-2003-14868; Airspace Docket No. 2003-ANE-103] received June 19, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2859. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model MD-11 and MD-11F Airplanes [Docket No. 2001-NM-166-AD; Amendment 39-13066; AD 2003-04-17] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2860. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model MD-11 and MD-11F Airplanes [Docket No. 2001-NM-160-AD; Amendment 39-13065; AD 2003-04-16] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2861. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model MD-11 and -11F Airplanes [Docket No. 2001-NM-56-AD; Amendment 39-13120; AD 2003-08-09] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2862. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model MD-11 and -11F Airplanes [Docket No. 2001-NM-62-AD; Amendment 39-13119; AD 2003-08-08] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2863. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Aerospatiale Model ATR42-500 Series Airplanes, and Model ATR72-102, -202, -212, and -212A Series Airplanes [Docket No. 2002-NM-73-AD; Amendment 39-13122; AD 2003-08-10] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2864. A letter from the Program Analyst, FAA, Department of Transportation, transmitting The Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-10-10, DC-10-10F, DC-10-15, DC-10-30, DC-10-30F, DC-10-30F (KC10A and KDC-10), DC-10-40, DC-10-40F, MD-10-10F, and MD-10-30F Airplanes [Docket No. 2001-NM-99-AD; Amendment 39-13114; AD 2003-08-03] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2865. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 and PC-12/45 Airplanes [Docket No. 2003-CE-06-AD; Amendment 39-13140; AD 2003-09-11] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2866. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 767-200, -300, and -300F Series Airplanes [Docket No. 2002-NM-158-AD; Amendment 39-13137; AD 2003-09-08] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2867. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Air Tractor, Inc. Models AT-300, AT-400, AT-400A, AT-401, AT-401B, AT-402, AT-402A, AT-402B, AT-501, AT-502, and AT-502B Airplanes [Docket No. 2000-CE-59-AD; Amendment 39-13100; AD 2003-07-04] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2868. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Stemme GmbH & Co. KG Models S10 and S10-V Sailplanes [Docket No. 2002-CE-52-AD; Amendment 39-13101; AD 2003-07-05] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2869. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; British Aerospace Model HP.137 Jetstream Mk.1, Jetstream Series 200, Jetstream Series 3101, and Jetstream Model 3201 Airplanes [Docket No. 2002-CE-56-AD; Amendment 39-13102; AD 2003-07-06] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2870. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Rolls-Royce Deutschland Ltd. & Co KG, Model Tay 650-15 Turbofan Engines [Docket No. 2003-NE-06-AD; Amendment 39-13112; AD 2003-08-01] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2871. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 767-300 Series Airplanes Modified by Supplemental Type Certificate ST01783AT-D [[Docket No. 2002-NM-54-AD; Amendment 39-1311; AD 2003-07-15] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2872. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Raytheon Aircraft Company Model 390 Airplanes [Docket No. 2003-CE-18-AD; Amendment 39-13139; AD 2003-09-10] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2873. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Twin Commander Aircraft Corporation Models 690D, 695A, and 695B Airplanes [Docket No. 2000-CE-56-AD; Amendment 39-13099; AD 2003-07-03] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2874. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Quality Aerospace, Inc. S2R Series and Model 600 S2D Airplanes [Docket No. 2001-CE-37-AD; Amendment 39-13097; AD 2003-07-01] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2875. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Kaman Aerospace Corporation Model K-1200 Helicopters [Docket No. 2000-SW-50-AD; Amendment 39-13123; AD 2001-13-03 R1] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2876. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 747-100, -200B, -200F, -200C, -100B, -300, -100B SUD, -400, -400D, and -400F Series Airplanes; and Model 747SR Series Airplanes [Docket No. 2003-NM-15-AD; Amendment 39-13124; AD 2003-08-11] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2877. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Bombardier Model CL-600-1A11 (CL-600), CL-600-2A12 (CL-601), and CL-600-2B16 (CL-601-3A, CL-601-3R, and CL-604) Series Airplanes [Docket No. 2002-NM-317-AD; Amendment 39-13125; AD 2003-08-12] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2878. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Boeing Model 737-200, -200C, -300, -400, and -500 Series Airplanes [Docket No. 2002-NM-329-AD; Amendment 39-13128; AD 2003-08-15] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2879. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 adn PC-12/45 Airplanes [Docket No. 2003-CE-02-AD; Amendment 39-13106; AD 2003-07-10] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2880. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Bell Helicopter Textron Canada Model 222, 222B, 222U, and 230 Helicopters [Docket No. 2003-SW-01-AD; Amendment 39-13118; AD 2003-08-07] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2881. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas Model DC-10-10, DC-10-10F, DC-10-15, DC-10-30, DC-10-30F, DC-10-30F (KC10A and KDC-10), DC-10-40, DC-10-40F, MD-10-10F, MD-10-30F, MD-11, and MD-11F Airplanes [Docket No. 2003-NM-42-AD; Amendment 39-13127; AD 2003-08-14] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2882. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model AS350B3 Helicopters [Docket No. 2002-SW-05-AD; Amendment 39-13116; AD 2003-08-05] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2883. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model AS350B, B1, B2, BA, and D Helicopters [Docket No. 2002-SW-37-AD; Amendment 39-13117; AD 2003-08-06] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2884. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; McDonnell Douglas DC-10-30 Airplane [Docket No. 2002-NM-134-AD; Amendment 39-13110; AD 2003-07-14] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2885. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule — Airworthiness Directives; Eurocopter France Model EC120B Helicopters [Docket No. 2001-SW-52-AD; Amendment 39-13115; AD 2003-08-04] (RIN: 2120-AA64) received June 2, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

N O T I C E

Incomplete record of House proceedings.

Today's House proceedings will be continued in the next issue of the Record.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, FIRST SESSION

Vol. 149 WASHINGTON, WEDNESDAY, JUNE 25, 2003 No. 95

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. STEVENS).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rabbi Milton Balkany of the Congregation Bais Yaakov of Brooklyn, NY.

PRAYER

The guest Chaplain offered the following prayer:

Our Father in heaven!

I sing You a song for the blessed United States of America. I sing a hopeful song for the peace and tranquility that we seek. Every patriotic soul joins me and our voices blend in heartfelt harmony. Let our notes wend their way from the hot Mojave sands to the cool waters of the Great Lakes. Let our song echo in the footsteps of Lewis and Clark as they courageously unraveled the mysteries of this free land. Let our lyrical prayer soar up the peaks of Mount Hood and Mount McKinley until they reach the summit of Your glory and Your mercy.

Though our voices are many, though our accents and inflections are as different as the day is long, our song is one and our one song is plain and true and unchanging. We sing: peace. Peace. True Peace. Bring us back to the times of fearless skies and unbridled New York nerve, of tranquil school yards and cool back porch nights. Return these times to us, O G-D. And we will return to You—with a new song, a mighty, rapturous chorus of jubilation!

Amen!

PLEDGE OF ALLEGIANCE

The PRESIDENT pro tempore led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. MCCONNELL. Mr. President, we will shortly resume consideration of S. 1, the prescription drug benefits bill. We have been in discussion with the distinguished assistant Democratic leader about votes later this morning. We hope to be able to have an announcement shortly about when the votes will commence. Obviously we will stay on this bill all day today. We will be finishing it this week, hopefully Thursday night. We are going to press forward and encourage Members to continue to offer their amendments. We will try to get votes as rapidly as we can.

Mr. REID. Mr. President, the amendment I understand that has been the focus of so much the last few days is prepared and the two leaders are looking this over. We hope to be able to have a vote on that soon. In the meantime, I have a lot of amendments lined up that we can move on and I will work with my distinguished friend, the majority whip, in determining when we can do that. We hope in the next hour we will start a bunch of votes. We will work on that and the majority will make an announcement soon.

Mr. MCCONNELL. I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

PRESCRIPTION DRUG AND MEDICARE IMPROVEMENT ACT OF 2003

The PRESIDENT pro tempore. Under the previous order, the hour of 9:30 having arrived, the Senate will proceed to consideration of S. 1, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1) to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

Pending:

Graham (FL) amendment No. 956, to provide that an eligible beneficiary is not responsible for paying the applicable percent of the monthly national average premium while the beneficiary is in the coverage gap and to sunset the bill.

Kerry amendment No. 958, to increase the availability of discounted prescription drugs.

Lincoln modified amendment No. 934, to ensure coverage for syringes for the administration of insulin, and necessary medical supplies associated with the administration of insulin.

Lincoln amendment No. 935, to clarify the intent of Congress regarding an exception to the initial residency period for geriatric residency or fellowship programs.

Lincoln amendment No. 959, to establish a demonstration project for direct access to physical therapy services under the Medicare program.

Baucus (for Jeffords) amendment No. 964, to include coverage for tobacco cessation products.

Baucus (for Jeffords) amendment No. 965, to establish a Council for Technology and Innovation.

Nelson (FL) amendment No. 938, to provide for a study and report on the propagation of concierge care.

Nelson (FL) amendment No. 936, to provide for an extension of the demonstration for ESRD managed care.

Baucus (for Harkin) amendment No. 967, to provide improved payment for certain mammography services.

Baucus (for Harkin) amendment No. 968, to restore reimbursement for total body orthotic management for nonambulatory, severely disabled nursing home residents.

Baucus (for Cantwell) amendment No. 942, to prohibit an eligible entity offering a Medicare Prescription Drug plan, a MedicareAdvantage Organization offering a MedicareAdvantage plan, and other health plans from contracting with a pharmacy benefit manager (PBM) unless the PBM satisfies certain requirements.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

Rockefeller amendment No. 975, to make all Medicare beneficiaries eligible for Medicare prescription drug coverage.

Akaka amendment No. 980, to expand assistance with coverage for legal immigrants under the Medicaid program and SCHIP to include citizens of the Freely Associated States.

Akaka amendment No. 979, to ensure that current prescription drug benefits to Medicare-eligible enrollees in the Federal Employees Health Benefits Program will not be diminished.

Bingaman amendment No. 972, to provide reimbursement for Federally qualified health centers participating in medicare managed care.

Bingaman amendment No. 973, to amend title XVIII of the Social Security Act to provide for the authorization of reimbursement for all Medicare part B services furnished by certain Indian hospitals and clinics.

Baucus (for Edwards) modified amendment No. 985, to strengthen protections for consumers against misleading direct-to-consumer drug advertising.

Baucus (for Lautenberg) amendment No. 986, to make prescription drug coverage available beginning on July 1, 2004.

Murray amendment No. 990, to make improvements in the MedicareAdvantage benchmark determinations.

Harkin amendment No. 991, to establish a demonstration project under the Medicaid program to encourage the provision of community-based services to individuals with disabilities.

Dayton amendment No. 960, to require a streamlining of the Medicare regulations.

Dayton amendment No. 977, to require that benefits be made available under part D on January 1, 2004.

Baucus (for Stabenow) amendment No. 992, to clarify that the Medicaid statute does not prohibit a State from entering into drug rebate agreements in order to make outpatient prescription drugs accessible and affordable for residents of the State who are not otherwise eligible for medical assistance under the Medicaid program.

Baucus (for Dorgan) amendment No. 993, to amend title XVIII of the Social Security Act to provide for coverage of cardiovascular screening tests under the Medicare program.

Grassley amendment No. 974, to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs.

Durbin amendment No. 994, to deliver a meaningful benefit and lower prescription drug prices.

Smith/Bingaman amendment No. 962, to provide reimbursement for Federally qualified health centers participating in Medicare managed care.

Hutchison amendment No. 1004, to amend title XVIII of the Social Security Act to freeze the indirect medical education adjustment percentage under the Medicare program at 6.5 percent.

Sessions amendment No. 1011, to express the sense of the Senate that the Committee on Finance should hold hearings regarding permitting States to provide health benefits to legal immigrants under Medicaid and SCHIP as part of the reauthorization of the temporary assistance for needy families program.

Sununu amendment No. 1010, to improve outpatient Vision services under part B of the Medicare program.

Conrad amendment No. 1019, to provide for coverage of self-injected biologicals under part B of the Medicare program until Medicare Prescription Drug plans are available.

Conrad amendment No. 1020, to permanently and fully equalize the standardized payment rate beginning in fiscal year 2004.

Conrad amendment No. 1021, to address Medicare payment inequities.

Clinton amendment No. 1000, to study the comparative effectiveness and safety of important Medicare covered drugs to ensure that consumers can make meaningful comparisons about the quality and efficacy.

Clinton amendment No. 999, to provide for the development of quality indicators for the priority areas of the Institute of Medicine, for the standardization of quality indicators for Federal agencies, and for the establishment of a demonstration program for the reporting of health care quality data at the community level.

Clinton amendment No. 953, to provide training to long-term care ombudsman.

Clinton amendment No. 954, to require the Secretary of Health and Human Services to develop literacy standards for informational materials, particularly drug information.

Reid (for Boxer) amendment No. 1036, to eliminate the coverage gap for individuals with cancer.

Reid (for Corzine) amendment No. 1037, to permit Medicare beneficiaries to use Federally qualified health centers to fill their prescriptions.

Reid (for Jeffords) amendment No. 1038, to improve the critical access hospital program.

Reid (for Inouye) amendment No. 1039, to amend title XIX of the Social Security Act to provide 100 percent reimbursement for medical assistance provided to a Native Hawaiian through a Federally-qualified health center or a Native Hawaiian health care system.

AMENDMENT NO. 988

Mr. THOMAS. I ask unanimous consent to lay aside the pending amendments.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THOMAS. I send an amendment to the desk.

The PRESIDENT pro tempore. The clerk will report.

The Senator from Wyoming [Mr. THOMAS], for himself and Mrs. LINCOLN, proposes an amendment numbered 988.

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

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide for the coverage of marriage and family therapist services and mental health counselor services under part B of the medicare program, and for other purposes)

At the end of subtitle B of title IV, add the following:

SEC. ___. COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES UNDER PART B OF THE MEDICARE PROGRAM.

(a) COVERAGE OF SERVICES.—

(1) IN GENERAL.—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)) is amended—

(A) in subparagraph (U), by striking ''and'' after the semicolon at the end;

(B) in subparagraph (V)(iii), by inserting ''and'' after the semicolon at the end; and

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

''(W) marriage and family therapist services (as defined in subsection (ww)(1)) and mental health counselor services (as defined in subsection (ww)(3));''.

(2) DEFINITIONS.—Section 1861 (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

''Marriage and Family Therapist Services; Marriage and Family Therapist; Mental Health Counselor Services; Mental Health Counselor

''(ww)(1) The term 'marriage and family therapist services' means services performed by a marriage and family therapist (as defined in paragraph (2)) for the diagnosis and treatment of mental illnesses, which the marriage and family therapist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or as an incident to a physician's professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.

''(2) The term 'marriage and family therapist' means an individual who—

''(A) possesses a master's or doctoral degree which qualifies for licensure or certification as a marriage and family therapist pursuant to State law;

''(B) after obtaining such degree has performed at least 2 years of clinical supervised experience in marriage and family therapy; and

''(C) in the case of an individual performing services in a State that provides for licensure or certification of marriage and family therapists, is licensed or certified as a marriage and family therapist in such State.

''(3) The term 'mental health counselor services' means services performed by a mental health counselor (as defined in paragraph (4)) for the diagnosis and treatment of mental illnesses which the mental health counselor is legally authorized to perform under State law (or the State regulatory mechanism provided by the State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or as incident to a physician's professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.

''(4) The term 'mental health counselor' means an individual who—

''(A) possesses a master's or doctor's degree in mental health counseling or a related field;

''(B) after obtaining such a degree has performed at least 2 years of supervised mental health counselor practice; and

''(C) in the case of an individual performing services in a State that provides for licensure or certification of mental health counselors or professional counselors, is licensed or certified as a mental health counselor or professional counselor in such State.''.

(3) PROVISION FOR PAYMENT UNDER PART B.—Section 1832(a)(2)(B) (42 U.S.C. 1395k(a)(2)(B)) is amended by adding at the end the following new clause:

''(v) marriage and family therapist services and mental health counselor services;''.

(4) AMOUNT OF PAYMENT.—Section 1833(a)(1) (42 U.S.C. 1395*l*(a)(1)) is amended—

(A) by striking ''and (U)'' and inserting ''(U)''; and

(B) by inserting before the semicolon at the end the following: '', and (V) with respect to marriage and family therapist services and mental health counselor services under section 1861(s)(2)(W), the amounts paid shall be 80 percent of the lesser of the actual charge for the services or 75 percent of the amount determined for payment of a psychologist under subparagraph (L)''.

(5) EXCLUSION OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES FROM SKILLED NURSING

FACILITY PROSPECTIVE PAYMENT SYSTEM.—Section 1888(e)(2)(A)(ii) (42 U.S.C. 1395yy(e)(2)(A)(ii)), as amended in section 301(a), is amended by inserting ''marriage and family therapist services (as defined in subsection (ww)(1)), mental health counselor services (as defined in section 1861(ww)(3)),'' after ''qualified psychologist services,''.

(6) INCLUSION OF MARRIAGE AND FAMILY THERAPISTS AND MENTAL HEALTH COUNSELORS AS PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Section 1842(b)(18)(C) (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the end the following new clauses:

''(vii) A marriage and family therapist (as defined in section 1861(ww)(2)).

''(viii) A mental health counselor (as defined in section 1861(ww)(4)).''.

(b) COVERAGE OF CERTAIN MENTAL HEALTH SERVICES PROVIDED IN CERTAIN SETTINGS.—

(1) RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.—Section 1861(aa)(1)(B) (42 U.S.C. 1395x(aa)(1)(B)) is amended by striking ''or by a clinical social worker (as defined in subsection (hh)(1)),'' and inserting '', by a clinical social worker (as defined in subsection (hh)(1)), by a marriage and family therapist (as defined in subsection (ww)(2)), or by a mental health counselor (as defined in subsection (ww)(4)),''.

(2) HOSPICE PROGRAMS.—Section 1861(dd)(2)(B)(i)(III) (42 U.S.C. 1395x(dd)(2)(B)(i)(III)) is amended by inserting ''or a marriage and family therapist (as defined in subsection (ww)(2))'' after ''social worker''.

(c) AUTHORIZATION OF MARRIAGE AND FAMILY THERAPISTS TO DEVELOP DISCHARGE PLANS FOR POST-HOSPITAL SERVICES.—Section 1861(ee)(2)(G) (42 U.S.C. 1395x(ee)(2)(G)) is amended by inserting ''marriage and family therapist (as defined in subsection (ww)(2)),'' after ''social worker,''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to services furnished on or after January 1, 2004.

Mr. THOMAS. This extends the opportunity to directly pay medical health consultants. I will discuss it later. In the meantime, I will set it aside for later discussion.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from California.

Mrs. BOXER. Mr. President, I take a couple of minutes to explain an amendment we will be voting on later that was introduced on my behalf by Senator REID and to let my colleagues know I think it is a stunning situation when suddenly, after fighting back all the amendments that we had to try to improve the benefits, that we are giving our seniors—miraculously there is $12 billion found and it will start a whole new experiment, which may be very interesting and may be just fine. It will push some people out of Medicare and see if it works better in the private sector. I hate to say we have tried it and it hasn't worked but that is fine.

At the same time, we are going to allow Medicare to do more prevention and do more pharmaceutical benefit. We will see what that looks like when it comes to us.

The point I am making, yesterday the Senator from Pennsylvania was railing against some Members who wanted to make this plan better because there was no money. It was so expensive. But they found money to do some experiment.

Today I have an amendment to give people a chance to decide if they want to help people with cancer, if they want to help people who are diagnosed with cancer.

I don't know if you have ever had the experience of having cancer in your family, but surely we all know people who have had that experience. Life in that family comes to a halt. People are reeling from the diagnosis of cancer, whether it is breast cancer, lung cancer, prostate cancer, colon cancer, stomach cancer, blood cancer which is leukemia, lymphoma; millions of Americans are touched. And we have a drug benefit that stops at $4,500 and then $1,300 later you start getting help for your medication.

Yesterday, I gave the Senate a chance to close that benefit shutdown, close that coverage gap, and the Senate refused to do it, mostly on a party-line vote.

Today I offer an amendment to let people redeem themselves. What I say is, if you are diagnosed with cancer, you should never have your drug benefit shut down. You are reeling from this diagnosis. You are sick with this disease. And you should not have to worry about whether you can afford your medicine.

Later in the day we are going to have a chance to see if people are willing to have enough compassion in their heart to stop the benefit shutdown for families where there is a cancer diagnosis. Why do I choose cancer? I could have chosen a number of other diseases. I chose that one because it touches so many families. If it passes, I am going to offer one where there is an Alzheimer's diagnosis. If that passes, I will offer one where there is a Parkinson's diagnosis.

There are a couple of good things in this bill. It starts a prescription drug benefit. That is a plus. We are going to have to fix it. It is a mess. It is the only plan in the country I have found that has such a benefit shutdown. The premiums can go up at any time. HMOs and PPOs can drop out of the business and then you do not know what you are going to do. The fact there is a benefit is important. And it is generous to those who are very poor.

But I want it to be fair to those in the middle class and I want it to be fair to those who need their pharmaceutical products the most. So I am going to give my colleagues a chance to end the benefit shutdown for people who have cancer. If you want to vote no, vote no. If you want to tell people you had a chance to make sure they have those pharmaceutical products through a period of their lives when they are frightened, when they are fighting a disease, go ahead. Do it. Do it.

But I ask you to look inside your soul. You are about to vote on a new program of $12 billion. Don't walk away from the people with cancer just to give money to HMOs, because that vote will come back to haunt you. That is how I feel.

I was very disappointed yesterday that we had a straight party-line vote, pretty much, on my amendment to end the benefit shutdown. But around here you have to be held accountable for what you do. So I am going to give people a chance to come back and say, OK, in the case of cancer, people are not going to have their benefits shut down. Just imagine what it is like, going through chemotherapy, taking all kinds of risks so you can live, because chemotherapy, as you know, basically kills a lot of healthy cells, too.

And, if that is not enough, you are going to have to deal with the accountants with their eyeshades in the HMOs, who will say, What have you done? You really didn't get to $4,500. Why are you shutting down my benefit? You will be begging them not to shut you out because your doctor says if you miss this medicine you could reverse the progress you are making on this disease.

I am going to stop discussing this amendment. I think it is pretty clear. Senators will have a chance to help people with cancer. If you do not want to do it, then you have to live with that vote.

Mr. President, I yield the floor and I look forward to this vote on my amendment.

The PRESIDENT pro tempore. The Democratic leader.

Mr. DASCHLE. Mr. President, under the unanimous consent agreement we reached last night, there was scheduled an amendment to be voted upon, the so-called Grassley benchmark amendment, at 10 o'clock. We have not yet had the opportunity to review the amendment. As I understand it, it is still being negotiated. So we are not in a position, obviously, to agree to the amendment at 10 o'clock. We look forward to consulting with both managers of the bill. Certainly I will be talking to the majority leader as we continue to work to bring the amendment to the floor.

Given the fact we are not yet at a position to vote, it would not be my expectation that there would be a vote at 10 o'clock.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRAHAM of South Carolina). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 972

Mr. BINGAMAN. Mr. President, I ask unanimous consent to call up amendment No. 972 on Medicare community health center payments.

The PRESIDING OFFICER. That amendment is pending before the Senate.

Mr. BINGAMAN. I ask unanimous consent to revise the list of sponsors of the amendment to read: Senators SNOWE, BINGAMAN, SMITH, HOLLINGS, and HATCH.

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

Mr. BINGAMAN. Mr. President, I thank the chairman and ranking member for agreeing to this very important amendment related to our Nation's community health centers. I also thank Senator SNOWE, with whom all who are now cosponsoring this amendment introduced S. 654, the Medicare Safety Net Access Act of 2003. Her leadership on the Nation's community health centers has been unwavering and has made it possible to get to the point where we can adopt this amendment.

I also thank Senator SMITH, Senator HOLLINGS, Senator HATCH, and Senator CONRAD for their longstanding advocacy support for community health centers. Senator SMITH and Senator HOLLINGS need to be thanked for their constant advocacy and push to see this amendment pass.

In addition, it should be noted that Senators HATCH and CONRAD spearheaded a very similar effort to protect community health centers in the Medicaid Program back in 1997.

As we proceed with the passage of S. 1, we need to be careful not to create potential unintended consequences as a result of our actions. This amendment corrects an important unintended consequence that this legislation could have had on our Nation's community health centers. Community health centers have broad bipartisan support. The President and the Congress have committed to doubling the funding for community health centers over a 5-year period. The health centers provide care for over 13 million people annually. Nearly one million of those are low-income Medicare beneficiaries. They receive section 330 Federal Public Health Service Act grant funds to support care for the uninsured and for low-income patients. To ensure those grant funds are used entirely for that purpose, Congress has specifically taken action to ensure that both Medicare and Medicaid are fully reimbursing health centers for the costs associated with the care provided for Medicare and Medicaid beneficiaries.

Simply put, the funding intended for low-income and uninsured people should not be diverted and instead used to subsidize Medicare underpayments. Therefore, health centers are reimbursed by Medicare under a cost-base system. This amendment would simply extend the same requirement to the new Medicare Advantage programs by ensuring that community health centers are provided with a wraparound or supplemental payment equal to the difference between the payments they now receive under Medicare generally and the payment they would receive from Medicare Advantage plans. This is not a new concept.

In 1997, Congress allowed States to dramatically increase the number of patients who were enrolled in Medicaid managed care. We recognized the potential adverse impact on community health centers, and to deal with that we required the Medicaid Program to provide a wraparound or supplemental payment for the difference between the managed care organizations payment and a health centers reasonable cost. Again, Senators HATCH and CONRAD were instrumental in that effort.

With this important amendment we are proposing today we would do the same in the Medicare Program. According to testimony Tom Scully gave at the Center for Medicare and Medicaid Services and testimony that the Congressional Budget Office gave on the 13th of June, their estimates for how many Medicare beneficiaries actually were enrolled in the private health plans ranged all over the board. It went from 9 percent in one estimate, the CBO estimate, to 43 percent, the estimate that Tom Scully's actuaries developed. It was a fivefold difference in those estimates.

In the words of Dr. Holtz-Eakin, the head of the CBO, these are honest differences in trying to read a very uncertain future.

We do have clearly ahead of us a very uncertain future as to how many people will choose to leave traditional Medicare and move into the private plans. Mr. Scully is correct that health centers will lose their guarantee of cost-base reimbursement to 43 percent of their Medicare patients. Potentially, this could result in centers having to dip into their Federal grant fund money intended to provide care to the uninsured, and they would have to dip into those Federal grant funds in order to make up for losses they were incurring trying to provide services to Medicare patients.

Our Nation's safety net is already fragile. We need to take this action to ensure we are not jeopardizing it through the passage of this legislation.

Again, both the President and Congress have committed to double the capacity of our Nation's health centers to deal with the growing number of uninsured in this country. In light of this, the amendment we are offering today would protect the vital role that health centers play. It would ensure that health centers are not forced to decide either between subsidizing the Medicare Program with their grant dollars or refusing to provide services to some of the 1 million low-income Medicare beneficiaries that currently depend upon them for services.

I thank the chairman and ranking member for agreeing to accept this amendment. I thank all the chief sponsors, Senator SNOWE, and all cosponsors for their hard work. I believe it is a very important amendment. I urge my colleagues to support it.

Ms. SNOWE. Mr. President, I rise today to speak on behalf of the amendment that I am offering today with Senator BINGAMAN, a longtime champion of community health centers and the original cosponsor of the legislation that we introduced, S. 654, the Medicare Safety Net Access Act, from which this provision has been taken. I also would like to thank my colleagues, Senators HATCH and SMITH for their help in moving this important policy change forward. Chairman GRASSLEY and Senator BAUCUS also should be recognized for their work on behalf of Community Health Centers. Their willingness to work with me has made adoption of this policy possible.

This amendment will help ensure that Community Health Centers remain a viable and integral part of the health care delivery system for Medicare beneficiaries and rural communities at large. Community Health Centers, also known as Federally qualified health centers, provide care to millions of medically underserved Medicare beneficiaries. In many cases, Community Health Centers are the only source of primary and preventive services to which these beneficiaries have access. This is especially true for people living in America's rural and inner-city medically underserved areas.

As many of you know, under the traditional fee-for-service program Community Health Centers currently are reimbursed by Medicare bases on the cost to deliver care. However, because managed care plans, such as those expected to be used under the new MedicareAdvantage program, use capitated rates, which are negotiated rates based on patient volume and often are lower than the fee-for-service cost-reimbursement rate, Community Health Centers would likely experience substantial reductions in payments.

If, as CMS predicts, over 40 percent of seniors enter the new MedicareAdvantage program, Community Health Centers would experience a substantial loss of revenue because their payment for almost half of their clients would be based on a capitated rate. If this happens, Community Health Centers would be unable to meet the growing demand of serving the Medicare population.

This amendment ensures that doesn't happen. Starting in 2006, if the capitated rate that a Community Health Center receives from a participating MedicareAdvantage plan is less than the fee-for-service cost reimbursement rate, the Medicare program will pay the difference in the amount. This is done presently under the Medicaid program and it should be no different under the Medicare program.

Community Health Centers are an invaluable component in the health care delivery system in rural communities and I am pleased that this amendment has been accepted into S. 1.

Mr. HATCH. Mr. President, I rise in strong support of the Bingaman-Snowe-Hatch amendment. This amendment addresses an important issue for both Medicare beneficiaries and community health centers by ensuring that

Medicare beneficiaries, regardless of their Medicare health coverage choice, would receive seamless coverage if they choose to receive services from a community health center. And, it provides the Community Health Centers the ability to give the Medicare beneficiaries that they serve seamless health coverage as well.

I have been a strong supporter of community health centers for many years. These health centers provide care to over 13 million people annually; nearly one million are low-income Medicare beneficiaries. These health centers receive funding under the Public Health Service Act in order to provide quality care to their uninsured and low-income patients. To ensure those dollars are used only to provide health care to health center patients, Congress has taken action to ensure that both the Medicare and Medicaid programs are reimbursing health centers for the costs associated with care to Medicare and Medicaid beneficiaries. Therefore, community health centers are reimbursed by Medicare and Medicaid under a cost-based system.

In 1997, Congress allowed States to increase greatly the number of patients enrolled in Medicaid managed care by requiring the Medicaid program to provide a ''wrap-around' payments for the difference between the managed care organization's payment and a health center's reasonable costs.

This amendment ensures that we do the same thing for Medicare beneficiaries in the MedicareAdvantage program. More specifically, the amendment ensures that community health centers are provided with a ''wrap-around'' or supplemental payment equal to the difference between the payments they now receive under Medicare through the cost-based system and the payment they would receive from MedicareAdvantage plans.

Officials at the Centers for Medicare and Medicaid Services and the Congressional Budget Office estimate that nine to 43 percent of Medicare beneficiaries will enroll in private health plans offered through the MedicareAdvantage program. If these estimates are accurate, then health centers will lose their guarantee of cost-based reimbursement for up to 43 percent of their Medicare patients. This could result in centers having to dip into their Federal funding received through the Public Health Service Act. This funding is intended to provide care to the uninsured—not to fill in the gaps for certain Medicare health center patients.

The Bingaman-Snowe-Hatch amendment would not only protect the vital role of health centers but would also ensure that these health centers would continue to provide seamless health coverage to one million low-income Medicare beneficiaries. I urge my colleagues to support this amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, I ask unanimous consent that at 11 o'clock today, the Senate proceed to a vote in relation to amendment No. 972 and that the amendment now be considered as being proposed by Senators SNOWE, BINGAMAN, and HATCH; further, that following that vote, there be 2 minutes equally divided for further debate prior to a vote in relation to the Edwards amendment, No. 985, to be followed by 2 minutes equally divided and a vote in relation to the Graham amendment, No. 956, with no second-degree amendments in order prior to the vote.

Finally, I ask unanimous consent that the time until the votes be equally divided between the two managers or their designees, and I further modify the request to allow 4 minutes equally divided prior to the Edwards vote.

The PRESIDING OFFICER. Is there objection?

AMENDMENT NO. 985, AS MODIFIED FURTHER

Mr. EDWARDS. Mr. President, reserving the right to object, I have a modification at the desk with additional modifications. I ask unanimous consent, first, that the modification be accepted.

The PRESIDING OFFICER. The amendment is further modified.

The amendment (No. 985), as modified further, is as follows:

At the end, add the following:

TITLE ____—DIRECT-TO-CONSUMER PRESCRIPTION DRUG ADVERTISING

SEC. ___01. HEAD-TO-HEAD TESTING AND DIRECT-TO-CONSUMER ADVERTISING.

(a) NEW DRUG APPLICATION.—Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended—

(1) in subparagraph (A) of the second sentence of subsection (b)(1), by inserting before the semicolon at the end the following ''(including, if the Secretary so requires, whether the drug is safe and effective for use in comparison with other drugs available for substantially the same indications for use prescribed, recommended, or suggested in the labeling proposed for the drug)''; and

(2) in subsection (d)(5)—

(A) by inserting ''(A)'' after ''will''; and

(B) by inserting after ''thereof'' the following: '' or (B) if the Secretary has required information related to comparative safety or effectiveness, offer a benefit with respect to safety or effectiveness (including effectiveness with respect to a subpopulation or condition) that is greater than the benefit offered by other drugs available for substantially the same indications for use prescribed, recommended, or suggested in the labeling proposed for the drug''.

(b) MISBRANDING.—Section 502(n)(3) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(n)(3)) is amended by inserting after ''effectiveness'' the following: ''(including effectiveness in comparison to similar drugs for substantially the same condition or conditions)''.

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate amended regulations governing prescription drug advertisements.

(2) CONTENTS.—In addition to any other requirements, the regulations under paragraph (1) shall require that—

(A) any advertisement present a fair balance, comparable in depth and detail, between—

(i) information relating to effectiveness of the drug (including effectiveness in comparison to other drugs for substantially the same condition or conditions);

(ii) information relating to side effects and contraindications; and

(B) any advertisement present a fair balance, comparable in depth, between—

(i) aural and visual presentations relating to effectiveness of the drug; and

(ii) aural and visual presentations relating to side effects and contraindications, *provided that*, nothing in this section shall require explicit images or sounds depicting side effects and contraindication.

(C) prohibit false or misleading advertising that would encourage a consumer to take the prescription drug for a use other than a use for which the prescription drug is approved under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355); and

(D) require that any prescription drug that is the subject of a direct-to-consumer advertisement include in the package in which the prescription drug is sold to consumers a medication guide explaining the benefits and risks of use of the prescription drug in terms designed to be understandable to the general public.

SEC. ___02. CIVIL PENALTY.

Section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) is amended by adding at the end the following:

''(h) DIRECT-TO-CONSUMER PRESCRIPTION DRUG ADVERTISING.—

''(1) IN GENERAL.—A person that commits a violation of section 301 involving the misbranding of a prescription drug (within the meaning of section 502(n)) in a direct-to-consumer advertisement shall be assessed a civil penalty if—

''(A) the Secretary provides the person written notice of the violation; and

''(B) the person fails to correct or cease the advertisement so as to eliminate the violation not later than 180 days after the date of the notice.

''(2) AMOUNT.—The amount of a civil penalty under paragraph (1)—

''(A) shall not exceed $500,000 in the case of an individual and $5,000,000 in the case of any other person; and

''(B) shall not exceed $10,000,000 for all such violations adjudicated in a single proceeding.

''(3) PROCEDURE.—Paragraphs (3) through (5) of subsection (g) apply with respect to a civil penalty under paragraph (1) of this subsection to the same extent and in the same manner as those paragraphs apply with respect to a civil penalty under paragraph (1) or (2) of subsection (g).''.

SEC. ___03. REPORTS.

The Secretary of Health and Human Services shall annually submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that, for the most recent 1-year period for which data are available—

(1) provides the total number of direct-to-consumer prescription drug advertisements made by television, radio, the Internet, written publication, or other media;

(2) identifies, for each such advertisement—

(A) the dates on which, the times at which, and the markets in which the advertisement was made; and

(B) the type of advertisement (reminder, help-seeking, or product-claim); and

(3)(A) identifies the advertisements that violated or appeared to violate section 502(n)

of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(n)); and

(B) describes the actions taken by the Secretary in response to the violations.

SEC. ___04. REVIEW OF DIRECT-TO-CONSUMER DRUG ADVERTISEMENTS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall expedite, to the maximum extent practicable, reviews of the legality of direct-to-consumer drug advertisements.

(b) POLICY.—The Secretary of Health and Human Services shall not adopt or follow any policy that would have the purpose or effect of delaying reviews of the legality of direct-to-consumer drug advertisements except—

(1) as a result of notice-and-comment rulemaking; or

(2) as the Secretary determines to be necessary to protect public health and safety.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, for the information of Senators, we are going to have this block of votes. Then there is going to be a period of time where the two leaders have agreed there would be no amendments voted on. At about 2:30 or quarter to 3, we are going to try to line up a batch of votes to take up time this afternoon.

So for the information of Senators, at 2:30 or quarter to 3, the two managers and leaders are going to try to line up a bunch of votes.

AMENDMENT NO. 985, AS MODIFIED FURTHER

Mr. EDWARDS. Mr. President, I rise today, together with my friend, Senator TOM HARKIN from Iowa, to introduce an amendment to bring down the cost of prescription drugs. As everyone knows, the cost of prescription drugs has been skyrocketing. We have to bring these costs under control, not only to lower the drug costs for seniors but also to lower drug costs for all Americans, including those who will not get a prescription drug benefit under the Medicare Program.

There are lots of reasons drug costs are rising, and I have offered several proposals to address that in the past. This amendment addresses two particular concerns. The first is what is called the ''me too'' drugs that provide minimal benefits for people but large profits for drug companies. The second is the massive growth in the direct-to-consumer advertising that does not genuinely educate consumers.

This amendment, from TOM HARKIN and me, would address these problems with two steps. First, we call on the Secretary of HHS to require drug manufacturers to prove that ''me too'' drugs actually provide benefits before they are approved. Second, we would impose new requirements for fairness and balance in drug advertising.

Drug companies provide a very important service to America and to the sick. They deserve to make a profit for that, all of us agree on that. But they should also fulfill their mission as businesses, to generate innovative drugs that reduce pain, alleviate suffering, and cure disease.

Unfortunately, many drug companies seem to be giving that mission short shrift. We know they spend far more on marketing, advertising, and administration than they spend on research and development. We also know that instead of focusing on truly innovative breakthroughs, drug companies are focusing on ''me-too'' drugs to compete against blockbuster treatments for chronic conditions like allergies and high cholesterol. I want to talk about that for a minute.

Me-too drugs can be good things. They can help a specific population, or they can be safer and more effective. Of course those are good things. But here is the problem. Companies should not be able to profit off of a me-too drug just by misleading consumers about the benefits compared to existing drugs. Consumers should know how exactly the new drug stacks up against the existing drug.

Senator CLINTON spoke of the same need last night, when she introduced her very sound amendment. Consumers need to be given the ability to make an informed choice about the best drug for them.

This amendment would give the Secretary of HHS the authority to require drug companies to test drugs against their competitors. And if the drug company is going to advertise its ''me-too'' drug, it should tell the consumer how that drug compares to what they may already be taking for that condition.

Now, I want to talk about the larger point, which is drug advertising.

Some drug advertising is a good thing. Drug ads can let people know about drugs about which they don't otherwise hear. The drug industry's major trade group, PhRMA, says the purpose of direct-to-consumer advertising is:

> . . . to educate consumers about diseases, about the symptoms that may help them identify diseases, and the available therapies developed to treat them.

Those are good. Those are good goals. Here is the problem. Does anyone think drug advertising today is genuinely about educating consumers, as PhRMA says, rather than marketing? Does anyone believe that?

Are drug companies educating consumers about allergy medicines by showing this picture of a woman running through a field? I think all of us know, when this kind of advertisement, as in this picture, is shown on television, it is clearly about selling and about marketing. This is not for the purpose of educating consumers, and the American people know that. They know that without anyone telling them that.

Are they educating consumers about arthritis with images of a couple dancing in their kitchen? If this were about education, would an announcement read: ''Health warnings: Headache, nausea,'' and so on, while the picture on the screen still shows happy pictures of a mom and her kids? Absolutely not. These ads are not about education; they are about marketing.

There is nothing wrong with marketing and persuasion in most contexts. If they are selling paper towels or shaving cream, companies should go ahead and market as aggressively as they can. But prescription drugs are different. There is nothing more important in our lives than our health, and there is nothing more important than drugs for our health. These are matters of life and death for families, for seniors, and for kids. Advertisements for these products should be held to a much higher standard. They should educate, not just market.

That is not what these ads do. You don't have to take my word for it; that is what Consumer Reports says, that is what doctors say, and, most importantly, it is what common sense says. These ads make promises they cannot keep. They overstate benefits and they understate risks. Let me give just a couple of examples from recent research.

This is from a study from the magazine Consumer Reports. They studied drug ads and they found:

> . . . a broad and disconcerting range of misleading messages: ads that minimize the product's risk, exaggerated its efficacy, made false claims of superiority over competing products; promoted unapproved uses for an approved drug; or promoted use of a drug still in the experimental stage.

In a recent FDA survey of 500 general practitioners, family doctors, 7 out of 10 said advertisements about drugs confused patients about the risks and benefits of medicines. In another study, 75 percent of doctors said their patients came away with the impression that the drugs they saw in advertisements work better than they actually do.

The Kaiser Family Foundation did a survey of nearly 2000 adults who saw drug advertisements; 7 out of 10 said they learned little or nothing about what the treated condition; 6 out of 10 said they learned little or nothing about the drug. Here are comments from Arnold Relman and Marcia Angell, two former editors-in-chief of the New England Journal of Medicine. They said:

> DTC ads mainly benefit the bottom line of the drug industry, not the public. They mislead consumers more than they inform them, and they pressure physicians to prescribe new, expensive, and often marginally helpful drugs, although a more conservative option might be better for the patient.

So this amendment is simple. It says that drug ads should be balanced. They should include information about other drugs that may address conditions better. And they should have a real balance between the images selling the drug and the images questioning the drug.

Now, the Bush administration sees it differently. They think see it as drug companies should be able to use whatever marketing gimmicks they want to sell their drugs.

The FDA is supposed to stop ads that are misleading. But last year the Bush administration's FDA instituted a new policy that slows down the FDA's efforts. As a result, the FDA issued two-thirds fewer warning letters last year

than the year before. The GAO looked into this and found that warning letters are often ''not issued until after the advertising campaign has run its course.''

This is a gift to the drug companies. Without the threat of a warning letter, they can basically air whatever kind of ad they want and just ask for forgiveness afterwards.

Take the case of an ad for the prescription drug Tamiflu that ran on the radio last year. It featured Eric Bergoust, the Olympic gold-medal skier, who said ''I felt better so soon that I didn't miss a single day of training.'' The FDA told the drug maker Hoffmann-La Roche to stop running the ad because Bergoust's words ''misleadingly overstated the drug's efficacy.'' But the FDA's request came nearly three months after the company had submitted the ad for review, a month after the flu season had ended, and well after the company stopped running the ad.

Our amendment would make sure this kind of thing cannot happen. The FDA should speed up the review process and use their authority to have misleading ads pulled before millions of consumers have already seen them. And drug companies need to be held accountable when they repeatedly violate FDA regulations. In this amendment, Senator HARKIN and I call for stiff civil penalties for such offenders.

So, in short, this amendment would not bar all direct-to-consumer advertising. It would simply require the advertising to educate, rather than simply market. I urge my colleagues to support this amendment.

This amendment is for the purpose of doing something to control drug advertising, to make sure that it is, in fact, about education, and to make sure these ''me too'' drugs actually have a benefit before they are approved by the FDA.

Thank you, Mr. President.

VOTE ON AMENDMENT NO. 972

The PRESIDING OFFICER. The hour of 11 a.m. having arrived, the question is on agreeing to amendment No. 972, proposed by Senators Snowe, Bingaman, and Hatch.

Mr. EDWARDS. 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 clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Colorado (Mr. CAMPBELL) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

I further announce that if present and voting the Senator from Arizona (Mr. MCCAIN) would vote ''yea.''

Mr. REID. I announce that the Senator from Florida (Mr. GRAHAM), the Senator from Massachusetts (Mr. KERRY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea.''

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

The result was announced—yeas 94, nays 1, as follows:

[Rollcall Vote No. 242 Leg.]

YEAS—94

Akaka	Dodd	Lugar
Alexander	Dole	McConnell
Allard	Domenici	Mikulski
Allen	Dorgan	Miller
Baucus	Durbin	Murkowski
Bayh	Edwards	Murray
Bennett	Ensign	Nelson (FL)
Biden	Enzi	Nelson (NE)
Bingaman	Feingold	Nickles
Bond	Feinstein	Pryor
Boxer	Fitzgerald	Reed
Breaux	Frist	Reid
Brownback	Graham (SC)	Roberts
Bunning	Grassley	Rockefeller
Burns	Hagel	Santorum
Byrd	Harkin	Sarbanes
Cantwell	Hatch	Schumer
Carper	Hollings	Sessions
Chafee	Hutchison	Shelby
Chambliss	Inhofe	Smith
Clinton	Inouye	Snowe
Cochran	Jeffords	Specter
Coleman	Johnson	Stabenow
Collins	Kennedy	Stevens
Conrad	Kohl	Sununu
Cornyn	Kyl	Talent
Corzine	Landrieu	Thomas
Craig	Lautenberg	Voinovich
Crapo	Leahy	Warner
Daschle	Levin	Wyden
Dayton	Lincoln	
DeWine	Lott	

NAYS—1

Gregg

NOT VOTING—5

Campbell	Kerry	McCain
Graham (FL)	Lieberman	

The amendment (No. 972) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the time for the next two votes be limited to 10 minutes.

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

AMENDMENT NO. 985, AS MODIFIED FURTHER

The PRESIDING OFFICER. There are 4 minutes equally divided on the Edwards amendment prior to a vote.

Who yields time?

The Senator from North Carolina.

Mr. EDWARDS. Mr. President, the purpose of this amendment is to do something about the skyrocketing costs of prescription drugs in this country. Whatever we do to provide a real prescription drug benefit for seniors under Medicare, both for the purpose of keeping the cost of that plan down and for the purpose of doing something for all Americans who have no prescription drug coverage, we have to bring the cost of prescription drugs under control.

There are two abuses at which this amendment is aimed: First, stopping the proliferation of ''me too'' drugs that have no meaningful benefit; second, stopping the abuses in advertising.

Everyone has seen the ads: Couples dancing in the kitchen; people running through fields. These are not for the purpose of education. They are for the purpose of marketing. We are trying to bring this under control by putting fairness, honesty, and accuracy in that advertising.

The purpose of the amendment is to help control both those activities and, in the process, bring down the cost of prescription drugs.

Mr. President, I ask my colleague, the coauthor of this amendment, Senator HARKIN from Iowa, what he believes we need to do to bring down the cost of prescription drugs. I yield to Senator HARKIN.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, parliamentary inquiry: What type of time agreement are we under now?

The PRESIDING OFFICER. Four minutes equally divided. The Senator has 31 seconds.

Mr. HARKIN. Mr. President, I thank my colleague from North Carolina for offering his amendment of which I am a cosponsor. Every time I go back to Iowa, I hear from consumers and others: Why do I get inundated with all these ads, and I cannot buy them unless I go to the doctor?

Right now, the drug companies are spending more on advertising every year than they are on research, and we wonder why the price of drugs keeps going up.

This all changed a few years ago. If my colleagues will remember, before 1997, we did not see all these ads. Now it is time to cut out this massive advertising of drugs that we cannot even buy in the marketplace.

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

Mr. GRASSLEY. Mr. President, I yield the 2 minutes on this side to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I ask the body to vote no on the Edwards amendment to increase drug costs. This is a new drug approval. The amendment masquerades as a direct-to-consumer advertising amendment while sweeping away carefully calibrated FDA drug approval standards.

While the Edwards amendment masquerades as an amendment to ''strengthen protections against misleading direct-to-consumer advertising,'' the amendment drastically changes the requirements for drug approval in the United States.

We have a great system that is working. Under the current law, pharmaceuticals must demonstrate they are safe and effective to be approved by the Food and Drug Administration. Under the Edwards amendment, the Secretary of Health and Human Services would be authorized to vary this standard on a

drug-by-drug basis to create new hurdles to drug approvals.

These new hurdles include lengthy, costly comparative trials and a showing that the drug is safer or more effective for a subpopulation or condition than a previously approved drug.

These changes to fundamental, longstanding law could hurt patients by delaying, and possibly denying, the approval of new drugs that patients need; by dramatically adding to drug development costs, discouraging companies from developing additional drugs to treat the same conditions; and increasing drug spending by reducing brand-to-brand competition.

We know far more about pharmaceuticals than many other medical interventions since, unlike most other interventions, they must obtain approval under FDA's safe and effective standard before they can be used. We should reject this amendment as it would add another regulatory hurdle to the already long and costly drug development and approval process.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to amendment No. 985, as modified further.

Mr. EDWARDS. 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 clerk will call the roll.

The bill clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Colorado (Mr. CAMPBELL) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

I further announce that if present and voting the Senator from Arizona (Mr. MCCAIN) would vote ''yea.''

Mr. REID. I announce that the Senator from Florida (Mr. GRAHAM), the Senator from Massachusetts (Mr. KERRY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea.''

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

The result was announced—yeas 26, nays 69, as follows:

[Rollcall Vote No. 243 Leg.]

YEAS—26

Akaka	Feingold	Miller
Boxer	Feinstein	Nelson (FL)
Byrd	Harkin	Pryor
Cantwell	Inouye	Reed
Clinton	Johnson	Reid
Daschle	Kohl	Rockefeller
Dayton	Leahy	Schumer
Durbin	Levin	Stabenow
Edwards	Lincoln	

NAYS—69

Alexander	Bond	Cochran
Allard	Breaux	Coleman
Allen	Brownback	Collins
Baucus	Bunning	Conrad
Bayh	Burns	Cornyn
Bennett	Carper	Corzine
Biden	Chafee	Craig
Bingaman	Chambliss	Crapo
DeWine	Hutchison	Roberts
Dodd	Inhofe	Santorum
Dole	Jeffords	Sarbanes
Domenici	Kennedy	Sessions
Dorgan	Kyl	Shelby
Ensign	Landrieu	Smith
Enzi	Lautenberg	Snowe
Fitzgerald	Lott	Specter
Frist	Lugar	Stevens
Graham (SC)	McConnell	Sununu
Grassley	Mikulski	Talent
Gregg	Murkowski	Thomas
Hagel	Murray	Voinovich
Hatch	Nelson (NE)	Warner
Hollings	Nickles	Wyden

NOT VOTING—5

Campbell	Kerry	McCain
Graham (FL)	Lieberman	

The amendment (No. 985), as modified further, was rejected.

Mr. REID. 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.

AMENDMENT NO. 956

The PRESIDING OFFICER (Ms. MURKOWSKI). The order of business is amendment numbered 956, the Graham of Florida amendment.

Mr. REID. Madam President, it is my understanding the next matter is the Graham amendment.

The PRESIDING OFFICER. That is correct.

Mr. REID. Madam President, on behalf of Senators GRAHAM, FEINSTEIN, MURKOWSKI, JOHNSON, and this Senator, this is a tremendous piece of work Senator GRAHAM has done. It is good legislation. At least 12 percent of our seniors would be subject to a gap in coverage under this bill. Standard coverage would require seniors to pay 100 percent of the cost of prescriptions between $4,500 and $5,812 in total spending. At the same time, they are paying 100 percent of each prescription, and they are still required to pay a monthly premium.

Collecting a premium while a senior is in the gap is equivalent to levying a tax on the sick. This amendment suspends the payment of premium once the beneficiary hits the gap in coverage. This amendment is endorsed by the National Committee to Preserve Social Security, the Alliance of Retired Americans, and the National Council on Aging.

The amendment is offset by clarification of the Medicare secondary payer provision. This noncontroversial offset, which yields $8.9 billion over 10 years, is fully supported by the Department of Justice and is in the House Republican drug bill.

Mr. GRASSLEY. Madam President, I have to ask my colleagues to vote against this amendment because it costs $200 billion. We are working within a $400 billion package. I wish we could eliminate the gap, as well. What we are trying to do is help the most people who have the most need with the money we have. Most seniors will not be affected by the gap in coverage. Most seniors will not have drug spending in a year that exceeds the benefit limit.

According to the CBO, about 88 percent of the seniors will not even have prescription drug spending that exceeds the $4,500 limit.

The Senator from Florida calls the benefit limit a ''sick tax'' because he believes that seniors should not pay a premium for coverage for catastrophic costs. This is as if to say you should not pay for fire insurance if your house is not going to be on fire. Of course, that is not how insurance works. People purchase insurance to protect them against an unfortunate accident.

The PRESIDING OFFICER. All time is expired.

Mr. REID. 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 amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Colorado (Mr. CAMPBELL) and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

I further announce that if present and voting the Senator from Arizona (Mr. MCCAIN) would vote ''yea.''

Mr. REID. I announce that the Senator from Florida (Mr. GRAHAM), the Senator from Massachusetts (Mr. KERRY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea.''

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

The result was announced—yeas 39, nays 56, as follows:

[Rollcall Vote No. 244 Leg.]

YEAS—39

Akaka	Dodd	Levin
Bayh	Dorgan	Lincoln
Biden	Durbin	Mikulski
Bingaman	Edwards	Murray
Boxer	Feingold	Nelson (FL)
Byrd	Feinstein	Pryor
Cantwell	Harkin	Reed
Carper	Hollings	Reid
Clinton	Inouye	Rockefeller
Conrad	Johnson	Sarbanes
Corzine	Kohl	Schumer
Daschle	Lautenberg	Stabenow
Dayton	Leahy	Wyden

NAYS—56

Alexander	Dole	McConnell
Allard	Domenici	Miller
Allen	Ensign	Murkowski
Baucus	Enzi	Nelson (NE)
Bennett	Fitzgerald	Nickles
Bond	Frist	Roberts
Breaux	Graham (SC)	Santorum
Brownback	Grassley	Sessions
Bunning	Gregg	Shelby
Burns	Hagel	Smith
Chafee	Hatch	Snowe
Chambliss	Hutchison	Specter
Cochran	Inhofe	Stevens
Coleman	Jeffords	Sununu
Collins	Kennedy	Talent
Cornyn	Kyl	Thomas
Craig	Landrieu	Voinovich
Crapo	Lott	Warner
DeWine	Lugar	

NOT VOTING—5

Campbell	Kerry	McCain
Graham (FL)	Lieberman	

The amendment (No. 956) was rejected.

Mr. REID. 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.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I ask unanimous consent that Senator EDWARDS be recognized to offer an amendment—and he will speak, if necessary, at a later time—and, following the offering of his amendment, Senator ENZI be recognized to offer two amendments; and following that, Senator DURBIN—we hope at 12:30 or 12:35—be recognized to offer his amendment; that following the offering and the speech by Senator DURBIN, we ask that Senator ENSIGN be recognized to offer an amendment—sometime around 1 o'clock this afternoon.

For the information of Senators, the two managers are working to get a list of at least four amendments to vote on starting at 3 o'clock this afternoon. I ask unanimous consent for what I asked previously except for the voting at 3 o'clock.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from North Carolina.

Mr. EDWARDS. Madam President, I ask unanimous consent to lay aside the pending amendments.

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

AMENDMENT NO. 1052

Mr. EDWARDS. Madam President, I have an amendment I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. EDWARDS], for himself and Mr. HARKIN, proposes an amendment numbered 1052.

Mr. EDWARDS. Madam President, 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 strengthen protections for consumers against misleading direct-to-consumer drug advertising)

At the end, add the following:

TITLE ___—DIRECT-TO-CONSUMER PRESCRIPTION DRUG ADVERTISING

SEC. ___01. DIRECT-TO-CONSUMER ADVERTISING.

Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by inserting at the end of the following:

REGULATIONS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate amended regulations governing prescription drug advertisements.

(2) CONTENTS.—In addition to any other requirements, the regulations under paragraph (1) shall require that—

(A) any advertisement present a fair balance, comparable in depth and detail, between—

(i) information relating to effectiveness of the drug (including, if available, effectiveness in comparison to other drugs for substantially the same condition or conditions); and

(ii) information relating to side effects and contraindications;

(B) any advertisement present a fair balance, comparable in depth, between—

(i) aural and visual presentations relating to effectiveness of the drug; and

(ii) aural and visual presentations relating to side effects and contraindications, *provided*, that nothing in this section shall require explicit images or sounds depicting side effects and contraindications;

(C) prohibit false or misleading advertising that would encourage a consumer to take the prescription drug for a use other than a use for which the prescription drug is approved under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355); and

(D) require that any prescription drug that is the subject of a direct-to-consumer advertisement include in the package in which the prescription drug is sold to consumers a medication guide explaining the benefits and risks of use of the prescription drug in terms designed to be understandable to the general public.

SEC. ___ 02. CIVIL PENALTY.

Section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) is amended by adding at the end the following:

''(h) DIRECT-TO-CONSUMER PRESCRIPTION DRUG ADVERTISING.—

''(1) IN GENERAL.—A person that commits a violation of section 301 involving the misbranding of a prescription drug (within the meaning of section 502(n)) in a direct-to-consumer advertisement shall be assessed a civil penalty if—

''(A) the Secretary provides the person written notice of the violation; and

''(B) the person fails to correct or cease the advertisement so as to eliminate the violation not later than 180 days after the date of the notice.

''(2) AMOUNT.—The amount of a civil penalty under paragraph (1)—

''(A) shall not exceed $500,000 in the case of an individual and $5,000,000 in the case of any other person; and

''(B) shall not exceed $10,000,000 for all such violations adjudicated in a single proceeding.

''(3) PROCEDURE.—Paragraphs (3) through (5) of subsection (g) apply with respect to a civil penalty under paragraph (1) of this subsection to the same extent and in the same manner as those paragraphs apply with respect to a civil penalty under paragraph (1) or (2) of subsection (g).''.

SEC. ___03. REPORTS.

The Secretary of Health and Human Services shall annually submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that, for the most recent 1-year period for which data are available—

(1) provides the total number of direct-to-consumer prescription drug advertisements made by television, radio, the Internet, written publication, or other media;

(2) identifies, for each such advertisement—

(A) the dates on which, the times at which, and the markets in which the advertisement was made; and

(B) the type of advertisement (reminder, help-seeking, or product-claim); and

(3)(A) identifies the advertisements that violated or appeared to violate section 502(n) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(n)); and

(B) describes the actions taken by the Secretary in response to the violations.

SEC. ___04. REVIEW OF DIRECT-TO-CONSUMER DRUG ADVERTISEMENTS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall expedite, to the maximum extent practicable, reviews of the legality of direct-to-consumer drug advertisements.

(b) POLICY.—The Secretary of Health and Human Services shall not adopt or follow any policy that would have the purpose or effect of delaying reviews of the legality of direct-to-consumer drug advertisement except—

(1) as a result of notice-and-comment rulemaking; or

(2) as the Secretary determines to be necessary to protect public health and safety.

Mr. EDWARDS. Madam President, I ask unanimous consent that the amendment be laid aside.

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

Mr. EDWARDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold?

Mr. EDWARDS. Yes.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 1051

Mr. ENZI. Madam President, I ask unanimous consent to set the pending amendments aside and call up amendment No. 1051.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for himself and Mrs. LINCOLN, proposes an amendment numbered 1051.

Mr. ENZI. Madam President, 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 ensure convenient access to pharmacies and prohibit the tying of contracts)

On page 37, between lines 20 and 21, insert the following:

(C) CONVENIENT ACCESS TO PHARMACIES.—In this section, the term 'convenient access' means access that is no less favorable to enrollees than the rules for convenient access to pharmacies of the Secretary of Defense established as of June 1, 2003, for purposes of the TriCare retail pharmacy program. Such rules shall include adequate emergency access for enrolled beneficiaries.

On page 48, between lines 4 and 5, insert the following:

(4) TYING OF CONTRACTS.—No eligible entity with a contract under this part, or its agent, may require a pharmacy to participate in a medicare prescription drug plan as a condition of participating in nonmedicare programs or networks, or require a pharmacy to participate in a nonmedicare program or network as a condition of participating in a medicare prescription drug plan.

Mr. ENZI. Madam President, I rise to offer an amendment that would build upon the protections for seniors and pharmacists that the Senate approved last week. I am pleased to be joined by my distinguished colleague from Arkansas, Senator LINCOLN, in offering this amendment.

This amendment would ensure that seniors have convenient access to local pharmacies. The amendment would accomplish this in two ways.

First, there is language in the Finance Committee's bill that requires

the Government to develop a standard for ensuring that seniors have convenient access to local pharmacies. This amendment would further define what we mean by ''convenient access.''

The amendment would ensure that access to retail pharmacies under Medicare is ''no less favorable to enrollees'' than the access standards under the TRICARE retail pharmacy program.

TRICARE is the health care program for active-duty and retired members of the uniformed services, their families, and survivors. TRICARE is a regionally managed program that offers eligible beneficiaries three choices for their health care.

First, there is TRICARE Prime, where military facilities such as Department of Defense hospitals are the principal source of health care services. There is also TRICARE Extra, a preferred provider option. Finally, there is a TRICARE Standard, the fee-for-service option that used to be known as CHAMPUS.

For all three options, TRICARE offers pharmacy benefits that include access to a retail pharmacy network. To win an award to manage TRICARE benefits for the military, a contractor must maintain a retail pharmacy network that ''minimizes the number of eligible beneficiaries who will have to change pharmacies'' to use the contractor's network.

There are three minimum beneficiary access standards for the TRICARE retail pharmacy network.

In urban areas, the contractor must have a network pharmacy within 2 miles of 90 percent of eligible beneficiaries. In suburban areas, the standard is a pharmacy within 5 miles of 90 percent of the beneficiaries. In rural areas, the standard is a pharmacy within 15 miles of 70 percent of the beneficiaries.

The Enzi-Lincoln amendment would not require Medicare drug plans to meet these exact standards. It would only require that a Medicare drug plan's network be ''no less favorable'' to seniors than the TRICARE program is for active-duty military and retirees, including those who participate in the new TRICARE Senior Pharmacy Program, provided by the 2001 National Defense Authorization Act. If the Administrator of the new Center for Medicare Choices or a Medicare drug plan had a better way of meeting or exceeding the TRICARE standard, they would not be restrained from doing so.

As I mentioned earlier, there is another way this amendment would ensure that seniors have convenient access to their local pharmacies. The amendment includes a provision that prohibits a Medicare drug plan operator from requiring pharmacies to accept non-Medicare business and reimbursement rates as a condition of participating in the plan's Medicare business, or vice versa.

I expect that health plans and pharmacy benefits managers that operate in the commercial insurance market will be the same companies that will compete to provide Medicare drug plans and Medicare Advantage preferred provider options to seniors. If a plan wins a bid to provide a Medicare drug benefit, they may offer reimbursement rates to retail pharmacies that are better or worse than the rates they offer in their private sector commercial business. That is fine with me.

What concerns me is the possibility of these large plans ''tying'' their Medicare and non-Medicare business together. A Medicare drug plan should not be able to require a community pharmacist to accept an unprofitable reimbursement rate for its private sector business as a condition of participating in its Medicare network. Likewise, a community pharmacist should not have to take a money-losing Medicare reimbursement rate in order to keep its non-Medicare business from the same large plan.

We should allow community pharmacists to refuse unprofitable private sector business from a health insurer or a pharmacy benefits manager yet participate in a Medicare drug plan run by the same entities. By doing so, we will further ensure that seniors have convenient access to local pharmacies based on fair reimbursement rates that should take into account the added costs pharmacies incur in providing counseling and advice to Medicare beneficiaries, especially since pharmacists are rarely reimbursed directly for the time and effort it takes to provide that counseling and advice.

I urge my colleagues to join with Senator LINCOLN and me in continuing to improve this Medicare bill by ensuring that seniors have convenient access to their local pharmacists.

I yield the floor to my colleague on this amendment.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Madam President, I thank my colleague from Wyoming. I am extremely pleased to offer this amendment with him to help our seniors by ensuring that local pharmacists can continue providing their services under the new prescription drug program created under this bill. I compliment him on his leadership—as well as the hard work of his staff—in crafting a very plausible solution to many of our problems.

I was proud to have supported another amendment offered by my friend Senator ENZI and Senator REED of Rhode Island which sought to ensure that PBMs can't force seniors into mail order programs. For those of us, such as the Presiding Officer and others, who represent large tracts of rural areas in our States, it is important to know that all seniors across this great Nation are going to get a fair shake when it comes to a prescription drug package. We want to make sure that the package we design and the law we produce are going to ensure that every senior has the same quality of care, the same quality of product, and the same quality of access through this prescription drug package.

Many Arkansas pharmacists, including Gene Boeckmann, owner of Wynne Apothecary, have explained to me the many problems with mail order pharmacy operations. For one, it weakens the personal contact between customer and pharmacist, a vital connection when it comes to one's health and particularly when you live in a rural area where medical professionals may not be there full time. I know many of our communities—the one just mentioned—have medical facilities that are satellites of hospitals from larger communities. Consequently, many of their medical professionals are not full-time residents. Oftentimes the only medical professional they have happens to be the pharmacist, someone they can call on a weekend or late at night if they run into problems.

Mail order pharmacies that are owned by PBMs also take money out of local communities. In many small towns across Arkansas, pharmacists such as Mr. Boeckmann are the ones paying the taxes. They support the local community baseball and softball teams. They donate money so the school band can go to competitions. They are serving their communities. They have the right and responsibility to do that and, through this bill, we want them to continue. Our communities need leaders such as Mr. Boeckmann. It is for this reason I am proud to support the Enzi-Reed amendment.

As we began drafting the amendment, we attempted to include a provision to prevent conflicts of interest. I hope we will be able to address this issue in conference. Our original amendment would have prohibited a PBM from favoring a mail order contractor it owns. Regrettably, we could not work out language agreeable to everyone, but I do hope we can continue to address the conflict of interest issue in conference. I will be working diligently with others to see that we can.

The amendment seeks to build on that effort by ensuring that seniors have access to their community pharmacists. Over the many years of this debate, I have heard from countless seniors who have told me how important their community pharmacist is to their health care.

I have told them time and time again, they are preaching to the choir with me. I can look back in my own life to when my grandmother was diagnosed with cancer. She lived with us the last 2 years of her life in the back of the house in the room next to mine. I can remember when she would suffer from discomfort, she didn't want to talk to the doctor. She knew what her ailment was. She wanted to talk to the pharmacist.

She would call him. He would say: Mrs. Adne, you need to stop taking your blue pill and keep your yellow pill, but remember it is going to upset

your stomach if you don't take it with a glass of milk or a biscuit.

She found great relief in the knowledge that the pharmacist could provide her. There was nothing more the doctors could do for her. Yet the pharmacist could provide her that information.

I look back on the journey my family had with my own father when we traveled down almost 10 years of a road through the disease of Alzheimer's, recognizing very little could be done by the physicians. Yet the pharmacist was the one we could call in our small community who actually could tell us how we could provide relief, ways we could enhance the quality of life for my father as he lived out those last few years and then those last few days in his own home, in the very woods he grew up in as a little boy.

These are the qualities of life we are talking about for our families, for our loved ones in rural areas, to make it possible essentially for them to be able to do that. What we are talking about is really putting common sense into the bill and recognizing how important it is to maintain that contact in rural areas. Seniors like my late grandmother or my father don't need a mail order service with a 1–800 number and a recording. They need their local pharmacist to talk to.

This amendment seeks to guarantee seniors convenient access to pharmacists. ''Convenient access'' would be defined as access standards that are at least as favorable as the Department of Defense's TRICARE program, to which Senator ENZI referred. That should be the minimum level of access. The TRICARE program requires that at least 90 percent of beneficiaries in urban areas have access to a network pharmacy within 2 miles, 90 percent of beneficiaries in suburban areas have access to a network pharmacy within 5 miles, and 70 percent of beneficiaries in rural areas have access to a network pharmacy within 15 miles.

Second, our amendment seeks to prevent PBMs from tying one contract with a pharmacist to another contract. The practice of committing pharmacists with one contract to another simply ties their hands from being able to provide the kind of service they should be able to provide.

As several of my colleagues have mentioned, PBMs play a major role in the negotiating process between pharmacists and drug companies. Some PBMs have the market power to require a pharmacy provider to accept one contract rate as a condition of participating in a totally unrelated program. This ''tying,'' as it is termed, of one contract to another is an abuse of market power, and it should be prohibited in the Medicare Program. Our amendment would prohibit tying.

I encourage my colleagues to join us by supporting this important amendment that will make Medicare a better program for our seniors and for our pharmacists. Let's make this easier for the seniors and keep the pharmacists in the business.

As I urge my colleagues to support the amendment Senator ENZI and I have offered, I also encourage them to think back to a circumstance, perhaps, in which they found themselves or a story they have heard from one of their rural constituents who can best describe to them in their own words how vital it is to have these important health care providers remain in our communities.

I thank my colleague from Wyoming for his great leadership and the hard work of his staff. I am proud to join him in offering the amendment. I do encourage all of our colleagues to support it and to support rural America so that all seniors across the Nation will have a benefit that will be equal in terms of access and for the information they need in order to find quality of life through the prescription drug package we believe they can.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank the Senator from Arkansas for her diligent effort. I ask my colleagues to vote for it.

Ms. LINCOLN. I thank the Senator.

AMENDMENT NO. 1030

Mr. ENZI. Madam President, I ask unanimous consent to set aside the pending amendment and call up amendment No. 1030.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI] proposes an amendment numbered 1030.

Mr. ENZI. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To encourage the availability of MedicareAdvantage benefits in medically underserved areas)

On page 356, strike lines 8 through 11, and insert the following:

(C) CONSTRUCTION.—Subparagraph (B) shall not be construed as restricting—

(i) the persons from whom enrollees under such plan may obtain covered benefits; or

(ii) the categories of licensed health professionals or providers from whom enrollees under such a plan may obtain covered benefits if the covered services are provided to enrollees in a State where 25 percent or more of the population resides in health professional shortage areas designated pursuant to section 332 of the Public Health Service Act.

Mr. ENZI. Madam President, this amendment would make the Medicare Advantage preferred provider organization option more attractive to people in areas of the country that have shortages of doctors and other health care providers.

The proposed amendment would ensure that Medicare Advantage plans pay for covered services provided by any properly licensed health professionals to seniors in ''medically underserved States.''

In other words, if a MedicareAdvantage plan covers a service, then the plan must pay for the service if it is provided by a licensed provider in a medically underserved State, regardless of other plan limitations on the types of health professionals that may provide the service.

I assure my colleagues that this is nothing new. The law that governs the Federal Employees Health Benefits Program provides special consideration for enrollees of preferred-provider plans who live in States with critical shortages of physicians and other health professionals. Such States are designated as ''medically underserved areas'' for purposes of the Federal employees program, and the law requires preferred provider organizations to pay for services provided by any qualified providers in these States.

As a result, in medically underserved areas, Federal employees' health plans must treat any licensed health professional as a ''covered provider'' for any covered services performed within the scope of that State's licensure laws.

This amendment simply would require the same treatment by MedicareAdvantage plans of seniors who live in medically underserved States. If the plan says that a physician must provide a service, but a nurse practitioner is permitted under State law to provide the service, a senior in a medically underserved State could get that service from his or her local nurse practitioner.

The amendment would define a ''medically underserved State'' in the same way it is defined for the Federal Employees Health Benefits Program. The Federal employees program law defines a ''medically underserved State'' as one in which 25 percent or more of the population lives in health professional shortage areas, as defined by the Secretary of Health and Human Services. This amendment would transfer that language to MedicareAdvantage.

In 2003, the following States were considered ''medically underserved'' for purposes of the Federal employees health plan: Alabama, Idaho, Kentucky, Louisiana, Maine, Mississippi, Missouri, Montana, New Mexico, North Dakota, South Carolina, South Dakota, Texas, Utah, West Virginia and Wyoming.

By the way, Louisiana, Maine, and West Virginia were added to the list in 2003, which demonstrates that the list if flexible enough to recognize States that may not have shortages of health professionals right now, but may have a shortage in the future.

Here's an example of how this provision works in the Federal employees program. The Rural Letter Carrier Benefit Plan allows physical and occupational therapy services to be provided by qualified and licensed physical therapists, occupational therapists, and physicians. However, the Govern-

ment Employees Hospital Association Benefit Plan, or the G–E–H–A plan, does not generally allow qualified physicians to provide physical or occupational therapy services. As a result, physicians who may have special expertise in rehabilitation medicine, for example, cannot provide such services to members of the G–E–H–A plan.

However, in medically underserved States, the G–E–H–A plan must allow Federal employees to receive physical or occupational therapy services from any physician who is qualified to do so and whose State license permits him or her to do so.

As a result, Federal employees in medically underserved States who live 50 miles from the nearest physical or occupational therapist don't have to drive 50 miles to receive a service they could get from the local physician.

Here's another example. The Rural Letter Carriers plan allows chiropractors to perform manipulation of the spine and extremities, as well as related procedures such as ultrasound and cold-pack application. The G–E–H–A plan allows chiropractors to perform manipulation of the spine and certain X-rays to detect and determine nerve interferences, but it doesn't allow for chiropractors to perform ultrasound or other related procedures like the Rural Letter Carriers plan does. Both plans also reserve certain procedures for other types of health professionals.

However, in medically underserved States, both plans must permit chiropractors to perform any service that the plans cover—provided that the services are within the scope of the chiropractor's State license.

Now that I have explained what this amendment would accomplish, let me be clear about what this amendment would not do.

First, the amendment would not require MedicareAdvantage plans to pay for services that they would not ordinarily cover. It would only require that plans pay for covered services in medically underserved States without limiting the types of professionals who may provide the service. Again, this provision only applies to services that the plan has already decided to cover.

Second, this amendment is not an ''any willing provider'' amendment. A number of States have ''any willing provider'' laws that require health plans to permit all providers to participate in the network if they agree to accept the plan's contract terms, especially their payment rates.

This amendment, however, would not require MedicareAdvantage plans to allow any health care provider to participate in the plan's network just because he or she is willing to do so. Nor would this amendment provide that a MedicareAdvantage plan could not pay a non-network provider any less than whit it pays a network provider.

This amendment simply directs plans to pay either their in-network or out-of-network for covered services that are provided by any type of health professional who is licensed to provide the service in a medically underserved State.

Finally, this amendment is not intended to favor physicians versus physical therapists, nurse practitioners, or other health professionals, or for that matter, to favor those other health professionals versus physicians.

This amendment simply would recognize the reality of healthcare in rural and frontier America—there simply aren't enough healthcare providers to go around. In States like Wyoming, the problem is getting worse, not better. Many of our doctors and other health professionals are growing older and retiring, while others are leaving our State to move to places with better medical liability laws.

In States with dire shortages of doctors and other healthcare providers, seniors shouldn't have to get into the car in the heat of summer or the cold of winter to drive to the nearest city to get healthcare services that they could get in their own town, or the town next door.

Even going to the town next door can be a challenge in Wyoming, because the town next door may be many miles away!

I want seniors in Wyoming and other sparsely populated States to be able to choose a MedicareAdvantage plan if they want comprehensive health coverage. These plans will be competing to offer seniors an integrated medical and drug benefit, innovative services like disease management, and more complete preventive services to keep seniors healthier.

For seniors in rural States to choose MedicareAdvantage, they need to know that a plan's network provides real access. There's a big difference between a network of health care providers being available, and a network of health care providers being accessible.

This amendment would provide protection and peace-of-mind to seniors who might consider joining a MedicareAdvantage plan. It's the same safeguard enjoyed by other Federal employees, including the Members of this Body. I ask my colleagues to join me in passing this amendment to ensure that seniors in rural and frontier States receive the same protection and piece-of-mind that we have in our own Federal health plan.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized.

Mr. DURBIN. I see my colleague from Nebraska. There as a unanimous consent that I was to be recognized. I know the Senator has come to the floor. I hope we can work out a time that the Senator from Nebraska might be able to speak.

Mr. HAGEL. Senator ENSIGN and I are teaming up on a couple of amendments. We will follow the distinguished Senator from Illinois.

Mr. DURBIN. I will finish at no later than 1 o'clock.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Madam President, understand what this debate is about. It is the first time Congress has seriously considered offering help to senior citizens to pay for prescription drugs. I have said to Senators GRASSLEY and BAUCUS, who bring S. 1, the bill that is before us, to the floor, that I congratulate them for their good efforts. It is not an easy achievement.

For the first time in American history, we will offer this kind of assistance to seniors. But I have to say, having conceded their valiant effort, this prescription drug plan they have brought to the floor still has major deficiencies and major problems. I think it is going to run into a firestorm of criticism, primarily from senior citizens and their families, once they understand the specifics of S. 1.

For example, a lot has been said about a $35 monthly premium. This bill, S. 1, doesn't guarantee a $35 monthly premium for prescription drug coverage. It is a suggestion. It is not even worth the paper it is printed on. What is guaranteed is a $275 deductible, which means you really don't get any drug coverage until you have spent at least $275. For some people, that is not a major outlay from their own personal budget. For others, it could be.

There also is no assurance in terms of the amount of money that will be paid for your prescription drugs by the Government. The goal is 50/50—that you would split it with the Government. There is no assurance that will happen.

There is also going to be a gap in coverage. In other words, if you sign up for this voluntary program, if you pay your monthly premium of $35 plus, and if you start receiving checks from the Government, you may find a time, perhaps during the end of the year, when the Government checks stop coming because there is a gap in coverage.

My friend, Senator BOXER of California, will offer an amendment later to say what are we going to do about cancer victims—people who take expensive drugs that are necessary to save their lives. Under the bill before us, there will come a point in time each year when the Government stops helping cancer victims pay for the prescription drugs they need to stay alive. That gap in coverage is troubling, and it should be.

Also, there is no allocation for money spent by employers on behalf of retirees, that that be counted for the employee's benefit to qualify for this plan, which means that some employers might be tempted not to provide coverage at all to their retirees, and others won't see the benefit of that coverage because it doesn't translate into help under S. 1.

Those who push this plan believe in competition, so long as the competition is limited to two HMOs that can offer private insurance coverage for prescription drugs. That is the only

competition they are interested in. The interesting thing is, when you go to the seniors of America and say what are you looking for in a prescription drug plan, it is an amazing response.

Over 600 seniors were asked in a survey of a week or so ago: Which should be a higher priority of Congress, passing prescription drug coverage for seniors under Medicare or passing a bill to control excessive prices for prescription drugs? The choice: S. 1, prescription drug coverage for seniors under Medicare or passing a bill to control the excessive, runaway, skyrocketing prices.

Look at what they said. Of all seniors—people over 55—25 percent want Medicare drug coverage; 53 percent said control drug prices. Then look as you go down here. That portion here, 55 to 64 years of age, said 25 percent want Medicare drug coverage; 57 percent said control drug prices. For seniors, 65 and older, 26 percent want Medicare drug coverage and 50 percent said control drug prices.

In each instance, by a margin of more than 2-to-1, seniors—people over the age of 55—have said to Congress: Don't miss the ball here. The object has to be controlling the excessive cost of drugs. You can offer a helping hand to us, and that is good—25 percent believe that is good—but it won't mean anything if you don't do something about the cost of prescription drugs.

I am sorry to report to you that S. 1—I always have to look to see how many pages this is—with 654 pages doesn't dedicate a paragraph or a page to bringing down the excessive cost of prescription drugs. So the No. 1 issue, by a margin of 2-to-1, for people over 55 in America is controlling excessive drug prices, and it is ignored by S. 1. So here we are with this historic opportunity, and we are completely missing what most seniors in America believe to be the highest priority.

I went to my staff and said: Let's start from the beginning. What kind of a prescription drug program would we create if we had a blank slate? I said to them: Here is what I would like to see us come up with. Let me give a comparison between what we are proposing as my substitute amendment and the underlying bill.

The Grassley-Baucus bill has a $275 deductible. I said: Let's eliminate that deductible, and we did. Under the MediSAVE amendment, there is no deductible.

The premium under Grassley-Baucus is estimated to be $35, which means it could be much higher. I said: Let's require that the premium for this volunteer prescription drug plan be $35 defined in statute.

Cost sharing, under the best of circumstances, is 50/50 under the Grassley-Baucus plan, and under the MediSAVE plan, which we propose, it is 70/30, a substantially greater benefit for every senior covered by this plan.

The coverage gap I mentioned earlier in Grassley-Baucus says if you reach a point where you had $4,500 in prescription drugs in a given year—not an outrageous possibility; that is a little more than $350, $400 a month; a lot of seniors face that—that at some point during the course of the year your benefits will stop. I said: Eliminate that gap. I want full coverage all the way up to the catastrophic level of $5,000 in prescription drugs, which then kicks in at 90-percent reimbursement. And we did.

Then we got to this issue: Will we have lower prescription drug prices? Under Grassley-Baucus, no. That is why the pharmaceutical companies love this bill. We have not heard a word from them. They think this is great. Uncle Sam is going to provide some assistance to seniors to pay for prescription drugs, and the drug companies can continue to hike the prices of the drugs every single year without any restraint in S. 1. But we know there is a better way, and the better way is not socialism, as some of my critics might say.

The better way is the Veterans' Administration of the United States of America. They look at their hospitals across America and the millions of veterans they serve and they go to the drug companies and say: If you want your drug used in our Veterans' Administration hospitals, you have to give us a discount, and they do. The drug companies give a 40- to 50-percent discount, and that should be part of this Medicare plan as well.

Probably the most important single element in this MediSAVE plan I am offering is we are going to have Health and Human Services negotiating group purchasing. Drug companies are not going to like this. Pharmaceutical companies do not like to see their profit margins come down. But these are the most profitable corporations in America. I do not believe it is the responsibility of the Senate to find ways to reward the special interest groups, the pharmaceutical companies, and the HMOs at the expense of senior citizens. That is exactly what this bill does.

As I mentioned earlier, more benefits would count toward out-of-pocket spending. Medicare would have a deliberate benefit available. That is what I think is equally important. We say: Fine, competition in choice. Private insurance companies can offer prescription drug benefits but allow Medicare, the Government agency, to have a prescription drug program available to every senior across the United States.

Why is that important? Medicare, as an agency, has no profit motive. Medicare, as an agency, has a lower administrative cost than health insurance companies across America, and Medicare, an agency speaking for tens of millions of seniors, can negotiate lower prices. They can do what the Veterans' Administration has done, and that is why many of the most conservative Members of this Chamber live in dread for fear that Medicare would be able to compete with private insurance companies. Put that competition in place. Give the seniors a choice. MediSAVE does it. Grassley-Baucus does not.

We have an option for private coverage. Of course, it is in both bills.

We have a fallback which says if a senior citizen wants to go to the Medicare plan, they can always go to it, whether there is a private insurance plan in their region.

The benefit begins, incidentally, under the Grassley-Baucus bill, conveniently after the next Presidential election. So the White House can go around crowing about S. 1, prescription drug coverage is on the way, we delivered for seniors of America, and it is going to show up a few days after the election. What is wrong with this picture?

Seniors need help right now. A discount card is nice, but let's put a prescription drug policy in place that helps seniors right now. So we call on the establishment of this program as soon as practicable.

How did we do this? How did we put together all these benefits, which are much more generous than Grassley-Baucus, and still have CBO score it at $400 billion? I learned a little trick from the Republican side of the aisle when it came to tax cuts. When they could not get enough money for tax cuts, they decided they would sunset them at some point and reauthorize them. We did the same thing.

Grassley-Baucus costs $400 billion scored through 2013. Our MediSAVE substitute costs $400 billion scored to sunset at 2010. At that point, Congress can take a look at it. If we reach the point where we want to reauthorize the program or change it, it is up to us. In the meantime, we offer seniors in America a quality program, something they want, something they can use, and something that will truly help them.

If we do not address the cost of prescription drugs as part of a prescription drug program, we are going to fail. There is nothing we can do offering a percentage helping hand to seniors that will keep up with the dramatic increase in the cost of prescription drugs, which happens every single year. This substitute I am offering will provide that kind of competition.

Before I yield to my friend from Minnesota, who is a cosponsor of this amendment, let me give a couple other items that I believe might be of interest to my colleagues.

The Durbin MediSAVE amendment is cosponsored by Senator DAYTON of Minnesota, who is here, Senator BOXER, Senator BYRD, Senator CORZINE, Senator HARKIN, Senator LANDRIEU, Senator STABENOW, and Senator JOHNSON. It also has been endorsed by the AFL–CIO, United Auto Workers, AFSME, Alliance for Retired Americans, the American Federation of Teachers, and the National Committee to Preserve and Protect Social Security.

At this point, I wish to yield, for the purpose of debate, to my colleague

from Minnesota, Senator DAYTON, without yielding the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Minnesota.

Mr. DAYTON. I thank the Chair.

Madam President, I thank Senator DURBIN. I commend my distinguished colleague from Illinois, Senator DURBIN, who has spearheaded the development of this amendment, and for the leadership he has shown in this and so many other areas. I stand proudly with the Senator today.

The Durbin amendment is the essential test for this body. It is going to be the measure of our commitment to seniors and to other Medicare beneficiaries all over America. It is going to be a test of our sincerity of what we said we intend to do for those people who are either disabled, through no choice of their own and are required to be on Medicare at an early age, or senior citizens who have worked throughout this country who have served this country so well and now are in their retirement years, the largest users by age of prescription drug medicines. So they are the ones most dependent on the quality of coverage we provide for them.

I heard again today from colleagues on the other side of the aisle, as I have heard others say throughout this Chamber, and as I have said many times in Minnesota, that our senior citizens deserve prescription drug coverage that is as good as Members of Congress receive; that is as good as the Federal employees receive through the plan of which we are all part. Yes, we pay into that plan, but it is also very well covered—''subsidized'' would be the right word—by our employer, the Federal Government; the same in the case of Senator DURBIN's amendment, at a level of parity to our plan.

If we want to provide senior citizens and other Medicare beneficiaries with the same level of coverage that we get in Congress, then Senator DURBIN's amendment is the way to do that.

S. 1, by contrast, provides half of those benefits overall—one-half of what we get in Congress. That is not right, that is not fair, and that is contrary to what I have heard most of my colleagues rhetorically say over the last month, and even the last couple of years, about the intent.

We cannot have it both ways. It is either going to be only half as good under S. 1 for senior citizens as it is for Members of Congress or it is going to be as good as Members of Congress receive under the Durbin amendment.

Do we have the resources? Yes, we have the resources. We surely had plenty of resources when I came to the Senate 2½ years ago, surpluses for a decade, as far as the eye could see. Now that we have been shifted into deficit mode, suddenly we are talking about a bill that is inadequate.

It is not lack of money. It is a lack of priorities. It is a lack of the right priorities for people in this country, and Senator DURBIN's amendment would say we are going to go back to the drawing board and do what is right for seniors and Medicare, and then we are going to turn around and do what we must to balance that equation.

As the Senator from Illinois also pointed out so well, if we want to do anything to address the ravaging of budgets of people of all ages by these prescription drug prices, it has to be through the kind of structured program which the Senator has proposed; otherwise, it is just a continued license to steal for the pharmaceutical industry.

S. 1 does nothing except say taxpayers are going to pay the costs of these rapidly escalating drug prices. Seniors will have to pay for a part of it as well. And then all of the taxpayers who are not senior citizens who are paying for part of this program for seniors are going to have to go to the drugstores for their families and themselves and keep paying prices that go higher and higher.

I had a deck of cards made that I am handing out in Minnesota. They compare the prices of these drugs now in Canada and the United States. Aside from the exchange rates, they show a fair comparison of prices for the same medicine, same manufacturer, same packaging, everything exactly the same in Canada as the United States. The prices in Canada are sometimes as low as 10 percent of what they are in the United States, 20 percent quite common, a third—one can get the same medicine in Canada for one-third the price in the United States.

Why? Because the Canadian Government stands up for its citizens. The Canadian Government says: We are not going to allow you to charge these exorbitant prices and make these excessive profits out of the pockets of our people. Tragically, our Government does nothing of the sort. This bill would continue that policy: Hands off; pharmaceutical industry, take whatever you can get.

So I commend the Senator from Illinois. I am grateful to him for putting this amendment together. I am proud to cosponsor it. I commend it to my colleagues, and I ask the people of America to keep an eye on this vote because it is going to determine whether we mean what we say.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Madam President, I thank the Senator from Minnesota, and I think it really does come down to whether we are going to pass a prescription drug plan in name only or something that seniors truly want and can use and is fair for them.

The Senator from Minnesota led us yesterday in an amazing rollcall vote, 93 to 3. We, as Members of the Senate, said we would live by the prescription drug plan that is created by this bill. Well, stay tuned. See if that amendment survives the conference committee or ever comes back to us.

If it does not, if it is taken out, the Senator from Minnesota has made a point. As Members of Congress, we will have a benefit twice as generous as what we are now offering to seniors across America, and what we are offering is not that generous to the seniors.

Look at what it is. We estimate over the next 10 years the cost of prescription drugs for seniors in America will be $1.8 trillion. In that period of time, we are going to spend $400 billion in this prescription drug benefit. So that is less than one-fourth of the total cost of prescription drugs.

How can that one-fourth, $400 billion, go further? If the overall costs are reduced down from $1.8 trillion.

Let me give an idea of how that works. The Veterans' Administration has cut drug prices for veterans by as much as 50 percent by negotiating with drug companies. There is no provision in S. 1 that requires the Federal Government or Medicare or anyone to negotiate with the drug companies on behalf of senior citizens—none. At best, we hope some private insurance companies will work out a formulary that gives them an opportunity for a profit by reducing the cost of drugs. That is as good as it gets. That is as close as this Senate will come to saying to the drug companies that they have to do better.

When it came to our veterans, we stood up as a government and said: We are going to stand behind them. When it comes to this situation for prescription drugs for seniors, we do not.

Health and Human Services has a similar formulary of drugs available across America for community health centers and the like. They bargain down prices. But when it comes to seniors, the largest unprotected group of prescription drug users across America, this bill is silent; it does nothing. The alternative which I am proposing will do something.

Medicare has 25 times the number of people as the Veterans' Administration. It has bargaining power. It can reduce the cost of drugs. At this point, we know the inspector general of HHS compared a list of 24 drugs covered by both Medicare and VA and found that VA spent 52 percent less for the same drugs. The inspector general estimated that Medicare would have saved $760 million in 1 year on those 24 drugs alone.

Let me say parenthetically, when we went to the Congressional Budget Office to score this, incredibly, they refused to even concede that we could get a discount on drugs. Now, I like the Congressional Budget Office. I am sure they are the greatest people in the world. But to whom are they listening? They are ignoring the reality of the Veterans' Administration. There is real cost savings that we can anticipate.

Let me tell my colleagues what the savings are for seniors when we move from the 50/50 split that is proposed by this bill to a 70/30 split, 70 percent paid by the Government for prescription

drugs, assuming a $35 monthly premium.

Take a look at it. If a senior in 1 year spent $1,000 for prescription drugs, they would end up spending out of pocket $720 under our proposal—that is under MediSAVE—but under the Grassley-Baucus bill, they would actually spend over $1,000.

How is that possible? A thousand dollars of prescription drugs and it costs more than $1,000? Do not forget the monthly premium. The monthly premium has to be added in. That has to be paid. So if a senior signs up for this voluntary prescription drug benefit under this plan, for the first $1,000 in drugs they have spent, they are not going to get anything back; they are still going to be out of pocket.

Now let's look at what happens with $2,300, which is the average that seniors pay for prescription drugs. Under our MediSAVE plan, it says a senior will spend out of pocket $1,110—that counts your monthly premium. Under the Grassley-Baucus bill, it is $1,708. We are going to save them about $600 if they are the average senior with the average annual cost for prescription drugs of $2,300. Our bill will save seniors $600 over the Grassley-Baucus plan.

As we go up to $4,000, $1,620 is what a senior would pay out of the $4,000 prescription drug bill under our plan, $2,558 under the Grassley-Baucus plan. For the $5,000 plan, the situation is a senior would pay $1,920 under MediSAVE, $3,307 under the Grassley-Baucus bill. And then for $10,000, here is a situation where a senior would have out of pocket $2,420 for a $10,000 bill—and prescription drugs can reach that cost; ask people on cancer therapies—$4,539 if they took the Grassley-Baucus plan.

So by every single measure at every single stop along the road, the plan I am proposing is going to offer much better and real savings for seniors.

Some I have talked to on the Republican side of the aisle say: DURBIN, there you go again; this would be a price control. Well, the Veterans' Administration bargains with drug companies. We do not call it price control. When Canada stands up for its citizens to the same American drug companies, I think they are standing up for a national value and a family value. It is not a matter of corrupting the marketplace. The marketplace now is being driven by a handful of prescription drug companies that have little or no competition.

So unless and until some force such as the Government or the Veterans' Administration or the Department of Health and Human Services steps in, the average family, the average senior, does not have a fighting chance.

Incidentally, we brought this other chart out so people can see that even under this administration, we have had efforts by the Secretary of Health and Human Services to bargain down the cost of drugs.

Remember the anthrax scare? They said perhaps everybody should be prepared to buy Cipro. They took a look at Cipro market prices, and it was $4.67 per tablet. People said: If we have an anthrax problem across America, how will we afford this?

The Secretary of Health and Human Services, Tommy Thompson, went in and bargained it down to 95 cents and ultimately to 75 cents a pill from $4.67, and they made a profit at 75 cents. Do you want to know what the markup is on your prescription drugs? Look at what he achieved.

I will quote Secretary Thompson, who achieved this, and I commend him for it:

> Everyone said I wouldn't be able to reduce the price of Cipro. I'm a tough negotiator.

He obviously was, but when it comes to tough negotiations, this bill is silent. S. 1, the bill before us, is silent when it comes to these negotiations. We need to have someone who will stand up for seniors, families, and against the excessive prices charged by drug companies. The reason the drug companies want this bill is that no one is standing against them.

The bill I am offering, the MediSAVE substitute, will have exactly the opposite impact. We will bring down the excessive costs of prescription drugs. We will guarantee a $35 monthly premium, no deductible. We will make certain there is no gap in coverage so the private insurance companies cannot yank the chains of seniors across America. We will always give you a Medicare option so, as a senior, you can turn back to that agency and you can have a not-for-private low administrative overhead cost formulary that is discounted always available to you.

That is what seniors want. That is what they need. That is why so many organizations endorsed this bill. This is the bill we should be passing. We should send this to the House and say: What you are offering is a pale alternative to the real thing; MediSAVE is the real thing.

I commend it to my colleagues. I hope they join in voting for passage of this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Madam President, I ask unanimous consent the pending unanimous consent be modified so I be allowed to offer an amendment in the slot allocated to the Senator from Nevada, since we are cosponsor, and I ask unanimous consent I be allowed to offer two amendments.

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

AMENDMENT NO. 1012

(Purpose: To provide medicare beneficiaries with an additional choice of Medicare Prescription Drug plans under part D that consists of a drug discount card and protection against high out-of-pocket drug costs)

Mr. HAGEL. Madam President, I ask unanimous consent that the pending amendment be laid aside and the Senate proceed to the consideration of amendment No. 1012.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Nebraska [Mr. HAGEL], for himself and Mr. ENSIGN, proposes an amendment numbered 1012.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

AMENDMENT NO. 1026

(Purpose: To provide medicare beneficiaries with a discount card that ensures access to privately-negotiated discounts on drugs and protection against high out-of-pocket drug costs)

Mr. HAGEL. Madam President, I ask unanimous consent that the pending amendment be laid aside and the Senate proceed to the consideration of amendment 1026.

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

The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Nebraska [Mr. HAGEL], for himself, Mr. ENSIGN, Mr. LOTT, and Mr. INHOFE, proposes amendment numbered 1026.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. HAGEL. Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 1012

Mr. ENSIGN. Madam President, I will speak on the pending amendment that Senator HAGEL and I have offered. This amendment is similar to the bill we offered in last year's Medicare prescription drug debate. We offered it as a complete substitute last year. I will describe this legislation.

What we are proposing to do is substitute our piece of legislation for the prescription drug portion of the pending legislation. It is very important to have a prescription drug benefit for those seniors, especially those who are low or middle income, who have serious diseases and sometimes have to choose between prescription drugs and rent or prescription drugs and maybe even the type of food they eat.

I have heard story after story around my State of seniors who literally sometimes do not take their medications or maybe take half a dose because they cannot afford the prescriptions their doctor has recommended.

The Hagel-Ensign amendment has several advantages over the current portion of the committee bill. First, it takes effect one full year earlier than the committee bill. Second, we do not have monthly premiums for our prescription drug benefit. Under the committee's mark, seniors pay $35 a month; under ours, it is a one-time annual fee of $25, that is all. They pay that once a year, unless they are low-income, and then we waive that annual fee. Under the committee's mark, it is $35 a month.

We have several other differences in the bill. In the committee's mark, low-

income seniors have a very generous benefit for those above Medicaid income but who are below 160 percent of poverty. We recognize it is very generous. As a matter of fact, I submit it is overly generous and we will see an overutilization by those senior citizens because they do not have anything at stake. One to two dollar co-pays when you are paying 97.5 percent of their out-of-pocket expenses is not enough to discourage overutilization. We are going to see an explosion of utilization of drugs, especially in the low-income market.

Let me explain the amendment. We offer a prescription drug benefit with the seniors paying up to a certain percent depending on income, up to a certain dollar figure, and after that the Government will pick up 90 percent of the cost. For people who are below 200 percent of poverty, which is around $18,000 a year for an individual or $24,000 for a couple, they would be capped at an out-of-pocket expense of $1,500, and after that the Government picks up 90 percent. Between 200 and 400 percent of poverty, incomes for an individual up to nearly $36,000, and for a couple a little over $45,000, they would be capped at an out-of-pocket expense once again of $3,500 a year, and the Government pays 90 percent above that. Between 400 and 600 percent they are capped at $5,500 out-of-pocket a year. For people above that, the wealthier seniors, 20 percent of their income is their deductible under this plan.

All of these people get a prescription drug discount card. That prescription drug discount card can provide a discount of 25 to 40 percent on the drugs they purchase. Before these ever kick in they have already saved money for every senior. This is a completely voluntary plan. If seniors like the coverage they have today, they can stay in the coverage they have today. If they want to try something guaranteed to cap their out-of-pocket expenses, this is the plan for them.

We have several real-life examples to compare with the committee mark. First, James Johnson is 68 years old with an income of around $16,000. He is above 160 percent of poverty. He is being treated for diabetes. These are typical medications of someone being treated for diabetes: glucophage, glyburide, neurontin, lescol, zoloft. This totals $5,736 a year that this person pays for prescription drugs.

Let's compare under the committee mark versus the Hagel-Ensign approach. Under the committee mark, this person would have a total out-of-pocket expense of $4,000. Under the Hagel-Ensign, this person would have about $1,900. This person would do a little over $2,000 better under Hagel-Ensign than under the committee mark. For those low-to-middle income seniors who have a serious disease, they do better under our approach.

Everyone wants to help the most those who need it the most. Under our approach that is exactly what happens. Those people who are sick, who need the most help, get the most help under our plan.

Here is another real life example. Doris Jones is 75 years old with an income of around $17,000 per year and is being treated for diabetes, hypertension, and high cholesterol. She takes lipitor, glucophage, insulin, coumadin, with total drug costs around $3,600. To compare the committee mark, the bill before us compared to Hagel-Ensign would spend around $2,380 a year under the committee bill; under the Hagel-Ensign approach she spends about $1,700. Although she did not have as much out-of-pocket drug costs for the year, she saves almost $700 a year under the Hagel-Ensign approach.

And the last real-life example, Betty Smith is 66 years old. She has an income of around a little over $15,000 per year and is being treated for breast cancer. She is still receiving low-dose radiation therapy with nolvadex. Her medication profile is as follows: morphine, paxil, dexamethasone, aciphex, and nolvadex, with total costs for drugs around $8,000 a year. To compare Betty's costs between the Hagel-Ensign approach and the committee mark: her total out-of-pocket expenses will be $4,340 with the committee mark; under our bill, she will spend around $2,100, which would be a savings to her of almost $2,200 a year.

Once again, comparing the two approaches, those middle- to low-income seniors who have serious diseases are going to get much more help under the Hagel-Ensign plan.

Our bill actually costs less money than the committee approach and because of that we are going to be offering an amendment, which subsidizes the costs for people with incomes 160 percent of poverty and under; I will talk about that in just a minute. But the reason our bill comes in at less money is because the seniors are paying the first dollars out of pocket. After that, the Government kicks in to subsidize their costs. So, by them paying the first dollars out of pocket, we encourage people to be accountable in the system. The person who is receiving the drugs is responsible for paying those first dollars. Guess what: that causes them to go out and shop. They call the various pharmacies and find out what the best price is. They ask their doctor, Is there a generic drug available that is just as effective? If it is something maybe not life-threatening and they want to take the generic version of the drug, the doctor can say, Yes, I have had good experience with patients with this. They can take the generic drug, saving themselves money and saving the whole system money.

That is why our bill overall would cost less money. What Senator HAGEL and I have decided to do is, because there is $400 billion available to spend under the budget, we have taken around $60 billion, spread over 10 years, to put toward those people who are truly poor, below 160 percent of poverty. Our plan would give them, in a pharmaceutical benefit account, $700 to spend on prescription drugs. If they do not use it, it rolls over to the next year. By the way, if it rolls over 2 years in a row, and the third year they get another $700, at the end of the year they get to keep anything above $1,500. So there is an incentive; they have something at stake, so they will still shop around for the best price for their drugs. So it keeps market forces at play within our Medicare prescription drug system. That is one of the strong points, we feel, about our plan.

There are several other advantages that we think are in our bill that are not included in the committee mark. I asked this question yesterday; I asked the administration, I asked Secretary Thompson, and I asked the director who oversees Medicare, What will happen under the committee's mark to the State plans? My State of Nevada and many other States, New York, Massachusetts, West Virginia—have State plans that help senior citizens with prescription drugs. What will happen to those state low-income plans—above Medicaid level but below around 160 percent of poverty—if the committee mark is enacted?

The simple answer is: all of those plans will go away because, for those seniors under this plan, there is no reason for the States to pick them up anymore. The committee mark will pick them up completely.

Our plan works with the States, instead of substituting for the States. Those plans in the States that are already working, and working well, will continue. As a matter of fact, each State can learn from the other. If they want to be a little more generous, a little less generous, they can do that. But it doesn't supplant the States, like the committee mark does.

The other big problem I have heard articulated with the committee's prescription drug benefit is that private companies that currently have plans are going to start dropping their plans left and right. Under our bill, because we offer a higher deductible than most of the plans offer, there is not going to be the incentive for them to drop their plans. So it is not going to be a transfer from the private sector onto the public sector. And when I say public sector, I mean the taxpayer—younger people paying the taxes for older citizens.

There are many benefits to our plan, we think, over the committee mark. Let me just quickly repeat those.

First, we help those seniors, especially in the middle- to low-income, much more than the committee mark does, those who have serious diseases.

Second, we have no monthly premiums. The committee mark has a $35-a-month monthly premium.

Third, our plan does not replace State plans, it works with State plans.

Fourth, our plan also does not encourage the replacement of private

plans that companies have set up for their retirees.

Fifth, I believe our bill will control drug costs into the future. I applaud the committee. They have gotten together in a bipartisan way, trying to come up with a fix to a serious problem. But the problem I see is that it is right now scored by the Congressional Budget Office at around $400 billion. I think there is going to be so much overutilization in that, that it is going to end up being more like $800 billion or a $1 trillion plan. Young people are going to have to pay that.

That is just how much it is going to cost in the next 8 to 10 years. When you start extending that out into the 10 years beyond that, you start doubling and tripling those costs as we get the new, more expensive drugs into the marketplace.

So I think we should do the responsible thing. That is why we are encouraging our colleagues to take a look at this. We had the same bill voted on last year. We got a bipartisan vote. We had 51 Senators vote for this plan. If we got that for this amendment, this amendment would be adopted as part of the bill.

I know there have been deals made: Let's just defeat all amendments. I encourage people to say, If we can improve this bill, let's improve this bill. Let's make it responsible to the next generation. But let's also do what we say we all want to do, and that is to help those seniors who truly need the help. Let's help those who are the sickest and those who are in the lower-income categories, who end up having to make those decisions I talked about: choosing between prescription drugs and rent, between prescription drugs and food, or maybe only taking one of their prescriptions or a half dose of their prescription because they cannot afford the full dose.

In conclusion, I plead with my colleagues to study this issue. I know this bill is being rushed through, so people have not had a chance to take a look at all the options. This is so serious. This is the biggest entitlement program that any Senator who is currently serving will ever vote on. This has incredible implications for generations to come. We'd better do it right the first time because coming back for a fix a couple of years from now—we have seen how difficult it was to get to this point—is going to be virtually impossible.

So we'd better do it right the first time—at least get as close to right as we can. That is why we are encouraging our colleagues to take a serious look at the Hagel-Ensign amendment and do something right for the country.

I yield the floor.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the pending amendments be set aside.

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

AMENDMENT NO. 1060

(Purpose: To provide for an income-related increase in the part B premium for individuals with income in excess of $75,000 and married couples with income in excess of $150,000)

Mr. BAUCUS. Mr. President, on behalf of Senators FEINSTEIN and NICKLES, I send an amendment to the desk regarding an income-related increase in Part B premiums and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Mrs. FEINSTEIN, for herself, Mr. NICKLES, Mr. CHAFEE, and Mr. GRAHAM of South Carolina, proposes an amendment numbered 1060.

Mr. BAUCUS. Mr. President, I ask unanimous consent that 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. BAUCUS. Mr. President, I ask unanimous consent that all pending amendments be set aside.

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

AMENDMENT NO. 1061

Mr. BAUCUS. Mr. President, on behalf of Senator AKAKA, I send an amendment to the desk regarding the treatment of Hawaii as a low-DSH State and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Mr. AKAKA, proposes an amendment numbered 1061.

Mr. BAUCUS. Mr. President, 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 provide for treatment of Hawaii as a low-DSH State for purposes of determining a medicaid DSH allotment for the State for fiscal years 2004 and 2005)

On page 633, after line 21, add the following:

(3) APPLICATION TO HAWAII.—Section 1923(f) (42 U.S.C. 1396r–4(f)), as amended by paragraph (1), is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6), the following:

''(7) TREATMENT OF HAWAII AS A LOW-DSH STATE.—The Secretary shall compute a DSH allotment for the State of Hawaii for each of fiscal years 2004 and 2005 in the same manner as DSH allotments are determined with respect to those States to which paragraph (5) applies (but without regard to the requirement under such paragraph that total expenditures under the State plan for disproportionate share hospital adjustments for any fiscal year exceeds 0).''.

Mr. AKAKA. Mr. President, I rise in support of my amendment to restore a Medicaid disproportionate share hospital, DSH, allotment for Hawaii. Medicaid DSH payments are designed to provide additional support to hospitals that treat large numbers of Medicaid and uninsured patients.

The Balanced Budget Act of 1997, BBA, created specific DSH allotments for each State based on each their actual DSH expenditures for fiscal year 1995. In 1994, the State of Hawaii implemented the QUEST demonstration program that was designed to reduce the number of uninsured and improve access to health care. The prior Medicaid DSH program was incorporated into QUEST. As a result of the demonstration program, Hawaii did not have DSH expenditures in 1995 and was not provided a DSH allotment.

The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 made further changes to the DSH program, which included the establishment of a flood for DSH allotments. However, States without allotments were again left out. Other States that have obtained waivers similar to Hawaii's have retained their DSH allotments. Only two States, Hawaii and Tennessee, do not have DSH allotments.

As currently drafted, S. 1 provides that States without DSH allotments could obtain an allotment if their waiver was terminated or removed. It is my understanding that while this language would permit an allotment for Tennessee, it would prevent Hawaii from obtaining its DSH allotment as long as the QUEST program remains in place.

My amendment would provide a DSH allotment to Hawaii and allow for my home State to participate in the Medicaid DSH program. This amendment is needed because many of our hospitals in Hawaii are struggling to meet the elevated demands placed upon them by the increasing number of uninsured people. DSH payments will help Hawaii hospitals meet the rising health care needs of our communities and reinforce our health care safety net. All 50 States need to have access to Medicaid DSH support.

My amendment is similar to language included in the Senate passed version of S. 2, the Jobs and Growth Tax Act of 2003, that would have provided assistance to low DSH States and would have provided an allotment for Hawaii. Unfortunately, the DSH provisions were not retained in the conference report. A Hawaii specific provision is necessary as we attempt to provide additional support for hospitals in low DSH States in this legislation.

I appreciate all of the work done by my colleague from New Mexico, Senator BINGAMAN, to provide additional support for low DSH States. I urge that my colleagues support this amendment to allow the State of Hawaii to be treated like other extremely low DSH States and finally receive a Medicaid DSH allotment.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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.

AMENDMENT NO. 1062 TO AMENDMENT NO. 974

Mr. REID. Mr. President, I call for the regular order with respect to Grassley amendment No. 974 and send an amendment to the desk on behalf of Senator BOXER.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mrs. BOXER, proposes an amendment numbered 1062 to amendment No. 974.

Mr. REID. Mr. President, 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 eliminate the coverage gap for individuals with cancer)

At the end of the amendment add the following:

SEC. ___. NO COVERAGE GAP FOR ELIGIBLE BENEFICIARIES WITH CANCER.—

''(A) IN GENERAL.—In the case of an eligible beneficiary with cancer, the following rules shall apply:

''(i) Paragraph (2) shall be applied by substituting 'up to the annual out-of-pocket limit under paragraph (4)' for 'up to the initial coverage limit under paragraph (3)'.

''(ii) The Administrator shall not apply paragraph (3), subsection (d)(1)(C), or paragraph (1)(D), (2)(D), or (3)(A)(iv) of section 1860D–19(a).

''(B) PROCEDURES.—The Administrator shall establish procedures to carry out this paragraph. Such procedures shall provide for the adjustment of payments to eligible entities under section 1860D–16 that are necessary because of the rules under subparagraph (A).

Mr. REID. Mr. President, we on this side have been as cooperative as we could be. We have done everything we can to move this legislation along. And I have said publicly that I appreciate how Senator FRIST has handled legislation since he has become the Republican leader. He has not tried to shut off debate. He has rarely filed cloture, and that is commendable. And I have said, on more than one occasion, I appreciate that.

But we are in a situation now where, as part of the regular process of doing business here, we have a difficult amendment. It is a tough vote for a lot of people. It is a Boxer amendment. In effect, it would allow coverage—without exception—for prescription drugs for people who are diagnosed as having cancer.

We have been told by various people on the side of the majority that we are not going to have a vote on this. Well, my response to that is, we are going to do nothing else on the bill. This is now the regular order. And until there is an agreement made that we are going to vote on this, we are going to do nothing else. This is it. We have a lot of tough votes here, and this is one of them.

Now, Mr. President, we could have, if we had been mischievous, done other things. Some said: Why don't we have Alzheimer's? Why don't we have diabetes? Why not have juvenile diabetes? Why not have Parkinson's? The Senator from California, acting in good faith, recognizing the need to move this legislation, said she would limit her amendment to cancer. And that is what has happened.

So, Mr. President, we are now at a point where there is going to have to be a decision made by the majority when we are going to vote. We want a vote. That is all we want. We want a vote. We will do it at any time, but until there is an agreement, there will be an agreement on nothing on this bill.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I would like to speak about the underlying bill.

Mr. President, I think one of the greatest achievements of the Medicare bill that has been reported out by the Senate Finance Committee is the compromise Senator GRASSLEY and I worked out on the issue of private prescription drug plans.

Over the course of this 4-year debate over prescription drugs—and I might add, it has been very frustrating for a lot of Senators. We have been trying to find a way to get prescription drug benefits passed for seniors but have been at loggerheads the last 4 years. Both sides wanted their view and neither was willing to compromise. But I think, finally, it is clear we have reached an agreement.

I commend the chairman of the committee, Senator GRASSLEY, and all those who helped to work to make this possible. Frankly, a lot of people are to be complimented—everybody from Senator BREAUX to Senator KENNEDY. And the list is just endless. Senator SNOWE, for example, has been a great advocate, tirelessly trying to get a compromise agreement over the years.

We finally agreed private entities should administer a Medicare prescription drug program. I know that is something that many, particularly on the Republican side of the aisle, are very interested in.

Both sides of the aisle envision these entities might include pharmacy benefit managers, so-called PBMs. They could include insurance companies, chain store pharmacies, or partnerships among these entities. Any one of those groups would contract with HHS and be the private entity or the contracting company that would contract out the prescription drug benefits to beneficiaries.

The main disagreement was whether these private plans should be required to bear insurance risk for the prescription drug benefit. Without being too arcane, there is a question of performance risk and insurance risk. Performance risk has traditionally been borne by the pharmacy benefits manager. But the performance risk means the administrative risk and the cost of doing a good job just administratively; that is, without addressing the question of insurance risk as to whether people are going to buy these prescription drugs and how much the subsidy is or is not.

Now, some argue if plans are required to bear insurance risk in addition to the performance risk, they will be more efficient and prudent managers of prescription drug costs, the argument clearly being if you are a company or a PBM, and you have to bear the entire cost, the entire risk, including not only performance risk but insurance risk, you are probably going to be more efficient and probably a more prudent manager than you otherwise might be.

Plans will have stronger incentives, if they have that risk, to negotiate better prices and implement cost-containment strategies to minimize unnecessary utilization, the argument goes, if these plans bear at least some level of insurance risk.

Now, there have been critics of this model. Those critics argue if plans are required to bear insurance risk, they would structure their benefit design to discourage high-cost patients from enrolling in their plans; that is, they would cherry pick. We would be in the unfortunate world of adverse selection, where some plans would model their program they would offer to seniors in a way to discourage high-cost patients and encourage lower cost patients, and they therefore would be more profitable, leaving some of the higher cost patients, that is, those who really need drugs, out in the cold.

The health insurance industry has not been exactly rushing to the table to offer these benefits. The insurance industry does not seem willing to offer prescription drug benefits to seniors, even with the subsidies they would get if they are required to bear all of the risk.

Without a strong commitment from the health insurance industry, many fear that the insurance risk structure would lead to an unstable benefit. There would be a lot more instability because we don't know whether companies would be participating by offering plans. After all, this is something that is new. Plans would come in and out at will, forcing seniors to switch plans and possibly their medication.

In writing this bill, one of the greatest challenges Senator GRASSLEY and I faced was how to find the right balance between efficiency and plan stability. There have been several major prescription drug benefit bills and approaches. One we hear a lot about is the tripartisan bill of last year. Another one which explains this phenomenon was the so-called Graham or Kennedy bill of last year. The tripartisan model, in trying to resolve the dilemma between efficiency and stability, tilted more toward efficiency and away from stability. It had many more competitive components in it to

allow companies to be more efficient and cut costs and be more likely to participate. On the other hand, it was more unstable from the point of view of beneficiaries, probably more unstable from the point of view of the company as well, and that was a problem that many on the Democratic side had with that benefit design, particularly that model.

On the other hand, last year a major bill that was considered by the Senate was the so-called Graham-Kennedy bill. That bill tilted much more toward stability at the expense of efficiency. It was more expensive. More than $400 billion had been allocated over 10 years, and seniors would have had more predictability. They would know what they were getting because there was more money for companies. On the other hand, companies would not be able to compete among themselves, and there was much less competition and, therefore, under that model, much less efficiency.

One of the main merits of this bill is that it is in the middle. It is between the so-called tripartisan bill and the Graham bill. In trying to find the right balance between efficiency and stability, we are pretty much in the middle. We have found that balance. We both agreed that we needed to create strong incentives to keep prescription drug prices low. We also agreed that we needed stronger assurances that private plans would be ready and willing to enroll beneficiaries come January 1, 2006, when the benefit begins.

We have found that balance in this bill. This bill was passed out of the Finance Committee by a large bipartisan margin, which is some indication that we found the balance.

There are several important elements of this compromise I would like to highlight. First, our proposal would phase in insurance risk carefully over time through the use of reinsurance payments and risk corridors. Those are pretty big terms. What do they mean? Plans would receive Federal reinsurance payments for 80 percent of their enrollees' costs above the stop-loss level. These payments are intended to ensure that plans have strong incentives to enroll high-cost beneficiaries. That is, Federal reinsurance payments would cover 80 percent of the enrollees' costs above the stop-loss levels contained in the bill.

In addition, our proposal added another component to moderate risk through the use of what we call risk corridors. What in the world is a risk corridor? Simply put, it would limit a plan's loss if the plan sustained substantial financial losses. And by the same token, risk corridors would limit a plan's gains if it earned potential profits. We phase in risk over the first couple of years so that the private plans would have a little cushion, a little better opportunity to know how well their plan is working, and that errs a little bit more on stability at the expense of efficiency. But after a couple years, the tilt is a little more toward efficiency, having gained a couple years of experience, hopefully, of more stability.

During the first couple years the bill would establish a narrow corridor of risk. Over time the risk corridor would be expanded, thereby shifting a greater share of the risk on to the health plan. By phasing in risk over time, this bill addresses one of the biggest concerns plans had in considering whether to participate in the new program. That is, the uncertainty during the first couple years of the benefit.

This uncertainty takes many forms. For example, who will sign up for the benefit? That is a big question. Very few people know. Second, will drug costs increase faster than Congressional Budget Office projections? That is a big question. Moreover, will beneficiaries consume more prescription drugs once the benefit has been implemented?

That is another big question. It is hard to know. That is why we believe it is important to phase in risk rather than just cold turkey, 100 percent insurance risk the first day of the first year.

So during this period of uncertainty, we will ask the plans to bear a minimal level of insurance risk. As plans develop more experience, we will require them to assume more risk.

I am more confident than I was last year that private drug plans will provide a stable delivery system for Medicare beneficiaries under this new plan both in urban and rural areas. I remain concerned that not all seniors will have a choice of two or more prescription drug plans in the region. Plans may simply, given all the provisions we have added to this bill to help give them a little bit of reassurance, not be willing to participate in some parts of the country. After all, it is their choice whether plans want to participate.

This concern is why I insisted that any private plan delivery system must offer all beneficiaries the choice of at least two private plans, and if any part of the country does not have at least two choices, the Secretary would be required to contract with a plan that is a Federal fallback or a backup plan that would offer the standard benefit at the national average premium. Some might argue this delivery model does not provide enough efficiency and cost management. Others might argue that this will prove to be too unstable, too much efficiency, too much instability, despite the changes we have made. Plans may come and go. Worse, they may not even appear and seniors will be confused. That is a concern, and it is a legitimate concern, believe me.

Nevertheless, I believe that given the competing forces of efficiency on the one hand—competition and cost containment—and stability on the other—making sure that seniors have the prescription drugs they want—we have found a balance between these two fairly legitimate concerns.

I am not here to say it is the perfect balance. Clearly, others have better ideas how to address the question of where the balance is. I do believe the provisions of this bill are pretty close to it.

As we implement this benefit, we will have to carefully monitor the new delivery system very closely to ensure that, in fact, it is fair to our seniors and also fair to our taxpayers and to our private sector partners.

There are a lot of concerns here. One surely is making sure the senior citizens get the prescription drug benefit. But then equally important is that the American taxpayers' concerns are respected, and that we get savings, where we can honestly get savings, not at the expense of beneficiaries. That is why I believe an inclusion of private competition is important. It is very important.

Health care in our country is evolving, as you know, very quickly, and into areas we can hardly even imagine. I believe that in the next 10 to 20 years, when we are also faced with the problem of the baby boomers, there are going to be dramatic changes. What are the three areas going to be?

First of all, with the massive computational power that is developing, nanotechnology, married with the biotechnology, we will be able to, in not too many years from now—10, 12, 15 years—predict, with the human genome project, the interaction of systems in our bodies and the effect of DNA and predict what maladies or illnesses people are going to have in the future. We will develop machines that will detect things at a molecular level, with thousands of tests, that will be able to predict what will happen to each individual, or whether some of us are more inclined to get cancer or to have coronary disease—you name it. We are going to be able to predict very precisely in not too many years from now.

In addition, we will then be able to take actions to prevent illnesses with much greater certainty than we can today. We will be able to prevent it, since we know better what will happen to each of us with respect to our health, by deciding whether to take this pill or that pill or that new medicine that addresses a potential coronary disease that may occur with absolute certainty, or near certainty, 30 years later, or a cancer disease that may, with almost near certainty, occur 20 years later. That is where we will be in Medicare. It is changing so much.

Then, basically, health care will change from remedial care to personal wellness care. That is, doctors and people in the health care industry will be working with individuals to determine what illnesses they may or may not get and things they can do right now to prevent those illnesses from occurring. It will be a big shift from remedial care, which is about 90 percent of today's health care, to wellness and preventive care.

What else will happen? Seniors are going to live a lot longer. The quality

of our lives will be a lot better. It will change the demographics of the country and the health care in our country. The main point is that there are going to be a lot of changes in health care in the not-too-distant future.

What we are passing today on prescription drug benefits will also change. It is almost impossible for us to predict what the legislation should be in the years 2009, 2014, as this bill does. Yet we are doing the very best we can.

My point is that, given where we are today, in June 2003, I think this is a very good and aggressive attempt to try to find the right balance given all the different considerations we face. We can be very sure—and the chairman and I will give it utmost vigilance and oversight to make sure—that this delivers what is being promised to all our Medicare beneficiaries, the seniors of our country.

I respectfully urge my colleagues to closely evaluate the provisions and the merits of this compromise proposal. I have mentioned components that I think some Senators haven't had time to look at yet. I am talking about the balance between efficiency and stability. I am talking about phasing in risks, the risk corridors, as a good-faith effort to try to help make competition work—if it does work. If it does not work, we will know after a period of time. If it does not work, the bill provides a safety backup plan so that seniors are protected.

As I said, with all of the health care changes and the changes in the medical care that will happen over the years, we will probably revisit this in the not-too-distant future to address current conditions and the provisions of this bill.

As Senators study it more closely, they will realize there is a little more good in this bill than a lot of Senators originally thought. A lot of people have just not had an opportunity to focus on this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

AMENDMENT NO. 1062 WITHDRAWN

Mr. REID. Mr. President, we have had conversations while the manager has been speaking. We have been assured by the majority that we will have a vote on the Boxer amendment in the next 24 hours. Having said that, I withdraw the Boxer amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

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

The PRESIDING OFFICER (Mr. ALEXANDER). Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I address an issue that many of my colleagues have asked me about over the past 2 weeks. It is an issue of great concern to many, particularly on my side of the aisle. That is, if this bill is enacted, how much will premiums vary and what will the actual effect of premium variation be for seniors?

Now, we have had a couple of votes already on this subject. I have not had a chance to address it directly and I would like to do so at this point. The issue again is the extent to which benefits and premiums may vary under this new Medicare drug benefit.

My Democratic colleagues are concerned that if benefits and premiums for participating drug plans are allowed to vary seniors will be confused and they will be unable to make informed choices, that is, the premiums seniors would pay, the monthly amounts they would pay for prescription drug coverage, should they volunteer to participate—that is, if they volunteer to participate, because it is an entirely voluntary program. It is not mandatory like the old catastrophic coverage bill was—in 1989 I think it was. This is voluntary. Seniors have a choice of whether they want to sign up for this new prescription drug benefit plan. If they do sign up, they pay a monthly premium of $35 a month for participating in the prescription drug plan.

Then the question is: How much can premiums vary and how much confusion might that cause among people trying to figure out the various merits of the various plans?

I might say they will not be able to make an apples-to-apples comparison between plans that are available in their own area. That is their concern; they just will not be able to compare fairly. As I said, these concerns are legitimate.

Certainly, those who believe in competition believe choice should be based on price and on quality. It should not be based on a plan's effort to select the healthiest beneficiaries and jettison the sickest. It should also not be based on distortions in the market. That is, we want fairness. We want equity. We do not want so-called cherry picking. We do not want to have certain plans pick the healthiest seniors, adjust premiums to get the healthiest, and leave out other seniors who require more prescription drugs that are not as healthy. That would just not be fair.

At the same time, we want to have some competition, and this bill does provide for private plans to provide a drug delivery benefit. The reason for relying on the competitive delivery system rather than the Government-based program is to allow for innovation and benefit design, to let companies look to try to find a better way of doing things, that is, of containing costs, and be more efficient, without sacrificing quality and stability to our seniors.

I think most of us believe that kind of innovation will lead to efficiency. The attempt is to design it in a way that does not lead to a risk in selection because that would be very unfair. So the question is: How can we ensure that choice is in fact based on the right factors, that is on price and on quality? How can we make sure there is enough flexibility so plans can adapt to changing needs and to a marketplace innovation, without providing so much flexibility that seniors have a difficult time choosing among plans? That is the challenge. That is what we are trying to resolve in this bill.

I think the proposal before us, the legislation reported out of the Finance Committee that has come to the floor, does a pretty good job of constructing that balance, and I will explain why I believe that is true.

First, on benefit variation—that is different benefits seniors may get because of different plans—the Grassley-Baucus bill limits benefits variation at several levels. First, the $275 deductible and the $3,700 out-of-pocket limit are fixed in the statute. Those two figures cannot vary. So plans are permitted to improve the benefit, but they cannot go higher than the deductible outlined in the law, and they cannot raise the stop loss beyond the level specified in the law. So that is one check. It does leave some potential variation on the premium and copay, but at least two components—deductible and stop loss—are fixed in the law.

All plans, whatever the benefit design is, whatever they offer, have to have those two provisions as prescribed in the statute.

Now, a benefit variation is also constrained through various limitations in what the Congressional Budget Office calls actuarial value or expected cost of the benefit. In plain English, that means the value of the benefit must be roughly equal to the standard benefit package outlined in the legislation.

We have all heard about the standard benefit package, the deductible, the stop loss, the premium, and what the copays are, so that the value of the benefit of any plan any company offers must be roughly equal to the standard benefit package outlined in the legislation.

As I understand from actuaries who spend their time thinking about these things, the practical effect of these provisions combined is there will not be significant variation in benefit packages. There just cannot be. All companies are going to know pretty much what they can charge. The actuaries do not predict much variation.

The bill also, however, attempts to minimize premium variation. How? Well, the bill includes various provisions that are intended to control variation in the premiums so beneficiaries will not be faced with widely varying premiums within their own region or across different parts of the country.

For example, if my mother learned her friends in Florida were paying far less in monthly premiums than she was paying in Montana, I believe I would get an earful. I would hear from my

mother. She would wonder whether the system we created is fair. And she would be right; it probably would not be fair.

What do we try to do about this? It is not perfect, but I think it is a major effort, and I think it is a good effort.

First, all Medicare beneficiaries who are enrolled in the new drug program will be combined for purposes of calculating premiums and payments to plans, regardless of whether those beneficiaries are in fee for service, enrolled in a drug-only plan, or whether they are enrolled in a private PPO or HMO. All senior citizens who are enrolled in Medicare will be combined for the purposes of calculating premiums and payments to plans, regardless.

Mr. ALLEN. Mr. President, will my good colleague from the State of Montana please yield for the purpose of an introduction of an esteemed guest? I know this is very important, but I ask if he will yield for a moment.

Mr. BAUCUS. Mr. President, I yield 1 minute to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

VISIT TO THE SENATE BY THE HONORABLE PATRICK COX, PRESIDENT OF THE EUROPEAN PARLIAMENT

Mr. ALLEN. I thank the Senator because I know he is talking about a very important issue to all the people of America.

I do have the honor of presenting to my Senate colleagues the Honorable Patrick Cox, who is the President of the European Parliament. As my colleagues know, the European Parliament is the only directly elected body in the European Union and the only popularly elected international assembly in the entire world.

Every 5 years, Europe's 375 million citizens have the chance to vote for 626 representatives. President Cox's position is the equivalent of the Speaker of the House and the President of the Senate combined. So he is TED STEVENS and DENNY HASTERT together.

I appreciate the indulgence of the Senator from Montana, and I request my colleagues to take a moment to introduce themselves to President Cox because we do have so many transatlantic bonds, not only philosophically but also economically for jobs.

I yield the floor.

Mr. BAUCUS. We are very honored to have our guest. I don't know how long he wants to stay. There are so many transatlantic issues we can address.

I see my very good colleague from Iowa in the Chamber, and we have lots of agricultural issues. We would also like to learn from Europe about European health care systems. I am sure there are provisions in Europe we could look at and adopt. No country has a monopoly on good ideas and no region of the country has a monopoly on good ideas.

I urge our guest to stay as long as he possibly can and hopefully have time to converse over some of these issues so we can get a better idea of how we can resolve some of these huge issues, including agricultural and other trade issues. We all know the more we work together, the better we will be on both sides of the Atlantic.

Mr. ALLEN. Thank you, Mr. President.

PRESCRIPTION DRUG AND MEDICARE IMPROVEMENT ACT OF 2003—CONTINUED

Mr. BAUCUS. I have been explaining various provisions in the bill that I think largely address concerns that some on the Democrat side have and I suppose on the Republican side of the aisle, too; namely, potential premium variation. Premiums that seniors pay might vary. Much confusion might occur for seniors and anyone else involved in prescription drug benefits that would be distributed under this legislation.

As I mentioned, the actuaries say there should not be much change. Also, the risk pool will include all Medicare beneficiaries, ensuring an adequate number of low-drug-cost beneficiaries will be able to subsidize the few beneficiaries with the high drug costs. Already, there is a huge risk pool. There is kind of a cross subsidization. Those with very low drug costs will help pay for those much higher costs of other seniors. The larger risk pool will prevent premium variation because we use the whole pool.

In addition, the bill will calculate Federal contributions toward plan premiums based on the national average of all plan bids. This contribution is then adjusted geographically for differences in prices. This is a so-called geographic adjustor. We want to make sure one part of the country is not discriminated against compared to another part of the country or vice versa, and we included the geographic adjustment on prices.

We have not included so far, because it is difficult to calculate, geographic adjustment based on utilization. As we know, in some parts of the country there is more utilization. That is a fancy term for saying there is a lot more care given to people than in other parts of the country. More care, the greater utilization, tends to be in parts of the country with more hospitals, more specialty health care providers.

There is an interesting study I urge my colleagues to read by Dr. Wennberg. I have not found anyone who refutes it. Looking at the country as a whole, there are parts of the country where utilization is twice as high and more than twice as high as other parts of the country. People, because of where they live, get twice as much health care in some parts of the country than in other parts of the country. This is adjusted for age, for race, for gender. It is adjusted for all the factors that can possibly be thought of.

The more interesting part of this study, even though some parts of the country get twice as much health care as other parts of the country—and it is because there are twice as many doctors or hospitals in some parts of the country as in others—the interesting part of the study is, the actual care given is no better, and in fact in some cases it is worse. That is, if you get twice as much health care, that is, twice as many visits to the doctor or the hospital, particularly for chronic diseases, you will not be twice as healthy; you will not be any healthier, on average, than you will be in parts of the country where there is less utilization.

The point is that we are trying to adjust, as I mentioned earlier, and have a geographic adjustment based on the costs. We have not yet figured out a way to adjust for different utilization mainly because, when it comes to prescription drug benefits for seniors, there is virtually no data because we have not had prescription drug benefits for seniors yet. Obviously, it is hard to get the data if we have not had the program.

There are other provisions in the bill that enable us to get more data, so fairly quickly we can get better utilization data and therefore have a geographic adjustment based not only on price but also on utilization. That will go a long way to address some of the concerns people have about potential premium variation and complexity. When we get that data, as I said, we will have a lot more information, but there is enough information already to have the effect of minimizing concern about premium variations.

There is another provision in the bill to help address this potential problem. That is, we have included in this bill a provision based on the Federal Employees Health Benefits Program—otherwise known as FEHBP—that prohibits plans from changing premiums that are unreasonably higher than the costs of the benefits provider. In other words, plans are prohibited from price gouging. That standard currently is in the law with respect to the FEHBP plan. That is in the law. There is a provision in current law that prohibits the FEHBP plans from charging premiums that are unreasonably higher than the cost that has been provided. I believe that same provision as applied to prescription drug pricing is an additional guarantee against gouging and certainly against unconscionable premium variation.

Finally, this bill allows the Secretary to refuse to contract with the plan. That is in the bill. Maybe a plan leans toward enrolling healthier beneficiaries. Maybe the Secretary determines that this plan is not a good actor; this plan is price gouging; this plan is engaging in cherrypicking; it is engaging in adverse selection at the expense of an American; or maybe it seems less committed to staying in the program; maybe there is a shady operation; who knows, maybe it seems more likely to drop out fairly quickly

and it is not solvent or financially healthy; maybe the premiums seem inconsistent with others in the region.

For any of these reasons and reasons not contemplated at this time, the Secretary can decide, at his discretion, not to contract with a drug plan that has submitted a bid to participate in Medicare. That option is still there as a protection for our senior citizens. It is my hope that this discretion will help assure better plan choices for seniors and the benefits and premiums will, in fact, be fair and reasonable.

In short, in developing this compromise bill, Senator GRASSLEY and I have tried to allow a level of variation in premiums and benefits so as to foster innovation and to foster efficiency but not so much variation that seniors will be confused or plans will game the system.

I think we have done a pretty good job of ending confusion and a pretty good job of preventing plans from gaming the system. I hope my colleagues will agree this proposal strikes at that.

Madam President, I yield the floor.

AMENDMENT NO. 1040

(Purpose: To provide for equitable reimbursement rates in 2004 and 2005 for Medicare+Choice organizations making the transition to MedicareAdvantage organizations)

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, the Senator from New York, Mr. SCHUMER, and I are in the Chamber now to offer a amendment. Unfortunately, I have to withdraw that amendment because of budgetary constraints with which we are going to be dealing.

This is an amendment that we believe is critically important as a bridge from where we are right now on the Medicare Program to where this bill takes us. The bridge is in the area of Medicare+Choice, which is the Medicare option that is available in certain counties in this country for a health maintenance organization, the only place in Medicare that provides prescription drug coverage today.

About 10 to 12 percent of beneficiaries under Medicare participate in Medicare+Choice or Medicare HMO programs. Their satisfaction rate is as high or higher than in the traditional Medicare Program. The problem with Medicare+Choice or the Medicare HMOs is they are funded at a level which does not increase at the same rate that the Medicare Program increases. They are held at an artificially low level, which makes it very difficult for them to survive.

The concern of Senator SCHUMER, who has been a great leader on this issue, and my concern is what happens between now and 2006 when the new MedicareAdvantage Program comes into effect under this bill. That program will include Medicare+Choice or Medicare HMOs, and a new option that will be available through this bill of a PPO, which is a more lightly managed insurance. Medicare HMOs are heavily managed with gatekeepers and a restricted number of providers, both doctors and hospitals to which you have access, but you get more benefits. PPOs have less restrictions, less management, and more choices. The fee-for-service has no restrictions, maximum choices, but higher costs.

What we wanted to do is put in an amendment that gave us a bridge of funding so these existing HMO plans can survive until we get to 2006, because there is a big concern. We have seen HMO plan after HMO plan go out of business because of inadequate funding. Through the work of Senator SCHUMER and several others in this Chamber, we have been pushing this issue in the Senate. We ran into a roadblock because of the unavailability of funds in the Senate bill. But there is money in the House bill, and the amendment Senator SCHUMER is going to offer here, as soon as I drop the mike, will mirror what the House bill does.

I will turn it over to my colleague from New York. This is a vitally important amendment. It is really important for us to come out of the conference with money for Medicare+Choice or Medicare HMO plans for the years 2004 and 2005, so when 2006 rolls around we will have a viable program, a robust program that this new MedicareAdvantage Program can intersect.

If we, on our side of the aisle, are concerned about competition and choices and if we want choices, then we have to fund those choices to get to 2006, when, candidly, there will be a lot more money for these programs to survive. I would like to see them survive in the interim.

The Senator from New York, as I said before, is leading the charge on this issue. The House, thankfully, has included it in their underlying bill. We hope we will be able to keep that in conference.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Madam President, I ask unanimous consent to set aside pending amendments and call up amendment No. 1040.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER], for himself, Mr. SANTORUM, Mr. CORZINE, Mrs. CLINTON, Mr. LAUTENBERG, and Mr. KERRY, proposes an amendment numbered 1040.

Mr. SCHUMER. 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 provide for equitable reimbursement rates in 2004 and 2005 for Medicare+Choice organizations making the transition to MedicareAdvantage organizations)

On page 294, line 6, strike ''or (C)'' and insert ''(C), or (D)''.

On page 294, line 21, insert ''(other than in 2004 and 2005)'' after ''multiplied''.

On page 297, strike lines 5 through 9, and insert the following:

''(iv) For 2002 and 2003, 102 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.

''(v) For 2004 and 2005, 103 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.

''(vi) For 2006 and each succeeding year, 102 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.

''(D) ANNUAL FEE-FOR-SERVICE COSTS IN 2004 AND 2005.—For 2004 and 2005, the adjusted average per capita cost for the year, as determined under section 1876(a)(4) for the Medicare+Choice payment area for items and services covered under parts A and B for individuals entitled to benefits under part A and enrolled under part B and not enrolled in a Medicare+Choice plan under this part for the year, except that such amount shall be adjusted—

''(i) to exclude costs attributable to payment adjustments described in subsection (a)(5)(B)(ii), and

''(ii) to include an amount equal to the Secretary's estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.

On page 298, line 10, strike ''subparagraph (B)'' and insert ''subparagraphs (B) and (E)''.

On page 301, between lines 8 and 9, insert the following:

''(E) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the area-specific Medicare+Choice capitation rate under subparagraph (A) for 2004 and 2005, the annual per capita rate of payment for 1997 determined under section 1876(a)(1)(C) shall be adjusted to include in the rate the Secretary's estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.

On page 302, line 23, insert ''(or, in the case of calculations for payments for months beginning on or after January 1, 2004, and before December 31, 2005, the average number of medicare beneficiaries enrolled in a Medicare+Choice plan that are)'' after ''medicare beneficiaries''.

On page 303, line 9, insert ''other than 2004 and 2005'' after ''for each year''.

On page 349, between lines 4 and 5, insert the following:

(3) PAYMENT RATES BASED ON 100 PERCENT OF FEE-FOR-SERVICE COSTS IN 2004 AND 2005.—

(A) CHANGE IN BUDGET NEUTRALITY.—Section 1853(c) (42 U.S.C. 1395w–23(c)) is amended—

(i) in paragraph (1)(A), in the flush matter following clause (ii), by inserting ''(other than in 2004 and 2005)'' after ''multiplied''; and

(ii) in paragraph (5), by inserting ''other than 2004 and 2005'' after ''for each year''.

(B) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—Section 1853(c)(3) (42 U.S.C. 1395w–23(c)(3)) is amended—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (E)''; and

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

''(E) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the area-specific Medicare+Choice capitation rate under subparagraph (A) for 2004 and 2005, the annual per capita rate of payment for 1997 determined under section 1876(a)(1)(C) shall be adjusted to include in the rate the Secretary's estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.''.

(C) REVISION OF NATIONAL AVERAGE USED IN CALCULATION OF BLEND.—Section 1853(c)(4)(B)(i)(II) (42 U.S.C. 1395w–23(c)(4)(B)(i)(II)) is amended by inserting ''(or, in the case of calculations for payments for months beginning on or after January 1, 2004, and before December 31, 2005, the average number of medicare beneficiaries enrolled in a Medicare+Choice plan that are)'' after ''medicare beneficiaries''.

(D) UPDATE IN MINIMUM PERCENTAGE INCREASE.—Section 1853(c)(1)(C) (42 U.S.C. 1395w–23(c)(1)(C)) is amended by striking clause (iv) and inserting the following new clauses:

''(iv) For 2002 and 2003, 102 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.

''(v) For 2004 and 2005, 103 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.

''(vi) For 2006 and each succeeding year, 102 percent of the annual Medicare+Choice capitation rate under this paragraph for the area for the previous year.''.

Mr. SCHUMER. Madam President, I offer this amendment on behalf of myself and my colleague from Pennsylvania, as the lead sponsors of this amendment. I also ask Senators CORZINE, CLINTON, LAUTENBERG, and KERRY be added as cosponsors who support what we are doing here.

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

Mr. SCHUMER. Madam President, Senator SANTORUM has summed this up very well. We have a large number of senior citizens who have opted into a Medicare+Choice Program. The Medicare+Choice Program has been an experiment. Basically it said, let's let some providers, in this case HMOs, provide Medicare for senior citizens so they have an option to go into it.

What most of these programs have done, frankly, is they made a sort of deal with senior citizens. They say you have to go to the doctors and hospitals that are a part of our plan. In that way, we will reduce costs. Then we can provide prescription drug coverage or other types of coverage for you. It has been quite popular in a good number of places, in my State as well as many other States.

This program has had some trouble, there is no question about it. The reason is the cost of prescription drugs has gone way up. Health care costs have gone way up. As a result, many have pulled out of Medicare+Choice. Many seniors—not all but most of the seniors I know—went into it so they could get some prescription drug coverage.

I agree completely with Senator SANTORUM. We are, in 2006, going to provide all kinds of different help to private providers who will provide either prescription drug coverage or a whole Medicare+Choice-type situation. But it absolutely makes no sense to let these programs go under, which they will because there is not enough money for them now, in 2004, 2005, until 2006 funding kicks in, and then whole new infrastructures would have to be set up.

In addition, the premiums have gotten so high because the costs have gotten high and we have been unable to put in the money that many of those providing Medicare+Choice have either pulled out entirely of large regions in this country or so many have pulled out there is not the competition we would like to see.

In Suffolk County, in my area, I think it is 80,000 senior citizens who were in Medicare+Choice; but where there were once 6 providers, there are now only 2.

In addition, and really galling to the seniors, with good reason—I completely agree with them—the premiums, the copayments on these programs have been large. They once were $10 or $20 or $30. Now, particularly in suburban areas, they are $140 to $170 a month. In fact, many of my constituents, with justification, cannot understand why Medicare+Choice is available in some areas with no copayments and no premiums, and in others the premium is so high that if you are a typical senior citizen on a fixed income, you can't afford it.

Our proposal does two things—and, again, Senator SANTORUM is exactly correct. No. 1, it provides the money so these programs can stay in effect until 2006. Once we get to 2006, they are taken care of because of the structure of this bill. But to have them collapse makes no sense.

Second, it provides some equity. Because costs are higher, for instance, in Suffolk and Nassau Counties, they should not be treated the same and given the same dollars as New York City.

Who is paying the higher costs in the end? The senior citizen who is having the same kind of expenses as a senior citizen in New York City.

We add just the formula and make it more flexible so high-cost areas get some reimbursement. This is a problem in the suburbs of New York, in the suburbs of Philadelphia, in the suburbs of Texas and California. It tends to be a suburban problem.

But make no mistake about it: Many of the senior citizens who live in these suburban communities are not wealthy. They are not middle class. They are struggling. They are on a fixed income. Medicare+Choice originally was a salvation to them. Now it is becoming a real burden.

I would add, I do not believe this is the fault of the HMOs providing the service. It is the Federal Government that has not put in enough money to make these things viable. We have corrected this in this proposal, but only in 2006, when it takes effect. Again, it makes no sense, no sense whatsoever, to let these HMOs that do Medicare+Choice fold and then have to start up again.

So this is an important amendment. Unfortunately, we cannot bring it to a vote because in the rules of the Senate, we would have to get 60 votes to adopt this, and that is too uphill a burden. But the good news is, it is in the House bill which has different rules.

I know Senator SANTORUM, as well as all my cosponsors, joins me in saying we want this program to be put in the final bill when it comes out of conference committee. We know there will be the kind of dollars that might be available, and this is an extremely high priority.

So I am offering this amendment to underscore that importance, to let our diligent leaders of the Finance Committee—Senator GRASSLEY and Senator BAUCUS—know how important it is to a good number of us, and to make sure it has its place at the table when the conference committee occurs.

I just want to make a few more points about Medicare+Choice Programs. These do not benefit well-to-do people. Let me give you some numbers. Among Medicare beneficiaries who have annual incomes between $10,000 and $20,000 and who do not have Medicaid or group health coverage, 40 percent are in Medicare+Choice. These are the very people who cannot afford the high cost of prescription medicines.

Medicare+Choice, when it came in, was a godsend to them. And I, for one, am on this side of the aisle, but I do not let any ideological blinders get in my way. If Medicare+Choice, a private program, is going to solve their problem, great, but let's provide it with the funds, particularly in more suburban, high-cost areas so it can actually work.

Here is another statistic. In addition, 52 percent of Hispanic and 40 percent of African-American Medicare beneficiaries who do not have Medicaid or group health depend on Medicare+Choice. So this is an area that affects typical Americans: hard-working retirees, who have not made a windfall, who made a decent living just by the sweat of their brow, and now they are retired and are on a fixed income, they need some kind of help that goes beyond Medicare because they have a large prescription drug bill or they need something else. Medicare+Choice becomes a health care safety net.

Again, it would be a shame if we did nothing. If we did not have this bill,

most of the Medicare+Choice Programs would have faded away or made the premiums so high they would be out of the reach of all but very comfortable people. This amendment provides the bridge between now and 2006 when we know this will work.

I know there are many Senators who are enthusiastically for this approach. I want to add that Senator KERRY, who could not be here today, wanted me to let my colleagues know how enthusiastic a supporter he is.

I hope we will work this out in the conference because it is one of the most important things that are not in this bill, once you overcome the basic disagreement we have of Medicare versus private.

AMENDMENT NO. 1040 WITHDRAWN

So I am going to withdraw the amendment because, again, we do not want to put ourselves, because of the Senate rules, under a burden of having to get much more than a majority, a 60-percent vote. We have hope because it is in the House bill. We are going to work hard in conference to see that it is kept in the conference agreement. But at this point, Madam President, I ask unanimous consent to withdraw this amendment on behalf of Senator SANTORUM, myself, and the other cosponsors.

The PRESIDING OFFICER (Mrs. DOLE). The Senator has the right to withdraw the amendment, and the amendment is withdrawn.

Mr. SCHUMER. I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I ask unanimous consent that I be allowed to yield to the Senator from New Mexico and then retain the floor after he offers his two amendments.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Mexico.

Mr. BINGAMAN. Madam President, I thank my colleague from Rhode Island very much for yielding to me.

Madam President, I ask unanimous consent that the pending amendments be set aside.

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

AMENDMENT NO. 1065

Mr. BINGAMAN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself and Mr. DOMENICI, proposes an amendment numbered 1065.

Mr. BINGAMAN. Madam President, 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 update, beginning in 2009, the asset or resource test used for purposes of determining the eligibility of low-income beneficiaries for premium and cost-sharing subsidies)

On page 120, between lines 16 and 17, insert the following:

''(I) UPDATE OF ASSET OR RESOURCE TEST.—With respect to eligibility determinations for premium and cost-sharing subsidies under this section that are made on or after January 1, 2009, such determinations shall be made (to the extent a State, as of such date, has not already eliminated the application of an asset or resource test under section 1905(p)(1)(C)) in accordance with the following:

''(i) SELF-DECLARATION OF VALUE.—

''(I) IN GENERAL.—A State shall permit an individual applying for such subsidies to declare and certify by signature under penalty of perjury on the application form that the value of the individual's assets or resources (or the combined value of the individual's assets or resources and the assets or resources of the individual's spouse), as determined under section 1613 for purposes of the supplemental security income program, does not exceed $10,0000 ($20,000 in the case of the combined value of the individual's assets or resources and the assets or resources of the individual's spouse).

''(II) ANNUAL ADJUSTMENT.—Beginning on January 1, 2010, and for each subsequent year, the dollar amounts specified in subclause (I) for the preceding year shall be increased by the percentage increase in the Consumer Price Index for all urban consumers (U.S. urban average) for the 12-month period ending with June of the previous year.

''(ii) METHODOLOGY FLEXIBILITY.—Nothing in clause (i) shall be construed as prohibiting a State in making eligibility determinations for premium and cost-sharing subsidies under this section from using asset or resource methodologies that are less restrictive than the methodologies used under 1613 for purposes of the supplemental security income program.

''(J) DEVELOPMENT OF MODEL DECLARATION FORM.—The Secretary shall—

''(i) develop a model, simplified application form for individuals to use in making a self-declaration of assets or resources in accordance with subparagraph (I)(i); and

''(ii) provide such form to States and, for purposes of outreach under section 1144, the Commissioner of Social Security.''.

Mr. BINGAMAN. Madam President, just very briefly, let me state that this is the revised version of the amendment Senator DOMENICI and I had 2 days ago that would have eliminated the assets test. This keeps the assets test but reforms it very substantially.

I will explain this further when we get an opportunity to actually debate the amendment.

Madam President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 1066

Mr. BINGAMAN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 1066.

The amendment is as follows:

(Purpose: To permit the establishment of 2 new medigap plans for medicare beneficiaries enrolled for prescription drug coverage under part D)

On page 137, line 6, strike ''Notwithstanding'' and insert ''Except as provided in paragraph (4) and notwithstanding''.

On page 138, line 2, strike ''or 'G' '' and insert '' 'G', or a policy described in paragraph (4)''.

On page 138, line 17, insert '', who seeks to enroll with the same issuer who was the issuer of the policy described in clause (ii) of such subparagraph in which the individual was enrolled (unless such issuer does not offer at least one of the policies described in paragraph (4)),'' after ''section 1860D–2(b)(2)''.

On page 140, between lines 13 and 14, insert the following:

''(4) NEW STANDARDS.—In applying subsection (p)(1)(E) (including permitting the NAIC to revise its model regulations in response to changes in law) with respect to the change in benefits resulting from title I of the Prescription Drug and Medicare Improvement Act of 2003, with respect to policies issued to individuals who are enrolled in a Medicare Prescription Drug plan under part D or under a contract under section 1860D–3(e), the changes in standards shall only provide for substituting (for the benefit packages described in paragraph (2)(B)(ii) that included coverage for prescription drugs) two benefit packages that shall be consistent with the following:

''(A) FIRST NEW POLICY.—The policy described in this subparagraph has the following benefits, notwithstanding any other provision of this section relating to a core benefit package:

''(i) The policy should provide coverage for benefits other than prescription drugs similar to the coverage for benefits other than prescription drugs provided under a medicare supplemental policy which had a benefit package classified as 'H' before the date of enactment of the Prescription Drug and Medicare Improvement Act of 2003.

''(ii) The policy should provide coverage for prescription drugs that—

''(I) compliments, but does not duplicate, the benefits available under part D; and

''(II) does not cover 100 percent of the deductible, copayments, coinsurance (including any cost-sharing applicable under the limitation on out-of-pocket expenditures), or any other cost-sharing applicable under part D.

''(B) SECOND NEW POLICY.—The policy described in this subparagraph has the same benefits as the policy described in subparagraph (A), except that the reference to the benefit package classified as 'H' in clause (i) of such subparagraph is deemed to be a reference to the benefit package classified as 'J'.

(b) REPORT.—The Secretary shall enter into an arrangement with the National Association of Insurance Commissioners (in this section referred to as the ''NAIC'') under which, not later than 18 months after the date of enactment of this Act, the NAIC shall submit to Congress a report on the medicare supplemental policies described in section 1882(v)(4) of the Social Security Act, as added by subsection (a), that assesses the viability of the policies described in such section and, if viable, the details of those policies.

Mr. BINGAMAN. Madam President, just to indicate what this amendment does, this is an amendment related to Medigap and directs that a Medigap plan be developed to wrap around the prescription drug benefit that is currently in the bill.

Again, I will further explain this amendment and argue for it when we get the opportunity to do so.

I did need to have both of these amendments offered so that the Congressional Budget Office would do a score for them. Again, I thank my colleague from Rhode Island for yielding to me for that purpose.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I rise today to discuss the historic legislation that is before this Chamber. A year ago, this body undertook a similar endeavor to bring a Medicare prescription drug benefit to the 40 million aged and disabled beneficiaries who are on the program today, as well as maintain the promise for the tens of millions of future beneficiaries who will be joining the rolls in the coming decades.

Despite the fact that a majority of Senators voted in favor of a $594 billion plan for a drug program offered by Senators GRAHAM, MILLER, and KENNEDY, procedural barriers prevented us from delivering a benefit to our elderly and disabled last year.

Since that time, Congress has passed another round of tax cuts at the President's behest, and the Nation's fiscal condition continues to deteriorate at an alarming rate. Just last week, the Congressional Budget Office announced that this administration is now on pace to shatter previous Federal budget deficit records. CBO's latest fiscal year 2003 budget deficit forecast now tops $400 billion, an increase of $100 billion over the CBO's deficit forecast offered just a month ago.

The current record budget deficit was $290 billion set in 1992. In just the first 8 months of fiscal year 2003, we have already posted a deficit of $291 billion.

Congress and the administration are now turning their attention to the long-neglected problem of a prescription drug benefit for Medicare. This year, we are faced with an arbitrary cap of $400 billion under which a drug benefit must fit. This cap is the result of the administration's insistence on dealing with the drug benefit after the tax cut and not before. Madam President, $400 billion was not sufficient when we sought to enact a meaningful prescription drug benefit last year, and I believe it is even less adequate this time.

The issue of Medicare prescription drugs is extremely important to me, and even more important to the constituents I represent.

In of a State of slightly more than a million people, 14.5 percent of the population in Rhode Island is over the age of 65 years. This is a higher proportion of older persons than the national average of 12.4 percent. According to the Census Bureau estimates, the number of elderly is expected to increase to 18.8 percent of Rhode Island's population by the year 2025. Rhode Island also has one of the highest concentrations of persons age 85 and over. Consequently, seniors in my State tend to utilize higher degrees and greater levels of health care than their counterparts in other States.

My State is also unique in terms of its health insurance market. Being a small State, Rhode Island experienced a particularly tumultuous insurance cycle during the mid-1990s that resulted in basically one insurer remaining in the market. Being dominated by a single insurance company has resulted in artificially low reimbursement rates for providers in my State. In fact, I am told Medicare is often the highest payer, sometimes 30 to 40 percent higher than some of the private options.

This has created a tremendous burden on providers in my State who are struggling to keep up with the increasing cost of doing business while continuing to provide quality care to their patients.

As Senator GRASSLEY stated at the outset of this debate, his legislation contains a provision aimed at increasing the reimbursement rate for rural providers that fall below the national average. This will make certain rural patients are not denied access to doctors and quality care. However, I believe the same assurance must be given to all Medicare beneficiaries, regardless of where they live. I am constantly hearing from providers in my State who are struggling with the drastically increasing cost of doing business. I believe we must do more to recognize regional variations in the cost of providing health care services in this country to ensure all providers are equitably compensated for services under the Medicare Program and access to care for beneficiaries is assured.

I would like to take a few moments to outline the many concerns I have regarding this legislation. I commend the Senate Finance Committee and the leadership of Senator GRASSLEY and Senator BAUCUS for their efforts to move a package forward. This is a daunting challenge. They have invested their energy and their vision and their enthusiasm over many weeks. I commend them for that.

However, I believe the proposal before this body is deficient in many significant ways. Under the legislation, seniors below 100 percent of poverty and those between 100 and 135 percent of poverty would have much of their needs covered at minimal expense. This is one of the beneficial aspects of the legislation. I must commend the Senators for insisting upon this protection for low-income seniors. Seniors between 135 and 160 percent of poverty would face a variable deduction and coinsurance.

These are beneficial aspects. If we could do more along these lines to provide assurances to low-income seniors that their benefits would be taken care of, if we could close the gap in coverage and we could do many things, this legislation would be one that would be universally supported. But there are significant shortcomings as well as the beneficial aspects.

Our elderly and disabled beneficiaries need a comprehensive Medicare prescription drug benefit now, not 3 years from now. According to the Kaiser Family Foundation, a senior today pays an average of $999 in out-of-pocket drug costs. Under the Grassley-Baucus proposal, beginning in 2004, seniors would be entitled to the Bush administration's privately run discount card program. The Government-endorsed card would provide seniors with negotiated discounts on certain drugs.

Instead of taking the time and expense to implement and dismantle a temporary discount card, we should be dedicating ourselves to implementing today a meaningful comprehensive prescription drug benefit as expeditiously as possible. I recognize the proposal before us is highly complicated and relies on a private marketplace that does not even exist and will take time to put in place. Yet if the original Medicare program could be up and running within 11 months during an era when there were no computers to speak of, I see no reason why we can't phase in the basic elements of a prescription drug program starting immediately.

I greatly fear the beneficiaries of Medicare will never see this benefit take effect when 2006 rolls around. There are a number of very plausible scenarios such as increasing Federal budget deficits, competition with the never ending drumbeat for tax cuts, and the expiration of some of the 2001 and 2003 tax cuts, the lack of private companies willing to offer these new plans, technical problems, or any number of other potential stumbling blocks that could derail implementation of this benefit, leaving seniors with nothing more than the temporary discount card as a benefit. Indeed, the bill before us continues the temporary card more than 6 months after the benefit is supposed to start.

Given the fact that Medicare beneficiaries have already waited too long for Congress to enact a prescription drug benefit, we need to do all we can to deliver a Medicare prescription drug benefit as soon as possible. Yet an effort by Senator LAUTENBERG to move up the implementation date of the new Medicare Part D program to July 1, 2004 failed. I am extremely disappointed this amendment did not prevail, leaving seniors to wait even longer for us to deliver on this promise.

The current package relies entirely on the private sector to provide a Medicare prescription drug benefit to seniors. The new Medicare Part D program created by this legislation is a significant departure from the traditional Medicare Program structure. The expectation is that Medicare HMOs and PPOs will provide the complete range of health care services, including prescription drugs, under the new MedicareAdvantage option, while drug-only plans, which currently don't exist in the health insurance marketplace,

will provide drug coverage to beneficiaries who remain in the traditional fee-for-service Medicare Program.

It is important to point out that most seniors have a favorable opinion of the existing Medicare Program and are satisfied with the coverage they receive through the traditional program. According to a recent Kaiser Family Foundation Harvard School of Public Health survey, 80 percent of seniors have a favorable impression of Medicare and 62 percent felt that the program is well run.

Seventy-two percent of people age 65 and over surveyed thought seniors should be able to continue to get their health insurance coverage through Medicare over private plans and 63 percent favored drug coverage through Medicare over private plans.

The only time a beneficiary would have access to the Medicare prescription drug fallback option under the traditional program is when no other private plans are available in their service area. However, once two drug-only plans enter the market in a particular area, this fallback option automatically disappears and a senior's choice is eliminated. He or she is forced to move to a different plan. I believe seniors should have true choice when making a decision about Medicare. They should be able to choose the Medicare prescription drug plan that best suits their needs, even if it is the Government-administrated option, which has a proven record of lower costs to taxpayers.

I support providing a level playing field for all Medicare prescription plans and was a proud cosponsor of Senator STABENOW's amendment that would have guaranteed the availability of the Medicare fallback plan as the standard option for seniors. This was not an amendment to force some outmoded Government-controlled health care system. It was an amendment about choice; indeed, a choice seniors overwhelmingly favor. Apparently we rejected that choice when we rejected the Stabenow amendment.

The Federal Government already serves as a direct provider of prescription drug benefits to millions of active-duty military personnel and veterans, so we do have a compelling Government model rather than a private sector model on which to base our expansion of Medicare.

Advocates for private sponsored prescription drug coverage under Medicare contend the private sector is more efficient and generally better suited to providing a prescription drug benefit to the elderly and disabled. I have also heard arguments that private plans are more cost-effective. However, as history has shown, the Medicare program has operated with significantly lower administrative costs than their private sector counterparts—2 to 3 percent versus 8 to 10 percent. Moreover, the Federal Government already has a long track record of providing prescription drug benefits to millions of active duty personnel and their families.

The Government also has a wealth of experience as a bulk purchaser of medications for our Nation's veterans. The TRICARE program provides comprehensive health and prescription drug coverage to 8.6 million military and their dependents. Similarly, almost 5 million of our veterans have access to prescription drug coverage for free for service-connected conditions and for a nominal $7 copay for a 30-day supply of medication for nonservice-connected ailments.

Federal health care programs have a proven track record of offering comprehensive, stable, and reliable benefits in a cost-effective manner. The facts certainly do not necessarily reflect the rhetoric when it comes to private plans.

Indeed the best model for, I think, pharmaceuticals is the Veteran's Administration and TRICARE programs, all of which are run by the Federal Government.

Under the Finance bill, premiums will vary based on geographic location and the level of benefits offered by the plan. The most recent CBO estimates indicate that the average premium for the standard prescription drug plan would be $35 in 2006 and will increase to $59 by 2013. However, private plans are free to provide a different package of benefits so long as the minimum benefit is ''actuarially equivalent'' to the standard benefit package set forth by the Government. Plans would also be free to charge beneficiaries a different premium to reflect these benefit packages. For beneficiaries on fixed incomes, these unpredictable premiums will be a great burden.

Beneficiaries will also face annual unpredictable increases in their deductible. The bill sets the deductible at $275 for 2006 and will increase in subsequent years based on the average annual per capita expenditures on covered drugs. I fear that some of the cost saving measures in this bill are ''pennywise and pound foolish.'' We should be very clear that this legislation imposes a significant amount of cost-sharing on seniors, not only in terms of the $275 deductible, variable monthly premiums and 50 percent coinsurance under the prescription drug plan, but in other areas as well. Specifically, the Grassley-Baucus proposal increases the annual deductible beneficiaries currently pay under Medicare Part B to $125 in 2006 and it indexes future increases to inflation.

I am also deeply concerned with other provisions included in this legislation to offset the cost of the rural provider payments. In particular, it imposes for the first time a beneficiary coinsurance requirement of 20 percent for diagnostic lab tests to offset a portion of these rural provider payments. I have heard from literally hundreds of providers and beneficiaries from my State in opposition to this new cost burden. In essence, what this provision translates to is an $18.6 billion shift in cost onto beneficiaries over the next decade. From a regional standpoint, absolutely none of this funding will benefit providers in my State, nor will it ensure better access to care or improve quality of care to beneficiaries in my State. Yet the over 170,000 Medicare beneficiaries in Rhode Island will be forced to pay millions in additional costs. I believe it is extremely unfair and inappropriate to boost the payments of a select group of providers at the expense of beneficiaries. The purpose of the legislation is to bring new benefits—not impose new burdens—on our elderly and disabled.

The bill also reduces the reimbursement rate for certain cancer drugs administered in a physician's office. I fear that the cumulative effect of these provisions will be increasingly limited access to care for suburban and urban beneficiaries, either because they cannot afford the deductibles and coinsurance they are expected to pay, or because they are unable to find a physician who will take Medicare.

I am also skeptical of the new ''Center for Medicare Choices'' being created under this bill to administer parts C and D of Medicare. I don't understand why the new ''Medicare Advantage'' program under Part C and the prescription drug benefit program under part D are being separated from Medicare Parts A and B under the Center for Medicare and Medicaid Services.

Scarce Federal dollars that could be directed towards providing a more generous benefit to seniors are instead being used to create a new federal bureaucracy. I am also concerned that the time and effort needed to create this new agency will slow the implementation of a drug benefit plan for seniors.

When the Medicare program was originally created in 1965, it was done in response to the fact that elderly and disabled Americans were simply unable to get affordable health insurance coverage through the private market. While many aspects of our health care system have dramatically changed since then, I believe this same basic principle holds true today.

Should this legislation pass without significant changes, Medicare beneficiaries are going to be faced with a barrage of confusing and complicated options. If we expect seniors and the disabled to be informed consumers of health care, we need to be absolutely certain that we provided the resources necessary to educate them on their options. They are going to need assistance, at least initially, in sorting through all of the relevant information to determine which option is best suited for them, based on their overall health care needs. Indeed, one third of all seniors are probably better off it they do not participate in Part D, according to CBO.

While the Grassley-Baucus proposal does take some initial steps to bolster beneficiary education through the Medicare State Health Insurance Program (SHIPS) volunteers and through

local Social Security Offices, this new program, with all its options, and new features, is going to be very confusing to the public. I believe we need to do more on education and outreach to assist beneficiaries with this new program if the program is going to be successful and effective.

For example, even today, only about half the seniors who are eligible for the various low-income assistance programs (QMB, SLMB, QI-1) enroll in those programs.

I believe we can and must do more to ensure that beneficiaries, particularly those in hard-to-reach rural and inner city communities, have access to information describing these new changes, the importance of the low-income benefit, and encouraging enrollment. I hope to work with the chairman and ranking member of the Finance Committee to make sure that all Medicare beneficiaries are well informed in terms of the parameters of the temporary discount card as well as the more comprehensive benefit.

Medicare beneficiaries who are eligible for Medicaid, known as the dual eligibles, have disproportionately high medical and long-term care needs. These seniors, including most vulnerable elderly in nursing homes, are ineligible for the drug benefit in this proposal. This population represents about 11 percent of older Americans covered by Medicare. While Medicare covers acute care and major medical expenses for this group, Medicaid picks up the cost of their prescription drugs. Since many of the dual eligibles suffer from chronic illnesses and have multiple health problems, their drug costs are extremely high. With the Gassley-Baucus proposal, the Federal Government shirks its responsibility as the primary payer by failing to assist these Medicare beneficiaries with their prescription drug costs. Indeed, it prohibits these seniors from receiving the drug benefit. It is also unclear how States' efforts to help this population will work with this proposal. Currently, States struggling with tight budgets are cutting back on care for Medicaid beneficiaries, and they are cutting optional benefits. Prescription drugs are one of Medicaid's optional benefits that States could choose to cut. The Grassley-Baucus proposal does nothing to help lift the States' burden and enable them to provide needed health care to their populations.

Under the Grassley-Baucus proposal, those low-income seniors who are not eligible for coverage through Medicaid, would as I mentioned, receive substantial Federal assistance. Unfortunately, their plan relies on state asset tests, which as Senator BINGAMAN has illustrated, can be extremely confusing and onerous for beneficiaries. Moreover, it is estimated that roughly half of all beneficiaries who would be eligible for assistance under the plan would be disqualified because of the asset test. Consequently, they would be forced to pay significantly higher deductibles, premiums and coinsurance.

So the laudable attempts to cushion the blow for low-income seniors could be undercut by maintaining this asset test.

For a vulnerable senior or disabled person struggling to get by on a fixed income, their options will not be much better than what they face now. If they are unable to afford prescription medications without coverage today, they are not going to be any better off under this plan. Low-income Medicare beneficiaries are still going to be in the unenviable position to having to choose between their medications and other basic costs, such as food and transportation.

The bill provides $250 million to reimburse local governments, hospitals and other providers for emergency health services furnished to undocumented aliens, but does not offer aid to help cover uncompensated care provided to the uninsured Americans in health care facilities around the country.

Over half of the estimated unauthorized immigrants in the United States live in five states—California, Texas, New York, Illinois and Florida. However, all States in the Union face substantial costs due to uncompensated care, regardless of immigration status.

In 2001, people who were uninsured during any part of the year receive $98.9 billion in care, of which $34.5 billion was uncompensated care. Last year, my State of Rhode Island provided more than $120 million in uncompensated care, and this is expected to grow higher this year due to the weak economy.

Local governments, hospitals, and providers throughout the United States are facing rising care costs, trying to provide services to the uninsured, which includes undocumented aliens but includes many others.

With the sluggish economy and rising deficits, States cannot alone continue to shoulder the burden placed on the health care system by the uninsured. A recent Institute of Medicine report entitled ''A Shared Destiny'' documents the impact of the uninsured and uncompensated care on communities.

The consequence of uninsurance for communities can include reduced health care services, closure of local health care institutions, increases in local cost of health care and health insurance, and poorer health for residents in general.

Federal reimbursements for health services provided to the uninsured are needed by all States. It would be more equitable to States to distribute funding based on uncompensated care determined by the number of uninsured individuals in a State as a percentage of the total number of uninsured U.S. residents rather than simply immigration status. Under the current provision, over 50 percent of the funding would go to three States, and seven States, including Montana, might not receive any funding.

Distributing funding based on the number of uninsured will help all of us. I hope Senators GRASSLEY and BAUCUS will work to explore ways in which we can address this extremely pressing issue for all States.

Another aspect of the legislation is a very serious one and one which troubles me significantly. It is the projection by CBO that 37 percent of Medicare eligibles who presently receive prescription drug coverage through an employer retirement plan will lose that coverage as a direct result of this legislation. Under this bill, over 4 million people will lose their existing prescription drug coverage.

This effect is particularly troublesome because many seniors with retiree coverage currently enjoy more generous benefits than would be provided to them under this legislation. We are all aware that some employers are already eliminating coverage or trimming back on the benefits offered to retirees. However, this legislation will likely accelerate this disturbing trend because employers see no reason to pay for a benefit the Government already provides.

I am deeply disappointed that the amendment offered by Senator ROCKEFELLER, which would have permitted drug spending by employers to count toward the out-of-pocket spending requirements of the drug benefit, was not approved. I believe the Senator's amendment would have gone a long way toward eliminating a problem of employers dropping retiree health insurance coverage.

I am also particularly concerned that legislation may have negative implications for State and local government retirees and their families. States across the Nation are suffering from staggering budget shortfalls. This legislation might present an enticing opportunity for States to slash some of their costs by shifting their retiree health insurance costs on to the Federal Government by substituting what they currently offer for what is being proposed under the Grassley-Baucus plan.

I know this would have serious implications for the over 35,000 retirees and their families currently in the Rhode Island State employees pension system as well as the almost 20,000 employees who will be expecting these benefits when they retire.

Over the past several days, my colleagues and I have brought forth amendments that would have addressed the many recognized shortcomings in the pending legislation. We have repeatedly attempted to modify the bill in a way that would have provided a stable, universal, and affordable Medicare prescription drug benefit to the almost 40 million elderly and disabled beneficiaries in America.

I fear that the product taking shape in this Chamber is only going to disappoint beneficiaries by delivering a hollow benefit that will not meet their real health care needs. Even with an additional $12 billion in resources, this body is choosing to experiment with

the privatization of Medicare over providing enhanced benefits to seniors or eliminating the gap in coverage under this plan.

For these reasons, I am unable to support this legislation. I am deeply disheartened to be reaching this conclusion, but elderly and disabled Medicare beneficiaries deserve better than the proposal before this Chamber. I only wish we were seizing this historic opportunity to provide them with a benefit they need and deserve and can be sure they will get.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 1040

Mrs. CLINTON. Madam President, I come to the floor in support of the amendment proposed and then withdrawn by my colleague, Senator SCHUMER, that would have helped Medicare+Choice programs continue to provide insurance for their beneficiaries. This is a serious problem in New York and, I have reason to believe, in many other parts of the country because, as costs have continued to rise, many health plans are being forced to drop people from their rolls. They are actually withdrawing from large regions of New York and elsewhere in the country, leaving people to scramble for alternatives. Even those who are continuing to provide coverage are raising their premiums drastically.

Like the rest of Medicare, Medicare+Choice plans are feeling the squeeze in a system caught between rapidly exploding costs and rapidly imploding finances. Here we are on the floor debating the future of Medicare and the structure of new benefits like prescription drugs, but while we debate the future of Medicare, we need to recognize that there are people right now in our States who depend on these plans today, and the plans, when they withdraw and then reenter from year to year, cause confusion and excess costs that fall directly on the backs of our seniors. So these seniors, who are already facing rising premiums, benefit cuts, and withdrawal of services, should not be forgotten in the context of the debate we are carrying on today which will actually try to encourage more seniors to move in to these kinds of private health insurance choices.

I hope that we do something not only about the future, but we start doing something about the present and take care of our seniors who were promised better benefits in these Medicare+Choice plans only to find the rug pulled out from under them, as the plans either raised premiums, sometimes 15, 20 percent, and withdrew from their region, leaving them without the coverage for which they thought they bargained.

I fear we are setting up many more of our seniors for this kind of disappointment, confusion, and disruption if we do not heed the lessons of what has already happened.

I thank the Chair for this attention, and I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I do not think in my 19 years in the Senate we have faced a more important and decisive issue than what is before us right now. The action the Senate will take on this bill, I believe, will set us on one of two courses.

If the Senate passes S. 1, as it is now constituted, and then goes to conference with the House—and the House bill is even worse than this one—we will have set this country on a course, inexorably, I believe, toward the privatization of Medicare and the privatization of Social Security. That is why I believe this upcoming vote is such a momentous vote.

There are those who say: We can pass it—maybe it is better than nothing—and then we can come back sometime in the future and make it better and fix it. I am not certain that is a gamble I want to take with the future of Medicare and Social Security.

The proponents of this bill are claiming that it is going to provide prescription drug coverage for seniors. Obviously, that is something we all hear about when we go back to our respective States—we know it; we sense it; we feel it; we see it—that more of our elderly are cutting their pills in half. They are not taking the prescribed medicine. They wind up in the emergency room of the hospital.

Under Medicare, if one is in the hospital, they get their drugs paid for. But if they are outside and they need drugs to keep them healthy, to keep them out of the hospital, then there is no help. I hear this from our seniors all the time.

So we know the need is there and that we should address it. We have been talking about it for a number of years.

Quite frankly, I think the bill before us, S. 1, moves the focus from the elderly and their situation and their need for an affordable, reliable prescription drug benefit, to a special interest: What is best for the drug companies? What can we do to make sure that they can continue to make the high profits they are making; to continue to be able to advertise and push these drugs on people who may demand drugs for which they could use cheaper alternatives?

The focus of this bill is a special interest focus to help the drug companies.

I have gotten over 700 phone calls in my office. Only four of them were for this bill. Seven hundred phone calls from the elderly, and only four in favor of it. I cannot believe I am the only person getting these kinds of phone calls. Funny, I have not gotten one phone call from a drug company. They are very happy and very satisfied with this bill.

So why do we find ourselves in this situation? Well, it is really only a matter of priorities. This administration and Congress had no qualms about passing enormous tax cuts amounting to $93,000 a year for millionaires and above, but now we have problems coming up with adequate funds for our Nation's seniors. This bill will not provide significant relief to the millions of seniors who need it.

Let's put it in perspective. During the last 3 years, this Congress has passed, and the President has signed, $1.6 trillion in tax cuts. That is assuming we do not continue the cuts that are already scheduled to sunset. If we do not sunset these tax cuts, it is going to amount to a lot more than that.

At the same time, we are told by CBO that seniors will have about $1.8 trillion in drug costs over the next 10 years. So do we have the picture? We have just passed $1.6 trillion in tax cuts, half of which benefit the wealthiest 1 percent in our country. Keep that figure in mind, $1.6 trillion. That is with the sunset provisions. Now, if we do not sunset them, it is going to be trillions more than that.

CBO says over the next 10 years our seniors are going to need drugs costing about $1.8 trillion. We do not have the money for that. Why? Because $1.6 trillion has already gone out for the tax cuts. After breaking the bank on these tax breaks for the wealthy, we are left with table scraps for our seniors. It is all due to a bad budget that many of us did not support. I did not vote for this budget. It was a bad budget.

We are going to see more about how bad this budget is when our appropriations bills hit the floor on education, health, and job training. We are going to see how bad this budget really was then.

Some examples of how bad I believe the provisions of this bill are: A senior living on $15,000 per year—that is just right over 160 percent of the Federal poverty level—with $1,000 in annual drug costs will actually lose money if enrolled in this program. My colleagues heard me right. If a senior is making $15,000 a year, and they have $1,000 in annual drug costs, if they join this plan, they pay more in than they get out. In fact, it is estimated that at least 35 percent, more than a third of all Medicare beneficiaries, will lose money if they enroll in this plan.

A married couple with a combined income of $20,000, again just slightly over the 160 percent of poverty level, if they had individual drug costs of $1,500 each—that is $3,000 a year in drug costs—they would save less than $400, barely 12 percent of their total drug costs.

Even seniors with high drug costs will only get modest assistance. In fact, a senior under Medicare will have to have drug costs approaching $9,000 per year before this plan will even cover a half of their expenses.

When we add together what a senior has to pay in premiums, deductibles, and cost sharing, then they have this coverage gap, the donut hole, where

they do not get 50 percent coverage until they hit $9,000 in drug costs and then they get a 50/50 split—$9,000 in drug costs before they even get 50 percent.

As I said, the plan has a donut hole, a gap, the coverage of the size of Texas, maybe Alaska. What this means for seniors is that they will pay 100 percent of their drug bill even while they are continuing to pay premiums, but they will not receive any drug coverage.

Now, there is an eruption coming. When this bill passes and it gets out there and seniors finally get in this in a couple of years, there is an eruption coming because there are going to be seniors out there saying: Wait a minute, I am paying into this thing and I do not get anything back because I fall in this gap? Wait until my colleagues start hearing from their constituents on that one.

Under this gap, once a senior's total drug costs reach $4,500, they are on their own until their catastrophic kicks in at $5,800, if I am not mistaken. But they still have to continue to pay premiums. Even though they pay for everything, they still pay the premiums. They are paying something, but they are getting nothing. That leaves a senior citizen with another $1,300 in out-of-pocket drug spending each year if they hit that gap.

That is what we call the Swiss cheese model of drug coverage. It is full of holes, and woe to you if you fall in one of them.

This bill provides too little to middle-class seniors. We tried to fix the problem. Senator BOXER offered an amendment to fill in this unfair coverage gap. The Republicans said: No, we cannot afford it.

Oh, we can afford $1.6 trillion to the wealthiest in this country, but we cannot afford to close the coverage gap. Priorities, my friends, priorities. That is what this debate is about, priorities.

The second flaw in the bill is it is a bureaucratic maze. Congress is trying to cram through one of the most significant changes in social policy in decades in 2 weeks. I am beginning to think it is because the leaders of this effort do not want seniors and the rest of the people in this country to see what is in the bill until it is too late. This is a complex, daunting, bureaucratic nightmare of a bill, and it will be for seniors.

This weekend the New York Times headlined in red ''Criticism of drug benefit is simple: It's bewildering. High level of complexity causes concern.''

With both houses of Congress poised to pass a Medicare drug bill next week, lawmakers are increasingly anxious about the complexity of the legislation and its reliance on new and largely untested arrangements to deliver drug benefits to the elderly.

This complexity, they say, may be daunting and confusing to beneficiaries, and even to insurance companies, which are supposed to manage the new benefits. Many lawmakers say they have just begun to examine the bill's intricate details and the web of political compromises behind those provisions.

Senator Larry E. Craig, Republican of Idaho, lamented the bill's ''high level of complexity and prescriptiveness.'' Senator Hillary Rodham Clinton, Democrat of New York, said it would create ''a Medicare maze, a whole new bureaucracy.''

Yes, it is bewildering. It is complex. If you think reading the bill is complex, 654 pages, I bet there are not a handful in this room who know what is in the bill—maybe a few in the committee, not many more. If you think that is bewildering, wait until the seniors start getting hit with this.

There is a reason why over the last several years when we put in Medicare+Choice for Medicare 89 percent of seniors chose to stay in traditional Medicare. Why? They want a simple, straightforward, understandable, reliable, guaranteed benefit, one in which they get coverage for the drugs they need, one they can sign up for and it does not put you in and put you out and put you in and put you out, year after year, but it is there solidly and one that is affordable.

What they are going to get under this plan is a series of befuddling and bewildering steps just to obtain substandard drug coverage.

Let's take an example. A senior citizen, we will call him Bob, next year is going to receive a drug card. Well, la-di-da, he will get a drug card. He might already have three or four drug cards in his wallet. In fact, I had an individual in Iowa a few weeks ago who took out his wallet and he already had five prescription drug cards: One from AARP, one from the State, one from a drug company, and a couple more I did not recognize. He said: Not a one is worth a hoot.

Millions of drug cards are out there now from CVS, State programs, other private organizations, AARP. If discount cards provided anything, if they amounted to anything, they would not need a drug benefit under Medicare. There are millions of them out there. Seniors will tell you they are not worth the paper they are printed on.

The reality is for the next 2 years, seniors like Bob will be left with virtually nothing. He gets a card. If Bob were low income, next year he will receive a debit card worth $600. Consider this. Bob gets a debit card worth $600, but what happens when Bob is going to the drugstore and he is getting his prescription drugs. It is now July and he goes to the pharmacist for his refill and the pharmacist says, sorry, you are out of money. The $600 is used up. What does he do then? He goes back and he sees his friend Fred, and Fred says, Well, I am still going to the drugstore and I am getting mine free. Bob wonders why he does not get his. Wait until that hits next year. Wait until your constituents start calling you up because their debit card has run out of money and it is July or August or September.

Now he has the card for a couple of years. After 2 years of having the card, it expires. It is done for. Now Bob is going to be forced to wade through hundreds of pages of health plan documents to choose which plan he wants. I decided to look at some of the plans that are out there and here are three of them. Here is Care First, Blue Cross Inc. Anyone want to try wading through this? Anyone want to read that and understand what is in there? I am a lawyer, probably not very good, but I have trouble reading that.

Here is another one from the Kaiser Foundation Health Plan of the Mid-Atlantic States. Bob will have to wade through this one, too, to figure out what he wants.

Here is one from MDIPA. This is a little smaller than the others but still pretty daunting.

In a couple of years, Bob will get a couple of these and he will be told to decide which he wants. He has to read through them and figure it out. What is he going to do, hire an accountant; hire a lawyer to figure out which plan is best for him? The plans could have different benefits, different rules, different prices, and different drugs.

Once Bob makes his choice, he could find out some of the drugs he needs are not actually covered by the plan. So he either has to change drugs or what, change plans? No, Bob cannot do that. He can do that at the end of a year. But if he finds out his drugs are not covered, he cannot switch. He has to wait until the end of the year. If Bob chooses one of the new PPO plans, the preferred provider plans, he might even have to change doctors to become part of it because they will list only certain doctors.

If that is not enough, once Bob chooses a plan and he is in it, his monthly premiums may skyrocket past $35 a month at any point in time. I have said to some people, That cannot be right; surely they cannot do that. But it is in the bill. It is in the 654-page bill. If you belong to a plan, any time that plan wants to raise the premium, you have to pay it. You cannot get out of the plan. You have to stay in it. So you have signed up for a plan. It says it will charge $35 a month. After a couple of months, the plan figures out it is not making enough money and now the premiums will be $45 a month. Why, you can write your Senator and tell your Senator how unfair this is. Guess what. Your Senator cannot do a darn thing about it. Nowhere in this bill does it guarantee seniors will not have to pay different monthly premiums.

Senator DASCHLE offered an amendment to try to fix this significant problem so seniors would be guaranteed some protection from fluctuating monthly premiums but, again, the Republicans said no. So we are supposed to vote for a bill that cannot even tell seniors what they are getting and how much it is going to cost them. In fact, Senator LOTT, who was quoted in the New York Times this week, said:

You are going to make a huge change in an entitlement program and you don't even know how it would work, if it would work.

At least we have one Republican over there who recognizes this as a bureaucratic maze. At least the amendment of Senator DASCHLE would have given seniors some peace of mind that what they bargained for is what they were going to get.

So we are back to Bob. Now, Bob is in the plan. His premiums might skyrocket. He might find that the prescription drug coverage is unaffordable. Now Bob is down at the coffee shop with his friends. None of them make very much money, but their income levels vary a little bit. They are all basically the same. They are retired, they worked hard all their lives, and they are spending a little time watching their grandkids grow. None of them are wealthy. They weren't born with silver spoons in their mouths. They don't have a lot of stock. They are just getting by.

You know, you see them on Main Street all the time. You see them in our towns, all over our States—average, middle class elderly Americans—and they are down at the coffee shop. They start talking. Bob finds out that all of his friends pay different amounts for their prescription drugs. Bob's friend George is paying a $50 deductible. Bob says, ''How can this be?''

Well, George earns just a little less than Bob. He earns $14,000 a year. So he pays a $50 deductible. He pays a lower premium and 10 percent copay for most of his drugs.

Their other friend Joe makes a bit less money a year. He is getting around $12,000 or so a year. He pays no deductible, no premium, and a 5 percent copay for his drugs.

Bob is sitting there and he is astounded. He doesn't make much more than they do. He makes $15,000 a year. He is struggling to make ends meet at that, and he is still stuck paying 50 percent copays, large deductibles, and large premiums.

Think about how you are going to hear from your seniors who gather at the local McDonald's in the morning to have their coffee and they start talking about this. One gets drugs practically free. Someone making just a few hundred dollars more pays the full premium, the full deductible, 50 percent copays. Try explaining that to your elderly citizens when this hits the streets.

Seniors are going to know immediately that this is not fair. This is the first time in Medicare's history that we are means-testing the program, where seniors are treated differently under Medicare. I believe there are serious consequences to creating this welfare class in Medicare, and that is what we are doing. We are creating a welfare class under Medicare.

It will be incredibly confusing for seniors to have four tiers of differing benefits. Seniors will not know where they fall in these income classes. Think of it, there are four. You have 75 to 100 percent of the poverty level; you have another class from 100 to 135 percent of the Federal poverty level. You have another class from 135 to 160 percent of the Federal poverty level. And now you have another class above 160 percent of the poverty level. There are four different classes.

How does Bob know where he fits? He is going to have to go through some tests. He is going to have to fill out some forms and submit the forms so people know how much money he makes.

I had some of those forms here. Here they are right here. Here is a set of forms right now for the Commonwealth of Pennsylvania. It is 16 pages long. It is what a person has to fill out in the Commonwealth of Pennsylvania to show they are poor, if I can use that word, that they are low-income, that they need some assistance, some benefits. This is the kind of paperwork they fill out.

Here is all the information about you: where you live, what you do, what you have done in your lifetime. Any cash on hand? Any savings accounts? Any checking accounts? Any certificates of deposit? Any stocks or bonds? A boat? Do you have a Christmas or vacation club?

Does anyone own or is anyone buying a car, truck, or motorcycle? You have to fill it in—the year, make, and model.

Do you have a life insurance policy? Do you own a burial space or burial plot? This is what the elderly are going to have to start filling out. And guess who gets it. Where do they take this?

Let's say Bob's friend George—how much did I say George is making? He is making about $14,000 a year. He has to prove that. He has to prove it by filling this out.

Who does he give it to? The IRS? No. Does he give it to his Senator? No. How about his Congressman? No, he doesn't give it to the Congressman either. He gives it to his pharmacist and his doctor.

So, now, our pharmacists all over America are going to have to keep all this stuff on file. Now they are going to have to look through it to make sure that George didn't make a mistake somewhere in filling this out. Think what is going to happen to elderly all over America who now say: Wait a minute, I don't necessarily want my pharmacist to know all my business. The pharmacists are going to say: I don't want all this paperwork. Wait until that hits the streets. More paperwork for our pharmacists, more paperwork for our elderly. And they aren't going to know how to fill this out.

Not only that—assets. What if George, let's say, or George and Betty, husband and wife, fall just slightly below the $19,000 level in both incomes. So they go to fill out this paperwork to get a cut in their drug coverage, to get a better benefit. But then they hit that page on assets. What kind of assets do you have?

I know people are going to laugh about this, but this is true. Betty is going to have to have her wedding ring appraised by somebody. How much is it worth? How about family heirlooms? Let's say George and Betty had some furniture that their grandparents passed down. It is now an antique, worth some money. How much is it worth?

I said the other day, it seems to me this portion of the bill is going to be a boon to the pawnshop artists around America. They are all going to be called out to assess things and determine how much they are worth. Who is going to pay that bill? That is in the bill. You may think I am joking. It is in the bill, an asset test, and it includes things such as jewelry and furniture and, yes, even a burial plot. We are forcing this humiliating process on seniors, to prove they are poor, by filling out this complicated paperwork—an assets test.

Finally, after all of this trouble, if Bob and his friends' health plan does not make enough money off of them, they will just pull out of the market, leaving them right back where they started. We have seen this happen time and time again with Medicare HMOs all over the country. It could happen over and over and over again as the new private, drug-only HMOs come in and pull out.

The Federal fallback may be available one year but not the next. So seniors will be bounced from one plan to another plan, maybe back to Medicare, maybe to another plan. There is nothing to stop it. And if a plan is in there, and it is not making money, they are out of it.

So I guess I could ask, by now are you confused? Is it a little tough to follow what all is going to happen? Imagine how our seniors are going to feel. Senator CLINTON prepared this chart. I looked it over, and it really does kind of give you the complexity of this bill we are talking about. I will not go through it all except to say that seniors starting here, in private plan ''one,'' with a $40-a-month premium, $275 deductible, 47 percent coinsurance, no limitations on doctors—well, let's say you join this plan and then find out the drugs you need are not offered there. You file a grievance. It goes to a hearing to see whether the drug is covered. Then, let's say it is a private plan, and it doesn't make enough money, and they drop out. Then you fall back into the Federal fall back and you start all over.

It is a maze. That is what we are asking our seniors to get involved in. Keep in mind that over one-third of all seniors will have to navigate this maze—just to lose money. They have to go through this just to lose money. One-third will go through this maze, and they will pay more in than they get out.

I suspect very strongly that this whole thing was developed by people who want the system to fail. They want it to fail. This bill is an example of ideology over fact, placing all the

bets on private health plans to provide the drug benefit to seniors. It is especially bad for seniors in rural States where private plans have shown no interest in participating in the Medicare Program. This private-sector worship is derived from the belief that the free market will take care of everything: The free market is the answer to everything; if only it is just put on the free market.

Well, private enterprise or the free market does very well, thank you, when you are doing automobiles or airplanes or wicker baskets or widgets, clothes, glasses, watches, television sets, computers, and a host of other things. That is where the free market works. But the free market, the private sector, by its very nature, leaves those people behind who are not profitable, people such as those with disabilities, mental illnesses, and the elderly.

The free market did not break down the barriers to people with disabilities in our country. It was this Congress and a President and the Americans with Disabilities Act that said: No more; we are going to provide opportunities and openness in our country to people with disabilities. It was not the free market because people with disabilities simply are not profitable.

Why do you think we have health care coverage now under Medicare and private health care plans for physical illnesses but not for mental illnesses, for which we have been trying for a long time to get parity? People with mental illness are not profitable. And why do we have Medicare? Because a long time ago the private insurance companies found out that the elderly were not very profitable either. And I speak about this from personal knowledge.

When I was a senior in high school, in the small town of Cumming, IA, population 150, my mother had passed away some years before. We were a bunch of bachelors living in a house. My father was 74 years old. It was 1958. He worked most of his life in the coal mines, and he had then what they call miner's lung, also known as black lung. He had a couple of injuries. He was not in very good shape. He had no stocks. He had no bonds. He owned no property. He did not own anything.

His total income—total income—per year was less than $1,500 because, thank God, during World War II, he had worked for a while and got covered under Social Security. See, before that he had worked all his life, and there was no Social Security. But, fortunately, during World War II he worked a little bit, and got covered by Social Security, so he was getting about $1,200 or $1,300 a year. Actually, he got a little more than that because he had kids under the age of 18, me being one, and Social Security gave him a little extra, $35 a month.

So here was my dad. He was 74. He was in bad shape. He had no assets, no money. There was no Medicare out there, folks. There was nothing. Could my dad afford to see a doctor? No way. And my father did not see a doctor. But every year, like clockwork, in the middle of the winter, my dad would get sick. It happened every year. He would get sick. He had this bad lung problem. He would catch a cold, and he could not get over it. He would get pneumonia, and we would get a neighbor, with a car, and rush him to Des Moines to the hospital. They would put him in a tent, dry him out, get his lungs down, and cure his pneumonia. They would send him home after a couple weeks.

How did we afford to do that? We did not have anything. I will tell you how we afforded it. Thank God for the Sisters of Mercy at a Catholic hospital in Des Moines, IA, who gave us charity because he did not have anything. That is the only way that my father got health care.

Now, why didn't some insurance company rush out to cover him at a price he could afford? Keep in mind, he was making less than $1,500 a year. He was not profitable. He was 74. He had black lung disease. He had a couple of other illnesses and injuries. My father was not profitable to an insurance company.

I can remember like it was yesterday when I came home from leave from the Navy. This was later on in 1966. I came home on leave from the Navy to see my father, who was now nearing his 80th year of life. I remember when he showed me his Medicare card and said: Now I can go see a doctor. I can go to the hospital if I have to. And I don't have to take charity anymore.

I often wonder, what would my father's later years have been like, what would it have been like if he had had Medicare earlier on? How much better his life would have been, how much healthier he would have been, how much more he would have enjoyed in his elder years if he had had decent health care.

So I don't want anyone lecturing to me about how wonderful the private market is for health care for the elderly. Go tell it to somebody else, but don't tell it to me because I lived through this. That is why when someone tells me that the private sector is somehow going to take care of the elderly, I say: Wait a second, maybe the elderly who have a lot of money, but how about those at the bottom?

That is why I say what we are doing here is setting up a welfare class. Once again, people like my father will have to fill out paperwork and beg, ask to be put in a system they can afford. I guess we haven't learned anything around here. We haven't learned a thing. Maybe we have too many people here who didn't go through what I went through. I don't know. I don't know everybody's situation. I would like to think if people went through with their fathers what I went through with mine, they might have a different perspective on Medicare.

There is no reasonable rationale for relying on private health plans for prescription drugs for the elderly, even in monetary terms and costs. We know administrative costs are much lower in Medicare. We have a history. The administrative costs in Medicare are between 2 and 3 percent a year; in private health care plans, 15 percent per year administrative costs. We also know that over the last 30 years, Medicare spending has grown at a slower rate than private health care plan spending: 9.6 percent compared to 11.1 percent.

Here is a story that appeared in the Washington Post recently. It is entitled ''Bush Pushes for Expanded Private Role in Medicare.'' It reads:

> President Bush yesterday renewed his call for market competition to play a large role in Medicare's future, as the Senate wrestled over how far to go in encouraging private health plans to deliver care and prescription drug coverage to older Americans.
>
> Bush disparaged a core tradition of Medicare in which the federal government has determined what medical services are covered and how much government pays doctors and hospitals to provide them. He said Medicare would be more effective if ''health plans compete for their business and give them the coverage they need, not the coverage that a Washington bureaucrat thinks they need.

Well, with all due respect, President Bush never lived through what I lived through. His father never had to rely on charity for health care like my father did. So he can disparage Medicare because no one in his family ever gave a hoot about Medicare. They didn't need it. He has turned a cold shoulder of indifference to those who rely on Medicare.

But not only that, the President ignores history. He says the private sector can do it better. Wait a second. We have a history. We have facts. We don't have to rely upon rhetoric. We have facts. Administrative costs in Medicare, 2 to 3 percent; private health care plans, 15 percent. OK, which is more efficient? In the last 30 years, Medicare spending has grown at a slower rate than private health care plan spending has grown. So what is he talking about? What is the President talking about when he says the private health care plans can do it better?

We have a history. We have facts. We have data. That private sector, when it comes to the elderly, does not do it better.

When it comes to this private plan program, it means there is going to be less money available to actually help seniors get prescription drugs. Billions will be wasted on advertising, marketing, glossy brochures, higher payments to private plans, billions of dollars that should be going directly to seniors. And how about CEO salaries? We haven't talked about that. All these private health care plans, they pay a lot of money for their CEOs. That is fine, if they are in the private sector. But that is money that is going to be siphoned off. Last year, the drug companies in America spent more money on advertising than they did on research. Wait until this plan gets out there.

I say to every senior citizen listening to me give this talk: Get prepared. You are going to get a lot of mail in your mailbox. You are going to get a lot of brochures for this drug and that drug and this plan and that plan. You are going to get inundated with advertisements, and you are going to see them on TV. You think you see a lot now. You wait, you will see more. Why? Because now they have all this money.

I understand we are about to have an amendment that is going to provide $6 billion to the private companies to entice them into providing these plans. If they are so doggone good, why do we have to do this? ''Senate GOP Eyes Billions to Encourage Private Plans, Employers.'' I am told it is going to be $6 billion. We haven't seen it yet. Whether it is $6 billion, $5 billion, $4.5 billion, I don't know. Whatever it is, it is too much.

I mean if President Bush is right and the private sector can do it better, why do we have to bribe them? Why do we have to bribe them with taxpayers' money, $6 billion, come on and get it? Talk about hogs feeding at the trough. This is it, folks. Six billion dollars, I am told. Well, maybe $5.5 billion. I don't know what it is. But they are going to give it to entice them into this program. Why are we robbing seniors to cushion the pockets of private plans with billions of dollars of a subsidy? ''President Bush Pushes for Expanded Private Role in Medicare.''

Well, you kind of see it all coming together. The President, Republicans are pushing for all these tax breaks for their wealthy friends. And now they reward the drug companies. No cost containment at all. Let the drug companies keep boosting their prices year after year after year. And guess what. We will just keep raising the premiums on seniors. Now we get the private plans in with their expensive CEOs, their expense accounts, and we are going to bribe them with $6 billion. What a deal.

Tom Scully, the Bush administration's top Medicare official, called Medicare ''an unbelievable disaster'' and ''a dumb system'' during a recent meeting in Pennsylvania.

The third-ranking Republican in the Senate, Senator SANTORUM from Pennsylvania, said:

> I believe the standard benefit, the traditional Medicare program has to be phased out.

Senator ROBERT BENNETT of Utah, on March 1:

> Medicare is a disaster. Medicare will have to be overhauled. Let's create a whole new system.

Of course, we all remember the immortal words of our former House Speaker, Newt Gingrich. He didn't want to kill Medicare, he just wanted to let it ''wither on the vine.''

So let's get this straight. Seniors are telling us not to privatize Medicare; 89 percent have already voted to keep traditional Medicare. They tell us they want a less expensive, more reliable, straightforward, simple benefit, guaranteed to be there.

The facts tell us that privatizing Medicare doesn't work. We have the facts. So why did the administration, in this bill and the House bill, insist on this privatization? Because it is the first step toward total privatization of Medicare and, I believe, the first step toward privatizing Social Security.

Senator STABENOW offered an amendment I supported which would have guaranteed a Government fallback in every area of the country, so that seniors could choose traditional Medicare regardless of what private plans are offered. As we said on the Senate floor that day, this bill offers two private plans. Senator STABENOW wanted to say: OK, we will give them more choice and offer a Medicare plan. Let them all compete. The Republicans said no. They want only to have two choices for seniors between two private plans. But they don't want to let seniors be able to choose Medicare, which they have already shown.

As the Senator from Michigan stated time and time again on the Senate floor, 89 percent have already chosen Medicare. Yet somehow we are turning a deaf ear to them.

It seems to me we have a lot of talk around here about choice, but they don't want to let Medicare be one of those choices for seniors. The only choice in the bill is for HMOs and private plans. They will be the ones choosing your premiums. They will be the ones choosing your options. They will be the ones choosing your benefits. Well, you tell that to my seniors back in Iowa who have never had a private option.

The Republicans say they want to provide seniors with choice. They claim seniors should get the same type of benefits we in Congress get. Well, all right. Let me tell you what I have for drug coverage. I pay 25 percent for my drugs. That is it. I go to the drugstore and I pay 25 percent. What a nice deal; simple, straightforward. Seniors won't have coverage anywhere nearly as generous in their plan. Look at it this way. If this plan provides $400 billion over 10 years, which is what it does, CBO has estimated that senior drug costs over the same period of time will be $1.8 trillion.

Figure that out. We are providing $400 billion. The estimated drug costs are going to be $1.8 trillion, and that is probably on the lower side. That means we are leaving the seniors to cover 78 percent of the tab for drugs. I get 25 percent; seniors have to pay 78 percent. You are going to tell me that is fair? Again, there is a storm coming, when the seniors in this country find out what is in this bill and how it affects them.

So why the insistence on privatizing Medicare? Well, I think the answer is clear. Congress is choosing a special interest over seniors' interests by following ideology over facts. I said earlier today there are three reasons we are passing this bill. The first reason is because the drug companies want it. The second reason is because the drug companies want it. You guessed it, yes. The third reason is because the drug companies want it.

You might think, from my comments, that I have it in for the drug companies. Nothing could be further from the truth. I have fought for years on the floor of the Senate for more money for research—the kind of basic research that is done through the NIH, done in coordination with drug companies, taking some of that basic research and investing their own money in these drugs and bringing them to the marketplace. Some of them have been wonderful. We are making new strides in drug development every day. I have a lot of respect for our drug manufacturers who have brought a lot of these drugs to market. However, that does not mean my esteem for the drug companies would compel me to vote for a bill that will continue to allow them to make the kind of profits they make on the backs of our senior citizens who are on fixed incomes.

No, in this one case, in this area—this is where Medicare ought to provide the drug benefit. It is where Medicare—just like we do in the Veterans' Administration—ought to be the one bargaining for the prices for our elderly. Let me and the others who can afford health plans, and pay generously for them, pay the drug companies, not the elderly.

So, again, drug companies stand to gain billions of dollars from this drug benefit—trillions.

Mr. DURBIN. Will the Senator yield for a question?

Mr. HARKIN. Without losing my right to the floor, yes.

Mr. DURBIN. I, like you, have been in the House and Senate. Can you ever recall a bill involving an industry like the pharmaceutical industry, such a grand bill involving a national program, involving that industry, where that industry has been so silent during the course of the entire preparation and deliberation of the bill? I ask the Senator from Iowa, in his vast experience and with his great insight, what does he make of the silence of the pharmaceutical industry about S. 1, the pending bill?

Mr. HARKIN. Well, the Senator asks an insightful question. Earlier, I had stated—and the Senator may not have been in the Chamber—my office has received over 700 phone calls. Only four have been in favor of this bill. I have not received one phone call from a drug company.

Now, the Senator understands when we have legislation that impacts powerful industries in this country, and if it impacts them negatively, they are all out here. Our phones are ringing off the hook; lobbyists are in our offices; the private jets are parked at Dulles. They are all over the place.

So it says to me that this bill must be a great benefit to the drug companies because I haven't heard one peep

from them. I have found in my experience, I tell the Senator, in the House and in the Senate that when you see a large industry silent on a bill that impacts them so greatly, you can only come to one assumption: They must love it.

Mr. DURBIN. Will the Senator yield for a further question?

Mr. HARKIN. I will.

Mr. DURBIN. I ask the Senator, if he has had the time to read the 654 pages of S. 1, has the Senator heard from staff or anyone during the course of the days and days of debate about this S. 1, the prescription drug proposal, that it contains anything that is going to reduce the excessive increase in the cost of prescription drugs for American families and American seniors?

Mr. HARKIN. I thank the Senator again for a very insightful question. I asked my staff—and I have good staff, and they do a lot of work on health care—to look at this 654-page bill.

I said: What in there will help keep the cost of drugs down? Anything at all?

Nothing. Zero. There is nothing in the bill that is going to help keep the cost of drugs down. In fact, I say to the Senator, I think just the opposite is going to be true because this bill will allow plans to increase premiums any time they want. So you signed up for a plan, and your premium is $35 a month. The plan is not making much money. The drug company jacks up the price of the drugs a little bit. That means the plan is not making much money, but the plan can increase the premium. The drug companies are always left harmless. They can just keep jacking up the prices.

Mr. DURBIN. If the Senator, through the Chair, will yield for one more question.

(Mr. SMITH assumed the Chair.)

Mr. HARKIN. I yield for a question.

Mr. DURBIN. I am aware of Senator HARKIN's background as a Vietnam veteran and a naval aviator. The Senator is undoubtedly aware that the Veterans' Administration, which is trying its best to provide medical care for the millions of veterans in our country, has negotiated with the drug companies to bring down the cost of drugs for veterans as much as 50 percent.

Mr. HARKIN. That is right.

Mr. DURBIN. Since we have established there is no effort in this bill to bring down the cost of prescription drugs for Medicare recipients in our country, we hear from the other side of the aisle that any effort to bring down the cost of drugs is tampering with the free market.

I ask the Senator from Iowa for his objective appraisal. Does he think the Veterans' Administration is guilty of socialistic, communistic, Bolshevik behavior, tampering with the market to bring down the cost of prescription drugs for the millions of veterans who desperately need their care? I think I know the answer to the question.

Mr. HARKIN. I think the Senator knows the answer to that question. He and I have both fought hard in this Chamber for veterans benefits. I yield to no one in my support of those who have put on the uniform of this country to defend our flag, to defend our way of life, and I know the Senator from Illinois will take a back seat to no one also in that effort. We fought hard to get a veterans drug benefit that had cost containment. That is what it does.

Today, I am proud to say—I am proud—because of what we fought for here, the veterans in this country today get the cheapest prices on drugs of anyone in our country. I am proud of that fact, and they deserve it. Has it ruined the drug companies? Of course not. They are selling more drugs. Maybe they take a little bit less profit, but they are selling more drugs because now people can afford to buy them. That is what we need today. We need that kind of system Medicare could provide in dealing with the drug companies for big purchasing, bargain down the prices so the elderly can get the same price on drugs as our veterans.

I ask rhetorically a question of the Senator from Illinois.

Mr. BYRD. Will the Senator yield?

Mr. HARKIN. Does the Senator from Illinois think the drug companies are losing money on every bottle of pills a veteran buys? I can see him shaking his head. Obviously not. Veterans get their bottle of pills cheaper than anyone else. I bet my bottom dollar the drug companies are not losing a penny on any one of them. They are making money. They are just not making as much money as they are, say, if I went in and bought them.

I yield for a question without losing my right to the floor.

Mr. BYRD. Mr. President, I do not have a question except as to what the status of the legislation is at this point.

Mr. REID. Will my friend from Iowa yield so I can respond to the Senator from West Virginia?

Mr. HARKIN. I yield, without losing my right to the floor, to the assistant minority leader.

Mr. REID. I say to my friend from West Virginia, the distinguished Senator, we are trying to get some votes lined up shortly. It is my understanding Senator BYRD wishes to speak for 10 or 15 minutes on the Durbin amendment.

Mr. BYRD. I would.

Mr. REID. Senator DORGAN wishes to speak for how long on the Durbin amendment?

Mr. DORGAN. Five minutes.

Mr. REID. Does Senator STABENOW wish to speak on the Durbin amendment?

Ms. STABENOW. Five minutes.

Mr. REID. And then Senator LINDSEY GRAHAM is here to speak on what?

Mr. GRAHAM of South Carolina. To call up my amendment, 2 minutes.

Mr. REID. Of course, the Senator from Iowa has the floor. How much longer does the Senator expect to speak?

Mr. HARKIN. I do not think I will be much more than a half an hour.

Mr. REID. That kind of defeats that theory.

Mr. HARKIN. I may not be that long. I think I can wrap up in a half an hour.

Mr. REID. So much for my ideas.

Mr. HARKIN. Mr. President, as I said earlier in response to the questions asked by my friend from Illinois, it is clear S. 1, the 654 pages, is a sham, a ruse, a bewildering, complex bill that is going to cause a lot of consternation for a lot of our elderly.

Again, to the Senator from Illinois, I say, our Government, instead of using our power and influence to negotiate for better drug prices and better drug coverage on behalf of American seniors, is choosing to nurture special interest groups and big campaign donors. Why is it other industrialized nations are spending between 30 and 50 percent less on drugs than the United States? To me it is a matter of priorities.

I end my comments by saying again, before this bill came, the Republicans took care of their friends, giving the wealthiest in this country nearly $1 trillion in tax breaks. Not only did we find the money to give every millionaire $93,000 in tax cuts, we made these tax cuts retroactive to January 1 of this year.

Less than a month later, here we are, and the Republicans tell us we do not have enough money to get seniors on a fixed income real help with their prescription drug costs. Instead, next year they get a card. If you are low income, you get a $600 debit card. And then 2 years from now—actually 3 years from now in 2006—we start this class business. Some are in this class, some in another class, and some in another class. Try to figure it out.

Our job in Congress should be to use our votes to provide security for seniors, not hand out profitable favors for special interest groups.

If we are going to live up to our promise to seniors—our promise to seniors—I ask, how many Senators in this body in the last couple of years have signed pledges not to privatize Medicare, not to privatize Social Security? Our senior citizens, I know in my State and I am sure around the country, have asked us to sign those pledges. I wonder how many here have signed them not to privatize Medicare and not to privatize Social Security.

If we are going to live up to those promises we made and those documents we signed and put their interests ahead of the special interests, the only vote on this bill is a resounding no, unless this Senate, in its wisdom, adopts the amendment offered by the Senator from Illinois, Mr. DURBIN, because the Durbin amendment will work.

The Senator from Illinois has developed a comprehensive and thoughtful alternative that truly gives what our seniors want and need: comprehensive coverage with the option of staying in Medicare.

Let's take a look at the key differences between S. 1 and the Durbin amendment.

Under S. 1, seniors have to pay a $275 deductible every year. Under the Durbin amendment, there is no deductible. Under S. 1, the bill before us, seniors pay a premium not set by law but set by insurance companies, which can be raised at any time. Under the Durbin amendment, seniors will know what premium they will pay because it will be set by law. Under the bill before us, even after the deductible, seniors will still have to pay 50 percent of their drug costs, the result of which means more than one-third of seniors will actually lose money if they participate.

I have a chart that illustrates the so-called savings for seniors under the proposed drug benefit. Let's say you are a senior citizen and you are making over $14,369 a year—let's say you make $15,000 a year. Your total drug costs are $500. Your monthly drug costs about $42. Your share is $389.50. Your premium is $420. Your total out-of-pocket expenses for that year are $809.50. That means you lose $310 on your drugs. You pay in but you lose.

Let's say your total costs are $1,000 a year. Your out-of-pocket expenses are $1,057.52. You lose $58. It is not until you reach just about $1,200 a year in drug costs that you break even. If your drug costs are less than that, you lose. Try telling that to senior citizens in your State.

Let's face it, if you have an income of $15,000 a year and you live up in some of our northern States and you have a high heating bill in the wintertime, maybe you have other extraneous expenses, maybe you have to rent a place, you are not a homeowner and you have to pay rent, you have to eat, you have to buy clothes, and you are paying $500 a year in drug costs, and yet you are going to lose money? Wait until that hits the streets.

Under the Durbin amendment, seniors will pay only 30 percent of their drug costs, getting much closer to what I pay now—25 percent to 30 percent. That is it. They will know in advance they are only going to pay 30 percent.

Under the bill before us, seniors will actually lose coverage for a period of time, even while they continue to pay their premium. That is that donut. When the drug costs reach $4,500, seniors stop getting any benefits until they reach $5,800. That is $1,300 they pay out of pocket, but they continue to pay their premiums.

Under the Durbin amendment, there is no donut hole, no coverage gap.

Most importantly, the bill before us will create mass confusion for seniors who stay in traditional Medicare because for the first time they will have to negotiate private plans and deal with the possibility, if not the likelihood, that plans will come into and pull out of States year after year. The result of this volatility will be a completely unpredictable system, where seniors not only will not know what plan they will be in from year to year, but they may have to switch drugs every year as plans with different formularies come in and out of the system.

Think about the confusion that is going to cause.

The Durbin amendment opens Medicare to private competition, but it includes a real and dependable prescription drug benefit delivered by Medicare. Basically, they have stated we will let them compete with Medicare and we will provide those choices to the elderly, but the Durbin amendment is real and dependable. The Durbin amendment makes other improvements on the underlying bill, but the bottom line for seniors is simple. The Durbin amendment delivers what the bill does not, a meaningful, dependable, reliable prescription drug benefit to all seniors in all States at all times.

Now, some might say, yes, but the Durbin amendment sunsets at the end of 2009. Well, before any of my Republican colleagues start screaming bloody murder and start casting aspersions about how this may be a gimmick and a hoax, let's remember this is exactly the same thing they did, with the support of the President, to shoehorn almost a trillion dollars in tax cuts for the wealthy into a $350 billion price tag.

I always say if it is good enough for the wealthy, it ought to be good enough for our seniors, too. Let them have the same deal.

Again this is about priorities. Earlier this year the President and the Republican Congress made it clear their top priority was tax breaks to those least deserving and least in need. That is the result of their first effort. I am sure there will be more before the year is out. I already hear them over in the House talking about it. It netted each millionaire in this country a $93,000 tax cut this year.

What the Durbin amendment says to our seniors is they are also our priority. Instead of bleeding our Treasury dry by giving every tax receipt back to the richest in the Nation, the Durbin amendment says before we get too far ahead of ourselves on tax breaks for the wealthy or anything else, we are going to get seniors the help they need.

Some will come and argue his plan is too expensive, that it is not sustainable. All I can say is, this plan has roughly the same short- and long-term costs as the tax breaks we passed.

All I ask is, what are the priorities of my colleagues? As luck would have it, both the tax breaks for the wealthy and under the Durbin amendment would sunset at roughly the same time. So in the not too distant future, the new Congress and new President can again set their priorities and decide which should be continued. Should we continue the tax breaks for the wealthy or should we continue a reliable prescription drug benefit under Medicare for the elderly? That is a choice a future Congress could make.

We should not foist upon our elderly a misguided, complex, befuddling, bewildering—and these are not my words; these are words used by others—system of prescription drug coverage that will not meet their needs, that will cost them more money, that will actually cost some of them more than what they get out of it. That is what we are doing. That is what we are going to foist upon the elderly of this country, unless we adopt the Durbin amendment. If we do, then this Senator can wholeheartedly support this bill and vote for it. If not, then I will not be a part of a sham, of a ruse, to tell our elderly they are going to get something when they are not, to hold out a false hope when in fact they are not going to get the benefits they have asked us to give to them.

This Senator's priority is with the elderly. Let's deal with them first. Let's meet their needs first. Then if we have something left over, let's think about tax breaks for the wealthy. Let's not do it the other way around.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SUNUNU. Mr. President, I ask unanimous consent the following Members be recognized to speak: Senator GRAHAM for 5 minutes, Senator BYRD for 10 minutes, Senator STABENOW for 5 minutes, Senator DOMENICI for 10 minutes, Senator DORGAN for 5 minutes, and Senator ENSIGN for 5 minutes.

Mr. REID. Mr. President, reserving the right to object, we had some votes tentatively scheduled after and that appears to have fallen by the wayside. I therefore ask that Senator BYRD be recognized for up to 15 minutes rather than 10 minutes, and Senator STABENOW for 10 minutes instead of 5 minutes, and I ask that the Senator from New Hampshire accept that modification to the unanimous consent request.

Mr. SUNUNU. Mr. President, I am happy to accommodate that request. In addition, I ask that Senator DOMENICI be recognized for 15 minutes.

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

The Senator from South Carolina.

AMENDMENT NO. 948, AS MODIFIED

Mr. GRAHAM of South Carolina. I ask unanimous consent the pending amendments be set aside so I can offer my amendment. I have a modified amendment at the desk that I call up, amendment No. 948.

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

The clerk will report the modified amendment.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. GRAHAM] proposes an amendment numbered 948, as modified.

The amendment is as follows:

(Purpose: To provide for the establishment of a National Bipartisan Commission on Medicare Reform)

At the appropriate place in title II, insert the following:

Subtitle ____—National Bipartisan Commission on Medicare Reform

SEC. ____01. MEDICAREADVANTAGE GOAL; ESTABLISHMENT OF COMMISSION.

(a) ENROLLMENT GOAL.—It is the goal of this title that, not later than January 1, 2010, at least 15 percent of individuals entitled to, or enrolled for, benefits under part A of title XVIII of the Social Security Act and enrolled under part B of such title should be enrolled in a MedicareAdvantage plan, as determined by the Center for Medicare Choices.

(b) FAILURE TO ACHIEVE GOAL.—If the goal described in subsection (a) is not met by January 1, 2012, as determined by the Center for Medicare Choices, there shall be established a commission as described in section 2.

SEC. ____02. NATIONAL BIPARTISAN COMMISSION ON MEDICARE REFORM.

(a) ESTABLISHMENT.—Upon a determination under section ____01(b) that the enrollment goal has not been met, there shall be established a commission to be known as the National Bipartisan Commission on Medicare Reform (in this section referred to as the ''Commission'').

(b) DUTIES OF THE COMMISSION.—The Commission shall—

(1) review and analyze the long-term financial condition of the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.);

(2) identify problems that threaten the financial integrity of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund established under sections 1817 and 1841 of such Act (42 U.S.C. 1395i and 1395t), including—

(A) the financial impact on the medicare program of the significant increase in the number of medicare eligible individuals; and

(B) the ability of the Federal Government to sustain the program into the future;

(3) analyze potential solutions to the problems identified under paragraph (2) that will ensure both the financial integrity of the medicare program and the provision of appropriate benefits under such program, including methods used by other nations to respond to comparable demographic patterns in eligibility for health care benefits for elderly and disabled individuals and trends in employment-related health care for retirees;

(4) make recommendations to restore the solvency of the Federal Hospital Insurance Trust Fund and the financial integrity of the Federal Supplementary Medical Insurance Trust Fund;

(5) make recommendations for establishing the appropriate financial structure of the medicare program as a whole;

(6) make recommendations for establishing the appropriate balance of benefits covered under, and beneficiary contributions to, the medicare program;

(7) make recommendations for the time periods during which the recommendations described in paragraphs (4), (5) and (6) should be implemented;

(8) make recommendations on the impact of chronic disease and disability trends on future costs and quality of services under the current benefit, financing, and delivery system structure of the medicare program;

(9) make recommendations regarding a comprehensive approach to preserve the medicare program, including ways to increase the effectiveness of the MedicareAdvantage program and to increase MedicareAdvantage enrollment rates; and

(11) review and analyze such other matters as the Commission determines appropriate.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 17 members, of whom—

(A) four shall be appointed by the President;

(B) six shall be appointed by the Majority Leader of the Senate, in consultation with the Minority Leader of the Senate, of whom not more than 4 shall be of the same political party;

(C) six shall be appointed by the Speaker of the House of Representatives, in consultation with the Minority Leader of the House of Representatives, of whom not more than 4 shall be of the same political party; and

(D) one, who shall serve as Chairperson of the Commission, shall be appointed jointly by the President, Majority Leader of the Senate, and the Speaker of the House of Representatives.

(2) DEADLINE FOR APPOINTMENT.—Members of the Commission shall be appointed by not later than October 1, 2012.

(3) TERMS OF APPOINTMENT.—The term of any member appointed under paragraph (1) shall be for the life of the Commission.

(4) MEETINGS.—The Commission shall meet at the call of the Chairperson or a majority of its members.

(5) QUORUM.—A quorum for purposes of conducting the business of the Commission shall consist of 8 members of the Commission, except that 4 members may conduct a hearing under subsection (e).

(6) VACANCIES.—A vacancy in the membership of the Commission shall be filled, not later than 30 days after the Commission is given notice of the vacancy, in the same manner in which the original appointment was made. Such a vacancy shall not affect the power of the remaining members to carry out the duties of the Commission.

(7) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(8) EXPENSES.—Each member of the Commission shall receive travel expenses and per diem in lieu of subsistence in accordance with sections 5702 and 5703 of title 5, United States Code.

(d) STAFF AND SUPPORT SERVICES.—

(1) EXECUTIVE DIRECTOR.—

(A) APPOINTMENT.—The Chairperson shall appoint an executive director of the Commission.

(B) COMPENSATION.—The executive director shall be paid the rate of basic pay for level V of the Executive Schedule under title 5, United States Code.

(2) STAFF.—With the approval of the Commission, the executive director may appoint such personnel as the executive director considers appropriate.

(3) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title (relating to classification and General Schedule pay rates).

(4) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the executive director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(5) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for the proper functioning of the Commission.

(e) POWERS OF COMMISSION.—

(1) HEARINGS AND OTHER ACTIVITIES.—The Commission may hold such hearings and undertake such other activities as the Commission determines to be necessary to carry out its duties under this section.

(2) STUDIES BY GAO.—Upon the request of the Commission, the Comptroller General shall conduct such studies or investigations as the Commission determines to be necessary to carry out its duties under this section.

(3) COST ESTIMATES BY CONGRESSIONAL BUDGET OFFICE AND OFFICE OF THE CHIEF ACTUARY OF THE CENTERS FOR MEDICARE & MEDICAID.—

(A) IN GENERAL.—The Director of the Congressional Budget Office or the Chief Actuary of the Center for Medicare & Medicaid Services, or both, shall provide to the Commission, upon the request of the Commission, such cost estimates as the Commission determines to be necessary to carry out its duties under this section.

(B) REIMBURSEMENTS.—The Commission shall reimburse the Director of the Congressional Budget Office for expenses relating to the employment in the office of the Director of such additional staff as may be necessary for the Director to comply with requests by the Commission under subparagraph (A).

(4) DETAIL OF FEDERAL EMPLOYEES.—Upon the request of the Commission, the head of any Federal agency is authorized to detail, without reimbursement, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this section. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

(5) TECHNICAL ASSISTANCE.—Upon the request of the Commission, the head of a Federal agency shall provide such technical assistance to the Commission as the Commission determines to be necessary to carry out its duties under this section.

(6) USE OF MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as Federal agencies and shall, for purposes of the frank, be considered a commission of Congress as described in section 3215 of title 39, United States Code.

(7) OBTAINING INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out its duties under this section, if the information may be disclosed under section 552 of title 5, United States Code. Upon request of the Chairperson of the Commission, the head of each such agency shall furnish such information to the Commission.

(8) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(9) PRINTING.—For purposes of costs relating to printing and binding, including the cost of personnel detailed from the Government Printing Office, the Commission shall be deemed to be a committee of Congress.

(f) REPORT.—Not later than April 1, 2014, the Commission shall submit to the President and Congress a report and an implementation bill that shall contain a detailed statement of only those recommendations, findings, and conclusions of the Commission that receive the approval of at least 11 members of the Commission.

(g) TERMINATION.—The Commission shall terminate on the date that is 30 days after the date on which the report and implementation bill is submitted under subsection (f).

SEC. ____03. CONGRESSIONAL CONSIDERATION OF REFORM PROPOSALS.

(a) DEFINITIONS.—In this section:

(1) IMPLEMENTATION BILL.—The term ''implementation bill'' means only a bill that is introduced as provided under subsection (b),

and contains the proposed legislation included in the report submitted to Congress under section ___02(f), without modification.

(2) CALENDAR DAY.—The term ''calendar day'' means a calendar day other than 1 on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) INTRODUCTION; REFERRAL; AND REPORT OR DISCHARGE.—

(1) INTRODUCTION.—On the first calendar day on which both Houses are in session immediately following the date on which the report is submitted to Congress under section ___02(f), a single implementation bill shall be introduced (by request)—

(A) in the Senate by the Majority Leader of the Senate, for himself and the Minority Leader of the Senate, or by Members of the Senate designated by the Majority Leader and Minority Leader of the Senate; and

(B) in the House of Representatives by the Speaker of the House of Representatives, for himself and the Minority Leader of the House of Representatives, or by Members of the House of Representatives designated by the Speaker and Minority Leader of the House of Representatives.

(2) REFERRAL.—The implementation bills introduced under paragraph (1) shall be referred to any appropriate committee of jurisdiction in the Senate and any appropriate committee of jurisdiction in the House of Representatives. A committee to which an implementation bill is referred under this paragraph may report such bill to the respective House without amendment.

(3) REPORT OR DISCHARGE.—If a committee to which an implementation bill is referred has not reported such bill by the end of the 15th calendar day after the date of the introduction of such bill, such committee shall be immediately discharged from further consideration of such bill, and upon being reported or discharged from the committee, such bill shall be placed on the appropriate calendar.

(c) FLOOR CONSIDERATION.—

(1) IN GENERAL.—When the committee to which an implementation bill is referred has reported, or has been discharged under subsection (b)(3), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the implementation bill, and all points of order against the implementation bill (and against consideration of the implementation bill) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the implementation bill is agreed to, the implementation bill shall remain the unfinished business of the respective House until disposed of.

(2) AMENDMENTS.—An implementation bill may not be amended in the Senate or the House of Representatives.

(3) DEBATE.—Debate on the implementation bill, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the implementation bill is not in order. A motion to reconsider the vote by which the implementation bill is agreed to or disagreed to is not in order.

(4) VOTE ON FINAL PASSAGE.—Immediately following the conclusion of the debate on an implementation bill, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the implementation bill shall occur.

(5) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to an implementation bill shall be decided without debate.

(d) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by 1 House of an implementation bill of that House, that House receives from the other House an implementation bill, then the following procedures shall apply:

(1) NONREFERRAL.—The implementation bill of the other House shall not be referred to a committee.

(2) VOTE ON BILL OF OTHER HOUSE.—With respect to an implementation bill of the House receiving the implementation bill—

(A) the procedure in that House shall be the same as if no implementation bill had been received from the other House; but

(B) the vote on final passage shall be on the implementation bill of the other House.

(e) RULES OF SENATE AND HOUSE OF REPRESENTATIVES.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of an implementation bill described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. ___04. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this subtitle for each of fiscal years 2012 through 2013.

Mr. GRAHAM of South Carolina. Mr. President, I offer this amendment with the hope we can negotiate a resolution and have it accepted as part of the package. The chairman of the committee has been very gracious in trying to bring that result about. Briefly, this amendment costs no money. The whole idea of reform in the bill is a new alternative traditional Medicare that will be created, called Medicare Advantage, to which people will gravitate, that allows preventive medicine practices that currently do not exist, bringing modernization to Medicare, making it more user friendly and cost effective. That is the goal of the bill, by creating a new option.

Estimates range from 2 to 43 percent participation. For those looking for reform, the only vehicle for reform in this bill I can find is the idea of Medicare Advantage, and that is somewhat minimal.

This amendment addresses the problem of ''what if.'' What if in 2010, after 4 years of enactment of this bill, the traditional Medicare is the primary choice made? What if the Medicare Advantage Program does not receive 15-percent enrollment? If it has not achieved 15-percent enrollment, creating efficiency and modernization is going to be lost.

This is the last time maybe in a generation to look at traditional Medicare and not only improve it for the senior citizen but improve it for their grandchildren who are going to have to pay for it.

Traditional Medicare, as I understand this bill, is pretty much unaffected in terms of reforms. Having a prescription drug benefit can be a good idea because it emphasizes preventive medicine practices. Having prescription drugs reasonably available can keep people healthier longer and improve the quality of life and keep them out of the hospital and do a lot of good things. But Medicare is $13 trillion short of the money we need. This bill is going to be $4 trillion additional liability. This is a chance as a body to look at the structural problems that Medicare faces.

We are increasing the age limit to 67 for Social Security eligibility. It seems to me that is a good idea given the fact people are living longer. I would like to do that with Medicare. I don't think that is oppressive. I think that is fair to grandparents and grandchildren. I believe we should have a means test. If we have a prescription drug benefit, I believe you should be asked to participate based on your ability to participate because $3 out of $4 coming into Medicare Part B comes from the General Treasury. It is truly a subsidized entitlement. These are the type of reforms I would like to see happen. I don't think they are going to happen. And the Medicare Advantage Program is the only alternative that has a reform element to it.

My amendment says in 2010, after 4 years, if 15 percent of Medicare recipients are not enrolled in Medicare Advantage, if you cannot get 15 percent to pick Medicare Advantage—you get 2 years to reach 15 percent, January of 2012. If you have not achieved 15 percent by January 2012, it is a chance to have a fail-safe mechanism requiring a commission to be appointed. The President, the House, and the Senate would appoint nine members to this commission who would study and report back to Congress in a timely manner what would be needed at that point in time to save Medicare from bankruptcy to make sure it does not blow a hole in the budget and make sure it is efficiently run. This commission has 18 months to create a work product, legislation that comes back to the House and Senate, and we vote up or down on that legislation.

This amendment will force in the future reforms that may not be achieved if we do not have adequate participation in Medicare Advantage. It takes the issue away from Congress in the sense of the commission is required to look at it and bring it back to Congress

for our input and our vote. I believe we need an element like this in this entitlement bill because if we do not have a way down the road to take a second look at this program, we are all going to suffer greatly in this Nation.

It costs no money. Hopefully, it will never have to happen. If we cannot get 15 percent of Medicare recipients to enroll in Medicare Advantage, there will be no way to reform this program. I hope we can find a resolution in a bipartisan fashion and this amendment will be accepted.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, before we pat ourselves on the back, pop the champagne bottles, and fan out across America to tell seniors that their prescription drug worries are now an issue of the past, let's take a closer look at the Medicare proposal before us.

The more I read through this Medicare bill, the more I become convinced that history is once more repeating itself. I can recall a painful experience during my majority leadership when an outraged citizenry, composed mostly of seniors, forced Congress to repeal the ill-fated Medicare Catastrophic Coverage Act back in 1989. The year before, Congress was engaged in a Medicare debate eerily similar to the one we are having at this time. A bipartisan compromise was reached to make the most sweeping change in Medicare's then 23 years of existence.

Congress agreed to two key changes to the Medicare program—a prescription drug benefit and a ''stop-loss'' protection from catastrophic medical bills. Facing deficits as we do today, Congress, in its infinite wisdom, decided that beneficiaries should pay for the new benefits themselves, with the wealthiest paying the most. The new law included a complicated benefit that was too difficult to explain and a lengthy delay in the benefit's taking effect. In the end, seniors saw the bill, were confused as to what they are were getting in exchange, and wanted no part of it. Hence, it was repealed in the next session. We are poised to make the same mistake again.

I foresee a great deal of confusion and dismay occurring around kitchen tables and in corporate boardrooms across America when people actually start to read beyond the newspaper headlines and see the fine print of this plan 3 years from now. Seniors may not know whether to laugh or weep. And if no one signs up for this new Medicare plan, it will fail and fail miserably.

What incentive do seniors have to sign up for a plan that is full of coverage holes, up-front costs, and confusing paperwork? What incentive do insurance companies have to enter an untried, untested, drug-only insurance market? How can an insurance company make a plan work when almost every single participating insuree makes a claim?

Many of the 335,000 Medicare beneficiaries in West Virginia are struggling just to make ends meet and pay for the prescription medicines that sustain them. In West Virginia, the average annual income of a Medicare beneficiary is a mere $10,800.

I have to wonder, what does this prescription drug proposal mean to a 75-year-old widow from West Virginia who lives off her late husband's pension of $21,000 a year, but has $5,700 per year out-of-pocket drug costs to treat her diabetes, high blood pressure, osteoporosis, and elevated cholesterol levels?

To take advantage of this new, so-called drug benefit, she would have to spend at least $420 in yearly premiums, a $275 deductible, and then she and Medicare would each pay 50 percent of her drug costs until the costs reach $4,500, after which she would pay the remainder of her $5,700 medical bill—about another $1,000 in other words. And she could very well have to spend more given that the deductible, premiums, and copay amount are not defined in this legislation. Does this sound confusing? I am confused just trying to describe it.

Ultimately, Medicare would pay about a mere $2,000 of this poor West Virginia widow's $5,700 drug costs, a benefit of only about 35 percent. What a flimsy benefit. It doesn't even come close to the approximately 70 percent prescription drug subsidy Members of Congress receive under the Federal Employees Health Benefit Program. We wouldn't dare design health benefits for ourselves in this way.

Under this legislation, seniors in similar situations in West Virginia and across the Nation would still be forced to resort to pill splitting and desperately foregoing the medicines their doctors have prescribed.

Let's slow down and take a better look at this legislation. President Bush says he wants the Senate to pass a bill before the July recess, and so we're now engaged in a headlong rush to do just that. Members have been sitting around for days just waiting for Congressional Budget Office staff, who have been working nonstop around the clock to produce, and in some cases, reproduce cost estimates that fall within the too small budget parameters that we have required for passage. This is no way to legislate on a program of such great importance to the citizens of this country. We need more time to explain this plan to our elderly citizens. Don't we need their feedback?

I doubt that our Nation's seniors will be excited about accepting a mere half-loaf benefit. Seniors will probably want no part of it. Just like they did almost 15 years ago, when I was majority leader they may revolt, and Members of Congress could be back here scratching their heads and scrambling to find a solution and save their seats.

Senator DURBIN and I and other Senators have offered a substitute Medicare amendment that actually makes sense, and I am proud to be a cosponsor of it. The Medicare benefit under the Durbin amendment has no deductible, a guaranteed $420 yearly premium, no gaps in coverage, and a catastrophic cap on drug spending at $5,000. The Durbin amendment would also allow seniors to receive their prescription drug benefit through the traditional Medicare program or through an available private plan if they desire. Seniors would receive their prescription drug benefit as soon as possible, rather than having to wait until 2006, after the next elections. Finally, the Durbin amendment would allow the Federal Government to use the leveraging power of millions of seniors to negotiate lower prices for prescription medications.

The same widow in West Virginia with $5,700 in drug costs, would only have to spend about $2,000 under the Durbin amendment plan versus the almost $4,000 she would have to pay under the Grassley-Baucus Medicare bill before us today. I think it is quite obvious which Medicare plan the elderly citizens from West Virginia would choose.

This legislation, as it stands, also does nothing to address the high cost of prescription drugs. We should do better for our seniors. And we can do better. I believe that we can improve this legislation through the adoption of the Durbin amendment. Let's not short-change our seniors. They deserve our very best efforts.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I rise also to support and I am pleased to cosponsor the Durbin amendment. But first, I ask unanimous consent to set aside the pending amendment so I may offer three amendments.

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

AMENDMENTS NOS. 1075, 1076, 1077

Ms. STABENOW. I send the amendments to the desk and ask the reading of the amendments be waived.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments by number.

The assistant legislative clerk read as follows:

The Senator from Michigan [Ms. STABENOW], for herself and Mr. LEVIN, proposes en bloc amendments numbered 1075, 1076, 1077.

The amendments are as follows:

AMENDMENT NO. 1075

(Purpose: To permanently extend a moratorium on the treatment of a certain facility as an institution for mental diseases, and for other purposes)

On page 676, after line 22, add the following:

SEC. ___. EXTENSION OF MORATORIUM.

(a) IN GENERAL.—Section 6408(a)(3) of the Omnibus Budget Reconciliation Act of 1989, as amended by section 13642 of the Omnibus Budget Reconciliation Act of 1993 and section 4758 of the Balanced Budget Act of 1997, is amended—

(1) by striking ''until December 31, 2002'', and

(2) by striking ''Kent Community Hospital Complex in Michigan or.''

(b) EFFECTIVE DATES.—

(1) PERMANENT EXTENSION.—The amendment made by subsection (a)(1) shall take effect as if included in the amendment made by section 4758 of the Balanced Budget Act of 1997.

(2) MODIFICATION.—The amendment made by subsection (a)(2) shall take effect on the date of enactment of this Act.

AMENDMENT NO. 1076

(Purpose: To provide for the treatment of payments to certain comprehensive cancer centers)

On page 438, between lines 10 and 11, insert the following:

SEC. ___. COMPREHENSIVE CANCER CENTERS.

(a) IN GENERAL.—Section 1886(d)(1) of the Social Security Act (42 U.S.C. 1395ww(d)(1)) is amended—

(1) in subparagraph (B)(v)—

(A) by striking ''or'' at the end of subclause (III);

(B) by striking the semicolon at the end of subclause (IV) and inserting '', or''; and

(C) by inserting after subclause (IV) the following:

''(IV) a hospital that is a nonprofit corporation, the sole member of which was recognized as a comprehensive cancer center by the National Cancer Institute of the National Institutes of Health as of April 20, 1983, that specifies in its articles of incorporation that at least 50 percent of its total discharges must have a principal finding of neoplastic disease, as defined in subparagraph (E), and that is a freestanding facility licensed for less than 131 acute care beds;''; and

(2) in subparagraph (E), by striking ''(II) and (III)'' and inserting ''(II), (III), and (IV)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to cost reporting periods beginning after the date of enactment of this Act.

AMENDMENT NO. 1077

(Purpose: To provide for the redistribution of unused resident positions)

On page 438, between lines 10 and 11, insert the following:

SEC. ___. REDISTRIBUTION OF UNUSED RESIDENT POSITIONS.

(a) IN GENERAL.—Section 1886(h)(4) (42 U.S.C. 1395ww(h)(4)) is amended—

(1) in subparagraph (F)(i), by inserting ''subject to subparagraph (I),'' after ''October 1, 1997,'';

(2) in subparagraph (H)(i), by inserting ''and subject to subparagraph (I),'' after ''subparagraphs (F) and (G),''; and

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

''(I) REDISTRIBUTION OF UNUSED RESIDENT POSITIONS.—

''(i) REDUCTION IN LIMIT BASED ON UNUSED POSITIONS.—

''(I) IN GENERAL.—If a hospital's resident level (as defined in clause (iii)(I)) is less than the otherwise applicable resident limit (as defined in clause (iii)(II)) for each of the reference periods (as defined in subclause (II)), effective for cost reporting periods beginning on or after January 1, 2003, the otherwise applicable resident limit shall be reduced by 75 percent of the difference between such limit and the reference resident level specified in subclause (III) (or subclause (IV) if applicable).

''(II) REFERENCE PERIODS DEFINED.—In this clause, the term 'reference periods' means, for a hospital, the 3 most recent consecutive cost reporting periods of the hospital for which cost reports have been settled (or, if not, submitted) on or before September 30, 2001.

''(III) REFERENCE RESIDENT LEVEL.—Subject to subclause (IV), the reference resident level specified in this subclause for a hospital is the highest resident level for the hospital during any of the reference periods.

''(IV) ADJUSTMENT PROCESS.—Upon the timely request of a hospital, the Secretary may adjust the reference resident level for a hospital to be the resident level for the hospital for the cost reporting period that includes July 1, 2002.

''(ii) REDISTRIBUTION.—

''(I) IN GENERAL.—The Secretary is authorized to increase the otherwise applicable resident limits for hospitals by an aggregate number estimated by the Secretary that does not exceed the aggregate reduction in such limits attributable to clause (i) (without taking into account any adjustment under subclause (IV) of such clause).

''(II) EFFECTIVE DATE.—No increase under subclause (I) shall be permitted or taken into account for a hospital for any portion of a cost reporting period that occurs before July 1, 2003, or before the date of the hospital's application for an increase under this clause. No such increase shall be permitted for a hospital unless the hospital has applied to the Secretary for such increase by December 31, 2004.

''(III) CONSIDERATIONS IN REDISTRIBUTION.—In determining for which hospitals the increase in the otherwise applicable resident limit is provided under subclause (I), the Secretary shall take into account the need for such an increase by specialty and location involved, consistent with subclause (IV).

''(IV) PRIORITY FOR RURAL AND SMALL URBAN AREAS.—In determining for which hospitals and residency training programs an increase in the otherwise applicable resident limit is provided under subclause (I), the Secretary shall first distribute the increase to programs of hospitals located in rural areas or in urban areas that are not large urban areas (as defined for purposes of subsection (d)) on a first-come-first-served basis (as determined by the Secretary) based on a demonstration that the hospital will fill the positions made available under this clause and not to exceed an increase of 25 full-time equivalent positions with respect to any hospital.

''(V) APPLICATION OF LOCALITY ADJUSTED NATIONAL AVERAGE PER RESIDENT AMOUNT.—With respect to additional residency positions in a hospital attributable to the increase provided under this clause, notwithstanding any other provision of this subsection, the approved FTE resident amount is deemed to be equal to the locality adjusted national average per resident amount computed under subparagraph (E) for that hospital.

''(VI) CONSTRUCTION.—Nothing in this clause shall be construed as permitting the redistribution of reductions in residency positions attributable to voluntary reduction programs under paragraph (6) or as affecting the ability of a hospital to establish new medical residency training programs under subparagraph (H).

''(iii) RESIDENT LEVEL AND LIMIT DEFINED.—In this subparagraph:

''(I) RESIDENT LEVEL.—The term 'resident level' means, with respect to a hospital, the total number of full-time equivalent residents, before the application of weighting factors (as determined under this paragraph), in the fields of allopathic and osteopathic medicine for the hospital.

''(II) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term 'otherwise applicable resident limit' means, with respect to a hospital, the limit otherwise applicable under subparagraphs (F)(i) and (H) on the resident level for the hospital determined without regard to this subparagraph.''.

(b) NO APPLICATION OF INCREASE TO IME.—Section 1886(d)(5)(B)(v) (42 U.S.C. 1395ww(d)(5)(B)(v)) is amended by adding at the end the following: ''The provisions of subsection (h)(4)(I) (determined without regard to clause (ii) thereof) shall apply with respect to the first sentence of this clause in the same manner as such provisions apply with respect to subparagraph (F) of such subsection.''.

(c) REPORT ON EXTENSION OF APPLICATIONS UNDER REDISTRIBUTION PROGRAM.—Not later than July 1, 2004, the Secretary of Health and Human Services shall submit to Congress a report containing recommendations regarding whether to extend the deadline for applications for an increase in resident limits under section 1886(h)(4)(I)(i)(II) of the Social Security Act (as added by subsection (a)).

AMENDMENT NO. 994

Ms. STABENOW. Mr. President, I believe this is an incredibly important vote. This amendment really is about providing seniors with what they are asking. The seniors of this country, and those who are disabled, deserve our best effort. As we come together we have been spending this time putting together prescription drug coverage for seniors, debating about how to lower prices, and the Durbin amendment—which I am pleased to cosponsor—does just that. I believe the Durbin amendment is our best effort. That is what seniors are asking for.

They are not asking for more insurance forms to wade through. Most of them are not asking for more choice. They are asking for prescription drug coverage.

I was talking to someone today at lunchtime who is on Medicare. He said to me, Whatever you do, please do not do anything to Medicare. It is simple; it is easy; it is dependable; they handle my secondary insurance.

He said, I actually have a 1–800 number I call and a real person answers the phone.

He was going on and on talking about how successful and how helpful Medicare has been for him.

I said, Boy, I would love to have you come to the floor and share this with my colleagues, because we keep hearing about how awful the traditional Medicare system is.

The conversation I had with the gentleman at noon reflects what I commonly hear at home. As I said before, the seniors of this country consider Medicare—and I wish we would consider Medicare—a great American success story.

Why is the Durbin amendment the best effort we can provide? Why is it the best we can give to our seniors?

First of all, working within the dollars that have been put aside in the budget resolution, this does not require any additional funds. But, by doing this, by putting the priority on our seniors and those receiving the health care, by making that the focus, that the priority, you can create a very different benefit if your priority is to start with: What do our seniors need? What do those who are disabled need? Let's start with a system that is designed for them.

When we do that, we can create a system that does not have any deductible, no deductible at all. We can create a system that guarantees what the premium will be. Not a suggested premium like we have in the underlying bill, but we can say it is $35 a month; it is guaranteed; it is in the law. Seniors will know what to count on and what to claim for.

We can do a better job on cost savings. Instead of saying we will cover 50 percent of the cost, we can cover 70 percent. That is a big difference—70 percent of the cost.

We can make sure there is no coverage gap. In fact, no one will lose their benefits, their help with their medical payments, as they move up with greater and greater bills. The higher the bill, the more they would continue to get help.

One of the reasons this can be done is because there is a real effort to get the best possible price for our seniors. The real issue in all of this debate—and the reason we have all this convoluted, complicated process that has been going on—is the pharmaceutical industry wants to make sure all the seniors are not in one plan where they can negotiate a big group discount as with any other insurance plan. We know the veterans of this country do not pay retail because the VA gets a group discount. Well, the Durbin amendment would give our seniors that group discount. And if you do that, you can lower prices. It is still a fair return, but you can lower prices, and use those savings to provide a better benefit, to make sure there is no deductible, to make sure there is no gap in coverage for our seniors.

We also can deal with a very important issue for many of us; that is the question of employer benefits. We want to make sure our employers do not have the incentive to drop benefits. There are many people in my great State of Michigan who I have worked with in our great auto industry, and other manufacturing industries, and others that have good benefits now. We are grateful to the employers in the industries involved, and they have a history of good benefits, good wages, and good employees, I might add. We are very proud of the work that goes on in Michigan.

Now that many of our Michiganites have retired, we want to make sure we provide incentives for employers to maintain those benefits. Those lifesaving benefits are absolutely critical. And we know that in the underlying bill, unfortunately, the projection is there will be an incentive for many employers to drop or reduce benefits, which is not acceptable.

What we have in this option, in this best offer that is in front of us, is the ability to count the employer benefits toward out-of-pocket spending, which is an encouragement for employers to continue to provide the benefits they currently provide to their retirees.

Under the Durbin amendment, you would have the option of a private plan. If you would like to go into an HMO or PPO, if that is a positive experience for you, you have that choice. But it also makes sure there is a Medicare choice always, that you have an opportunity to stay within Medicare.

Then one of the most important parts of this amendment is the fact that it would take effect as soon as possible. I think one of my concerns is with all of the talk and all the news reports about a new prescription drug benefit, it is not clear to our seniors that, in fact, no help in terms of a benefit is available until 2006. There is a discount card, yes, but nothing in terms of the bill taking full effect until 2006. So this amendment would say ''as soon as possible.'' As soon as possible we want to make sure this takes effect.

The Durbin amendment puts forward our best effort. It is a better benefit. It is a defined benefit so there is dependability. It reduces prescription drug costs. It maintains choice for those who wish to have another choice other than traditional Medicare. It creates a reliable Medicare benefit fallback if you choose private insurance. If your private carrier drops you, such as happened to my mother with her Medicare+Choice plan, you would always be able to have Medicare as a permanent choice for you if that happens. We incentivize employers to maintain benefits. And, finally, the Medicare-delivered benefit can be implemented faster.

There is a lot of good work and good will among all of our colleagues to try to develop and pass a prescription drug benefit here in the Senate. I believe our seniors deserve the very best we can offer, something that is straightforward, is dependable, is reliable—a system that is based on what is best for them, not what is best for insurance companies or pharmaceutical companies or any other interest but what is best for them.

Medicare has been a great American success story. It works. It just needs to be updated. It just needs to be modernized to cover prescription drugs. I believe it also should be modernized to cover more preventive efforts and other kinds of improvements that will continue to strengthen Medicare and allow it to modernize and improve with the times.

We can do that. We can do that without going to a complicated, convoluted system that focuses more and more on efforts that ultimately could privatize Medicare.

I urge my colleagues to join in support of the Durbin amendment. Give our seniors what they are asking for.

I will share with my colleagues a chart I have used many times on this floor. Right now, 89 percent of the seniors of this country are in Medicare. They are asking—I am very confident they are asking—for the Durbin amendment. I encourage my colleagues to support it.

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

The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that if there is not a vote called following the statement by the Senator from Nevada, Mr. ENSIGN, Senator DURBIN be recognized for 15 minutes, Senator SMITH of Oregon for 5 minutes, and Senator NICKLES for 20 minutes to speak on this bill or any pending amendment.

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

The Senator from New Mexico has the floor.

Mr. DOMENICI. Mr. President, I rise today to speak about this legislation. Perhaps some will not recognize my speech at all because I know there is $12 billion to be resolved, and I understand it is going to be resolved. I am speaking as if we have finished our work and we are going to vote. I am here to tell the Senate and anybody interested why I am going to vote for this legislation.

First of all, we need prescription drugs for our senior citizens.

Secondly, we have a situation, of which I am absolutely positive. From what I have heard, if I were attending the meetings in the Democratic caucus, I would hear the Democratic Senators who are informed on the subject stand up and talk about how bad this bill is. I would hear them say that it does not do enough, that it does not take care of enough poor people, that it does not have enough choice, and that all the seniors who are currently on Medicare are expected leave and go somewhere else. That is not any good.

And just as sure as that is going on, and I have inquired before making this speech if that is the case, I go to our Republican caucuses, and I hear one Senator after another speak about the shortcomings of this bill. Some speak about it with a clear-cut: ''I am not going to vote for it.'' But many speak of it in terms of: ''I just want to let you know how bad I think it is. I don't want to talk you out of it, I just want to tell you how bad it is.'' One Senator after another, then another: ''I just want to tell you how bad it is. It just won't work.''

Then somebody else on this side begins speaking about it from fiscal policy, and they say: ''It is going to cost too much. It is going to break us.'' And there are Senators in the other caucus saying: ''We are not reforming the Medicare system, and it's going to go broke. We are just adding more debt to that system.'' Now again, I have not been there, but I asked.

Then I go to our caucus, and I hear the same thing: ''The Medicare system is already somewhat bankrupt. It is not going to have sufficient money in a few years. We are going to have to start finding money for it somewhere. And this is going to add, some say, $4.5 trillion.'' That is what we have been hearing in our caucus. Some are saying: ''No, I don't want you not to vote for it, but I just want to tell you about all these problems.''

I want to tell you I am going to vote for it because I am a hope-filled Senator. I am hope filled about the future of the American economy and American prosperity. I am hope filled about American ingenuity, American breakthroughs, American science achievements, and American wellness achievements. I want to tell you about why I am hopeful.

First, we have mapped the human genome system during our lifetime. This means that we currently know where the aberrations in the human genome system are, and where all of the major diseases lie within the chromosome system of the human anatomy. That is an unheard of achievement.

Why do I speak of it while I try to talk about Medicare and prescription drugs? Because we are not living in a stagnant world. We are not living in a world that during the next 10 or 15 or 20 or 30 years that we are going to have just what we have today in terms of wellness, in terms of prescription drugs, in terms of curing illnesses. We are in the midst of the most gigantic breakthroughs in wellness. We are in the midst of breakthroughs in terms of finding cures to all kinds of human ailments and all kinds of drug breakthroughs which are going to cure people and make them well. There sits that breakthrough called the mapping of the human genome system.

At the same time we are passing this bill, science is far from stagnant. There is going on in science today something called nanoscience. Nanoscience involves the actual manipulation of atoms to create new systems and new products. While we are wondering if we are going to be able to afford this drug system we are currently putting in place, out there in all kinds of centers of higher learning, American scientists and scientists in the rest of the world are developing technology involving the manipulation of atoms to create new systems and new products.

I believe within 15 to 20 years there will be so many new products and things that will be manufactured and made that will add to the productivity of America. I mention it because it makes my vote tomorrow on this bill hope filled. I believe there are going to be productivity changes, there are going to be drug cures, there are going to be medicinal cures, there will be wellness cures. All of these things are going to happen because we are not going to be living in a stagnant system. We are going to deliver under this prescription drug bill the drugs our people need; principally with the money going to the poorest, who need the most help, and then moving it upwards so that those who are least in need will get the least help.

While we have Senators on each side finding fault with the proposal, which probably means it is pretty good, we also find them saying: ''We can't afford it.''

I am here to suggest we can afford it. As a matter of fact, I am here to say we can't afford not to do it. I am here to say with all the breakthroughs that are going to occur, we must put in place a system that is more apt to take advantage of those breakthroughs. I believe the distinguished leader of the Senate who has spoken on this subject is correct. If we have these HMOs and PPOs and these delivery systems, they are more apt to take advantage of the breakthroughs that are going to occur because of nanoscience, because of the genome, and then because there is also a huge new system called microtechnologies. Microtechnologies, believe it or not, are going to create all kinds of tiny little engines, engines that are going to be able to do all kinds of things that make products and solve problems and cure health problems.

The microtechnology system means that little tiny engines will be produced on a chip just like the chip that we now talk about. There will be engines on that chip. And, if you look at that chip with a microscope, you will actually see little engines working. Those engines may, indeed, be put in the human body to go after certain ailments and just take them on as little engines. And the illnesses will disappear or perhaps be ameliorated.

All of these things are going to happen. Nobody at the CBO, nobody at the other agencies who have evaluated whether we will be able to pay for this bill and whether we will be able to deliver on this bill, have figured in those kinds of gigantic breakthroughs that are going to occur in this American system. In fact, none of them are figuring the productivity breakthroughs that are going to occur, in this Senator's opinion, from nanoscience and microtechnology breakthroughs. Nor are they taking into consideration breakthroughs on the medicinal side that will result from our continuation of funding the NIH at about 10-percent growth a year.

I add one caveat. If I were voting on this bill and were asked, ''What should you do in addition to this bill?'' I would adopt a resolution that would require mandatory funding of the physical sciences at about 10 percent a year just like we did the NIH for the next 10 years. Then you would have the great instruments of breakthrough—the NIH, the National Institutes of Science, plus American ingenuity and business. You would have the physical sciences funded at a much higher rate than we are funding them so that nanoscience and the others I have spoken of can have their breakthrough day. So that we can, in fact, deliver what we plan to deliver under this bill.

I close where I started, by saying: For all intents and purposes, the bill is finished. It is probably not perfect, but no democracy can draw a perfect bill. It is probably better than those who are saying how bad it is, and it is probably slightly worse than those who are running around saying how great it is. But it is pretty good in terms of a delivery system that can get us started and that we can always change.

I don't fear the fact that we have a large group of Americans coming along, the generation that we are worried about, the baby boomers. I am not concerned about how we are going to pay for them and how we are going to take care of them. I believe the breakthroughs I have just discussed generally will be specific breakthroughs that will be occurring rapidly in large numbers, every year for the next 20 to 30 years. I believe that 20 years from now we will not recognize the prescription drugs being delivered today. We will not recognize what the drugs are being delivered to cure, and what they are curing because we will have made so many changes. And, almost all of these changes will be for the positive. By applying human ingenuity, human knowledge, human capacity to such basic research as the human genome or the mapping of the chromosomes and the aberrations on the chromosomes which create diseases, we are going to find cures so that we won't have to be paying the drug costs because we will have found the cures for the sicknesses.

I thought it would be a good 15 minutes, maybe 10, while we had a few lax moments, to at least let one Senator put some comments in the record that sort of set the tone for what he will be thinking about when he votes on this rather celebrated bill. I will be thinking about all the people we are going to help today, tomorrow, and next year. But I will also be thinking about all the changes that are going to occur because of these great sciences that I have just spoken of. We won't recognize what we are taking care of in 10 years. We won't recognize what medicines we are delivering. We won't recognize what diseases we are curing. And, frankly, it is entirely possible that we won't recognize the hospital system that we have delivering hospital care to our people if, in fact, the genome system really works as some people think it will.

Some are saying within 20 to 40 years we won't even have hospitals like the ones we have. There will be different kinds of institutions that will be delivering health care because of the capacity of the genome system to deliver health care in a completely different way. I hope that these words at least are helpful. They are to this Senator. They make me feel that I have something to say beyond coming down here and reading a bunch of numbers, which I used to have to do ad nauseam when I was chairman of the Budget Committee, and try to make all kinds of predictions on how you are going to have enough money for this, that, or the other thing.

To tell you the truth, this program is a close call in terms of whether we are going to be able to pay for it. It might be a close call as to whether it is the best program we can put together. But I tell you, it is the right thing to do. We don't have anything like it today, and our people, in particular poor people, suffer because of it. We ought to

fix this as soon as we can and then go to work keeping an environment in our economic system that is vibrant and healthy. We must do this so that our system can do the things that I have been discussing over the next 15 or 20 years as this prescription drug benefit delivers the prescription drugs we are talking about.

I understand my time has elapsed, and I yield the floor.

The PRESIDING OFFICER (Ms. COLLINS). Under the previous order, the Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Madam President, we are about to vote at some point in the coming hour or two on a series of amendments, one of which will be the Durbin amendment, called the MediSAVE amendment. I wanted to make a couple of comments about that amendment.

I regret there being a substantial difference between what is promised and what is delivered to senior citizens with respect to a prescription drug benefit in the Medicare Program. My colleague from New Mexico indicated this is not a perfect bill. It is not. It is not a terrible bill; that is certainly the case as well. It addresses an issue that almost every Senator says needs addressing, and that is adding a prescription drug benefit to the Medicare Program. But I confess, the more we have dealt with this, the clearer it is to me that we are creating the most complicated, byzantine system that we possibly could have created.

We had opportunities, and will continue to have them, to improve this bill. We have missed most of them in the last few days.

This is a horribly complicated proposal. The Durbin amendment is an amendment that provides substantially improved benefits, and I will describe all of them. These benefits are not in the underlying legislation. The average cost of prescription drugs for senior citizens in this country is about $2,300 a year.

I might say that senior citizens are about 12 percent of America's population and they consume one-third of the prescription drugs, because we know when people reach retirement age, that status of life, many of them need prescription drugs in order to deal with their health issues.

Miracle drugs provide no miracles for those who cannot afford to take them. So we understand when people reach their declining income years, we ought to put together a prescription drug plan, attach it to the Medicare Program, and give them the assurance that we did 40 years ago, that if they are sick, they can go to a hospital; they would have Medicare; and if they need prescription drugs now, give them the assurance that they will have that opportunity.

We all have talked to senior citizens, particularly women, I might say, who live on fixed incomes, alone, at an advanced age, and have a very minimal amount of income, and who tell us: I cannot afford to take the prescription drugs the doctor says I must take.

I have talked about the woman who came to me at a meeting one day and said, ''I have heart disease and diabetes.'' She must have been in her eighties. ''The doctor prescribes medicines and I have no opportunity to buy them because I cannot afford them.''

The fact is, we can do something about that. Now, my colleague, Senator DURBIN from Illinois, offers an amendment that creates a more meaningful benefit to senior citizens, No. 1. If they spend $2,300 a year, on average, for prescription drugs, the underlying bill will give them the benefit of somewhere around $600.

I will say that again. If they spend $2,300, we are going to say you have prescription drug coverage now. But the fact is, it only covers $600. My colleague's amendment will double that to $1,200.

Second, it creates a defined benefit. Under the plan before us, the Grassley-Baucus plan, there is no guaranteed benefit for seniors. The premiums are left to the insurance companies. Well, figure out what you can do, describe what the premium is going to be, and tell us later, would you?

That is no way for the Congress to define a prescription drug benefit. My colleague offers an amendment that has a defined benefit and that is exactly what our responsibility is, to define the benefit.

The other issue my colleague addresses is reduced cost. I offered an amendment that did pass that talks about the reimportation from Canada of prescription drugs, offering consumers the same drug, made by the same company, put in the same bottle, at a lower price because we pay the highest prices for prescription drugs in the world. You can buy exactly the same drug in Canada for a substantial discount.

My colleague says, with this prescription drug plan attached to the Medicare Program, what we ought to do is instruct Health and Human Services to negotiate the same group purchasing arrangements that we have done in the VA. We know how that works. We know what that saves.

There isn't any reason it should not be in this legislation. My colleague's amendment maintains a choice. People still have the opportunity to go into a private plan someplace, but they can come back to this plan, which will be a Medicare attached plan with better benefits.

So what my colleague from Illinois is offering is something that is much better, provides better benefits, provides defined benefits, provides downward pressure on prices, and it seems to me it represents what everybody in this Chamber has promised at one time or another but which none will deliver unless we start passing an amendment of this type.

We have missed a lot of good opportunities in recent days to pass amendments that would have improved this bill. I guarantee you, if we don't make some improvements, by the year 2006, when this becomes available—it should have been 2004, but the last amendment was turned down—there will be a lot of disappointed people, because they expect prescription drug coverage. Instead, they are going to get a fraction of that. We can remedy that.

The first step, it seems to me, is to vote for the Durbin amendment, the MediSAVE amendment. There are other amendments we can support as well which will make this the kind of prescription drug benefit in Medicare that senior citizens have been promised by virtually all of us.

Let's not deliver much less than we have promised. We have all promised to do something about this because we understand the need and we understand the urgency. When you reach those declining income years of life and need prescription drugs, the miracle drugs to save your life and to maintain a decent life, we understand the need to provide the help to finance those drugs. Many seniors simply cannot do it. They go to the grocery store that has a pharmacy in the back, and they have to figure out the cost of their drugs before they decide how much food they can afford. We have all heard those stories time and again.

The question is, are we going to do this? If the answer is yes, the question is, are we going to do it right? If the answer is yes, then it is voting for the Durbin amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Who is to be recognized next?

The PRESIDING OFFICER. Under the agreement, Senator ENSIGN of Nevada is to be recognized next.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I ask that the time of the Senator from Nevada be reserved, and we now turn to Senator DURBIN who is under the consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Illinois.

Mr. DURBIN. Madam President, I thank my colleague from Nevada. I say to my colleagues, the more they study S. 1, the more they get to know it, the more concerned they have to be. I agree with the premise that we are making a commitment for the first time to provide prescription drug help to senior citizens. This is historic. We are doing the right thing.

Then when you look at the way this has been written and try to put it in the context of your parents or grandparents making these decisions, you understand the complexity of it, the fact it does not provide the protection which a lot of people promised. Basically, when it gets down to it, this is fraught with danger and peril.

The seniors understand that. When you sit down with senior citizens and

say let me tell you what we are doing, what we are offering, the first thing they say to you is: Senator, what are you doing to keep the cost of drugs from running off the chart? I know you say you are going to help me by paying a certain percentage. What good is that percentage, Senator? My Social Security payments are going up, enough to keep up with the cost of inflation. So if you are not going to contain the cost of prescription drugs, what good is this?

That is a hard question, isn't it? But it is the right question. When you take a look at S. 1, the bill before us, the honest answer is nothing. What this bill says is we will rely on HMOs and private insurance companies to offer a prescription drug benefit.

My friend from Florida was an insurance commissioner. Senator NELSON has told us time and again what it means to deal with some of these insurance companies. As much as his expertise might bring to this debate, the greatest experts on HMOs are senior citizens. Ask them about coverage by HMOs. They despise HMOs. They know what these insurance companies are going to do.

First, they are going to nail them with a premium much more than 35 bucks a month. There is a provision in this bill which makes insurance sense but does not make common sense. It says if you have a chance to enroll in this voluntary program at the monthly premium—and let's assume for discussion it is $35—and you turn it down because it is voluntary and say you do not want to enroll in it, and then a year later or 2 years later, you think, maybe you should enroll in it, there is a provision in this bill that says your monthly premium may not be $35, it may be $100.

It makes insurance sense because it is called adverse selection. You do not want sick people to pay premiums just when they get sick. Think about that senior on a limited income who has to make a calculation as to how much they are going to pay. Look at that senior, if you are talking about a $1,000 annual prescription drug bill—I am sitting there with my mother or my grandmother, and she says to me: Son, should I pay this $35 a month? I know it is a $275 deductible.

I say: Mom, your payments are less than 100 bucks a month. You are going to end up paying more. You are not going to get any help from this plan because the first $1,000 your monthly premium is going to be added on to the help from the Government. You will be paying more than $1,000 for $1,000 worth of drugs. It may not make sense to you, mom.

OK, maybe I will not sign up.

Then a year or two later she starts getting sick and needs prescription drugs desperately, and now that monthly premium is no longer $35; it is $100. It makes insurance sense, but it does not make common sense, and that is one of the wrinkles in this bill.

When you ask the seniors about S. 1, this Grassley-Baucus bill, they are worried about this $35 premium that may be $50 or may be $100, and these are people, I hate to remind my colleagues, who are living on $400 or $500 or $600 a month.

To a Member of the Senate, $35 is not something you consider a life-threatening decision. For a senior citizen on a fixed income, a widow living alone in a small rural town in downstate Illinois or Florida, it is a big deal. Seniors have told us: I do not like this idea of $35 a month if it is not even certain that is what the premium is going to be.

Then you say to them: Incidentally, you are going to have to deal, once again, with HMOs and private insurance companies for your prescription drugs, and they start bailing out saying: What are you doing to me, Senator? I do not trust these people. That is why almost 90 percent of the people on Medicare do not sign up for the Medicare HMO. They do not trust these HMOs. They know what they are going to do.

I sat in this Chamber and heard the debates where HMOs and insurance companies make life decisions for seniors time and again, and they come down on the side of protecting their bottom line, protecting their profit, rather than protecting the health of the seniors. The seniors know this. When the Republicans come forward and say trust the HMOs, they will take care of you on prescription drugs, they will bring the prices down, you know they are not going to mistreat you, seniors are skeptical, and they have a right to be.

Let me tell you, there is an alternative which I offered. Madam President, I say to my colleagues in the Senate, I hope they will take a look at it for two reasons: No. 1, if this plan turns out to crater and bomb and the senior citizens across America say, What have you done to me; this is not what we were bargaining for, you will at least be able to say: I voted for an alternative. Sadly, it didn't make it. I hope it does, but if it does not make it, I voted for the right alternative that did not have the problems of S. 1. That is what MediSAVE offers.

For my colleagues in the Senate, unless you are sure you want to go to the bank on S. 1, that you want to walk into a senior citizens meeting and try to explain this to your constituents who live in the State of Maine or the State of Florida or the State of Pennsylvania, then for goodness' sake, think twice about a simpler, more honest, and direct approach. Let me tell you what it is.

It has a guaranteed $35-a-month premium. S. 1 guarantees nothing. No deductible and a payment by the Government of 70 percent of the drug cost; not 50 percent—70 percent. Does that sound overly generous? My colleagues in the Senate, guess what. That is what we get. That is our benefit in the Senate.

Is this lavish, luxurious, too much, over the top? I do not hear a lot of Senators complaining about it, nor Members of the House of Representatives. If it is good enough for my colleagues, is it not good enough for your mother? Is it not good enough for your grandmother? That is what it boils down to. The Durbin amendment says we are going to give seniors across this Nation the same percentage break on prescription drugs that Members of Congress get.

Yesterday, by a vote of 93 to 3, we said that is fine. We all know what that is all about. There is this little process where the bill passes the House and passes the Senate, and then there is this mystery gathering called a conference committee, the waltz kings of the House and the Senate. They waltz nonchalantly into the committee room and close the door. And out of that committee room in a day or a week or a month pops a bill twice this size that no one has read. They say: I am afraid we do not have time to read it; we have to get moving. We have to get back home. We will let our staff take a look at it.

Two weeks from now somebody will take a close look at it. They will vote and leave. How many times have we seen that happen?

After the waltz kings have gone into the conference committee and done their work, I bet you dollars to donuts MARK DAYTON'S amendment, which said Members of Congress are bound by the same prescription drug benefit as senior citizens in America, will be gone—out. We will be back at 70-percent reimbursement on our prescription drugs and say to seniors: You know, 20 percent is really all we can afford, and I hope you understand.

The alternative is 70/30. If it is good enough for Members of Congress, it is good enough for your mom and your grandmother.

There is no coverage gap under the MediSAVE amendment, and there is no coverage gap under congressional health insurance, congressional prescription drug benefits.

We have an amendment offered by Senator BOXER, and I hope my colleagues will think twice about this. To think that one could spend $4,500 in a year and then have their protection cut off for prescription drugs is something people just rationalize and say: Gosh, we wish we had more money; we would make it work. Senator BOXER brings it to the real world. What if someone you love has been diagnosed with cancer? What if they are facing some of the most expensive drug therapy—chemotherapy, radiation therapy—imaginable to save their lives and they are forking out dollar after dollar to get through this illness that could claim their life and you are praying for them every day and guess what. Come October, after they have been on this drug therapy for 9 months, this prescription drug benefit under S. 1 disappears.

What are you supposed to do? Fork it over out of pocket, if you can. Is that

an answer? MediSAVE, the alternative, says do not do that to people. Cover them completely. Make this a real insurance policy, not a game where if you are too sick we are going to nail you.

It also says let's negotiate the drug prices. That is what this is all about.

If we do not deal with the expensive drug prices in America, this is a fraud on the public. Think about it. We estimate over the next 10 years that seniors will spend $1.8 trillion on drugs. How much do we provide to help them—$400 billion. Do the math. It is less than 25 percent. But if we could bring down that cost from $1.8 trillion to a more manageable figure, that $400 billion goes further.

The Veterans' Administration has shown they can do it for our veterans. They brought down the price of prescription drugs in veterans hospitals by 50 percent. We can do the same thing for Medicare recipients if we care more about them than the profits of the drug companies. Trust me, the drug companies can bring those prices down and still continue to be the most profitable businesses in America.

These companies spend hundreds of millions of dollars a year showing people skipping through a field of wild flowers, saying, I no longer am sneezing; therefore, I need to have Claritin and Clarinex; and whatever the next generation of Claritin is going to be, please go to your doctor and beg for it.

They spend hundreds of millions of dollars on this marketing and then they say they cannot cut the cost of their drugs because it will cut into their research. Baloney. We know better. They spend more money on advertising than they do on research for new drugs, and that tells the story. They can bring down the cost of these drugs for seniors and families across America and have plenty of money left over for profit and plenty of money for research.

We say under this MediSAVE amendment this competition will reduce costs and make this drug benefit worth something to families and seniors across America.

I say to my friends, the last part of this is the most important part. Medicare will offer a drug benefit option. Those who stand back and say, Senator DURBIN, you have gone too far; Medicare is going to offer a prescription drug option; I ask them to please look back at 40 years of history and experience in America, where the Medicare Program has worked with doctors and hospitals in every city and town in America to provide the very best medical care for seniors. At the beginning of that debate, many people voted against it saying it was pure socialism, that was not the market at work, and they were right. It is not the market at work. It is the Government of this country representing the families of this country at work for them.

We believe the same should be true when it comes to prescription drugs. Medicare should offer an option. Let the Medicare administration, with no profit motive and low administrative overhead and the ability to bargain for a discounted formulary of drugs, compete with these private insurance companies, which my friends on the Republican side of the aisle insist are going to show the way in how to save money for seniors. If it is true, they will be ready to compete and the seniors can make the choice, but under this bill they cannot. There is no choice to be made.

Medicare does not offer a prescription drug option under this bill, and that tells the whole story.

The final point I will make to my colleagues is this: If they voted for Senator DAYTON's amendment yesterday, 93 to 3, saying Members of Congress are going to pay the same thing as seniors across America and my colleagues think we are going to get by with knocking that out in conference and nonchalantly passing the bill and we get 70 percent reimbursement while seniors get 20 percent reimbursement, I am sorry, the cat is out of the bag. The press corps and the American people are watching every move. Do the right thing. Bring seniors up to the level of Members of Congress. Do it now. Vote for the MediSAVE amendment and then my colleagues can go home and I think honestly say to seniors we have given them a real prescription drug benefit.

The drug companies will not like it, the HMOs will not like it, but I guarantee that parents, grandparents, and seniors across this country are going to understand they finally have a benefit that was worth the wait.

I reserve the remainder of my time.

Mr. NELSON of Florida. Will the Senator yield?

Mr. DURBIN. I yield to the Senator from Florida for a question.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. I say to my colleague from Illinois, I think he has analyzed this about as well as anyone I have heard. We made promises to the senior citizens of this country that they would have a defined benefit that would cost a minimal amount with very little deductible, with no huge gap in the coverage, that would be a part of Medicare and that whatever it was to cost——

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

Mr. DURBIN. I ask unanimous consent for an additional 3 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ENSIGN. Reserving the right to object, we have been waiting about an hour and a half to speak and all I can say is we have been waiting quite a long time.

Mr. DURBIN. Two additional minutes, and I will ask unanimous consent that the Senator be given 2 additional minutes for his patience.

Mr. ENSIGN. I do not need any additional time. I just wanted to speak if I could.

Mr. DURBIN. Two minutes. Does the Senator object?

Mr. ENSIGN. Okay.

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

Mr. NELSON of Florida. So I compliment the Senator and ask him why, if that was the promise that was made to American seniors, are we not considering this as the major bill on the floor, the MediSAVE amendment, instead of the package we have on the floor?

Mr. DURBIN. I thank the Senator from Florida. The answer is obvious: Because the drug companies won the debate and the seniors lost it. The drug companies have no pressure whatsoever to reduce prices. Secondly, an ideology that said the private side, the insurance companies and the HMOs, are the only answer to America's future in health care overcame common sense.

Common sense has shown seniors, and the Senator knows it better than anybody in this Chamber, when the HMOs get their hands on benefits like this, seniors are going to lose out. That argument has won the day, and that is what is in S. 1.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Madam President, what is the pending business?

The PRESIDING OFFICER. The pending amendment is No. 1077, authored by the Senator from Michigan.

Mr. ENSIGN. I ask unanimous consent that the pending amendment be laid aside.

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

AMENDMENT NO. 1024

Mr. ENSIGN. I call up amendment No. 1024.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. ENSIGN], for himself and Mrs. LINCOLN, proposes an amendment numbered 1024.

Mr. ENSIGN. Madam 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 repeal the medicare outpatient rehabilitation therapy caps)

At the appropriate place in title IV, insert the following:

SEC. ___. OUTPATIENT THERAPY CAP REPEAL.

(a) IN GENERAL.—Section 1833 of the Social Security Act (42 U.S.C. 1395*l*) is amended by striking subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2005.

Mr. ENSIGN. Madam President, there is a cap on the amount of therapy that can be given to seniors for physical therapy, occupational therapy and speech therapy, that is set to go into effect in July. There is a $1,590 cap that is set to go into effect. What we need to do is to repeal that cap and we need to do it for very good reasons.

First, the oldest and the sickest seniors will be in a situation where they have to pay 100 percent of the costs over the cap. MedPAC and independent analyses have found that one out of seven beneficiaries needing such therapies will exceed the cap. This arbitrary limitation would cause the greatest harm to the sickest and the most vulnerable of our beneficiaries. It would be those seniors who suffer from stroke, from Parkinson's disease or a similar condition that would likely exceed the therapy cap.

It would be the older, more vulnerable beneficiaries who will be most affected by this therapy cap. As beneficiaries continue to age and encounter multiple health problems, they are more likely to be the ones to exceed the cap. Unlike other requests for Medicare monies, this provision is truly a provision for the beneficiaries. It is the beneficiaries who will either bear the cost of the cap or not get care. It is a beneficiary cap on services.

In 1999, as part of the Balanced Budget Reconciliation Act, Congress passed a 2-year moratorium to prevent implementation of the caps. A year later, Congress passed an extension of that moratorium for 1 more year through 2002, and CMS has delayed implementation until July 1 of this year. So we need to act.

From a personal story, several years ago my grandmother had a total knee replacement. I visited her in the hospital when she was going through rehabilitation. Anybody who has had a total knee replacement understands it is one of the most painful surgeries you can have, as well as rehabilitation is painful. If the cap would have been in place at the time, she could have ended up being in a situation—at her income level, if she was a senior who could not afford to pay additional money—of not getting the care and rehabilitation needed for independent living. She is about 85 years old and lives on her own today because of the physical therapy.

There are many other people we will institutionalize if we do not repeal the cap. It is very important that truly needy seniors who are very sick get the rehabilitation they need for the occupational therapy, speech therapy, as well as physical therapy.

I urge our colleagues to look at this. I have talked to the chairman of the Finance Committee, and he is committed to making sure this cap does not go into effect this year. It truly would be harmful to many seniors in our population.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

AMENDMENT NO. 1073

Mr. SMITH. I ask unanimous consent to set aside the pending amendment and call up amendment No. 1073.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. SMITH], for himself and Mr. FEINGOLD, and Ms. CANTWELL, proposes an amendment numbered 1073.

Mr. SMITH. Madam 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 allow the Secretary to include in the definition of special medicare choice plans for special needs beneficiaries plans that disproportionately serve special needs or frail, elderly beneficiaries)

On page 379, strike lines 9 through 13, and insert:

''(A) IN GENERAL.—The term 'specialized Medicare+Choice plans for special needs beneficiaries' means a Medicare+Choice plan that—

''(i) exclusively serves special needs beneficiaries (as defined in subparagraph (B)), or

''(ii) to the extent provided in regulations prescribed by the Secretary, disproportionately serves such special needs beneficiaries, frail elderly medicare beneficiaries, or both.

Mr. SMITH. I come to the floor on behalf of myself and Senator FEINGOLD and ask unanimous consent to add Senator CANTWELL as a cosponsor.

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

Mr. SMITH. Senator FEINGOLD and I have designed this amendment to help frail Medicare beneficiaries with special health care needs. This is truly one of those times when doing the compassionate thing is in harmony with what is cost-effective.

It is a fact that chronic illness is the highest cost, the fastest growing segment of health care. Seniors are disproportionately affected by multiple chronic conditions that require a wide array of services. More than half of all seniors have two or more chronic conditions.

Further, one in five Medicare beneficiaries has five or more chronic health conditions. These seniors account for two thirds of total Medicare expenditures.

They also see, on average, 14 different physicians annually and fill an average of 50 prescriptions per year.

These seniors require routine monitoring, treatment and coordination of care among multiple providers to prevent or delay a decline in their health.

And yet traditional Medicare does not include a care coordination benefit. However, a limited group of Medicare+Choice plans do.

''Specialized Medicare + Choice plans'' focus on frail and chronically ill Medicare beneficiaries with special needs—such as nursing home residents, nursing home certifiable beneficiaries who live in the community, and low income seniors who are eligible for both Medicare and Medicaid.

These plans provide important services absent from original Medicare such as care coordination, disease management and supportive services.

The Prescription Drug and Medicare Improvement Act of 2003 takes an important step toward providing a ''home'' for such plans to transition into mainstream Medicare by creating a designation for ''Specialized Medicare Advantage Plans for Special Needs Beneficiaries.''

The amendment I am offering today would also allow the Secretary of HHS to permit plans that disproportionately serve special needs beneficiaries to offer specialized Medicare Advantage plans.

For example, under my amendment, health plans serving a large number of seniors whose poor health places them at risk for entering nursing homes could become a specialized Medicare+Choice provider. These are known as social HMO's or SHMO's.

The Social HMO demonstration is an example of one such program that assists frail elderly with special needs but serves a mix of well and frail seniors.

One of the four Social HMO demonstrations—Kaiser's Senior Advantage II—is in my home State of Oregon.

This program is extremely popular with the seniors it serves—those with the most complex medical needs—while saving the state of Oregon millions of dollars in Medicaid costs that would have been incurred had these seniors required nursing home care.

I have several letters of support for my amendment, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

KAISER PERMANENTE,
Portland, OR, June 24, 2003.

Hon. GORDON SMITH,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR SMITH: I am writing to thank you for your support of Kaiser Permanente's Social HMO Demonstration program through an amendment to the Medicare Prescription Drug and Reform Act of 2003. The underlying bill would establish a special designation for newly anointed ''Medicare Advantage'' plans that exclusively serve beneficiaries with special needs such as nursing home residents and dually eligible (Medicare/Medicaid) beneficiaries. Your amendment would allow the Secretary also to designate as specialized Medicare Advantage plans those that serve a disproportionate share of special needs beneficiaries.

Kaiser's ''Social HMO demonstration, Senior Advantage II, is an example of a specialized M+C plan that disproportionately serves these types of beneficiaries, including those that qualify for nursing home care but live in the community. We currently serve, 4,400 Medicare beneficiaries. Seniors with multiple chronic conditions, like many of those served by Senior Advantage II, are at greater than average risk of unnecessary hospitalizations, adverse drug interactions related to multiple drug usage, and contradictory information from different providers. Those with five or more chronic diagnosed conditions also are more than four times as likely to have functional limitations than someone with only one condition. The average Senior Advantage II members has 13 diagnoses. Like other specialty M+C plans, Kaiser has developed a wide range of chronic care and geriatric programs to efficiently respond to the health care challenges of our special needs beneficiaries. About 30% of our members are eligible for our Expanded Benefit package that allows our frailest members, those who

qualify for nursing home care, to remain independent and in the community. In fact, over three-quarters of respondents to a survey of Social HMO members indicated that the Expanded Care services were ''important or very important'' in helping them remain living at home.

Senior Advantage II has been making a difference in the lives of our most vulnerable Oregonians for two decades. The Kaiser Permanente SHMO also serves as model to integrate home and community-based care into the rest of the local organization and Kaiser nationwide. Your amendment would allow the Secretary to establish a new population-based designation for M+C plans like ours that recognizes their commitment to targeting and serving special needs beneficiaries.

Kaiser Permanente appreciates your continued support of our efforts to develop more effective programs of geriatric care and for your leadership on behalf of our nation's most vulnerable seniors.

Sincerely,

EUGENE SCANZERA,
Manager, Medicare Product Line,
Kaiser Permanente Northwest Region.

MEDICARE PAYMENT COALITION FOR FRAIL BENEFICIARIES,
Bloomington, MN, June 24, 2003.

Hon. GORDON SMITH,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR SMITH: On behalf of the Medicare Payment Coalition for Frail Beneficiaries, we offer our strong support for your amendment to the Medicare Prescription Drug and Reform Act of 2003. Your amendment would promote better care for frail elderly and seniors with complex medical conditions by establishing a special designation for certain Medicare Advantage plans serving this high-risk group.

Beneficiaries with multiple chronic conditions represent the most needy and costly group in Medicare. Those with five or more conditions see an average of 14 different physicians annually and have about 37 office visits each year. This segment of the Medicare population also is the most expensive, costing Medicare about 14 times as much as for beneficiaries who have only one chronic condition. To improve health outcomes for this vulnerable group of seniors and control Medicare costs over the long run, we need to establish a special approach for addressing the complex and ongoing nature of the problems faced by the highest-cost population.

Currently, there are only a few Medicare+Choice programs with the skill and expertise for serving special needs beneficiaries. Most of these programs operate under demonstration authority like Evercare, the Wisconsin Partnership Program, the Minnesota Senior Health Options Program and the Social HMO demonstration, although a few private plans offer plans targeted toward special needs beneficiaries. Care coordination, aggressive primary care interventions and specialized geriatric interventions used by these plans have led to improved outcomes and reduced use of expensive services such as inpatient hospital and nursing home care.

The Medicare Prescription Drug Act, as introduced, creates a designation for ''specialized Medicare Advantage plans'' for plans for exclusively serve special needs beneficiaries. Your amendment enhances this important provision by allowing the Secretary also to designate as specialized Medicare Advantages plans those that disproportionately serve special needs beneficiaries. This designation allows these plans to be recognized for intentionally targeting for service frail, chronically ill beneficiaries. This designation also could offer the Secretary greater flexibility in the administration of these plans. Historically, it has been difficult for specialized plans to transition from demonstration status to mainstream provider status because there is no mechanism for doing so. This legislation provides an important first step for this by establishing a population-based specialized plan designation and enabling an approach to managed care that simply cannot be implemented under traditional M+C arrangements.

Congress is on the verge of enacting the most profound changes to Medicare since its inception in 1965. Your amendment provides a framework for enhancing Medicare's responsive to our nation's most vulnerable and costly seniors. I extend our sincere thanks for your leadership in this important area.

Sincerely,

RICHARD J. BRINGEWATT,
Chair.

Mr. SMITH. Keeping seniors out of nursing homes by managing their health better while saving money is a win-win situation. Despite this, these specialized programs only exist in several States.

My amendment will further improve Medicare through the development of specialized programs that manage the care of Medicare's most medically complex and expensive beneficiaries more effectively, leading to improved quality of care and ultimately life for seniors with multiple conditions, while helping control Medicare costs.

It is not often that we see a proposal in the Senate that will simultaneously improve quality of health care while saving the government money, and I urge my colleagues to support this amendment. It is compassionate and it is cost effective.

AMENDMENT NO. 994

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Madam President, I rise in opposition to the Durbin amendment. I wish to make a couple of points to my colleagues about it.

No. 1, this is not a $400 billion amendment. I have been informed that the Congressional Budget Office scores this at $570 billion over 10 years. It attempts in the legislation to limit the cost by limiting the years—according to the Congressional Budget Office, effective in limiting the cost. So we are talking about $170 billion over budget allocation. That would obviously add an increasing amount of money to the unfunded liability and the Medicare Program.

One of the things we want to do, one of the reasons we were able to bring a bipartisan consensus, is to add a responsible benefit and focus the money we are going to put forward on Medicare prescription drugs to those who are the lowest income, the poorest of the poor.

We talked about that the other day; we talked about the assets test. One of the keys to this legislation is the greatest subsidies go to the lowest income.

If we take those above the Medicaid eligibility already covered by a prescription drug plan, under the plan before the Senate now the subsidy is 97.5 percent. So the Government picks up 97.5 percent of drug costs and the beneficiary 2.5 percent. That is a fairly generous subsidy for the poorest of the poor who are not otherwise covered. The very poor, Medicaid, who are already covered, are people at 75 percent of poverty up to 100 percent of poverty—obviously poor. Those who are slightly above the poverty level get a 95 percent subsidy. So for every $1 they spend 95 cents is picked up by the Federal Government. That is a very generous subsidy.

Some would argue—and I would be one—that we should have a generous subsidy. We can argue whether it is 90 or 95 or 85 or 99, but it should be a very high subsidy because these are very low income individuals who do not have assets, do not have any other way to pay for their prescriptions, and they are truly deciding whether to buy food or to take the medicine prescribed them. We do have a focus benefit on low-income.

The Senator from Illinois focuses in on those who are higher, above 160 percent of poverty, and says this program is inadequate for them. I make the argument that there are many who have said that for higher income individuals, given the fact that the vast majority of higher income individuals already have prescription drug coverage, well over 75 percent of people at 160 percent of poverty and above have existing prescription drug coverage, many provided through their employers, all of which are probably more generous than either this benefit or the one the Senator from Illinois is offering.

So what we are doing—and this is a big concern on both sides of the aisle—is our benefit plans are displacing private dollars with public dollars. The concern, at least on my part, and I think on others, is: Is that a wise thing to do? Should we be taking private plans and replacing them with public dollars? In some cases, and I would argue in most cases, under either formula—certainly under the one that is on the floor right now—probably the benefits are not as generous.

So there is an issue as to whether we should be doing this at all for higher incomes or whether we should have some sort of catastrophic benefit or some other benefit for higher income. That is what Senator ENSIGN is going to be putting forward in his plan with Senator HAGEL later on.

But I think the overwhelming sentiment among the American people is, yes, we should have a prescription drug benefit for those who have lower incomes, who can't afford it, and those who are high users of drugs because of chronic illness. But to spend a lot of additional tax dollars on higher income seniors, I think most Americans are saying that is probably not a wise expenditure of funds, to go to $570 billion or more when just a couple of years ago—less than that, I think it was a year ago—we were looking at $350 billion, or $300 billion. Now we are at $400

billion. There is no end as to how much we would like to subsidize, I am sure, from some people's perspective—everybody over the age of 65 in the Medicare Program. But I think the responsible thing to do is work within budget constraints and focus the resources on the poorest of the poor. That is what we have done.

The other criticism I have with this plan is it is a one-size-fits-all, Government-run plan. History has shown those are not necessarily the most efficient, the most cost-effective, and best-run kinds of plans.

The Senator from Illinois says we have this gap. We may have a gap, we may not, depending on how the insurer who bids on these plans structures the plan. The only thing fixed in the plan on the floor now is the deductible is $275 for those people who are at 160 percent of poverty and above; the deductible is fixed at $275.

Also fixed is the catastrophic insurance. What does that mean? That means where the Government comes in and pays 90 percent of all the costs of drug use. It comes in after the person has spent $3,700 out of pocket. So the plan does not kick in—the design between that is flexible, but the plan cannot kick in until you have spent $275, and your catastrophic benefit, that is where the Government comes in and pays 90 percent of the cost above a level of expenditures, out-of-pocket expenditures, which kicks in after you have spent $3,700. Beyond that, the plan can be structured to have all sorts of designs to provide prescription drug coverage.

The argument I would make is there are some people who would like some designs, other people would like other designs, and we should let people decide what plan fits their needs as opposed to a one-size-fits-all plan.

I see the Senator says there should be no deductible. I think most people would argue, when you have ''no deductible'' plans, you have very skewed utilization. In other words, you have people using this plan a lot more than if there were some constraint before you get your benefit. When it comes to deductibles and copayments, they are very effective in getting people to think twice as to whether they want to consume more because they have at least some stake in the consumption.

There is lots of evidence out there that suggests that people who do not pay anything for their drugs tend not to—the best way to put it—I guess—value them as much as people who do pay something. That sort of makes sense.

Mr. DURBIN. Will the Senator yield for a question?

Mr. SANTORUM. In one second. That makes sense. If you are not paying anything for something, you value it less than if you had to pay even $2 or $5 or some sort of copay.

That is important psychologically because you have better utilization, you have a better track record of people properly taking something because they have an investment, personal investment in this particular drug.

I am happy to yield for a question.

Mr. DURBIN. I ask the Senator if he would concede the point that both the underlying bill, S. 1, as well as the MediSAVE amendment require a percentage payment of prescription drug bills for every dollar spent: The underlying bill, 50 percent; the bill I proposed, 30 percent; even at catastrophic levels, 10 percent.

To say the individual is paying nothing overlooks the fact that there is a percentage requirement copay on every prescription drug for every senior under both plans.

Mr. SANTORUM. I see that you have a cost share of up to 70/30. I do not have that. I was just looking at the summary you provided, so I don't know whether there is no cost share for lower income or how the cost share works. All I know is it is up to 70/30. I do not know what that necessarily means.

I see there is no deductible, so I was commenting on those two.

If there is a cost share throughout, that is a positive thing. Maybe we would share the agreement there needs to be some sort of cost share, particularly for those who are not at poverty level. If you are at poverty level, then the cost share should be minimal because you don't want to use it as a great disincentive to the drugs prescribed to you. But if you have some income, you should have some responsibilities for putting forth some money for these drugs. That is ground we share.

As the Senator from Illinois suggests, there is cost sharing under our plan. It is a little bit more than the Senator's. But the Senator's plan is more expensive, a lot more expensive than the plan we have here.

The other problem I have is that it does not bring in any kind of private sector incentives, to try to reduce costs. One of the problems with the Medicare system today is it is a top-down, Government-run, one-size-fits-all plan, where the private sector, which administers this plan—Medicare administers it, but they do it through intermediaries which are really private sector entities.

The private sector, in a sense, administers the Medicare plan. But they are an intermediary. In other words, they are just folks who interface with the beneficiary and collect money and pay bills and do what Medicare just doesn't have the capacity to do. The problem with that is they do not have any risk in doing their job. In other words, all they do is a ministerial job. They get paid to provide a service as opposed to what we do in this plan, which is vitally important. We say to those who want to provide Medicare benefits, whether it is through the stand-alone drug benefit we are providing or through the Medicare Advantage Program, which is a PPO and HMO product which has the Medicare drug benefit integrated into the entire benefit which is inpatient and outpatient procedures, we want you to assume some of the risk.

Why is that important? What do I mean by risk? Insurance risk. The risk that if they do not manage the program well, they are going to lose money.

When that is done to insurance companies, they tend to behave differently, when they have no risk, if the plan is not run well. The risk is if they really do a bad job, they could lose the contract, and that happens on occasion. But there is no financial risk to them if they are not managing this benefit correctly.

Mr. DURBIN. Will the Senator yield for a question?

Mr. SANTORUM. Sure.

Mr. DURBIN. I thank the Senator for yielding. This is getting perilously close to a debate, which hardly ever happens on the floor of the Senate. I will gladly ask for time and yield to his questions so we can have an honest-to-goodness Senate debate. It will be a historic day.

My question is this: Is it not true that, although the Medicare agency does not provide the services but works through intermediaries, the Medicare agency attempts to control the costs by establishing what providers can be reimbursed, what hospitals and doctors can be reimbursed, as much as we are suggesting here that the drug companies would be told that they have to reduce costs for Medicare beneficiaries? Isn't that an analogy?

Mr. SANTORUM. The Senator from Illinois is correct. The way we control costs within the Medicare system is through price controls dictated by the Federal Government. There are a whole host of problems we run into all the time with the uneconomic decisions, in many cases, by CMS—which is the agency that runs Medicare—in reimbursing for services.

We have lots of places in this country where doctors will not provide services to Medicare recipients because the reimbursement does not match what their costs are. We talked to lots of hospitals and they will tell you, depending on the region—because it is different in different regions—this is a very convoluted price control system. They will tell you they are not getting the proper reimbursements for their services and they cannot afford to provide those services, or if it was not for private payers in certain regions of the country, these hospitals would be going under because of the reimbursement dictated, not by the market, not by what beneficiaries value, but by what is decided in Baltimore, MD, by a bunch of people sitting behind a desk who have no idea of what it costs in Coudersport, PA, to provide OB/GYN service, or gynecological services, in this case, because you don't have a private-sector service for Medicare recipients.

Nevertheless, the point is, you have an artificially imposed price control from a very far-removed entity. And I think at least most Members on this side of the aisle would like to see that change. We would like to see the system better reflect what the marketplace will bear as private insurance dictates. It is a much more flexible, much more dynamic system that takes into account what the beneficiary wants and what they value.

So I would argue that while I agree with the Senator from Illinois that this plan mirrors very closely the traditional Medicare plan—I do not disagree with him at all—I would argue the traditional Medicare plan is a command-and-control, top-down plan that does not work particularly well.

One of the reasons we are here today is that it takes an act of Congress to add a benefit. It should not take an act of Congress to add a benefit. We should have prescription drug coverage.

Had we had the Medicare Advantage Program in place 20 years ago, everybody in Medicare Advantage today would have a prescription drug benefit. Everybody would have it. They would have the ability to offer that benefit because they would be responding to what the consumer and the beneficiary wants. Just like today, Medicare+Choice—which is a Medicare HMO that was established 5, 6 years ago—has prescription drug benefits if you are in that program. Why? Because there are beneficiaries who want that.

Madam President, I understand the chairman of the committee would like the floor, so I will yield.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Let me say to the Senator from Pennsylvania, this is just for the purpose of a unanimous consent request. Then I will yield the floor.

Madam President, I ask unanimous consent that at 6:30 the Senate proceed to a vote in relation to Durbin amendment No. 994, to be followed by a vote in relation to the Clinton amendment No. 1000, with no second-degree amendments in order to the amendments prior to the votes, and with 2 minutes equally divided for debate prior to each vote after the first; further, that following those votes, the Senator from Iowa—me—be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, in relation to the time between now and 6:30, I ask my friend from Pennsylvania, how long do you intend to speak?

Mr. SANTORUM. Madam President, I would be happy to divide the time between now and 6:30 equally between the two sides.

Mr. REID. I think that would be appropriate. I ask that the consent request of my friend from Iowa be modified to divide the time between now and 6:30 equally between the majority and minority.

The PRESIDING OFFICER. Will the Senator from Iowa accept the modification?

Mr. GRASSLEY. Yes.

Mr. REID. With the time controlled by Senator DURBIN on our side.

Mr. GRASSLEY. And the Senator from Pennsylvania on our side.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SANTORUM. Madam President, another concern I have—and it is not a concern with the bill; it is just the marketing of the bill—is to suggest that their plan will move forward immediately. One of the comments made was that the plan before us does not take effect until 2006, and their plan will take place as soon as possible.

Let me just suggest, we went to CMS, which is the organization within the Government that runs Medicare, and other experts in the field and asked: When is the soonest possible we can have this drug benefit in place? And they said: It would not be prudent to do so before 2006, to promise before 2006, because it is rather complicated to put together.

So the reason we put in 2006 is we want a backstop. The Durbin amendment has no backstop. It just says: As soon as possible. Who knows how long that will be? We have a backstop, focusing on getting this ready for 2006, which I think is actually beneficial, and, at the same time, it does not rush the process that potentially could do something that would be imprudent and, potentially, ineffective in moving forward a plan.

So I think 2006, given all the expertise we have in this town as to what would be the proper timeframe, is the right answer. It is a good balance between making sure there is a date certain and that it is fairly quick and, at the same time, not too quick as to cause problems.

The other thing we do—and this is not mentioned in the marketing of the MediSAVE amendment—we have a plan that does go into effect immediately, unlike the Durbin amendment, which will probably be years—at least a year or 2—before it goes into effect. And there would be no coverage for anybody under that amendment.

We will have coverage immediately, starting within a few months, according to CMS, again, the agency that runs Medicare. They anticipate, with the drug card—which accomplishes much of what the Senator from Illinois has suggested they want to accomplish, which is to get a group discount or volume discount through the Federal Government—we will do that immediately, not in a year or 2 years or 3 years or however long the Durbin amendment would take, but it will do it immediately.

Within a couple of months, we will have out to every Medicare-eligible beneficiary a discount card that can replace all the other discount cards that a lot of seniors already have. It will be a single discount card that will give a discount nationally where we will be able to negotiate with a variety of different pharmaceutical companies. So it is an opportunity for us to use the volume discount to be able to reduce drug costs for seniors.

In addition to that, if you are lower income, you will receive up to $600 in money to help defray the cost of your prescriptions—not 2 years from now, not 3 years from now, but immediately—really, a few months from now, hopefully as soon as the first of the year, or maybe even sooner than the first of the year. So it really does accomplish a lot of what the Durbin amendment attempts to do.

By the way, once we move into the full-blown plan in 2006, you are going to be contracting under the stand-alone benefit which goes with the traditional fee-for-service Medicare system as well as Medicare Advantage, which is the PPO and HMO options that will be available to seniors—none of that will be available, by the way, under the Durbin amendment—but what we will do is provide the opportunity for them to negotiate these discounts with pharmaceutical companies because they will be bidding in large regions, multi-State regions, with lots of people, lots of scrips that will be filled. So they will be able to use their purchasing power to get a lot of these volume discounts.

Now, will they be as big as the Federal Government? No. But when you are looking at these kinds of volumes, there is only so much volume discount you can get. At some level you don't get any more discount. It sort of caps out. We think the prescription business will be big enough that they will get substantial discounts and accomplish exactly what the Senator from Illinois hopes to accomplish in his legislation.

It looks like the Senator from Illinois is ready to go, so I reserve the remainder of our time.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Illinois.

Mr. DURBIN. Mr. President, I thank the Senator from Pennsylvania.

I say to the Senator, again, I am prepared, at any point, if the Senator would like to ask a question and debate, let's try it. Let's see how the Senate works in real debate. But I really appreciate the Senator from Pennsylvania coming to the floor.

I say to the Senator, you were the first voice in opposition to this amendment. I have been coming here day after day after day. I suspected there was some opposition here—don't get me wrong—but I am glad the Senator came forward to speak his mind about this amendment.

And I congratulate you on your choice of words. Those who oppose an amendment involving Medicare use words such as ''top-down,'' ''command-and-control,'' conjuring images of commissars, Bolshevik 7-year, 10-year plans—this kind of mighty hand of government pressing down on the poor, the

poor peasant, the poor American citizen.

The sad reality is, the seniors of America don't agree with you. They like Medicare. They even like it in Pennsylvania. Do you know what we find when we say to seniors: ''We give you a choice. You don't have to stay in Medicare. You can go to a private HMO''? Eighty-nine percent of them stay in Medicare—the ''top-down, command-and-control'' system.

Now, why do they stay there?

Mr. SANTORUM. I say to the Senator from Illinois, I believe the number is 12 percent of Medicare beneficiaries participate in the Medicare+Choice Program. So it is 88 percent.

Mr. DURBIN. I am sorry I said 89. I stand corrected.

Mr. SANTORUM. If the Senator will yield further, I would also ask the Senator if he knows that Medicare+Choice is not available in most communities because they are only available in most urbanized areas.

Mr. DURBIN. I will concede the point because I can remember so well when these Medicare HMO choice plans came rolling into Illinois and so many other States and realized they couldn't make the money off seniors they planned to and pulled the rug out from under them. They called my office and they said: What happened to this Medicare HMO we were supposed to turn to? We can't trust them. They are not there. We are sticking with Medicare.

So my point to the Senator from Pennsylvania is that we are dealing here with a Medicare option which most seniors don't view as an ugly, reprehensible, big government option. They view it instead as something they are comfortable with, that America for 40 years has lived with, and has been a dramatic success since the days when President Lyndon Johnson came forward and said: There is no reason, since your mother and father, once retired, now have a little Social Security check, why they shouldn't have health care. So we are going to create Medicare. In the 1960s, we did it. It worked.

What is the proof of its value and effectiveness? The fact that seniors are living longer. It is an indication to me that this Government-run Medicare Program has worked. It pains my friends from the conservative side of the aisle to concede the fact that a Government program works, but Medicare does work. And because it has worked, seniors trust it. But my Republican friends didn't like it to start with—at least their predecessors in the Senate—and they don't care much for it today. So they are trying to find a way to move us away from this command-and-control, top-down program, and they have decided they will use prescription drugs as their stalking horse for the elimination of Medicare. That is a sad outcome.

Now they are even talking about $6 billion with which they are going to subsidize private insurance companies, a Federal subsidy to create an alternative to Medicare as part of this bill.

The goal for some—I won't ascribe this to the Senator from Pennsylvania because I don't know if this is his own philosophy—is to get rid of Medicare. They believe it is outmoded and old-fashioned. I do not. I believe Medicare offers something to seniors which the private sector cannot offer: A nonprofit, low-administrative-cost system which treats seniors the same from one edge of America to the other and basically says: We will try to keep costs under control because we speak for tens of millions of seniors.

The same approach can work effectively when it comes to prescription drugs. The MediSAVE plan, which I offer with the support of major senior citizen organizations and organized labor, says just that. If you want a private insurance company to compete, God bless you, bring them in. Give them their best opportunity. If they can beat the socks off Medicare in a region of the country, that is to the benefit of seniors. But for goodness' sake, why are those who are in favor of the private sector so afraid of Medicare as an option, the top-down, command-and-control, bureaucratic government? That happens to be what we have lived with successfully for 40 years in America under the Medicare system.

Despite all the pejorative adjectives applied, seniors don't see it that way. They trust Medicare. Some Senators may not trust it, but seniors trust it. We ought to trust them to make a choice. What is wrong with their making a choice?

Frankly, you have to be honest about this bill. There is no guarantee in here about a $35 monthly premium. Seniors could face a much larger premium, and they know it. There is no guarantee that the private HMO company offering prescription drugs is going to be around in 2 years. It could be gone. And that infuriates seniors as well. They had the rug pulled out from under them with the Medicare HMOs. They don't want the same thing happening with prescription HMOs. That is why most of them are likely to gravitate toward the Medicare style plan. That is a dagger to the heart of styptic-hearted conservatives who want to see Medicare go away. But it is a fact.

Ask your seniors in Pennsylvania, in Illinois, even in Tennessee. They will tell you they like Medicare: Please, don't give up on it. That is why I think this alternative is so important.

Frankly, what we are saying to them is, we are going to have an issue which my friend from Pennsylvania has not addressed. We are going to have an effort by Medicare and others to bring prescription drug costs down. It has worked for the Veterans' Administration, and we have 25 times as many seniors under Medicare as we have veterans.

So let us give that bargaining power to Medicare and to the private insurance companies. And who is going to win? The winners will be seniors and their families.

Mr. SANTORUM. Will the Senator from Illinois yield for a question?

Mr. DURBIN. I am happy to yield.

Mr. SANTORUM. I want to ask you, first on the Medicare+Choice plan. You say it has failed. Are you aware that the Senator from New York, Mr. SCHUMER, offered an amendment today? I encourage you to read his statement. He talked about how the Medicare+Choice plan has been dramatically underfunded. I have a letter here from July 12 of last year signed by 11 Democrats, including Senators CLINTON, SCHUMER, LIEBERMAN, CORZINE, and WYDEN, talking about how the Medicare fee-for-service plan has grown by at least 10 percent, and yet the Medicare+Choice plan has been locked in by law and growing at only 2 percent. That is the reason a lot of the Medicare+Choice plans had to leave. Are you aware of all that information?

Mr. DURBIN. I am not. I thank the Senator for bringing to it my attention. Let me make it clear: Some Medicare HMO choice plans are good. Seniors want them, and they should have the option to turn to them. In my State, though—I don't know if it happened in Pennsylvania—some of these insurance plans came in and decided they couldn't make enough money, and they cut and ran.

Mr. SANTORUM. If the Senator will continue to yield, I would suggest you look at the statement of the Senator from New York today. I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, DC, July 12, 2002.

Hon. TOM DASCHLE,
Majority Leader, Hart Senate Office Building, Washington, DC.

DEAR MAJORITY LEADER DASCHLE: We are writing to express our continued support for the Medicare+Choice (M+C) program. Currently approximately 5 million Medicare beneficiaries are enrolled in M+C plans across the country and many of them live in the states we represent. For these seniors, M+C represents a vital link to high quality, affordable health coverage.

Unfortunately, a serious funding crisis is threatening the Medicare+Choice option. Many participants live in areas where funding for their M+C health benefits has increased by only two or three percent annually since 1998 while health care costs have risen by at least ten percent. These increases are inadequate and they threaten the viability of the program in most areas. We believe Congress should assign a high priority to adequately funding the Medicare+Choice program.

We understand the difficult task you face in balancing so many competing demands in the health care areas. However, we believe that M+C plays an important role in the overall soundness of the health care system, and we would like to see it continue without disruption for the seniors we represent. We hope you will consider our support for M+C as you work on Medicare legislation this year.

Sincerely,

Joseph Lieberman, Jon Corzine, Barbara Boxer, Chris Dodd, Max Cleland,

Dianne Feinstein, Ron Wydem, Charles Schumer, ———, Jean Carnahan, Hillary Rodham Clinton.

Mr. SANTORUM. Take a look at this letter. It is very clear that the reason these plans left was that we set the growth rate for Medicare HMOs at one-fifth the growth rate of the traditional Medicare Program, and obviously they couldn't continue because health care costs continued to go up. Remember, they were the only ones providing prescription drugs. So while Medicare was going up 10 percent without prescription drugs, HMOs were going up probably 10 percent or more because they were offering prescription drugs. So they said: We just can't continue, under this artificial ceiling, to continue. What we are trying to do with this plan is to put that choice back to seniors.

Mr. DURBIN. Reclaiming my time, you don't put it back in that situation. You eliminate Medicare as a competitor to these private insurance companies. The Medicare agency itself cannot offer this prescription drug plan other than through a private agency with which they contract.

What I am saying to the Senator from Pennsylvania is: Take a look at the Veterans' Administration. The Veterans' Administration is a good indication of what can happen when a Federal agency such as the Veterans' Administration wants to bring down costs; it bargains on behalf of the people it represents and lowers prescription drug costs.

Under this bill, S. 1, as I understand it, you have to have two private insurance companies offering in a region or there is a Medicare fallback, which turns out to be a plan that they contract out to some private provider.

Mr. SANTORUM. If the Senator from Illinois will yield for a question.

Mr. DURBIN. I am happy to yield.

Mr. SANTORUM. Does your plan have the benefit actually administered by the CMS or do they, like the traditional Medicare plan, contract through an intermediary to provide the benefit?

Mr. DURBIN. This is a Medicare delivered benefit through the Medicare agency.

Mr. SANTORUM. So there is no intermediary. The plan is actually run—unlike the current Medicare plan, it is going to be run by the Federal Government without an intermediary?

Mr. DURBIN. If the Senator will allow me to consult with the expert.

Mr. SANTORUM. I am happy to.

Mr. DURBIN. I guess the difference is, we don't divide it into 10 regions when it comes to Medicare.

Mr. SANTORUM. It is provided through an intermediary, which is the exact same delivery mechanism of the fallback plan in this bill.

Mr. DURBIN. The difference is this: The difference is negotiating lower costs for prescription drugs. And in this situation, it is my belief that this underlying bill does not. The reason the Stabenow amendment was defeated the other day, the reason there is opposition here, is, once you put Medicare in the picture on a national basis, bargaining for lower prescription drug prices, you are more likely to succeed and the drug companies are more likely to have to reduce their costs.

I think that is why the pharmaceutical companies don't particularly care for my approach and the reason many people have opposed it here. But from where I am standing, if my interest is in the senior citizens of America having the lowest prescription drug prices and our giving a helping hand as much as we can, rather than the bottom line profits of prescription drug companies, I think this is a much more advisable approach.

I reserve the remainder of my time.

Ms. MIKULSKI. Mr. President, I rise in strong support of amendment No. 994 from my colleague from Illinois, Senator DURBIN. The MediSAVE amendment would provide a vastly superior Medicare prescription drug benefit to our seniors. But I am also disheartened. This is not the bill we are debating. I wish it were.

The MediSAVE amendment meets all of the principles I laid out for a Medicare prescription drug plan. In an earlier statement, I outlined the principles that I would use to grade any Medicare prescription drug plan. I think the MediSAVE plan gets an A. I commend Senator DURBIN for his hard work on this plan.

I have five principles for a prescription drug benefit.

1. The cornerstone must be Medicare. I am opposed to the privatization of Medicare. Any prescription drug benefit that relies on the private sector must be in addition to, not in lieu of, traditional Medicare. Seniors must not be forced to leave the Medicare system they trust to get the prescription drugs they need.

2. Voluntary. No one should be coerced or forced into a private program or forced to give up coverage they currently have.

3. Affordable. The benefit must be affordable. That means a reasonable premium and copayment.

4. Universal and portable. The benefits must be available to all seniors, regardless of where they live. And all seniors must have the same benefit, and be able to take it anywhere they go.

5. Meaningful. The benefit must cover the drugs your doctor says you need—not what an insurance executive thinks you should get.

How would the MediSAVE plan benefit seniors?

MediSAVE would create a more meaningful benefit. It would have no deductible for drug coverage. It would have a guaranteed premium of $35 per month. Rather than having to pay 50 percent of their drug costs covered, under this plan seniors would have to pay 30 percent of those costs. That adds up to a big savings for seniors, many of whom live on a fixed income. MediSAVE would also take into account the amounts that employers contribute toward retirees' drug costs which will help millions of seniors keep the employer-sponsored health care they earned. But most importantly, MediSAVE would deliver the prescription drug benefit through the Medicare that seniors trust.

I believe the Durbin amendment is a great improvement over the bill we are debating. I urge all my colleagues in supporting this amendment.

Mr. JOHNSON. Mr. President, today I join several of my colleagues to urge Members of the Senate to vote in strong support of the ''Medicare Savings Alternative that's Voluntary and Equitable,'' or MediSAVE amendment. I thank Senator DURBIN for working hard to create an amendment which will make this Medicare prescription drug package a meaningful benefit for seniors across this country.

I have been troubled over the course of this debate on many fronts. There are numerous holes in S. 1 that many of my colleagues have tried to fill. Many of my colleagues have offered targeted amendments to address this bill's specific flaws. So far, we have tried to put some reasonable limitations on the premium levels that can be charged to beneficiaries. We have tried to eliminate the coverage gap that will hit seniors hard in the fall of 2006. We have tried to extend the fallback period to two years to provide more stability to seniors living in areas where managed care is just not likely to work. We have attempted to ensure that the 37 percent of employers that are estimated to drop their retiree coverage would not do so. And all of these attempts have been unfruitful, due to the resistance of Members on the other side of the aisle.

We have tried to make this a better bill, and while we have had success on a few cost containment amendments, we have come up short on many of these other critically important provisions. Seniors in my home State will be scratching their heads in 2006, wondering where their affordable, comprehensive Medicare prescription drug benefit is. This is why I am a cosponsor and supporter of the MediSAVE amendment. This amendment will provide seniors with a real benefit, one that allows seniors to get their drug coverage through traditional Medicare, not forcing them into plans to get it. It has no deductibles, limited cost sharing and no coverage gap. It addresses a blatant omission in this bill to deal with the skyrocketing costs of prescription drugs in the U.S. It allows the Federal Government to utilize its bargaining power to purchase prescription drugs at reasonable prices, rather than providing a blank check to drug manufacturers as is planned under the current bill.

Let's try and make this the best bill possible. This amendment may require us to allot some additional funds down the road, but aren't our seniors worth

it? Isn't the security of average seniors, those who have worked hard all their lives to make this country what it is today equally, if not more important than big tax cuts for the elite? I urge my colleagues to support this important amendment today.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. A couple of points, Mr. President. The Senator from Illinois said people prefer having the Government run this program and administer this program. I know the Senator doesn't like top-down command and control, but it is what it is. It is a one-size-fits-all Government benefit.

A survey was just done a few days ago that said voters trust private plans over Government to provide health benefits by a margin of 54 to 34, when it comes to providing medical and pharmaceutical benefits. So the American people are used to dealing with private sector entities when it comes to health insurance, and they are very comfortable to have them provide services. And, in fact, arguably even the Medicare system that the Senator from Illinois has put forward is going to be run—the drug benefit is going to be administered by a private sector entity. It will be a company that will be contracting through a Medicare agency to provide these services. The difference is—this is the real key difference between what we want to do and what the Senator from Illinois wants to do, one of them—that we want to have these private sector entities that we were contracting with to bear some of the risk of insurance.

Again, I repeat that the importance of having these private sector entities bear some of the risk of insurance is, if they are bearing the risk, and if they don't administer this program effectively, it is going to cost them money. So they are going to probably do a little better job of administering that program than if they are simply being paid a fee to write checks or collect fees. So we believe having a shared risk with the private sector and the public sector getting together to use the best of the private sector, which is to be able to have good beneficiary relationships and to go out and try to solicit—remember, if you are a private sector contractor, you have competition. You have to treat your beneficiaries well or they can go to the other player. Your ability to sign up beneficiaries will be diminished if you are not providing quality services.

Under the Senator's plan, there is one administrator, no incentive to save money, no incentive to be customer friendly. It doesn't matter because they have no place else to go. You can take it or leave it. If you have competition and you allow people to go somewhere else, they have an obligation not only to be better at providing services but they have an obligation, if they want to keep these beneficiaries in their program, to provide good services, quality services, to be responsive—not be open, as a lot of these organizations are, from 8:30 to 4:30, and if you have a problem, you have to call on Monday morning.

A lot of these ministerial organizations, again, have no risk involved. The beneficiary has no place else to go. They have no incentive to save money. So why not just basically save money on their side, cut back on what it costs to administer this program, and get paid the same fee. They can save a little money that way, and they have no chance of losing anybody.

I think having some incentive to provide quality services and to try to save money because they have some stake in it is a very important component of delivering better services for the consumer and a better product for the taxpayer. We keep coming back to this, and we seem to overlook it.

Millions of Americans are paying their hard-earned tax dollars for this benefit. We have an obligation to make sure the money is effectively spent. I think we have an obligation to put into place systems that are more efficient than the current system—more efficient not from the standpoint of how much it costs the Government in administrative costs. That is one of the things I hear, that this is much more administratively effective than it is for these other private plans. Well, if all you do is pay bills, and you don't worry about how much is being used, you don't worry about the quality or about anything else, all you are doing is writing checks in Baltimore or writing checks to companies like Blue Cross plans who are the intermediary, then it is pretty cheap. But if what you are doing is trying to coordinate care to try to make sure that quality is imbued through the system, if you are trying to actually provide a quality service, it is probably going to cost a little bit more. I think most people believe that is a good tradeoff, plus you have the competitive angle, which I argue could actually save money.

So while I respect the Senator from Illinois and the fact that he has put forth his amendment, it is, in fact, a straight extension virtually of the traditional Medicare delivery services. It is not $400 billion; it is $570 billion. It is $170 billion more than what we all have agreed upon in the budget to provide for a prescription drug benefit.

The American public has been very clear about this. Yes, they want prescription drug benefits for seniors, but they want those benefits focused on those who are lower income, who cannot afford it, and those who are high users of prescription drugs because of disease or chronic illness. So what we have done in this bill is to do that. They also want a fiscally responsible alternative. They want a fiscally responsible plan. In fact, in surveys over the past several years, they were asked a simple question: Are you for a $400 billion Medicare prescription drug plan or are you for an $800 billion Medicare prescription drug plan? Overwhelmingly, believe it or not, they are for a $400 million plan. The American public realizes there is not just an endless pot of money that is going to be available to provide benefits for anybody, and they want something fiscally responsible.

There are many on this side of the aisle who would argue that what we have even in the underlying bill is not fiscally responsible; it is too much money, too much of a subsidy to too many people. But we brought this bill forward to find a bipartisan compromise. Part of that was to make sure there is—and there is—a $389 billion drug benefit in this bill. There is a few billion dollars to help these PPOs get set up and organized—literally, I think, seven. So there is 380-some-billion-dollars for the drug benefit, which is one objective we want to accomplish.

The other objective this side of the aisle would particularly like to see is to have choices for seniors—the private-public partnership which we believe are so important to improve quality and efficiency for the taxpayer. We are spending only $7 billion on that. That is a paltry sum compared to this big expansion of the drug benefit. We think that is important. The Senator from Illinois would disagree with that. It is a very different point of view.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I say to my friend, thank you for expressing your point of view. You are the first person to speak on it in opposition. I hope you don't carry the day, but you might.

It is interesting that some are fiscal conservatives and deficit hawks when it comes to prescription drug benefits, but where were these voices during the tax cut debate? We were sunsetting tax cuts right and left, creating the biggest deficit in the history of the United States, and I didn't hear a word from the deficit hawks.

When it comes to helping senior citizens paying for drugs, we have to be responsible. This amendment is responsible. It is sunsetted. We have a report from CBO which says that. The $570 billion does not take into account the fact that this is sunsetted in 2010. It works within the $400 billion.

The second issue raised here is that there are people—and I think my friend from Pennsylvania is perilously close to this coalition—who don't care much for Medicare. They don't think it is a very good program. Well, the vote is in on Medicare, and it is 88 to 12. Eighty-eight percent of the people who had a chance to move out of Medicare didn't do it. They stayed. I hope you will vote for the MediSAVE amendment.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent that I be recognized for 30 seconds.

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

MEASURE HELD AT THE DESK

Mr. STEVENS. Mr. President, I have a resolution at the desk. I ask that it be held at the desk so that I might be able to clear it this evening. It pertains to my great friend who is now 86. He was the first person to pick up the news of the World War II attack on Pearl Harbor. He is now getting along in years. We are going to honor him on Friday night, and I would like to have this resolution adopted by that time.

I thank the Chair.

Mr. REID. Mr. President, have the yeas and nays been ordered on the Durbin amendment?

The PRESIDING OFFICER. They have not.

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

The PRESIDING OFFICER. Is there a sufficient second?

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. There is a pending request for the yeas and nays.

There is not a sufficient second.

Mr. SANTORUM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant 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.

Mr. REID. 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 amendment No. 994. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Colorado (Mr. CAMPBELL), the Senator from Illinois (Mr. FITZGERALD), and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

I further announce that if present and voting the Senator from Arizona (Mr. MCCAIN) would vote ''yea''.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY), the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea''.

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

The result was announced—yeas 39, nays 56, as follows:

[Rollcall Vote No. 245 Leg.]

YEAS—39

Akaka	Byrd	Dayton
Bayh	Cantwell	Dodd
Biden	Clinton	Dorgan
Bingaman	Corzine	Durbin
Boxer	Daschle	Edwards
Feingold	Landrieu	Pryor
Graham (FL)	Lautenberg	Reed
Harkin	Leahy	Reid
Hollings	Levin	Rockefeller
Inouye	Lincoln	Sarbanes
Johnson	Mikulski	Schumer
Kennedy	Murray	Stabenow
Kohl	Nelson (FL)	Wyden

NAYS—56

Alexander	Crapo	McConnell
Allard	DeWine	Miller
Allen	Dole	Murkowski
Baucus	Domenici	Nelson (NE)
Bennett	Ensign	Nickles
Bond	Enzi	Roberts
Breaux	Feinstein	Santorum
Brownback	Frist	Sessions
Bunning	Graham (SC)	Shelby
Burns	Grassley	Smith
Carper	Gregg	Snowe
Chafee	Hagel	Specter
Chambliss	Hatch	Stevens
Cochran	Hutchison	Sununu
Coleman	Inhofe	Talent
Collins	Jeffords	Thomas
Conrad	Kyl	Voinovich
Cornyn	Lott	Warner
Craig	Lugar	

NOT VOTING—5

Campbell	Kerry	McCain
Fitzgerald	Lieberman	

The amendment (No. 994) was rejected.

AMENDMENT NO. 1000

The PRESIDING OFFICER. There are 2 minutes evenly divided before the next vote.

The Senator from New York.

Mrs. CLINTON. This amendment is critical to the functioning of the plan now under consideration. If we are going to move toward creating a marketplace for drugs, then we need information about which drugs work better for the money they cost. Last December, we found out through a study by the National Heart, Lung and Blood Institute that the newer drugs such as calcium channel blockers and ACE inhibitors which cost 30 to 40 percent more than diuretics were not as effective for treating high blood pressure. There is much information about this.

My amendment is very simple. It asks NIH to do studies comparing drugs to give that information to physicians and to consumers so they can make good decisions in the marketplace. It also asks that we synthesize the literature out there, make it available over the Internet. If we are going to have a marketplace for drugs, the information about which drugs are more effective should not be the sole property of the great companies. Physicians, clinicians, consumers, and patients need that information. This will help us do that.

I hope you will support this amendment. It does not have any cost attached to it. It is about getting information to the people who will make the decisions about which drugs should be used when it comes to making these choices we are trying to provide for people.

Mr. ENZI. Mr. President, I rise in opposition to amendment No. 1000, offered by Senator CLINTON. This amendment would give the Federal Government new funding to manage comparative effectiveness studies of pharmaceuticals. While this may sound good on the surface, this amendment would end up as a tool for health care rationing by bureaucrats in Washington.

Comparative effectiveness analysis in the private sector can provide useful information. However, giving the Federal Government the power to make national determinations based on one or two comparative studies is dangerous, because these decisions would affect tens of millions of patients who rely on the Government for their health insurance.

This amendment would get the Federal Government even further into the business of making medical decisions. It would promote one-size-fits-all medicine.

Studies conducted under this amendment may be misused by the Centers for Medicare and Medicaid Services or other bureaucracies by encouraging broad and simplistic decisions about which patients should have access to new medicines.

Even worse, these comparative effectiveness studies might become a rigid benchmark adopted by payers across the health care system. Private insurers already look to Medicare for decisions on medical procedures and technologies, and doctors are already concerned about the way Medicare conducts those determinations.

Private insurers copy many of Medicare's limitations on the procedures and therapies from which physicians choose in determining the best course of treatment for their senior patients. If we extend this level of bureaucratic control to drugs and biotechnology, the Government's decisions about medical access would end up being imposed on many more patients than just Medicare beneficiaries.

In considering this amendment, we need to keep in mind that innovations in health care are usually incremental. This applies to drug developments, where ''next-generation'' advances yield incremental benefits compared to existing treatments.

Government studies on comparative effectiveness may fail to recognize or value fully these advances. If we had a Medicare drug benefit in place today that only paid for so-called ''breakthroughs'' in pharmaceuticals, we may not have reaped the benefits of many antibiotics, antivirial drugs, non-steroidal anti-inflammatory agents, and ''beta blockers'' for controlling high blood pressure.

Finally, centralized comparative analysis runs the risk of overlooking the value of specific medicines for individual patients. Prescription medicines to treat a specific disease or condition are different from one another. That is why patients and doctors need choice.

Population-based comparative effectiveness determinations such as those proposed in this amendment may fail to recognize important differences in the way individuals and sub-populations respond to different drugs and drug combinations. As a result, such studies can discourage access to new

medicines that can benefit many patients with diseases and conditions such as hypertension, diabetes, heart disease and mental illness.

Comparative effectiveness studies are not dangerous, and we ought to encourage more and better studies on the relative merits of various drugs for various people. What concerns me is how this amendment would put the Government in control of these studies.

If one branch of the Government is conducting these broad studies, and another branch of the Government is paying for the drugs that your loved one needs, it is just a matter of time before the results of the broad studies are imposed upon the freedom that your family doctor has to choose the best drug therapy for your loved one.

Coming from Wyoming, I am used to fighting against one-size-fits-all solutions from the Federal Government. I certainly cannot support an amendment that would impose such an approach on something as important as healthcare for seniors who rely on pharmaceuticals to make their lives better.

I urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Mr. President, I appreciate the intent of the amendment. However, I have significant concerns and must oppose it. The research provided by this amendment is unnecessary. It duplicates, in fact, existing authority in the HHS.

More importantly, this amendment contains two damaging provisions. It directs the Food and Drug Administration to include information coming from these studies in approved product labeling, effectively taking the sole authority of the FDA to regulate prescription drug labeling and giving it to other, nonexpert sources.

This amendment also changes the fundamental research mission of the National Institutes of Health.

Further, these changes have not been considered by the Health, Education, Labor, and Pensions Committee, which has jurisdiction over these programs.

This amendment is unnecessary. I urge my colleagues to defeat it.

Mrs. CLINTON. Mr. President, 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 amendment.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from Colorado (Mr. CAMPBELL), the Senator from Illinois (Mr. FITZGERALD), and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

I further announce that if present and voting the Senator from Arizona (Mr. MCCAIN) would vote ''yea''.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY), and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KERRY) would vote ''yea''.

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

The result was announced—yeas 43, nays 52, as follows:

[Rollcall Vote No. 246 Leg.]

YEAS—43

Akaka	Durbin	Lincoln
Bayh	Edwards	Mikulski
Biden	Feingold	Murray
Bingaman	Feinstein	Nelson (FL)
Boxer	Graham (FL)	Nelson (NE)
Byrd	Harkin	Pryor
Cantwell	Hollings	Reed
Carper	Inouye	Reid
Clinton	Johnson	Rockefeller
Conrad	Kennedy	Sarbanes
Corzine	Kohl	Schumer
Daschle	Landrieu	Stabenow
Dayton	Lautenberg	Wyden
Dodd	Leahy	
Dorgan	Levin	

NAYS—52

Alexander	DeWine	Miller
Allard	Dole	Murkowski
Allen	Domenici	Nickles
Baucus	Ensign	Roberts
Bennett	Enzi	Santorum
Bond	Frist	Sessions
Breaux	Graham (SC)	Shelby
Brownback	Grassley	Smith
Bunning	Gregg	Snowe
Burns	Hagel	Specter
Chafee	Hatch	Stevens
Chambliss	Hutchison	Sununu
Cochran	Inhofe	Talent
Coleman	Jeffords	Thomas
Collins	Kyl	Voinovich
Cornyn	Lott	Warner
Craig	Lugar	
Crapo	McConnell	

NOT VOTING—5

Campbell	Kerry	McCain
Fitzgerald	Lieberman	

The amendment (No. 1000) was rejected.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I believe there is a unanimous consent request that the next amendment be the Grassley-Baucus amendment. I think they are working on that. I ask unanimous consent to make a statement on the bill for not to exceed 20 minutes.

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

Mr. NICKLES. Mr. President, first I want to make a couple comments on the bill, then talk about a couple amendments we will be working on. I wish to compliment first Senator FRIST and Senator GRASSLEY, Senator BAUCUS for getting us here. I also compliment President Bush because he has been pushing for us to expand Medicare to include prescription drugs. I happen to share that goal so I compliment him because here we are.

I believe in the next 24, maybe 28 hours, we will eventually pass a Medicare bill that will provide prescription drugs. That is our objective. That is a good one. I hope we will be successful.

I also hope we will pass a bill that is affordable. I am not sure the bill before us now meets that definition. I want to talk about what is in the bill and maybe some of the challenges we have confronting us, but again I want to compliment the chairman of the Finance Committee.

This year we did have a markup in the committee, and we did report out a bill. I didn't vote for it. I will explain why I didn't vote for it. But I hope to vote for a bill either on the floor of the Senate or as the bill comes out of conference.

At least we had a markup. I am on the Finance Committee. The Democrats were in control of the Senate last year. We didn't have a markup in the Finance Committee. We basically had a markup on the floor of the Senate. We spent some time on it, several weeks, but we didn't pass a bill. It didn't become law. It was very frustrating. We didn't do the normal process.

This year I don't quite agree with the final outcome as it came out of committee, but at least we had a chance. We had a bill. We had a markup. We considered dozens of amendments. We reported out a bill.

Now, the Senate has been on this bill for 2 weeks. We have considered a lot of amendments. We will consider more both tonight and tomorrow. So my compliments to the leader and to the chairman of the committee for getting the bill to where we are.

Let me talk a little bit about the current status of Medicare. Medicare has big challenges confronting it today. It is a very popular program, but it is a program that really can and could and should be improved. It is a very expensive program. The cost of Medicare has more than doubled since 1990. In 1990 we were spending $100 billion. Today we are spending over $200 billion. But that doesn't show the liabilities that we already have in the system.

Medicare has a shortfall of $13.3 trillion. By ''shortfall'' I mean benefits that have been promised that are not funded, not paid for. That is an enormous sum of unfunded liability. The total unfunded liability of Social Security is $4.6 trillion. The total debt held by the public is $3.6 trillion. So we are looking at Medicare's shortfall actually exceeding or tripling the total amount of debt held by the public.

I heard many colleagues, when we talked about raising the debt limit, say we should not do this. What we are doing on Medicare and the bills we are considering right now will increase the unfunded liability in Medicare probably by $4 or $5 or $6 trillion, greater than the total Social Security shortfall and far greater than the debt held by the public. This is an enormous expansion of benefits we are saying we will pay for. People need to know it.

Is it affordable? Just to pay for the Medicare shortfall today according to the 2004 budget of the U.S. Government it says to pay the actuarial deficiency as a percent of discounted payroll tax base—we would have to increase Medicare taxes 5.3 percent on top of the 2.9 we are already paying just to pay for

this $13.3 trillion. We would have to more than double the tax. Actually, it would be, in effect, almost tripling the Medicare tax which is presently 2.9 percent on all payroll, not just on the Social Security base of $80,000-some. This is on all payroll. You would have to increase it an additional 5.23 percent, according to Government submissions and budget submissions, to cover the 75-year projections.

Social Security would only have to be raised 1.87 percent. So, again, it shows that at least actuarially, Medicare is in much worse shape, about three times worse shape as Social Security. And that is without us passing additional benefits on top of it. So I want my colleagues to be aware of that. This is a very unstable house, and we are getting ready to build another deck on top of it. That is the reason I am raising some of these concerns.

I want our colleagues to be aware. Maybe we will do it anyway. Maybe it is the popular thing to do. But at least I don't want it to go without saying: Wait a minute, did anybody not pay attention to the fact that these are enormous liabilities. They are going to be very expensive and somebody is going to have to pay the bill sometime. In the past, we paid for Medicare with the payroll tax. That has had some limiting effect. When trust funds were drawn down, people said: We have to do something. So there would either be a tax increase or there might be some reforms.

We passed Medicare reforms in 1997. We spent a lot of the last few years maybe undoing some of those reforms, but it did save money. Now we are getting ready to expand Medicare at a greater percentage than it has ever been expanded since its creation in 1965.

Again, I favor making significant improvements in Medicare. I find the system to be very obsolete in the benefits it provides. It has serious shortfalls. Medicare doesn't provide prescription drugs. It should. Medicare doesn't have preventive care, ordinary, routine checkups in many areas. It should. A good health plan certainly would do that.

It has a hospital deductible of $840. That is way too high. Then it has a different deductible for doctors. They should be a combined deductible, and it should be much lower than $800 and $900 combined.

It is a system that leaves a lot to be desired. It doesn't have catastrophic coverage. So if a person gets really sick and they are in the hospital for a long time, after a certain number of days Medicare doesn't pay it. That doesn't make sense. You really should have insurance to pay for something you can't afford to pay for, and this system doesn't do that.

As a matter of fact, a lot of our health care system, in my opinion, is broken because we end up insuring for relatively almost first-dollar costs, and we don't insure in some cases for the really expensive things or at least that is the way Medicare is. That is not a good example. We should change that. You should insure for those events that you can't afford. You shouldn't be insuring for ordinary, routine things that obviously individuals can pay for.

I make the analogy to automobiles. You should insure for the accidents, the collisions, for something very serious, something very expensive. You should not insure to fill the car up with gasoline or to change the oil.

In health care costs, I am afraid we insure for almost everything, and that greatly increases the cost. My major complaint with the bill before us is that I want to improve and expand and modernize Medicare. I want to improve Medicare. My mother is on Medicare. I want her to have a better health care system. I want her to have a health care system that is comparable to what we have for Federal employees. I would like for senior citizens to have a good base plan and then be able to choose any of a variety of other plans they wish to have—keep what they want or they can choose something better. They can have an integrated benefit system.

Unfortunately, I am not sure that is what we are going to pass probably tomorrow night. The bill we have before us—the reason I voted against it in Finance Committee, and I may vote against it on the floor of the Senate, is because I find the bill very expensive and very light on reforms. It doesn't make as many reforms as I would like and it is expensive on the subjects. I have mentioned we would have to increase payroll taxes by 5.23 percent just to make up for the shortfall. That doesn't include the drug benefit. I have been told by tax estimators that you would have to add another .7 or .8 percent to pay for the drug benefit we are adding.

I am concerned that the drug benefit we are adding will be much more expensive than anybody estimates. The budget resolution says it was $400 billion. I compliment the chairman and the House, who are staying with the $400 billion estimate, but I would project that many years from now, it will not be a $400 billion expansion; it will be much closer to $800 billion by the end of 10 years.

I am making this prediction and I mean it. This is not just a guess. Maybe it is a little more than a guess, but I think ultimately you will see a few things happen, and I will talk about the basic benefit we are offering and why I think the cost will exceed our estimates.

In the first place, the subsidies are very large indeed. For people below 160 percent of poverty, the Federal Government is going to pay almost all the drug expense. For individuals in this income category, as estimated by CMS—they estimate usage—drug usage is $3,200 for people below poverty, and then a little less than $3,000 for incremental levels above that. But the beneficiaries at the lower income levels pay very little. The Government pays almost all of it. I have heard some people say, wait a minute, you want to change that. I am questioning, is this affordable? For income levels in this category, the lowest income, the poorest of our seniors, an individual would pay $82 and the Federal Government would pay $3,214. An individual pays 2 percent and the Federal Government pays 97½ percent. That is a very high ratio.

The next level is not much different. The individual would pay 5 percent and the Federal Government pays 95 percent. The next level up—and this is with an income up to about 150 percent of poverty. For a couple, the income is about $19,576. So the Federal Government would pay 90 percent and the individual would pay 10 percent. Those are very generous subsidies.

Looking at the estimate, I would guess that if the Federal Government is going to pay 97 or 95 or 90 percent, you will have drug utilization go up maybe well beyond these figures.

These figures come from CMS, and they say those are figures for people with insurance, but I would guess the people who are on this level—Medicaid eligibles, and many States have a lot of restrictions on the number of prescription drugs they can have. In many States you are limited to three a month. If the Government is paying 97½ percent, and there is not a limitation of three or so many a month and it doesn't have the limitations of the States because the States are requiring cost sharing of 30, 40, or 50 percent, my guess is it will go up dramatically.

I think in all levels utilization will go up dramatically. Maybe I am wrong. I am concerned about it at least for these lower income levels, the income levels below 160 percent of poverty. The bill we have before us is probably too generous, but maybe not affordable. I hope I am proven wrong. But I have been in business. I took over management of a company when the company had a health care plan where the company paid 100 percent of health care premiums and costs. That really wasn't sustainable. I think a lot of other businesses found out, wait a minute, that is not affordable. Most businesses started putting in 80/20 ratios, where the beneficiary paid 20 percent, or 10 percent. I don't mind lower income people having to pay a smaller copay; I am fine with that. But I think we are starting out so generous that it will encourage overutilization, and costs will explode. Once you start out with a percentage like that, it is hard—I can see starting at 80 percent and maybe going to 90, but I don't see going from 97 percent to 90 percent. A future Congress may be forced to make those decisions. It may not be affordable or sustainable. The demands may be so great that it is not sustainable.

Is this a good deal for seniors? Certainly, people on the low end, below the 100 percent of poverty level, with an income of $9,600 and, for a couple,

$13,000, the copay is $82 and they will receive almost $3,300. Under present law, according to CMS, they pay $734. So the amount they pay goes down almost 80-some-odd percent. This is a great deal for low-income if we can afford it. The next level would pay $150. Currently, they are paying almost $1,200. Again, they are only paying about one-eighth of what they were paying previously and getting a very nice return. This is 136 to 150 percent of poverty—that would be for individuals with incomes, and for a couple it would be up to $19,500. They would pay only $343. Presently, they are paying $1,300. So it is a big improvement for them, and they are receiving about $3,000 in benefits.

So there is a very good and generous benefit—maybe the most generous benefit anybody could propose is for incomes below 160 percent of poverty. Above that, it is not such a good benefit. I have heard some colleagues complain it is not so good for individuals with incomes above 100 percent of poverty, with incomes of about $15,400 or, for a couple, of about $21,000. Above that level, the formula changes. Then they have to pay a premium of $35 a month. Then they have a deductible of $275 a month. Then they receive a drug benefit after they get through the deductible of 50 percent up to $4,500. Then above $4,500, for the next $1,300, they would have to pay 100 percent. Above that level, they get 90 percent.

Well, that is not a great drug benefit. It is not great. It is OK, maybe, but it is not as good as a lot of plans. Looking at a lot of plans people now have, at levels like this, an individual for this plan today would be paying, under the new bill, $1,600. The individual today is only paying about $1,162. They would pay about an extra $500 for maybe a similar benefit, and it is estimated they would receive a total of about $3,000. Actually, if you look at the upper income—above $21,000 for a couple—in every category they pay more under the proposal we have before us than they are under current law. So it is not a real good deal for them. It is voluntary. Maybe they will drop out. If they drop out—it depends on the health status, but if they are healthy, it may make things worse for the taxpayers. They may not help subsidize others who are less healthy. It is a very generous benefit for lower income, below 160 percent of poverty, and it is not such a good deal for upper income.

A lot of people above 160 percent of poverty have drug coverage. A lot of people below that have health care. Below 160 percent, you cannot beat this deal. Above it, you can beat it. A lot of people have better. You say what do you mean? They might have a union plan. We had amendments to make sure those were made whole. We wanted to subsidize them to make sure they didn't lose a dollar. The CBO estimated that 37 percent of the people who have private health care coverage are going to drop them and go into this Government plan. They have health care through their employer, and their employer is going to say if Uncle Sam is going to do this, why don't you get your health care and drug benefits through Uncle Sam instead of through the employer.

A lot of employers are struggling to pay for retirees' health care benefits, so they would welcome this. So you will see a lot of companies dumping or dropping their health care coverage, even though it may well be more generous than what we have proposed before us, the bill before us in the Senate. Likewise, many States have drug programs, many of which may be more generous, not necessarily for low-income, but they have a plan, or some system, or other type of entity that we will be picking up. States were making a contribution, maybe it is a combination of State and Federal, to Medicaid. They are dropping it. Where the States were making a contribution in the past, we will be assuming that contribution. This is a big federalization, frankly, of the benefit that is provided in the public sector and private sector.

Seventy-seven percent of seniors today have some type of drug insurance. This is going to preempt most of that and say the Federal Government is going to take it over and, in some cases, not do as good as the private sector has done, maybe not even as good as most of the public sector.

Is it affordable? The estimates are it is $400 billion. I already mentioned I am concerned, at least on the levels where the Federal Government subsidies are 97 percent or 95 percent or 90 percent, that utilization will exceed expectations. If the Government is going to pay most of the cost of the drugs, my guess is people are going to say: Give me more of those drugs.

There is not a restriction that is going to say you can go to one doctor, go to this specialist for whatever ails you, you can go to another specialist for whatever ails you, and, frankly, if the Government is going to be picking up 95 percent of the drug care costs, people are going to say: Give me some of those. They are going to see the ads on TV. They may see Celebrex—it has a great rhyme to it—or see some other ad that looks good, and they say: Doctor, give me some of that. And if Uncle Sam is going to be paying 97 percent of the cost, why not? That makes your patient happy. Maybe it will work, maybe it will not.

My guess is we are going to see, where the third party or Government is paying 90-some-percent of drug care costs, that utilization will soar and that will greatly drive up the cost.

I think in the drug benefit formula where we have basically a formula above 160 percent of poverty where the Government says you pay your $35 a month and you pay your deductible of $275 and then Government will match you 50 percent up to the first $4,500, a lot of people who might have a drug annual expense in the neighborhood of $1,200 or $1,300 may say: I do not get my money back until I use or consume $1,300 worth of drugs, and I am paying a monthly premium; therefore, I am going to start taking advantage of it. If Uncle Sam is going to be paying 50 percent, I want more. So their utilization may go up and may go up dramatically. So that could increase costs.

Then we have this so-called doughnut amounts above $4,500 to where presently individuals would have to consume or pay for 100 percent up to $5,813. A lot of people are going to say we need to fill that up.

I ask unanimous consent for an additional 8 minutes.

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

Mr. NICKLES. Mr. President, they are going to say we get 50 percent up to $4,500, and then it stops and we go to catastrophic, let's fill that in. The estimates were by some, if you filled that in, it would cost you another $200 billion. My guess is we are not going to do it this year, but we will do it sometime probably in the next 3 or 4 years. That will cost a bunch of money.

Then people are going to be complaining: This is really not a good deal. You get 90-percent subsidy over here but 50-percent subsidy over here. We need to make that 60, 70 percent. Frankly, that 60 percent is not high enough. Let's move that category up to 200 percent of poverty. Let's move it up higher.

When you make those kinds of incremental changes, and I know many of the advocates want to do that—they stated that. I acknowledge it, and everybody around here should acknowledge that is their desire—I expect they will be successful.

There are a lot of people who will say this is not near as good a deal as I have right now, and they are going to lobby Congress: We need a greater share; we need a greater match. Why not go 50/50? Can't we go 60/40, 80/20? Can't we fill in the donut and insure that whole amount?

When you make a few of those changes, you have a bill that is not going to cost $400 billion, it is going to cost $800 billion. In that last year, the line will be going straight up. I am concerned about that situation. I am concerned about the expense of it.

People say: What do we do to make it more affordable? Did we make some of the changes that would help make it more affordable? Did we make some of the reforms, some of which are not easy?

I have been an advocate for increasing the eligibility age, making Medicare the same age as recipients of Social Security. Right now with Social Security, you do not receive Social Security at age 65, you receive full retirement Social Security at 65 and 10 months. By the year 2022, you have to be 67 to receive Social Security.

I happen to think because people are living a lot longer and because Medicare has such enormous financial problems, we should make the Medicare-eligibility age concurrent with Social Security. Basically, by the year 2022, one would have to be 67 before receiving Medicare. I know that is not an easy vote, but, frankly, this Senate voted for it just a few years ago. We voted for it, I believe, with 62 votes. We passed it. We can, could, and should pass it again. It will save our kids a lot of Medicare taxes. That is one reform. I doubt we are going to offer that amendment, but it has been proposed and discussed, and I think it should be seriously considered.

Another amendment will be offered by Senator FEINSTEIN, myself, and Senator CHAFEE tomorrow that basically means testing Part B premiums. I will talk about Part B premiums, and it gets too confusing for a lot of people. We subsidize Medicare. Most people think we pay for Medicare just with the payroll tax.

The payroll tax, I already mentioned, is very deficient. As a matter of fact, it is 2.9 percent of all income, not capped. If somebody has an income of $1 million a year—Michael Jordan, I think, makes a little more than that—if they make an income of $1 million, they pay $29,000 a year into Medicare. Yet we are still going broke. The actuaries say we have to add another 5.2 percent on top. We have to have 8.1 percent to pay for the liabilities we currently have. That is without a drug benefit. If we add a drug benefit, we would probably need to add 1 percent on top of that.

Now we are talking about real money; we are talking about 8 or 9 percent of the liabilities in Medicare. We need to make reforms. One would be to means test Part B premiums. Payroll tax pays a lot of money, but general revenue pays a lot of money into Medicare.

To give an example, this year general revenue, not the payroll tax, general revenue coming from all taxpayers in the year 2003 will put in about $81 billion. In the year 2013, it will be $189 billion. So it more than doubles in the next 10 years, and it does not keep up.

That general revenue portion is the individual recipient pays one-fourth of Part B. This is what pays the doctors. The recipient pays one-fourth of it, and the taxpayer or the general revenue fund pays three-fourths of it. What that means is we are asking our kids to pay for three-fourths of our doctors visits.

At least for those with upper incomes we should not be asking our kids, who are maybe making $20,000 or $15,000 or $30,000, to be paying part of the doctor bills for at least the wealthier seniors. Not all seniors are low income. So the amendment we will be considering probably tomorrow evening says instead of having a 25-percent copay for beneficiaries on Part B, if your income is very high, it will be 50 percent; if it is much higher, it will be 100 percent.

I believe the levels are if an individual has an income of $75,000 and $100,000 for a couple, their percentage would increase from 25 percent to 50 percent. Likewise, for a couple, if an individual had an income of $100,000 or the couple had an income of $200,000, they would have to pay 100 percent of the premium. So we would not be subsidizing them. That would take a lot of pressure off the system.

The most recent trustee report states that SMI, that is Part B revenues, in 2002 were equivalent to about 7.8 percent of personal Federal income tax collected that year. If such taxes remain at their current level relative to the national economy, then Part B general revenue financing in the year 2077, 75 years from now, would represent roughly 32 percent of total income taxes. Now, that is staggering. About a third of all income taxes would have to be paid just to pay the Part B subsidies that we now have in the system. That is not sustainable.

My point is, we have to have a Medicare system that provides better benefits. Yes, I agree. We also have to have a Medicare system that is sustainable for future generations, for our kids and grandkids. We want to have a system they can afford.

I mention these as two reforms, and there is one other one I am going to mention. The primary reform that is in the underlying bill provides for a private sector health care plan—most of the time we call it a PPO, preferred provider organization—similar to many of the health care plans that are all across America providing an integrated structural benefit. They do not just provide drugs. They provide all health care benefits. They provide the hospital and the doctor, access to specialists and drugs. That is what is in most people's health care plans today.

That is not Medicare. We would like to update and upgrade Medicare to bring it into the 21st century so it has comparable benefits, so it can have an integrated management system, so that individuals who are in the system say, yes, they control your drugs and they control your visit to the hospital and the specialist, and you have really good quality care.

We do not have that in Medicare today. The real reform and what many of us are hoping we can do is improve Medicare so people can have preventive health care, so they can have more screenings, catastrophic, and prescription drugs all as one part of a package like Federal employees, like other health care, like a lot of the union plans that are out there today. We do not have that in Medicare today. So we are trying to make that a viable alternative to the present system.

So if some individual wants to stay in the present system, they can, but if they would like to choose a better, more modern system, more integrated system, they can do that.

I very much hope to see that the PPO model will actually become a reality that is a real viable alternative. CBO estimates that in the underlying bill only 2 percent would participate in the new PPOs. That is a failure. CMS, the Center for Medicare and Medicaid, estimates it might be as high as 42 or 43 percent. I would like for that to be the case. I think that may be overly optimistic.

I think we need to work to improve this section of the bill. I know that Senator GRASSLEY and Senator BAUCUS have an amendment to maybe make a small step in that direction, and I compliment them for it. For the life of me, I think if this is the only reform in the bill that we have, and we do not even have competitive bidding until the year 2009, that is not real reform.

I hope to be or expect to be a conferee on this bill, and I am going to work to try and see that we have real competition as a viable alternative to improve quality Medicare for all seniors. They should at least have that option. I do not see it in the bill we have right now, but I want to work to make that happen. That is one key we are hanging on for reform in the bill that is before us. We do not have Part B means testing. We do not have eligibility age. We did not make the tough decisions to help save Medicare and make it more affordable for future generations. What we are doing is basically spending a lot of general revenue money to provide benefits that frankly are long overdue.

I hope we would make some of these improvements in conference or maybe on the floor. We are going to try and make one or two of these tomorrow, and I hope that they would pass to make this a better bill.

I want to support this package. I want to pass Medicare. I want to improve Medicare for all seniors. I am afraid right now the bill is heavy on subsidies and short on reform, short on improvements, short on making real structural and substantial savings that will save the system for future generations. I want to save it for seniors today, and I want to save it for future generations tomorrow.

I will work with my colleagues both in the House and the Senate and the conference to try to achieve that objective.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I begin by complimenting the distinguished Senator from Oklahoma for his remarks and his very important contribution to this debate. He is one of the most knowledgeable members of our conference on this subject. I thank him for the fine work he has been doing on this important bill.

Of course, Chairman GRASSLEY and the ranking member, Senator BAUCUS, have been doggedly pursuing this important legislation, not to mention our leader, the majority leader, the only physician in the Senate. He has had this as a top priority for the last 4 or

5 years, really for all of his term in the Senate. These individuals, along with Senator KYL and Senator LOTT, have made an important contribution in getting this legislation to the stage that we find it today.

For almost 40 years, since Medicare was created, we have debated how to help our most frail citizens acquire the miraculous but expensive prescription drugs that they need. After all the talking for decades, today we are finally acting to provide to our seniors, the poor and the fragile of our society, the financial aid and means to acquire these wonder drugs.

As we move deeper into this debate to provide Medicare assistance to those citizens most likely to need these miracle drugs but least able to afford them, some will ask, what took us so long? The question is really not rhetorical. The reason it has taken so long is the same reason why I suggest today that this Medicare debate has not been easy, nor do I believe it is preordained that a quality Medicare prescription drug and reform bill will pass this body.

The reason we have difficult work to do is because there is a riddle to Medicare drug benefits. The riddle of Medicare drug benefits is this: How can Congress take the fastest growing Federal entitlement, with the largest long-term funding gap, and add an expensive but needed new benefit without overwhelming the fiscal solvency of the program or imposing a crushing payroll tax burden? Simply put, how can we add prescription drugs to Medicare today yet still preserve Medicare tomorrow?

Yes, it is possible, and the President has solved the riddle of Medicare. To understand how, we can look to another riddle from ancient Greek mythology. Legend holds that the ancient city of Thebes suffered from a creature called a sphinx: part woman, part lion, and part bird. This creature would devour any who failed to solve the riddle of the sphinx.

The riddle asked: What animal walks in the morning on four feet, in the afternoon on two feet, and in the evening on three feet? The answer is, of course, man, said the legendary Oedipus. In childhood, he creeps on his hands and knees; in manhood, he walks upright; and in old age, he walks with the aid of a cane.

Oedipus first considered man in all stages of life, but only by considering the common cane did Oedipus find the answer. Thus, he solved the riddle, destroyed the sphinx, and ended his people's suffering.

I suggest a similar approach to the riddle of Medicare. We must consider Medicare as it relates to our people in all stages of life—yes, as seniors, but also as working adults and as children. The key is to consider the common cane, the ageless symbol of age, the cane. When the Government buys this quad cane through Medicare, it pays $44 for this cane. When the Government buys the same cane through the Veterans Affairs Department, it pays $15. Let's run that by us one more time. Two different departments of the Government: Medicare buys the cane and pays $44. Veterans Affairs buys the cane and pays $15. The same cane, same Government, same patient but different Government program—$44 versus $15.

Solve this and we solve the riddle of Medicare. Solve this and Medicare prescription drugs will not come at the expense of Medicare preservation.

The General Accounting Office has documented how Medicare habitually overpays compared not just to what the private sector pays for medical goods but what other parts of the Government pay for medical goods. Medicare pays $12 for a catheter that most Federal Employees Health Benefits Plans pay only $1. Medicare pays $9 for an infection drainage bag while Blue Cross/Blue Shield typically pays $2.25. Yet overpaying is only part of the problem. Fraud and abuse costs Medicare as much as $12 billion per year. Over 10 years that would equal almost one-third of the $400 billion we dedicate to Medicare in this bill we are considering.

Paperwork and redtape also waste Medicare dollars. With 110,000 pages of regulations, hospitals hire literally armies of clerks to handle everything but medical care. Some doctors are forced to spend as much time on Medicare patients' paperwork as they do caring for the Medicare patient.

Medicare's regulatory burden is so great that the world-renowned Mayo Clinic requested not to be named Medicare Center for Excellence because the paperwork and redtape linked to such a distinction exceeded the benefit of any additional funds, as well as the honor itself.

These are the aspects of Medicare that so many want to change yet so many seem to ignore.

If we provide these drugs without fixing how we continuously overpay for this cane, we will fail to fix Medicare. Medicare prescription drugs for our parents will come as Medicare preservation for our children. There is an answer to the riddle. In a word, it is reform. That is what the President's plan is all about and the key to the work we began earlier this week: Provide prescription drugs for our parents and ensure preservation for our children.

The President has sent us the right plan at the right price. It will strengthen and modernize the entire Medicare system.

As we continue to work on this modified version of the President's plan we must keep in mind that while the President likes what we have done so far, he wants us to do more. That is a good goal for all. This is not a political game. This is for real. This is not about the next election; it is about the next generation. This is not just about prescription drugs; this is also about preservation.

Yes, this is about our parents and grandparents, but this is also about our children and grandchildren. If we keep in mind all of our people and all that is at stake, I am confident we will produce a bill we can all be proud of and that the President can sign. That challenge continues today.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 991

Mr. HARKIN. Mr. President, last week, I believe it was Friday, a number of amendments were laid down, one of them being an amendment that I offered. It is cosponsored by Senator SMITH of Oregon. It has been sitting there all week. I have not had much of a chance to say anything about it.

I thought, since there is a lull on the floor, I might take an opportunity to talk about that amendment and what it does, just so, when it comes up for a vote, I will not have to take a lot of time then to talk about it.

The amendment, I would say at the outset, is exactly the same as President Bush requested in his 2004 budget but for one small change. President Bush's budget requested $350 million a year for 5 years, under Medicaid, to get people with disabilities out of institutions and nursing homes and into community living.

The problem is that the cost of this to the States is very high for the first year. You can understand and appreciate, taking people out of an institution, out of a nursing home, means the State has to find housing; it has to find, perhaps, qualified personnel to help, maybe attendant services. So there are a lot of preliminary things a State has to do in order to provide for this transition from an institution to community-based living. Many States simply cannot afford it.

The good news is that States want to do this because it has been shown, in the States that have done this already, they save a lot of money. It is much cheaper to have a person with a disability in a community-based or home-based setting than in an institution or a nursing home—much cheaper. In fact, in a couple or three States that have already done this, we have had savings of over $40 million or $50 million a year to those States.

Again, the hurdle is that first year, getting people out of these institutions and into community-based living. What the President had requested in his budget was $350 million over 5 years as an enticement to States to do this. What the Federal Government would do is it would provide 100 percent of the funds per Medicaid beneficiary for that first year. After the first year, then the State would go back to the Federal/

State Medicaid match that the State had before. So, let's say a State had a 60/40 Federal/State match on Medicaid right now. During the first year, the State would have to come up with no money; the Federal Government would take 100 percent, would provide 100 percent. The State could use that money, then, that extra money, to set up community-based living systems for people and institutions and nursing homes. After that first year, then the State would go back to the 60/40 split it had before.

That is what this amendment is. It is called ''Money Follows The Person,'' and that is what President Bush called it in his proposed budget also.

What our amendment would do would be to provide, in the 5-year program, $300 million in the first year and then $350 million in each of the following 4 years. Then that would be the end of it. It would be 2004 to 2008.

Again, it has been 13 years since the Americans With Disabilities Act was passed. We will celebrate that on July 26 this year. In the Americans With Disabilities Act, we as a Congress, as a country, said no to segregation of people with disabilities. The Americans With Disabilities Act said: We are going to integrate people with disabilities into our society. No longer are we going to exclude and segregate them. However, our Medicaid Program today, 13 years later, still says yes to segregation.

Here is what I mean by that. Recent data indicates that 70 percent of Medicaid funds are spent on institutional care and only 30 percent to pay for community services. The thrust of our Medicaid spending today is for institution-based care. Our Medicaid system kind of flies in the face of the Americans With Disabilities Act in which we as a country committed ourselves to desegregate people with disabilities, fully integrating them in our society.

I have been trying for the last 10 years to get this change made. It is a bipartisan effort. I am not the first to do this. Others have tried it also. I do commend President Bush for putting it in his budget proposal for this year. It is the right thing to do, and I commend the President for doing that.

Now, again, I want to make it clear, this amendment is about choice. No one will be moved out of an institution who does not choose to be moved. This is not mandatory. Under this amendment, a State will be required to ensure that individuals and their representatives have the necessary information to make an informed choice as to whether they want to live in community-based situations or whether they would prefer to remain in an institution.

Now, again, regarding the offset, our amendment is fully offset by a Medicare secondary payer provision that is supported by the Department of Justice and was included in the House bill.

Mr. President, I have a letter, dated June 17, from William E. Moschella, Assistant Attorney General. It is to the chairman of the House Committee on Energy and Commerce, Congressman TAUZIN. The letter states:

This is to advise you of the Department's support for a provision in the Medicare Prescription Drug and Modernization Act—

Which we are about now—

set forth in Title III, Section 301, which would protect the integrity of the Medicare Trustee Fund by clarifying that Medicare must be reimbursed whenever another insurer's responsibility to pay has been established. The Section is consistent with the litigation positions taken by this Department and the Department of Health and Human Services in numerous court cases.

So the Department of Justice, speaking for the administration, is in favor of this offset.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from William E. Moschella, Assistant Attorney General.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE, OFFICE OF LEGISLATIVE AFFAIRS, OFFICE OF THE ASSISTANT ATTORNEY GENERAL.

Washington, DC, June 17, 2003.

Hon. W.J. (BILLY) TAUZIN,
Chairman, Committee on Energy and Commerce, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to advise you of the Department's support for a provision in the Medicare Prescription Drug and Modernization Act, set forth in Title III, Section 301, which would protect the integrity of the Medicare Trust Fund by clarifying that Medicare must be reimbursed whenever another insurer's responsibility to pay has been established. The Section is consistent with the litigation positions taken by this Department and the Department of Health and Human Services (''HHS'') in numerous court cases.

Congress enacted the Medicare Secondary Payer (''MSP'') statute in 1980 to protect the fiscal integrity of the Medicare program by making Medicare a secondary, rather than a primary, payer of health benefits. To ensure that Medicare would be secondary, Congress precluded it from making payment when a primary plan has already made payment or can reasonably be expected to pay promptly. Congress recognized, however, that in contested cases, payments under such plans would be delayed. To protect providers, suppliers, and beneficiaries, Congress authorized Medicare to make a ''conditional'' payment when prompt resolution of a claim cannot reasonably be expected. The Medicare Trust Fund must be reimbursed, however, once the primary insurer's obligation to pay is demonstrated.

Some recent court decisions have held, however, that Medicare has no right to reimbursement unless the primary insurer could reasonably have been expected to make prompt payment at the outset. *See, e.g., Thompson v. Goetzmann*, 315 F.3d 457 (5th Cir. 2002). These rulings make the statute's reimbursement mechanism inoperative in some jurisdictions. Section 301 of this legislation would end this costly litigation and provide clear legislative guidance regarding Medicare's status as a secondary payer of health benefits. The technical changes in Section 301 make clear that Medicare may make a conditional payment when the primary plan has not made or is not reasonably expected to make prompt payment.

The technical amendments of Section 301 clarify other provisions of the MSP statute, as well. They make clear that a primary plan may not extinguish its obligations under the MSP statute by paying the wrong party (i.e., by paying the Medicare beneficiary or the provider instead of reimbursing the Medicare Trust Fund. The Section clarifies that a primary plan's responsibility to make payment with respect to the same item or service paid for by Medicare may be demonstrated, among other ways, by a judgment, or a payment conditioned upon the recipient's compromise, waiver or release of items or services included in the claim against the primary plan or its insurer; no finding or admission of liability is required. In addition, Section 301 makes clear that an entity will be deemed to have a ''self-insured plan'' if it carries its own risk, in whole or in part. Finally, the Section makes clear that the Medicare program may seek reimbursement from a primary plan, from any or all of the entities responsible for or required to make payment under a primary plan, and additionally from any entity that has received payment from the proceeds of a primary plan's payment. These provisions of Section 301 will resolve contentious litigation and are designed to protect the fiscal integrity of the Medicare program.

We hope that this information is helpful. The Office of Management and Budget has advised that there is no objection to this report from the standpoint of the Administration's program. Please let us know if we may be of additional assistance.

Sincerely,

WILLIAM E. MOSCHELLA,
Assistant Attorney General.

Mr. HARKIN. So again, we have an amendment that is exactly what the President had in his 2004 budget request. We have an offset supported also by the administration. So this is truly a bipartisan effort.

This amendment Senator SMITH and I have offered is widely supported by older Americans and people with disabilities. AARP, the Consortium of Citizens with Disabilities, ADAPT, the National Council on Independent Living, the National Council on the Aging, and the National Association of Area Agencies on Aging all support this amendment.

Both parts of this amendment—the Money Follows Program and the offsets—are about fairness and justice. If this amendment is adopted, private insurers will pay their fair share of Medicare costs and people with disabilities will have the opportunity to live in their own communities.

I will just talk about a constituent of mine, Ken Kendall. Ken was injured in an accident and has a serious spinal cord injury. When he lost his health insurance, he was forced to go on Medicaid, and his only choice was a nursing home almost 2 hours from his friends and family.

Ken recently wrote to me that he went to dinner and a movie for his 30th birthday. No big deal, except he had not been to dinner and a movie in the 2 years since he went into a nursing home. He said: ''I was almost in tears. I felt like I had a real life again.''

This amendment would give people like Ken a real life again, and not just on their birthdays. Individuals with

disabilities should not have to continue waiting to enjoy the opportunities all other Americans take for granted.

So again, that is the essence of the amendment.

AMENDMENT NO. 991, AS MODIFIED

Mr. President, I ask unanimous consent that the amendment be modified with the modification I send to the desk. This is a modification to amendment No. 991.

The PRESIDING OFFICER. Is there objection?

Without objection, the amendment is so modified.

The amendment (No. 991), as modified, is as follows:

At the appropriate place, insert the following:

TITLE ____—MEDICAID DEMONSTRATION PROJECTS

SEC. ____01. SHORT TITLE.

This title may be cited as the ''Money Follows the Person Act of 2003''.

SEC. ____02. FINDINGS.

Congress makes the following findings:

(1) In his budget for fiscal year 2004, President George W. Bush proposes a ''Money Follows the Person'' rebalancing initiative under the medicaid program to help States rebalance their long-term services support systems more evenly between institutional and community-based services.

(2) The President, by proposing this initiative, and Congress, recognize that States have not fully developed the systems needed to create a more equitable balance between institutional and community-based services spending under the medicaid program.

(3) While a few States have been successful at achieving this balance, nationally, approximately 70 percent of the medicaid funding spent for long-term services is devoted to nursing facilities and intermediate care facilities for the mentally retarded. Only 30 percent of such funding is spent for community-based services.

(4) As a result, there are often long waiting lists for community-based services and supports.

(5) In the Americans with Disabilities Act of 1990, Congress found that individuals with disabilities continue to encounter various forms of discrimination, including segregation, and that discrimination persists in such critical areas as institutionalization.

(6) In 1999, the Supreme Court held in *Olmstead v. LC* (527 U.S. 581 (1999)) that needless institutionalization is discrimination under the Americans with Disabilities Act of 1990, noting that institutional placement of people who can be served in the community ''perpetuates unwarranted assumptions that persons so isolated are unworthy of participating in community life.'' (Id. at 600). The Court further found that ''confinement in an institution severely diminishes the everyday life activities of individuals, including family relations, social contacts, work options, economic independence, educational advancement, and cultural enrichment.'' (Id. at 601).

(7) Additional resources would be helpful for assisting States in rebalancing their long-term services support system and complying with the *Olmstead* decision.

SEC. ____03. AUTHORITY TO CONDUCT MEDICAID DEMONSTRATION PROJECTS.

(a) DEFINITIONS.—In this section:

(1) COMMUNITY-BASED SERVICES AND SUPPORTS.—The term ''community-based services and supports'' means, with respect to a State, any items or services that are an allowable expenditure for medical assistance under the State medicaid program, or under a waiver of such program and that the State determines would allow an individual to live in the community.

(2) INDIVIDUAL'S REPRESENTATIVE; REPRESENTATIVE.—The terms ''individual's representative'' and ''representative'' mean a parent, family member, guardian, advocate, or authorized representative of an individual.

(3) MEDICAID LONG-TERM CARE FACILITY.—The term ''medicaid long-term care facility'' means a hospital, nursing facility, or intermediate care facility for the mentally retarded, as such terms are defined for purposes of the medicaid program.

(4) MEDICAID PROGRAM.—The term ''medicaid program'' means the State medical assistance program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(6) STATE.—The term ''State'' has the meaning given such term for purposes of the medicaid program.

(b) STATE APPLICATION.—A State may apply to the Secretary for approval to conduct a demonstration project under which the State shall provide community-based services and supports to individuals—

(1) who are eligible for medical assistance under the medicaid program;

(2) who are residing in a medicaid long-term care facility and who have resided in such facility for at least 90 days; and

(3) with respect to whom there has been a determination that but for the provision of community-based services and supports, the individuals would continue to require the level of care provided in a medicaid long-term care facility.

(c) REQUIREMENTS.—A State is not eligible to conduct a demonstration project under this section unless the State certifies the following:

(1) With respect to any individual provided community-based services and supports under the demonstration project, the State shall continue to provide community-based services and supports to the individual under the medicaid program (and at the State's Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act) reimbursement rate), for as long as the individual remains eligible for medical assistance under the State medicaid program and continues to require such services and supports, beginning with the month that begins after the 12-month period in which the individual is provided such services and supports under the demonstration project.

(2) The State shall allow an individual participating in the demonstration project (or, as appropriate, the individual's representative) to choose the setting in which the individual desires to receives the community-based services and supports provided under the project.

(3) The State shall identify and educate individuals residing in a medicaid long-term care facility who are eligible to participate in the demonstration project (and, as appropriate the individual's representative) about the opportunity for the individual to receive community-based services and supports under the demonstration project.

(4) The State shall ensure that each individual identified in accordance with paragraph (3) (and, as appropriate, the individual's representative), has the opportunity, information, and tools to make an informed choice regarding whether to transition to the community through participation in the demonstration project or to remain in the medicaid long-term care facility.

(5) The State shall maintain an adequate quality improvement system so that individuals participating in the demonstration project receive adequate services and supports.

(6) The State shall conduct a process for public participation in the design and development of the demonstration project and such process shall include the participation of individuals with disabilities, elderly individuals, or individuals with chronic conditions who are part of the target populations to be served by the demonstration project, and the representatives of such individuals.

(7) The Federal funds paid to a State pursuant to this section shall only supplement, and shall not supplant, the level of State funds expended for providing community-based services and supports for individuals under the State medicaid program as of the date the State application to conduct a demonstration project under this section is approved.

(d) APPROVAL OF DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall conduct a competitive application process with respect to applications submitted under subsection (b) (taking into consideration the preferences provided under paragraph (2)) that meet the requirements of subsection (c). In determining whether to approve such an application, the Secretary may waive the requirement of—

(A) section 1902(a)(1) of the Social Security Act (42 U.S.C. 1396a(a)(1)) to allow for sub-State demonstrations;

(B) section 1902(a)(10)(B) of such Act (42 U.S.C. 1396a(a)(10)(B)) with respect to comparability; and

(C) section 1902(a)(10)(C)(i)(III) of such Act (42 U.S.C. 1396a(a)(10)(C)(i)(III)) with respect to income and resource limitations.

(2) PREFERENCE FOR CERTAIN APPLICATIONS.—In approving applications to conduct demonstration projects under this section, the Secretary shall give preference to approving applications that indicate that the State shall do the following:

(A) Design and implement enduring improvements in community-based long-term services support systems within the State to enable individuals with disabilities to live and participate in community life, particularly with respect to those practices that will ensure the successful transition of such individuals from medicaid long-term care facilities into the community.

(B) Design and implement a long-term services support system in the State that prevents individuals from entering medicaid long-term care facilities in order to gain access to community-based services and supports.

(C) Engage in systemic reform activities within the State to rebalance expenditures for long-term services under the State medicaid program through administrative actions that reduce reliance on institutional forms of service and build up more community capacity.

(D) Address the needs of populations that have been underserved with respect to the availability of community services or involve individuals or entities that have not previously participated in the efforts of the State to increase access to community-based services.

(E) Actively engage in collaboration between public housing agencies, the State medicaid agency, independent living centers, and other agencies and entities in order to coordinate strategies for obtaining community integrated housing and supportive services for an individual who participates in the demonstration project, both with respect to

the period during which such individual participates in the project and after the individual's participation in the project concludes, in order to enable the individual to continue to reside in the community.

(F) Develop and implement policies and procedures that allow the State medicaid agency to administratively transfer or integrate funds from the State budget accounts that are obligated for expenditures for medicaid long-term care facilities to other accounts for obligation for the provision of community-based services and supports (including accounts related to the provision of such services under a waiver approved under section 1915 of the Social Security Act (42 U.S.C. 1396n)) when an individual transitions from residing in such a facility to residing in the community.

(e) PAYMENTS TO STATES.—

(1) IN GENERAL.—The Secretary shall pay to each State with a demonstration project approved under this section an amount for each quarter occurring during the period described in paragraph (2) equal to 100 percent of the State's expenditures in the quarter for providing community-based services and supports to individuals participating in the demonstration project.

(2) PERIOD DESCRIBED.—The period described in this paragraph is the 12-month period that begins on the date on which an individual first receives community-based services and supports under the demonstration project in a setting that is not a medicaid long-term care facility and is selected by the individual.

(f) REPORTS.—

(1) IN GENERAL.—Each State conducting a demonstration project under this section shall submit a report to the Secretary that, in addition to such other requirements as the Secretary may require, includes information regarding—

(A) the types of community-based services and supports provided under the demonstration project;

(B) the number of individuals served under the project;

(C) the expenditures for, and savings resulting from, conducting the project; and

(D) to the extent applicable, the changes in State's long-term services system developed in accordance with the provisions of subsection (d)(2).

(2) UNIFORM DATA FORMAT.—In requiring information under this subsection, the Secretary shall develop a uniform data format to be used by States in the collection and submission of data in the State report required under paragraph (1).

(g) EVALUATIONS.—The Secretary shall use an amount, not to exceed one-half of 1 percent of the amount appropriated under subsection (h) for each fiscal year, to provide, directly or through contract—

(1) for the evaluation of the demonstration projects conducted under this section;

(2) technical assistance to States concerning the development or implementation of such projects; and

(3) for the collection of the data described in subsection (f)(1).

(h) FUNDING.—

(1) IN GENERAL.—There is appropriated to carry out this section—

(A) $300,000,000 for fiscal year 2004; and

(B) $350,000,000 for each of fiscal years 2005 through 2008.

(2) AVAILABILITY.—Funds appropriated under paragraph (1) for a fiscal year shall remain available until expended, but not later than September 30, 2008.

SEC. ___04. MEDICARE SECONDARY PAYOR (MSP) PROVISIONS.

(a) TECHNICAL AMENDMENT CONCERNING SECRETARY'S AUTHORITY TO MAKE CONDITIONAL PAYMENT WHEN CERTAIN PRIMARY PLANS DO NOT PAY PROMPTLY.—

(1) IN GENERAL.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended—

(A) in subparagraph (A)(ii), by striking ''promptly (as determined in accordance with regulations)'';

(B) in subparagraph (B)—

(i) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), respectively; and

(ii) by inserting before clause (ii), as so redesignated, the following new clause:

''(i) AUTHORITY TO MAKE CONDITIONAL PAYMENT.—The Secretary may make payment under this title with respect to an item or service if a primary plan described in subparagraph (A)(ii) has not made or cannot reasonably be expected to make payment with respect to such item or service promptly (as determined in accordance with regulations). Any such payment by the Secretary shall be conditioned on reimbursement to the appropriate Trust Fund in accordance with the succeeding provisions of this subsection.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective as if included in the enactment of title III of the Medicare and Medicaid Budget Reconciliation Amendments of 1984 (Public Law 98-369).

(b) CLARIFYING AMENDMENTS TO CONDITIONAL PAYMENT PROVISIONS.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is further amended—

(1) in subparagraph (A), in the matter following clause (ii), by inserting the following sentence at the end: ''An entity that engages in a business, trade, or profession shall be deemed to have a self-insured plan if it carries its own risk (whether by a failure to obtain insurance, or otherwise) in whole or in part.'';

(2) in subparagraph (B)(ii), as redesignated by subsection (a)(2)(B)—

(A) by striking the first sentence and inserting the following: ''A primary plan, and an entity that receives payment from a primary plan, shall reimburse the appropriate Trust Fund for any payment made by the Secretary under this title with respect to an item or service if it is demonstrated that such primary plan has or had a responsibility to make payment with respect to such item or service. A primary plan's responsibility for such payment may be demonstrated by a judgment, a payment conditioned upon the recipient's compromise, waiver, or release (whether or not there is a determination or admission of liability) of payment for items or services included in a claim against the primary plan or the primary plan's insured, or by other means.''; and

(B) in the final sentence, by striking ''on the date such notice or other information is received'' and inserting ''on the date notice of, or information related to, a primary plan's responsibility for such payment or other information is received''; and

(3) in subparagraph (B)(iii), as redesignated by subsection (a)(2)(B), by striking the first sentence and inserting the following: ''In order to recover payment made under this title for an item or service, the United States may bring an action against any or all entities that are or were required or responsible (directly, as an insurer or self-insurer, as a third-party administrator, as an employer that sponsors or contributes to a group health plan, or large group health plan, or otherwise) to make payment with respect to the same item or service (or any portion thereof) under a primary plan. The United States may, in accordance with paragraph (3)(A) collect double damages against any such entity. In addition, the United States may recover under this clause from any entity that has received payment from a primary plan or from the proceeds of a primary plan's payment to any entity.''.

(c) CLERICAL AMENDMENTS.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(1) in paragraph (1)(A), by moving the indentation of clauses (ii) through (v) 2 ems to the left; and

(2) in paragraph (3)(A), by striking ''such'' before ''paragraphs''.

Mr. HARKIN. Mr. President, all this modification does is it changes the first year, but it leaves everything else the same. This was $350 million each of the 5 years. This is now $300 million in the first year, and $350 million for each of the 4 years thereafter.

So again, as I said, 13 years ago we passed the Americans with Disabilities Act. We said no to segregation of people with disabilities. Ever since that time, Medicaid still continues to segregate people. When 70 percent of their money goes for institutional care, and only 30 percent goes for community-based care, it is time to break that down and give people with disabilities the right to exercise their own choice about where they want to live. And that, really, is the essence of the amendment.

I hope Senators will support the amendment overwhelmingly since, as I said, it was in the President's 2004 budget and the offset we have used is also fully supported by the administration.

With that, Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. I ask unanimous consent to set the pending amendment aside.

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

AMENDMENT NO. 1087

(Purpose: To permit the offering to consumer-driven health plans under MedicareAdvantage)

Mr. GRASSLEY. I rise to offer an amendment for Senator CRAIG. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. CRAIG, proposes an amendment numbered 1087.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. GRASSLEY. I am doing this for Senator CRAIG. I am going to yield the floor because Senator CRAIG is going to discuss his amendment tomorrow.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. I ask unanimous consent the order for the quorum call be rescinded.

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

AMENDMENT NO. 992 WITHDRAWN

Mr. BAUCUS. On behalf of the Senator from Michigan, Ms. STABENOW, I ask unanimous consent amendment No. 992 be withdrawn.

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

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

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

AMENDMENTS NOS. 941, 961, 983 EN BLOC

Mr. GRASSLEY. Mr. President, I call up amendments Nos. 941, 961, and 983 en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for Mr. WYDEN, proposes an amendment numbered 941.

The Senator from Iowa [Mr. GRASSLEY], for Mrs. MURRAY, proposes an amendment numbered 961.

The Senator from Iowa [Mr. GRASSLEY], for Mr. SPECTER, proposes an amendment numbered 983.

The amendments are as follows:

AMENDMENT NO. 941

(Purpose: To provide for a study by MedPAC on Medicare payments and efficiencies in the health care system)

At the end of title IV, add the following:

SEC. ____. MEDPAC STUDY ON MEDICARE PAYMENTS AND EFFICIENCIES IN THE HEALTH CARE SYSTEM.

Not later than 18 months after the date of enactment of this Act, the Medicare Payment Advisory Commission established under section 1805 of the Social Security Act (42 U.S.C. 1395b–6) shall provide Congress with recommendations to recognize and reward, within payment methodologies for physicians and hospitals established under the medicare program under title XVIII of the Social Security Act, efficiencies, and the lower utilization of services created by the practice of medicine in historically efficient and low-cost areas. Measures of efficiency recognized in accordance with the preceding sentence shall include—

(1) shorter hospital stays than the national average;

(2) fewer physician visits than the national average;

(3) fewer laboratory tests than the national average;

(4) a greater utilization of hospice services than the national average; and

(5) the efficacy of disease management and preventive health services.

AMENDMENT NO. 961

(Purpose: To fund the blended capitation rate for purposes of determining benchmarks under the MedicareAdvantage program)

At the end of subtitle A of title II, add the following:

SEC. ____. IMPROVEMENTS IN MEDICAREADVANTAGE BENCHMARK DETERMINATIONS.

(a) REVISION OF NATIONAL AVERAGE USED IN CALCULATION OF BLEND.—Section 1853(c)(4)(B)(i)(II) (42 U.S.C. 1395w–23(c)(4)(B)(i)(II)), as amended by section 203, is amended by inserting ''who are enrolled in a MedicareAdvantage plan'' after ''the average number of medicare beneficiaries''.

(b) CHANGE IN BUDGET NEUTRALITY.—Section 1853(c) (42 U.S.C. 1395w–23(c)), as amended by section 203, is amended—

(1) in paragraph (1)(A)—

(A) in clause (ii), by striking the comma at the end and inserting a period; and

(B) by striking the flush matter following clause (ii); and

(2) by striking paragraph (5).

(c) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES IN CALCULATION OF MEDICARE+CHOICE PAYMENT RATES.—

(1) FOR PURPOSES OF CALCULATING MEDICARE+CHOICE PAYMENT RATES.—Section 1853(c)(3) (42 U.S.C. 1395w–23(c)(3)), as amended by section 203, is amended—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (E)''; and

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

''(E) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the area-specific Medicare+Choice capitation rate under subparagraph (A) for a year (beginning with 2006), the annual per capita rate of payment for 1997 determined under section 1876(a)(1)(C) shall be adjusted to include in the rate the Secretary's estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.''.

(2) FOR PURPOSES OF CALCULATING LOCAL FEE-FOR-SERVICE RATES.—Section 1853(d)(5) (42 U.S.C. 1395w–23(d)(5)), as amended by section 203, is amended—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''; and

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

''(C) INCLUSION OF COSTS OF DOD AND VA MILITARY FACILITY SERVICES TO MEDICARE-ELIGIBLE BENEFICIARIES.—In determining the local fee-for-service rate under subparagraph (A) for a year (beginning with 2006), the annual per capita rate of payment for 1997 determined under section 1876(a)(1)(C) shall be adjusted to include in the rate the Secretary's estimate, on a per capita basis, of the amount of additional payments that would have been made in the area involved under this title if individuals entitled to benefits under this title had not received services from facilities of the Department of Defense or the Department of Veterans Affairs.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning on and after January 1, 2006.

AMENDMENT NO. 983

(Purpose: To provide medicare beneficiaries with information on advance directives)

On page 676, after line 22, insert the following:

SEC. ____. PROVISION OF INFORMATION ON ADVANCE DIRECTIVES.

Section 1804(c) of the Social Security Act (42 U.S.C. 1395b–2(c)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) in the matter preceding subparagraph (A), as so redesignated, by striking ''The notice'' and inserting ''(1) The notice''; and

(3) by adding at the end the following:

''(2)(A) The Secretary shall annually provide each medicare beneficiary with information concerning advance directives. Such information shall be provided by the Secretary as part of the Medicare and You handbook that is provided to each such beneficiary. Such handbook shall include a separate section on advanced directives and specific details on living wills and the durable power of attorney for health care. The Secretary shall ensure that the introductory letter that accompanies such handbook contain a statement concerning the inclusion of such information.

''(B) In this section:

''(i) The term 'advance directive' has the meaning given such term in section 1866(f)(3).

''(ii) The term 'medicare beneficiary' means an individual who is entitled to, or enrolled for, benefits under part A or enrolled under part B, of this title.''.

AMENDMENTS NOS. 941, 967, AS MODIFIED; 961, 974, 983, AND 1010, EN BLOC

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the following amendments be agreed to en bloc and the motion to reconsider be laid upon the table en bloc: Amendments Nos. 941, 967, as modified; 961, 974, 983, and 1010.

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

The amendments (Nos. 941, 961, 974, 983, and 1010) were agreed to.

The amendment (No. 967), as modified, was agreed to as follows:

(Purpose: To provide improved payment for certain mammography services)

At the end of subtitle B of title IV, add the following:

SEC. ____. IMPROVED PAYMENT FOR CERTAIN MAMMOGRAPHY SERVICES.

(a) EXCLUSION FROM OPD FEE SCHEDULE.—Section 1833(t)(1)(B)(iv) (42 U.S.C. 13951(t)(1)(B)(iv)) is amended by inserting before the period at the end the following: ''and does not include screening mammography (as defined in section 1861(jj)) and unilateral and bilateral diagnostic mammography''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to mammography performed on or after January 1, 2015.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENTS NOS. 1088, 1089, 1090, AND 1091, EN BLOC

Mr. BAUCUS. Mr. President, on behalf of Senator MIKULSKI, I send four amendments to the desk and ask unanimous consent that the pending amendments be set aside so that the amendments might be offered. I don't know whether it is permissible to get consent to offer all four or we have to do it individually?

I send to the desk the four amendments en bloc and ask that the pending amendments be set aside. The amendments, for the purposes of consent, are to provide equal or equitable treatment for children's hospitals. Another is on the same subject. The third is to permit direct payment under the Medicare Program for clinical social worker

services provided to residents of skilled nursing facilities. And the fourth is to extend certain municipal health service demonstration projects.

The PRESIDING OFFICER. Without objection, the clerk will report the amendments by number.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for Ms. MIKULSKI, proposes amendments Nos. 1088 through 1091 en bloc.

The amendments are as follows:

AMENDMENT NO. 1088

(Purpose: To provide equitable treatment for children's hospitals)

At the end of subtitle B of title IV, add the following:

SEC. ___. EQUITABLE TREATMENT FOR CHILDREN'S HOSPITALS.

(a) IN GENERAL.—Section 1833(t)(7)(D)(ii) (42 U.S.C. 1395l(t)(7)(D)(ii)) is amended to read as follows:

''(ii) PERMANENT TREATMENT FOR CANCER HOSPITALS AND CHILDREN'S HOSPITALS.—

''(I) CANCER HOSPITALS.—In the case of a hospital described in section 1886(d)(1)(B)(v), for covered OPD services for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount of such difference.

''(II) CHILDREN'S HOSPITALS.—In the case of a hospital described in section 1886(d)(1)(B)(iii), for covered OPD services furnished before October 1, 2003, and for which the PPS amount is less than the pre-BBA amount the amount of payment under this subsection shall be increased by the amount of such difference. In the case of such a hospital, for such services furnished on or after October 1, 2003, and for which the PPS amount is less than the greater of the pre-BBA amount or the reasonable operating and capital costs without reductions incurred in furnishing such services, the amount of payment under this subsection shall be increased by the amount of such difference.''.

AMENDMENT NO. 1089

(Purpose: To provide equitable treatment for certain children's hospitals)

At the end of subtitle B of title IV, add the following:

SEC. ___. EQUITABLE TREATMENT FOR CHILDREN'S HOSPITALS.

(a) IN GENERAL.—Section 1833(t)(7)(D)(ii) (42 U.S.C. 1395l(t)(7)(D)(ii)) is amended to read as follows:

''(ii) PERMANENT TREATMENT FOR CANCER HOSPITALS AND CHILDREN'S HOSPITALS.—

''(I) IN GENERAL.—Subject to subclause (II), in the case of a hospital described in clause (iii) or (v) of section 1886(d)(1)(B), for covered OPD services for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount of such difference.

''(II) SPECIAL RULE FOR CERTAIN CHILDREN'S HOSPITALS.—In the case of a hospital described in section 1886(d)(1)(B)(iii) that is located in a State with a reimbursement system under section 1814(b)(3), but that is not reimbursed under such system, for covered OPD services furnished on or after October 1, 2003, and for which the PPS amount is less than the greater of the pre-BBA amount or the reasonable operating and capital costs without reductions of the hospital in providing such services, the amount of payment under this subsection shall be increased by the amount of such difference.''.

AMENDMENT NO. 1090

(Purpose: To permit direct payment under the medicare program for clinical social worker services provided to residents of skilled nursing facilities)

At the end of subtitle A of title IV, add the following:

SEC. ___. PERMITTING DIRECT PAYMENT UNDER THE MEDICARE PROGRAM FOR CLINICAL SOCIAL WORKER SERVICES PROVIDED TO RESIDENTS OF SKILLED NURSING FACILITIES.

(a) IN GENERAL.—Section 1888(e)(2)(A)(ii) (42 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting ''clinical social worker services,'' after ''qualified psychologist services,''.

(b) CONFORMING AMENDMENT.—Section 1861(hh)(2) (42 U.S.C. 1395x(hh)(2)) is amended by striking ''and other than services furnished to an inpatient of a skilled nursing facility which the facility is required to provide as a requirement for participation''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after October 1, 2003.jennifer

AMENDMENT NO. 1091

(Purpose: To extend certain municipal health service demonstration projects)

At the end of title VI, add the following:

SEC. ___. EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

The last sentence of section 9215(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (42 U.S.C. 1395b–1 note), as previously amended, is amended by striking ''December 31, 2004, but only with respect to'' and all that follows and inserting ''December 31, 2009, but only with respect to individuals who reside in the city in which the project is operated and so long as the total number of individuals participating in the project does not exceed the number of such individuals participating as of January 1, 1996.''.

Mr. BAUCUS. 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. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRASSLEY. Mr. President, I ask unanimous consent that at 9:15 tomorrow morning, the Senate proceed to a vote in relation to Harkin amendment No. 991, to be followed by a vote in relationship to the Edwards amendment No. 1052; provided further that there be 2 minutes equally divided before each vote and that no second-degree amendments be in order to the amendments prior to the vote.

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

Mr. BAUCUS. 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. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COLEMAN). Without objection, it is so ordered.

AMENDMENT NO. 1092

(Purpose: To evaluate alternative payment and delivery systems)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk for myself and Senator BAUCUS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself and Mr. BAUCUS, proposes an amendment numbered 1092.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that further 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. GRASSLEY. This is an amendment I have worked out with Senator BAUCUS after considerable consultation with many colleagues on both sides of the aisle. The amendment has two parts. First, it would permit the Secretary, starting in 2009, to designate an alternative payment system for PPOs in a limited number of regions that the Secretary has determined to be highly competitive. This alternate payment system would permit the Secretary to set the Federal contribution for participation plans solely based on the bids they submit to the Secretary. The Secretary would still be required to choose the three plans with the lowest credible bids to participate. The Federal contribution would be set for the three plans participating by the second lowest bid submitted.

The second thing the amendment would do is authorize the Secretary, also starting in 2009, to establish a number of projects in the fee-for-service Medicare Program. These projects would be designed to provide enhanced services or benefits to improve the quality of care provided to Medicare beneficiaries, to improve the health care delivery system under the Medicare Program, and lower expenditures in that program. The enhanced services or benefits would include preventive services, chronic care coordination, disease management services, or other services the Secretary determines will advance the purposes of these projects.

The total cost of this amendment would be $12 billion starting in the year 2009 and would be equally divided between the alternative payment system and the fee-for-service projects.

Mr. President, this amendment represents a very reasonable compromise on the question of how to introduce into the Medicare Advantage Program a more competitive payment system.

I thank everyone, and most especially Senator BAUCUS, for working so hard and in a cooperative spirit to develop this amendment now before the Senate.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, first, I thank my good friend and colleague, the chairman of the committee, Senator GRASSLEY, for his Job-like patience, as we have worked extremely hard with various Senators to try to come up with—and I think we have—a compromise, balanced solution as to how we spend the newly discovered $12 billion.

I have a couple of points. The intent of this amendment and the language of this amendment accomplish a couple of purposes: No. 1, to evenly divide the $12 billion—$6 billion and $6 billion—to be available to be potentially used by PPOs in areas designated by the Secretary, and the other $6 billion to be spent in additional Medicare Programs for disease management, chronic care, and other ways to help particularly address the lack of coordination services for the chronically ill and those seniors who particularly need disease management.

The amendment also has a couple other provisions, and to maintain the balance, maintain the symmetry is so important. I will remind my colleagues that in an attempt to get prescription drug benefits to seniors—something we all want to do—we are faced with two competing ideas. One is competition and the other is traditional Medicare. So the underlying bill is an attempt to work those two concepts together. This amendment follows on that tradition. It follows the same spirit, the same symmetry.

I mentioned the $6 billion and $6 billion. In addition, the amendment provides the authority to continue in the applicable number of years—beginning in 2009 through 2013—and the $12 billion is not available until then anyway. That is the problem we have. It doesn't start until 2009. But it is $6 billion available for potential PPO use and $6 billion for disease management, starting in 2009, for a 5-year period. In addition, the authority for both under this amendment continues into the future beyond the 5-year period.

In addition, the language is written so it is an absolutely clear, ironclad guarantee that after the 5-year period no further dollars will be spent on either side, either the $6 billion available for PPOs or the $6 billion to be available for disease management, et cetera. It is very important to maintain that symmetry and balance in order to accomplish the spirit of cooperation so that we get this program started, get the prescription drug program that we want delivered and on its way.

This is not perfect, but I can tell you that many hours have been devoted by many Senators on both sides of the aisle to come up with this solution, which does achieve that balance.

I urge Senators to support this. This is going to break the logjam. This is the key amendment which has been topic A. Many Senators are wondering about this as they are thinking about other amendments they may or may not offer.

I hope with the passage of this amendment we will be able to take up other amendments Senators have tomorrow and debate them and finally, hopefully, by sometime tomorrow and Thursday—perhaps at a late time on Thursday—pass this legislation and send it to conference.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. Mr. President, I rise to speak in support of this amendment, which is a product of about 48 hours of discussion and negotiation, in terms of packaging. I really speak in support of both of the parts of this amendment to which the managers have just spoken.

In the next couple days—hopefully maybe tomorrow night or the next morning—we will indeed have a historic vote to provide America's seniors with coverage they simply don't have today, don't have access to today—prescription drugs, preventive care, and chronic disease management. That is in the underlying bill.

Seniors will have the opportunity, for the first time, to choose the sort of coverage that best suits their individual needs. At the same time, they will have access to a benefit they don't have today, and that is in the underlying bill.

I support the amendment just introduced because it makes the bill even better for two reasons. No. 1—and this is where about $6 billion is spent—it strengthens the competitive model.

Ultimately, I believe—and I think the majority of people in this body believe—the only way we are going to be able to increase quality over the long term, in 10, 20, or 30 years, at the same time we have this unprecedented increase in the number of seniors in this country, a doubling in the number of seniors over the next 30 years, is to take advantage of the dynamism of the private sector where we can obtain the efficiencies that a command-and-control type plan, a Government-type plan simply cannot capture. It is the only way. Half of this amendment concentrates just on that—about $6 billion—to make those competitive, private sector dynamic, marketplace principles, yes, regulated by Government, work.

The other half of the amendment, the other $6 billion, also does something which we stress in the underlying bill, but through this amendment we will spend an additional $6 billion in supporting and investing in what we call preventive medicine, chronic disease management, coordinated chronic disease management we know how to address, but we have insufficiently invested in to maximize the care, the health care security our seniors deserve.

I will refer to a couple charts to explain why I am so excited about both aspects of this bill. I will first take the half of the bill that has to do with chronic disease management, and it links with what I prefaced in my remarks; that is, doubling the number of seniors. The challenge is going to be to sustain this long term; that is, Medicare long term.

If we look at overall numbers of beneficiaries in Medicare today, we know there are about 40 million beneficiaries, and this chart shows the percentage of beneficiaries. As we look at the total amount of moneys being spent today by those beneficiaries, those patients, those seniors, those individuals with disabilities who are a part of Medicare, we find that 6 percent, or about 1 in 20, account for 50 percent of all the money that is expended in Medicare today.

Since we know that health care is expensive, what we need to do, I believe, to make sure we get the best value for each health care dollar, each tax dollar that is paid to Government or that is paid for by the beneficiary, is to make sure this money is spent effectively and efficiently.

How do we do that? We ought to spend a lot of time focusing on this 50 percent, which is really 1 out of every 20 people. So in this body of 100 people, there would be six—just these six desks around me—accounting for 50 percent of all the expenditures. So why don't we figure out why these six people are so expensive?

Who are these six people? In this next chart, I will show you who they are because once we identify them and give them the very best coordinated care possible, I believe that number will reduce over time.

On this next chart, these ''CCs'' stand for chronic conditions. By ''chronic condition,'' I mean heart failure, diabetes, chronic obstructive pulmonary disease, or emphysema.

What we find if we look at all Medicare expenditures—say this pie chart is all the money we spend on Medicare—most of the expenses are on individuals who have five chronic care conditions, and then those who have four chronic care conditions is about 13 percent; three chronic care conditions about 10 percent; two chronic conditions, say heart failure and diabetes, 7 percent.

By concentrating on people with chronic conditions, and if we give them coordinated care, seamless care, if we give them prescription drugs, which this bill does for the first time, if we help them with maybe a nurse calling once a week to help manage their care, use resources appropriately, over the long haul, this program will be sustainable.

I walked through these two charts because all of us know that Medicare is expensive, and we know that over time we need to fund whatever program we do, so let's concentrate our policy on where the expenses are, these six individuals, if we use this body as an example, and those are the people who have chronic care conditions.

Thus, this amendment, $6 billion of $12 billion, is being spent, focused like a laser beam on people with chronic care conditions. That is what the amendment does.

The underlying bill does that by setting up these PPOs, Medicare Advantage and Medicare+Choice, which gives seamless coordinated care built in a competitive marketplace. The underlying bill does that, but what this amendment does is focus an additional $6 billion on people with chronic conditions.

Also, part of that money is to improve preventive care, and we all know it is a lot cheaper to figure out who is going to get sick from heart disease and treat them accordingly than waiting until they get sick and are hospitalized and they develop what is called end stage cardiomyopathy. To me it is exciting.

I mentioned diabetes because diabetes is one of the conditions that I think best demonstrates how modern medicine today can, if properly managed, both have better outcome and lower cost. Today there are about 17 million Americans who suffer from diabetes. Another 16 million adults are at risk for developing the condition, and over the past decade, the number of diagnosed cases of diabetes has risen sharply.

Just in the last several weeks, the American-Diabetes-Association-sponsored study indicated that one-third, one out of every three children born in the United States this year will develop diabetes in their lifetime—one out of every three. So if you are a parent and listening to me now, and you have three children, one of those statistically will develop diabetes over their lifetime. It is huge. The National Health Interview Survey projects that 45 to 50 million Americans will have diabetes by 2050.

If we ineffectively manage diabetes, if we do not have access to the latest drugs, the appropriate management, the cost of managing and treating diabetes is huge. According to the American Diabetes Association, $91.9 billion was spent last year just in direct medical expenses for diabetics. Today, more than $1 in every $7 spent on health care in the United States is spent on behalf of diabetic patients.

I mention all of this because we know that health care costs for diabetes, if not managed in a coordinated system, are huge, and based on the statistics I just said with this dramatic increase in diabetes will increase over time.

How do we address it? We address it through an integrated health care model where you look at diet, you look at exercise, you look at drugs, you look at the appropriate testing to monitor blood sugars, and you have coordinated care. That is what we do in this Medicare PPO, Medicare Advantage model, and diabetes would fall into one of these chronic conditions. And we are going to be investing another $6 billion through this amendment in the overall management of conditions like diabetes.

The other—and I will close in a minute or so—the other $6 billion of this amendment, the other half of this amendment, is invested in increasing the competitive model.

I commented on this briefly, but what this allows us to do is to take advantage of what we know is in the marketplace today. We know that command and control and price controls run out of Washington, DC, do not work. We have tried it. We have seen it in Medicare in the past, and it resulted in a system that, yes, has been good for seniors, but it has not stayed abreast with the great advances we have seen in health care delivery or the new technology today. So we need a more responsive system, one that takes advantage of new innovation, new technology in the marketplace, that captures those dynamics of market-based competition. It is the private sector working in partnership with the public sector.

I will close by saying that I feel strongly that this amendment will incrementally, greatly improve health care for our seniors today. It will be debated, I am sure, over the course of the evening tonight and early in the morning. It is a product of a lot of working together, Democrats and Republicans, over the last 48 hours to put together the very best ideas for improving competition and market-based fundamentals and, at the same time, focusing on preventive medicine, prevention of disease, management of those chronic conditions, where many of the challenges exist in Medicare today.

We are nearing a historic vote to provide America's current and future seniors comprehensive health care coverage. Friday, we will pass legislation to improve and strengthen Medicare. The transformed program will offer modern and innovative coverage for procedures ranging from physical exams to hospital visits. And most significantly, the updated Medicare system will, for the first time, offer seniors prescription drug coverage. As a doctor who has served thousands of Medicare patients, I am committed to ensuring health care security for our seniors. Prescription drugs must be a part of that security.

The bipartisan bill offers seniors more choice and flexibility. Seniors will be able to stay with traditional Medicare, or they will have the option of being covered under Medicare Advantage. Medicare Advantage will offer better benefits and up-to-date medical care, including: preventive care; disease management; and protection from catastrophic costs. It will also, of course, offer comprehensive prescription drug coverage.

Seniors all across the country, including in rural areas, will have a Medicare plan that offers them similar types of benefits 8 million current and retired Federal employees now enjoy. Medicare Advantage is designed to combine the best of the Government and private sector and provide security, choice, quality, safety, flexibility and innovation. Chronic health problems especially will be tackled with more resources and better results.

The amendment will significantly strengthen the bill in this regard. Most importantly, it allows the Secretary of Health and Human Services additional flexibility to institute a true competitive bidding model for PPOs and other Medicare Advantage coordinated health plans. It does this by allowing payments to plans without regard to a benchmark linked to current payments under the Medicare+Choice or Medicare FFS system.

The second part of the amendment will devote up to $6 billion additional funds, beginning in 2009, for the Secretary to conduct broad demonstration projects that will likely lead to improvements in the disease management, chronic care management, and preventive care provided to seniors who choose to remain in the traditional Medicare program. This is great progress for seniors. We are modernizing Medicare to keep pace with modern medicine and tackle chronic disease.

Diabetes is a good example of how modern medicine, through prescription drugs, is offering both therapeutic benefits today as part of an integrated care regimen and promises effective treatments and new types of health care delivery in the future.

Approximately 17 million Americans—6% of the population—now suffer from diabetes. Another 16 million adults are at risk for developing the condition. Over the past decade, the number of diagnosed cases of diabetes has risen sharply. A recent American Diabetes Association sponsored study indicated that one third of children born in the United States in the year 2000 will develop diabetes in their lifetimes. The National Health Interview Survey projects that 45 to 50 million Americans will have diabetic by 2050.

Undiagnosed and improperly treated, diabetes can cause a host of complications, including: kidney failure; heart disease; and loss of limb. Medical expenditures for persons with diabetes are four times as high as their nondiabetic counterparts, in large part, because of these complications. According to the American Diabetes Association, $91.9 billion dollars was spent last year just in direct medical expenses for diabetics. Today, more than one in every seven dollars spent on healthcare in the United States is spent on behalf of diabetic patients.

Indeed, the healthcare costs for diabetes threaten to add a significant financial burden to Medicare. But the good news is there is much we can do to prevent the illness. We know that patient education, weight control, exercise and treatment can significantly reduce the incidence of adult onset diabetes.

Meanwhile, since 1995, five new classes of medicine have been introduced to treat diabetes. These medicines, coupled with health management and coordinated care programs, are powerful tools to increase a patient's health status and reduce complications due to the illness.

For example, one comprehensive disease management program treated approximately 7,000 diabetic patients and produced savings of $50 to $100 per diabetic patient, per month. Pharmaceutical costs increased under the program, but total health care spending declined.

Why? Because of fewer emergency room visits, substantially fewer inpatient hospitalizations and reduced lengths of stay. At the same time, (HEDIS) measures of the quality of care these patients received significantly improved.

In other words, a modern, coordinated health approach to diabetes which included prescription drugs, led to reduced costs and improved outcomes. And diabetes is only one of many chronic conditions for which prescription drugs help clinicians optimize care and improve the quality of life for patients. This amendment will go far in advancing life saving prescription drug approaches.

This is an exciting week for the Senate and for the American people. We have built on years of research, discussion, and debate. We now have a bill that reflects broad bipartisan support. Thanks to the leadership of my colleagues in the Senate, and the commitment of President Bush, America's seniors will finally receive the health coverage they need and the security they deserve.

Medicine has come a long way since 1965. Now, so too, will Medicare.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 1093 TO AMENDMENT NO. 1092

(Purpose: To evaluate alternative payment and delivery systems)

Mr. KYL. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 1093 to amendment No. 1092.

Mr. KYL. 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 printed in today's RECORD under ''Text of Amendments.'')

Mr. KYL. Mr. President, this is a second-degree amendment to the Baucus-Grassley amendment. I will explain it in just a moment, but while the majority leader is still in the Chamber, let me compliment him, not only for the fine presentation he just made based upon his personal knowledge of how the medical health care system in this country works but also for his leadership and the enormous amount of time and effort he has put into crafting this legislation and working with Members to try to resolve the many disputes that have arisen. I think without the patience he has shown in dealing with all of the Members, we would not be to this point that we are today, literally on the brink of passing, in the Senate, very historic legislation. So I compliment the majority leader and personally thank him for his patience in dealing with some of my concerns about the bill and the good work he has done in working with those problems.

I also want to thank Chairman GRASSLEY, who has shown a lot of patience and has worked hard in a very bipartisan way to put together a plan that could pass this body. I know that people on both sides of the aisle would prefer that it be closer to their particular points of view, but the chairman was always cognizant of the fact that in order to get a bill passed, it had to be done in a bipartisan way. So I compliment the chairman and ranking member for working in that fashion.

I also want to compliment and tell my colleagues a little bit about the efforts of the Secretary of HHS, Tommy Thompson. He, too, has become very personally involved in this effort and has worked very hard to effect the President's goals and plans in ensuring that we can strengthen, protect, improve and preserve Medicare. I appreciate his strong role as well.

I say all of that to make it clear that the amendment I offer is in the spirit of this bipartisan work, hopefully my work will be deemed to be cooperative with our leadership, although there is one element of the amendment Chairman GRASSLEY and Senator BAUCUS have laid down that I disagree with and this is what I am proposing to amend.

What I would like to do is explain the history of this and then come to my amendment. The amendment is very simple. It strikes a sunset provision, but that does not mean anything unless one knows the context, so let me speak for a moment about that context.

When the President first proposed this year that we legislate to add a new prescription drug benefit to Medicare, he said we should do it in the context of a real effort to strengthen Medicare so that we can preserve and protect it for the future. It has served our seniors well, but we are now in the 21st century and two things basically have occurred.

First, we now know that medicines, prescription drugs, are used as the preferred treatment for many illnesses and diseases, which was not the case back in 1965 when Medicare was first created. So all of us have become convinced that we need to add a prescription drug benefit to Medicare. This was the President's first great goal.

The second thing he said was, there is no way we can sustain the current promised benefits under Medicare if we do not create some new opportunities for Medicare beneficiaries, if we do not really strengthen the Medicare system we have. Among the things we can do to ensure that it will continue to work is to provide some choices for seniors, and so what he proposed was those people who would like to keep the existing Medicare, with a new prescription drug benefit, would be able to do that. But, especially for those younger seniors, people who have been in the workplace and are familiar with a PPO, or preferred provider, insurance plan or perhaps an HMO or Medicare+Choice kind of plan, we would provide that alternative as well so that the senior could choose. The idea was that a lot of the people that will be coming into the senior market, being used to an employer-provided plan, might like to keep that kind of plan rather than go into traditional Medicare. So we want to provide a choice, and it will be up to the senior to decide. So that is the direction that we sat down to work in as we developed this legislation.

I would have preferred that in creating this private market alternative, or the preferred provider organization—which we will hear referred to as PPOs—to the traditional Government Medicare system, we had made it much more like the FEHBP, the Federal Employees Health Benefits Program. That is a medical insurance plan that most of the people who are in this Chamber today have. It serves about 10 million Federal employees including family members and retirees. This is also the health plan for Members of Congress.

I would like to tell my seniors, if it is good enough for Members of Congress, then the seniors ought to take a look at it. It is a pretty good program. In fact, it is a very good program. I would have liked to have made this new Medicare Program alternative very much in the mold of the FEHBP, especially in the way that the preferred provider organizations work, bid, and are paid. We could have done that.

The way it works in the FEHBP is we do not have any limit on what kind of a bid the PPOs have to have. If they meet the basic criteria, providing the care we have mandated by statute, they can bid and provide the service and they can try to sell it to us. The federal government's share of the cost is determined by the use of a weighted average of all the health plans' costs.

If it is a good deal, federal employees and Members of Congress will sign up. If it is not a good deal, we will not. Generally, we do not tell the PPOs how much they can bid or how much they can charge. If they bid too much and charge too much, nobody is going to buy it. So they all have pretty reasonable bids and pretty reasonable costs, but theoretically they could bid themselves out of the market. It is up to them.

These insurance actuaries are pretty smart. They know how they can meet all of the requirements that they have. They have to be sure they cover the benefits they have promised. They have to provide those. They have to make a little profit, of course. They have to make sure the premiums are low enough so that people will sign up and, of course, most importantly in the beginning, they have to win the bid. If they do not win the bid, if they are so

high that nobody will sign up, well, then, there is no reason for them to be in the game in the first place.

They look at all of those things, and they figure out how much they can afford to bid, what the premiums will be, and so on. It is a pretty good plan, and I wish we could have been able to offer that to our seniors. But instead, the determination was made by Chairman GRASSLEY and others that we would take the key component of the President's plan with respect to the PPOs and write that up into the legislation, draft it up, and that section of the legislation says we are going to limit the number of bids because we really want to control the cost, and so we are going to say only the three lowest bids are going to succeed, and then the President proposed to pay the PPOs at the middle bid of the three bids.

So the insurance companies that bid have to figure out, how much is it going to cost us to provide care to each senior, and that is what they bid, but they have to be sure the bid is low enough that they win because only the three lowest ones will be accepted.

That is what President Bush proposed, and it is deemed to be a way of both providing a lower cost to the Government kind of care but a quality care because obviously people are not going to sign up and utilize it if they do not think it provides quality care.

There are a lot of things about the way PPOs operate that ensure good quality care. This is a good idea. The President proposed it, and that was the original idea in drafting this.

But then a very arbitrary thing happened. The people in this building know that everything we do has to be under the rules of the CBO, the Congressional Budget Office. Everything has to be scored by CBO. That is to say, we send it to CBO, and they tell us how much it is going to cost in their mind. When we said we were going to allocate $400 billion over 10 years to this new prescription drug benefit, we had to make sure that the CBO score fit within the $400 billion.

Well, CBO came along and they said this competitive bidding system was going to cost a lot more money—it was over a $100 billion—it was way more than Chairman GRASSLEY and Senator BAUCUS wanted to allocate to the preferred provider organization part of the system.

So they said, we have to do something that does not cost anything or does not cost very much. So they decided to solve the problem CBO had created by simply writing in, in effect, a limitation that said this will not cost anything because we are going to set it at the very same level as traditional Medicare payments. There is a complicated formula. I am not going to get into all the details, but essentially it is the higher of the Medicare+Choice payment rate or the traditional fee-for-service Medicare reimbursement level.

The bottom line is, they said we are going to cap the amount the PPOs could be reimbursed. If you want the contract, you can bid anything you want to bid, but you can't be reimbursed over a certain amount, and that amount is defined in statute. By definition, therefore, the score did not cost very much and therefore it could fit within this $400 billion. So they thought that might solve the problem.

But the problem with this is, it will not work. A lot of people realize it won't work, but we still have to comply with the CBO score, they say. I will get to a solution in a moment.

How do we know it won't work? CBO, the same organization that did the score, says all of 2 percent of seniors will sign up for this PPO alternative. Two percent. Why? Because this arbitrary capped rate is not going to be enough to provide the coverage for them that we promise. So why would they want to sign up with a PPO when they can get the coverage under traditional Medicare?

When I am eligible for Medicare, that is what I would do. I would not sign up if a plan cannot deliver the goods. CBO says only 2 percent will sign up. As a result, obviously, we have to find an alternative.

Let's go back to this question that CBO raised by its scoring and whether or not an arbitrary limit will actually work. CBO says it won't; only 2 percent are going to sign up.

Why do they say that? First, we have the experience of Medicare reimbursement over the last many, many years. Sadly, the government has a cap on what it pays the doctors and hospitals and other health care providers, too. We do that by statute. We say we are only going to pay you X amount if you do certain things and you cannot go above that.

What happens? After a while, there is so much upward pressure on that amount because it does not begin to keep track with inflation, especially health care inflation. Pretty soon the doctors are saying, we not only cannot make any money getting reimbursed at this low level, but we cannot pay our nurses, we cannot keep our doors open, there is no way we can stay in practice providing services to our senior citizens if you are going to pay this ridiculously low amount. In fact, a lot of doctors have retired, gotten out of the business, discouraged their kids from going into medicine, and we see real shortages, especially in certain specialties. There are other factors that lead to that as well, but this is a big one.

So every year or two, Congress, responding to that pressure, says: My goodness, we have to change that reimbursement level. It is too low. So then we have these big fits and starts where we hold it down for a while and then all of a sudden we raise it up to the level necessary to compensate the hospitals and the doctors and nurses to take care of our senior citizens. We did this for the physicians just a few months ago because they were getting cut significantly in the reimbursement rate and CBO said we paid $54 billion to fix the physician problem for basically one year. That is one-eighth of the amount of this entire bill, over a 10-year period, just to make sure that the cut did not go into effect last year for the doctors so they could stay in business.

We find there is supposed to be another cut in physician reimbursement levels this year, and again we are most likely going to have to make an adjustment.

The problem is artificial government controls, price controls, do not work. They do not work in Medicare any better than in rent control or the gasoline price controls we had in the 1970's or any other price controls. Free market countries like the United States have learned that lesson. Socialist countries have not. I would have thought we would have learned the lesson. But that is the way the Medicare system works. It is the perfect exhibit A if you want evidence of the fact these controls in providing health care services do not work. Just look at the reimbursement providers in Medicare today.

I mentioned it is a lot like rent control. There is always the inexorable pressure. Is it any wonder when you finally remove the rent controls that in some places the rents actually go up? The owners get enough to refurbish the place to keep it up and people are willing to rent the places that look a lot nicer and better than back when there were rent controls. Sometimes the prices do go up. That is the price of quality health care.

We should never get into the situation in this Congress where we are going to shortchange our seniors by trying to put artificial caps on what we pay the people who take care of them. It will not work.

There is no such thing as a free lunch. If you want quality health care, you are going to have to pay for it one way or another. It may work to have a price control for a little while, but it does not work for very long. We found that out, and that is why every couple of years we have to make the big adjustments.

So why would we think the price controls would work with the new preferred provider organizations that we are trying to establish as a credible alternative to traditional Medicare? A lot of people will find the benefits of those PPOs to their liking. Why do we think the price controls will allow them to work? CBO says it will not happen; only 2 percent will sign up. Clearly, we had to find a way out of this dilemma.

The bottom line is, under CBO's rationale, either nobody bids because they cannot get reimbursed or we have to do the constant adjustment. There is no adjustment provided for in this legislation. Or there is a modest adjustment, but not an adjustment that will take care of this problem.

What do we do to solve the problem? We do not want to create the PPO option and then destroy its effectiveness

before it can even work. I am very worried, to digress a moment, we will create some expectations on the part of our seniors that we cannot satisfy. That will be fundamentally wrong. It would be very wrong to suggest that we are going to do something for our seniors that, in fact, we are not doing. I, for one, am simply not going to be part of that. We cannot promise seniors an option that, in fact, we know, in advance will not work.

What is the solution? Obviously, the solution is to go back to the way we were going to do this in the first place, back to the President's proposal, and not have the arbitrary cap. Simply allow competitive bidding. Let the market decide what the right levels are. These people are smart. They will find the right level. It may be, in some areas, some time, below the Medicare reimbursement. That is what the Centers for Medicare and Medicaid Services, the organization that oversees these programs, believes. It may be the same. It may be more. It will be different from region to region and year to year. Let the market decide that.

Now, there was not enough money in the $400 billion to do this. So what happened was Chairman GRASSLEY and Senator BAUCUS were able to conclude that about $12 billion was available in the bill to be allocated for some purpose.

Very candidly, many Democrats did not want to do what I am suggesting. So they said you can only have half of the $12 billion to try to make your plan work. We want to use the other half to do something we want to do. What they want to do in the bill is perfectly reasonable, and I don't have any objection to the Grassley-Baucus amendment in that regard. In fact, I don't have any objection to most of the Grassley-Baucus amendment. I think it is a good amendment except for one thing.

What the amendment does for the $6 billion I spoke of, it says, starting in the year 2009, the Secretary of HHS can use competitive bidding that does not have this arbitrary payment cap on it, up to spending $6 billion if you have to spend it. The CBO scoring would suggest you could probably cover one or two of the 10 regions of the country if there were going to be 10 regions during one of the bidding cycles. It does not give us much of a chance to do this, but at least it establishes the principle.

The Secretary will at least have one chance, in one region, during one bidding period, to say at least in this situation we are going to eliminate our caps and see what happens.

Theoretically, if the bids come in below that cap, he still has the $6 billion to do that in another region. It is like somebody guaranteeing a loan. If the loans get paid off, then the person who guaranteed it never has to pay off. This is like $6 billion to guarantee the loan. This is $6 billion to see that the preferred provider organizations get paid, if in fact their bids exceed the Medicare cap level. It may exceed it; it may not.

Chances are, if it does not happen until 2009, which is the way the amendment is written, it will exceed it because of this pressure that inevitably builds when you have price controls keeping the prices down. So for 4 years the prices are going to be tamped down and finally then in the fifth year we get to go out to bids, and my guess is they probably will be higher and the proponents of the competitive bidding will say: See, we told you it would cost a lot of money. Of course. It might. If you tamp down something that the market would cause to rise a little bit every year and you tamp it down for 5 years and don't have some opportunity to adjust it, then naturally if you take the cap off it is going to rise. So CBO is probably correct, it probably will cost some money. That is the inevitable result of lifting the price control after you have kept things tamped down for too long.

The alternative, of course, is that there may not be any PPOs bidding because they cannot provide the services we have promised to seniors. But there is a little bit of an opportunity here to provide this unrestricted opportunity for bidding. That is what the amendment originally said that was drafted. I was originally going to be a cosponsor of the Grassley-Baucus amendment because even though it did not reestablish the competitive bidding process very much, there is a little sliver in there and at least we could go to conference, to the conference committee between the House and Senate, and argue that we had established the principle and we wanted to make sure that principle could continue on.

But, again, a funny thing happened. There were objections on the Democratic side to this process extending beyond the 5 years that it was in effect. What they said was you have to spend the $6 billion in that 5-year period. There will not be any money after that.

I said that's OK.

But then they said: And the authority to do this has to sunset at that moment, after 5 years. You cannot have the authority to do this, regardless of the cost, later on.

Later they said: Well, as long as it is cost neutral, but as I pointed out that is probably a false promise because of the price controls keeping the prices tamped down. So my amendment eliminates that sunset clause. It says: No, if this is a good idea, let it continue.

Ironically, if the CMS is correct, then it is not going to cost any more. And if CBO is correct, it is going to cost more and, as a result of that, we are going to have to have some alternative to the competitive bidding process with the price caps on it because there are not going to be any PPOs to offer the health care benefits. If, in fact, they cannot make it work under the money that is then available, there has to be an alternative available. That is why this should not sunset. It is why the authority to do this should continue on.

As to this point I just want to say I cannot imagine, after all the work that has gone into this—people have looked at how complex this is—we would think that we are smart enough in the Senate to know exactly what the price of this insurance contract ought to be for every Medicare beneficiary 10 years down the road. How do we know that? We cannot possibly know that. How do we know what a fair price for a Mercury automobile is going to be in 10 years? A price that is just exactly fair, that lets, say, Ford Motor Company make some money, just low enough to entice us to buy the car. We don't know that. That is why we have a free market. You charge whatever you want to charge and if it is a good deal, people will buy it; if it is not, they will not.

It is the same thing here. We are not smart enough to fix these prices and we are playing with the quality of health care of our senior citizens.

My fear is we are going to keep this ratcheted down so much that we will have an experience like we had not so long ago with the HMOs of this country, where they were squeezing the benefits and patients got pretty angry about it. They said, we don't want to have to go to a doctor we don't know, we don't want to have them tell us they can't see us for 6 weeks. We don't want them to say it would be nice to have a MRI or CAT scan but all we can give you is a X-ray. That is where the call for the Patients' Bill of Rights came in, and I supported it because I don't think patients should get squeezed down in their health care just because we are trying to save money.

Of course we want to save money. We are talking about taxpayer money here. But the whole concept of the preferred provider option, the private sector option, was to be able to save money in the long run for the Medicare system. That is why the President proposed it and why we, especially on the Republican side, said this is something we need to do to strengthen Medicare. We need to provide an option that will enable us to keep the costs of this under control as Medicare goes into the future. And for the reasons the majority leader articulated so well a moment ago, we believe these preferred provider organizations will be able to do that. So they can balance good quality care with efficiencies and effectiveness at cost control as well. That was the whole idea for it.

But we cannot get into a situation where we tie both hands behind their back and then tell them to go out and serve our senior citizens. We say: You can go do that but you can't get paid any more than X, and X doesn't go up unless we cause it to go up.

That is the reason for the fix that I proposed. It was in the amendment originally but then it was determined

that this had to be sunsetted. My amendment eliminates the sunset, allows the authorization for the pure competitive bidding to continue on. That is as simple as it is and is the primary reason why I did it.

Let me note a couple of other items. Some people, especially my friends on the Democratic side, have said, wait a minute here, this has to be balanced. And I said I agree. The drug benefit, according to CBO, right now in the bill, the underlying bill, is $402 billion over 10 years. It slightly exceeds the $400 billion. In the same bill we are spending $7.8 billion over 10 years on the PPOs and Medicare+Choice, which are the HMOs.

So it is $402 billion on the drug benefit, $7.8 billion on the PPOs and HMOs. I think we could afford to put a little bit more money toward ensuring that the PPOs can be successful here, that they will bid and provide these services to our senior citizens.

Another point: When we put these price controls on the providers, as we do today under Medicare, as I said, there is no free lunch. Somebody has to pay. What happens is that the private sector health insurance in our society is subsidizing Medicare. The hospitals and the doctors and all the other providers have to make it up somewhere and that is where they make it up. This raises the cost of private insurance. A lot of people find that very hard to pay. In fact, it takes some people out of the private insurance markets. So, ironically, one of the reasons not as many Americans are insured as should be is because the premiums are too high because the private sector has to subsidize the care that we are providing on the Government side of the equation through Medicare and Medicaid.

This price cap is going to further that subsidization, ironically at a time when millions of retirees are going to be leaving the private market because their employer will no longer want to provide a benefit that the Government is providing for at a taxpayer subsidy. So there is going to be a lot smaller private sector market to subsidize a lot bigger amount, which will cause more people to lose their insurance because of the higher cost of premiums. It does not make sense to underfund Medicare.

The final problem: Remember at the very beginning I mentioned the FEHBP, the Federal Employees Health Benefits Program. It is interesting that throughout the history of the FEHBP we have not had any of the problems I have been talking about here. Congress has rarely had to do anything to modify the FEHBP system. It works very well. Yet every year or so we have had to modify the reimbursement to Medicare providers in response to what we did through the Balanced Budget Act of 1997. We have had to do it ever since because we are not smart enough to know what every doctor in this country and every hospital ought to get paid to take care of us. Yet that is what we tried to say in the statute. So we have to keep changing it. Why would we want to not go with a system that we know has worked very well? We can do that by allowing this open bidding and allow the free market to work.

I think for all of these reasons it would be very wise for us to remove the sunset on the Grassley-Baucus amendment and let this process work, even a little bit, and show our colleagues in the House of Representatives and, frankly, all the country that we are committed to this principle of the free market ensuring the best deal for the American taxpayers but also the best deal for our senior citizens.

I am just going to close with this thought: Medicare is a mandatory system in the United States of America. There is essentially no option. When you are 65 years old, it is Medicare or no care. A doctor cannot take care of you outside of Medicare after you turn 65. There is only one exception, and that is if the doctor says: I will not treat any Medicare patients for a period of 2 years.

Now, we do not want to force our doctors into doing that. We want them to stay in Medicare, taking care of Medicare patients. But the only way a doctor can treat people outside of Medicare is to swear—there is a formal process for doing it—that he will not treat any Medicare patients for 2 years. We do not want them to do that, but that is the only way. You would have to find such a doctor. If your condition is diabetes, and that doctor is an orthopedic surgeon, you probably will not have too good of luck.

So most seniors do not have the option of searching around trying to find a doctor who works outside of Medicare because most of them do not do it. Fortunately, most of them stay in Medicare. But this is the only circumstance under which you can find a doctor outside of Medicare.

Since we are saying—literally mandating—that our moms and dads—pretty soon some of us—have to take the Government program for our health care after we turn 65—and nothing is more important to us than our health and our family's health—my mom's health—it bothers me a lot that we are setting up a system to take care of my mother that we know in advance is bound not to work. It promises a benefit it cannot deliver. But because of the scoring problem, we have to do it that way.

There is a better alternative: to take the time to do it right, to make the personal commitment to do it right, to understand there is no such thing as a free lunch—that I want to deliver the best quality care for my mother as I can because she does not have an option.

If she had an option to go into some other system, as they do in Great Britain, then I would not be quite as concerned.

But we are forcing everybody into a system, and then we are saying—as we tie its hands behind its back—now you make sure you can go out and serve, when CBO says only 2 percent of the people will sign up for that. So that means everybody is going to continue on with traditional Medicare.

Now, maybe that works for them, but we know there are going to be some huge problems not too far down the road with traditional Medicare. Are we going to be able to deliver the benefits we promised? If you look at the numbers, we are going to have big tax increases or we are going to have to go deeply into debt in order to do that.

There is an alternative, and that is this option I have been talking about. Because we are playing with real people's lives, and because the ultimate value here is the quality of medical care we are going to ensure our senior citizens get—because it is the only way they can get medical care—we have the highest obligation to give this matter our most serious attention and not simply rush it through because we want to finish the bill before the July Fourth recess—although I certainly understand the Secretary and our leadership's desire to try to do that to get the bill in conference—but to take enough time and to give it enough thought to do it right.

This is forever, in a sense. It is for a long, long time. And for those friends of mine who say, ''Oh, don't worry about it; we are going to make a lot of changes in this,'' how many changes have we made in some of the sort of ''sacred cow'' laws in the United States—things that everybody supports and so nobody wants to even suggest to change: Social Security, Endangered Species Act, Medicare itself?

It is easy to demagog these issues, and, as a result, Members are not very keen to make changes with them; you are accused of trying to destroy the program or whatever it might be. So I think my colleagues who say, ''Oh, don't worry; we'll fix it later,'' miscalculate the courage they are going to have later when they realize it has to be fixed.

The time to do it is now. The time to get it right is now. The President is right, this was the way to do it. And so, to support the President's program, I am offering this amendment to get back to what that program was. I hope my colleagues will support me in this because nothing less than quality health care for my mother and the rest of the senior citizens in this country is at stake.

Mr. President, I appreciate your patience, and I yield the floor.

Mr. ALEXANDER. Mr. President, I wish to voice my support for the inclusion of disease management as a permanent part of the Medicare fee-for-service program. I consider disease management a way to reform the fee-for-service program. I am concerned about the long-term fiscal viability of the Medicare program. As we add a much needed drug benefit to the Medicare program, we must do so in a way

that seniors can afford and that our country can afford. Consistent with a letter I signed to the President, I continue to look for ways that we can take this opportunity to reform the current program and ensure we keep the program strong for future beneficiaries.

I understand that the Medicare bill we are debating incorporates disease management as part of the new Medicare Advantage Program, so that private plans offer these services to beneficiaries and that there are several demonstrations to test out a variety of care management techniques in the traditional, fee-for-service program. That is a positive step in the right direction. But I think we need to go further.

I believe strongly that seniors will get better care in a private plan option under this bill, and I encourage them to do so. But I also know there will be seniors that choose to stay in traditional, fee-for-service Medicare. And these will likely be older seniors, the ones that do suffer from multiple chronic conditions and are in the most need for efficient management of their health care. I ask you, can we afford to allow these beneficiaries' health to worsen and to subsequently bear the enormous costs of their care? We cannot. I believe that adding disease management to the traditional-fee-for-service program is a way to reform the system, and to help bring down costs for these seniors. Disease management can reform the system to improve the long-term sustainability of Medicare.

Last week the House Ways and Means and Energy and Commerce Committees both voted in support of legislation that would incorporate disease management into all of Medicare—both private plans and the traditional, fee-for-service programs. I ask that as we move into conference, I hope we can accept the House language that phases in disease management as a permanent part of the Medicare fee-for-service program.

Without a doubt, it is critical to the health of seniors and to the pockets of taxpayers that we implement effective reforms such as disease management in Medicare now—to more rationally and effectively manage care for beneficiaries with chronic conditions, and to ensure the fiscal sustainability of the Medicare Program.

Mr. SMITH. Mr. President, I rise today with my colleague from North Dakota in support of critical drug coverage for beneficiaries who contend with the debilitating effects of multiple sclerosis.

This amendment would provide transitional coverage for the four FDA-approved therapies in the 2-year interim until 2006, when the prescription drug plan will take effect.

Approximately 400,000 Americans have MS. In my home State of Oregon, it is estimated that there are 5,800 people living with MS.

Currently, Medicare covers only one of the four FDA-approved MS therapies and only when administered by a physician. This amendment would cover all four MS therapies, including when they are administered by the patients themselves, providing better coverage and better care for Americans with multiple sclerosis.

While these therapies do not cure MS, they can slow its course, and have provided great benefit to MS patients. It is critical that MS patients have access to all approved drugs because some MS patients do not respond well to, or cannot tolerate, the one MS therapy that is currently covered.

Currently, many Medicare beneficiaries with MS are forced to take the less effective therapy, to pay the costs out of pocket or forgo treatment.

Equally, this amendment is important to rural Medicare beneficiaries with MS. By administering drugs themselves, rural beneficiaries can avoid the costs and hassles of traveling long distances to health care facilities to receive their MS therapy.

In the spirit of providing all Medicare beneficiaries with increased choice, MS patients need and deserve the full range of treatment choices currently available and self-administration helps ensure access to needed medications.

I urge my colleagues on both sides of the aisle to join me in support of this amendment and to provide adequate and comprehensive drug coverage for MS patients.

ADEQUACY OF MEDICARE PAYMENTS TO PHYSICIANS

Mr. SPECTER. Mr. President, I have sought recognition today to engage the distinguished chairman of the Finance Committee in a colloquy regarding concerns about the adequacy of Medicare payments to physicians.

Each year, Medicare payments to physicians are adjusted through use of a ''payment update formula'' that is based on the Medicare Economic Index, MEI, and the sustainable growth rate, SGR. This formula has a number of flaws that create inaccurate and inappropriate payment updates that do not reflect the actual costs of providing medical services to the growing number of Medicare patients.

As discussed above, the formula has resulted in numerous payment cuts to Medicare physicians. Earlier this year, Congress passed legislation as part of the fiscal year 2003 omnibus appropriations bill, H.J. Res. 2, that avoided an impending 4.4-percent cut in the Medicare conversion factor. This was accomplished by adding 1 million previously missed Medicare beneficiaries to the mix and recalculating the appropriate formulas. Although this change resulted in a welcomed 1.6-percent increase in the Medicare conversion factor for 2003, the Centers for Medicare and Medicaid Services', CMS, preliminary Medicare conversion factor figure predicts a 4.2-percent reduction for 2004. The reason for this latest reduction stems from the fact that the current formula that originally resulted in the need to fix the 2003 conversion factor cut, is flawed. The latest scheduled round of payment cuts will make Pennsylvania's Medicare practice climate untenable.

In its March 2003 report, the Medicare Payment Advisory Commission, MedPac, stated that if ''Congress does not change current law, then payments may not be adequate in 2003 and a compensating adjustment in payments would be necessary in 2004.'' We owe it to America's physicians to fix the system so that they can continue to provide Medicare beneficiaries with the vital care they need.

With 17 percent of its population eligible for Medicare, the Pennsylvania Medical Society has calculated that Pennsylvania's physicians have already suffered a $128.6 million hit, or $4,074 per physician, as a result of the 2002 Medicare payment reduction. If not corrected, the flawed formula will cost Pennsylvania physicians another $553 million or $17,396 per physician for the period 2003–2005. They simply cannot afford these payment cuts. I know you have worked very hard in preparing a bipartisan Medicare bill that represents a good solid beginning to improving our Nation's health care system. However, I firmly believe this is an issue that Congress must address.

Mr. GRASSLEY. Mr. President, I thank my colleague from Pennsylvania for raising this important issue. He is correct that I have been working with the physician community, as well as the U.S. House of Representatives, to obtain a fuller understanding regarding the adequacy of the current physician formula under Medicare. We have learned that Medicare's current payment formula for physicians is problematic, and I agree that this issue should be addressed. We will continue our discussion, and objectively evaluate proposals that will update the payment formula for physicians.

Mr. SPECTER. I thank the chairman for his willingness to work with me on this issue as the Prescription Drug and Medicare Improvement Act moves forward.

The PRESIDING OFFICER. The Senator from Missouri.

MORNING BUSINESS

Mr. TALENT. Mr. President, I ask unanimous consent that the Senate proceed to a period for morning business.

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

SALUTE TO THE 129TH MOBILE PUBLIC AFFAIRS DETACHMENT

Mr. DASCHLE. Mr. President, on July 12, the 5th U.S. Army will demobilize the 129th Mobile Public Affairs Detachment of the South Dakota National Guard. This unit, headquartered in Rapid City, was among more than 20 Guard and Reserve units from my State called to active duty in support

of Operation Enduring Freedom/Noble Eagle and Operation Iraqi Freedom.

Today, these soldiers and their service become a part of South Dakota's military heritage. Like those who served in the two World Wars, in Korea, in Vietnam and numerous other places, this new generation has answered the call. They have offered to make every sacrifice, including life itself, to protect our freedom and security. We must never forget them or the honor with which they served.

This unit participated in a mobilization with few precedents in South Dakota history. Nearly 2,000 Guard and Reserve troops were called to active duty in our State, by far the largest mobilization since World War II. At the time the fighting began, units from more than 20 communities had been called up, from Elk Point in the South to Lemmon in the North, from Watertown in the East to Custer in the West. Indeed, our State's mobilization rate ranked among the highest of all the States on a per-capita basis.

These soldiers were proud to serve, and their communities are proud of them. Across the State, thousands of citizens pitched in to participate in send-off parades, to lend a hand for families who suddenly had to get by without a mom or dad, and even to assist with financial hardships caused by the mobilization. This mobilization was a statewide effort, in many ways.

In addition to the service of this particular unit, I want to acknowledge the sacrifices and dedication of the families who stayed home. They are the unsung heroes of any mobilization. They motivate and inspire those who are far from home, and they, too, deserve our gratitude.

Today, I join these families and the State of South Dakota in celebrating the courage, commitment, and success of the members of the 129th Mobile Public Affairs Detachment, and I honor their participation in this historic event in our Nation's history. Welcome home. Thanks to all of you for your courage, your sacrifice, and your noble commitment to this country and its ideals.

NATIONAL PEACE ESSAY CONTEST

Mr. DASCHLE. Mr. President, I am honored today to present to my colleagues in the Senate an essay by Collette N. Roberts of Rapid City, SD. Collette is a student at St. Thomas More High School, and she has been awarded first place in the 16th annual National Peace Essay Contest for South Dakota. ''Justification of War: the Anglo-Zulu and Kosovo Wars'' examines the Anglo-Zulu war of the late 19th century as a paradigm for understanding Kosovo's struggle against the military campaign of Slobodan Milosevic's Serbia. Collette has tackled a vitally important subject with insight and maturity. I can only hope that she continues to share her wisdom with the world, and I commend her essay to my colleagues' attention. I ask unanimous consent that Collette Roberts's essay be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUSTICIFACTION OF WAR: THE ANGLO-ZULU AND KOSOVO WARS

(By Collette N. Roberts)

''. . . this has never been and never can be/ one territory under two masters'' (Judah, 2000, p. 4). The line in the poem by Anne Pennington and Peter Levi holds the ring of truth. Many wars have been waged over a piece of land such as the Anglo-Zulu and Kosovo Wars. The circumstances surrounding these wars are similar, but are justified only in part. In both wars, one side had reached the last resort: either defend their homeland or face subjugation. Both were waged by legitimate authorities; however, nothing justifies the genocide of a race and the slaughter of innocent civilians. Upon examination, the justness of the Anglo-Zulu and Kosovo Wars and NATO involvement in Kosovo is subjective, contingent upon the motives and actions of each party.

The eighteenth and nineteenth centuries mark the imperialistic age for Great Britain. by the 1870s, most of South Africa had succumbed to British rule. Zululand, however, one of the last independent African states in the region, presented challenge to an advancing white frontier (The Diagram Group, 1997, p. 105). Not only did the independent state disrupt Britain's confederation plans for the region, but also prevented sugar farmers from using the spacious tracts of land within the boundaries of Zululand. Furthermore, as long as the Zulu remained independent, they could not be sued for cheap labor. Zululand became a dollar sign in the eyes of the British. When the Zulu defied British subjugation, war inevitably ensued (Gump, 1949, p. 3).

British military forces, commanded by Frederick Thesiger (better known as Lord Chlemsford), began the invasion of Zululand in 1879. The Zulu, under the rule of King Cetshwayo, rose to defend their homeland. The first major battle occurred at Islandhlwana. Losses were heavy to both armies; but the Zulu, underestimated by the British, claimed victory. To justify his actions, Dabulamanzi, a Zulu general, said, ''It is the whites who have come to fight with me in my own country and not I that do to fight with them'' (Gump, 1994, p. 54).

Despite the intensity and valor with which the Zulu fought, the battle oNdini marked the end of the Anglo-Zulu War. Poorly provision and outgunned, the Zulu military system was broken. Between six and ten thousand Zulu men died defending their homeland (Knight, 1995, p. 270). Following the war, the British began decentralizing the Zulu royal house. Zululand was carved into thirteen regions, each headed by British sympathizers. Finally subjugated, young Zulu men soon found themselves traveling outside Zululand in search of work. The system of migrant labor, as in other parts of south Africa, had at last taken hold of Zululand. The economic seeds of apartheid, the racist system of black oppression, had been sown (Knight, 1995, p. 272).

Those, like the Zulu, who are invaded by a conquering power are faced with only two choices: subjugation or was (Gump, 1994, p. 3). Though the chances for success were poor for the Zulu, war was the only chance to defend their homeland and preserve their way of life. When the British could not easily lay their hands on what they wanted, they believed they had reached the last resort, and therefore initiated war. These attitudes are common throughout all imperialistic societies. Britain justified its actions through claims to ''savage'' Zulu; to expose them to a ''new and better way of living'' (Gump, 1994, p. 14). However, war, from the imperialistic standpoint not be the final option when a piece of land and the promise of a profit are found to be superior to human life.

The Anglo-Zulu War is not the only confliction history that has occurred over a piece of land. For centuries, opposition has brewed between the Serbs and Albanians of the Balkans. The source of conflict is Kosovo, a province of Serbia, sharing borders with Albania (Andryszewski, 2000, p. 9). The claim of the area is bitterly disputed between the Serbs and the Albanians. Serbs hold that, despite the ethnic shift only a few generations ago, the people of Kosovo have been primarily serbian. The Albanians, on the other hand, argue that their ancestors, the ancient Illyrians and the Dardanians, habituated the region prior to the Slavic invasions of the sixth and seventh centuries. Therefore, they believe, Albanians have the right to what they call ''first possession.'' The truth concerning the claim of Kosovo is unclear. However, as in most cases, the truth is not what matters, but rather is what the people believe the truth to be (Judah, 2000, p. 2).

In April, 1987, a politician from Belgrade delivered a speech glorifying the Serbian nation. Because of high tensions between the Albanians and the Serbs, biased speechmaking had been against certain unspoken ''rules'' in Yugoslavia. However, by the end of the year, he became the most powerful politician in Serbia (Andryszewski, 2000, p. 18). In 1991, Milosevic began his war in Bosnia for a ''Greater Serbia.'' By the time the Dayton Peace Agreement had been approved and signed, hundreds of thousands of Muslims and Croats had fallen victim to the program of ''ethnic cleansing,'' driven from their homes, tortured, raped, and murdered (Andryszewski, 2000, p. 20). Despite the declaration of peace, Milosevic's ambitions for a ''Greater Serbia'' had not been eliminated. His ambitions soon turned toward Kosovo.

Kosovo remained under the harsh rule of Serbia. In 1997, the Kosovo Liberation Army (KLA), a small guerrilla force, began to wage a war against Serbian authorities. Alone, the KLA's chances for a sweeping victory were slim. However, the worthy cause of self-defense justifies their actions. The occasional skirmishes between the KLA and Serbian authorities culminated in the Serbian massacre in Drenica where dozens of ethnic Albanian civilians were slaughtered (Andryszewski, 2000, p. 30). Despite NATO threats of airstrikes to end the fighting, the violence between the Albanians and Serbs continued to escalate. In January, 1999, Serbs massacred forty-five ethnic Albanians in the Kosovar village of Racak. NATO, acting as a peace-keeper gave the Serbs and Kosovar Albanians an ultimatum: make peace or face NATO military action. The Albanians were willing to make peace, but all agreements proved futile when Milosevic refused to sign (Andryszewski, 2000, p. 33).

Far from any kind of last resort, Milosevic, wielding the power of a legitimate authority, instigated a massive Serb military attack on Kosovo. Kosovar Albanians, both military and civilian, were his paramount targets. A campaign of ethnic cleansing, echoing that of Bosnia, was launched on the Kosovar Albanians. Homes were burned, women were raped, and men were slaughtered; mass graves, freshly dug, could be seen from the air (Andryszewski, 2000, p. 48). Milosevic justified his unjust actions through his call for a ''Greater Serbia.'' Again, the desire for a piece of land was put before the sanctity of human life.

When peace became impossible and violence continued, NATO was left with the last resort. As promised, NATO took military action to halt the Serbian offensive and its mass genocide of the Albanians. A reasonable chance for success was existent. Furthermore, there was the belief that the consequences of these aggressive actions would be better than the situation that would exist had these actions not been implemented. In March 1999, NATO airplanes and cruise missiles began bombing Serbian military targets. Ultimately, through the joint efforts of the KLA and NATO, Serbia withdrew from Kosovo seventy-eight days later and signed NATO peace agreements. By the time peace had been achieved, 900,000 Albanians had been removed from their homes in Kosovo (Andryszewski, 2000, p. 54). Another ten thousand lay dead—murdered by Serbs during their ethnic cleansing of Kosovo (Andryzsewski, 2000, p. 57).

Critics may argue that the decision to bomb Serbia may not have been the most effective course of action. Regrettably, serious mistakes were made and the bombings killed civilians, both Serb and Albanian. Furthermore, a bomb hit the Chinese embassy in Belgrade, killing three and wounding nearly two dozen (Andryszewski, 2000, p. 50). Despite these tragic events, had NATO not put pressure on Serbia to end its campaign of ethnic cleansing, the number of genocide victims would have only increased.

As demonstrated, one territory cannot serve two masters. The Anglo-Zulu and Kosovo Wars were waged because two parties tried to control one piece of land. Each party had reasons for taking part in the fight. Many factors come into play that do or do not justify these reasons. The Zulus and Albanians were justified by reaching the last resort and defense of their homeland. Though neither of these parties had any reasonable chance of victory, the justness of their cause is in no way lessened. NATO military action was justified in its attempts to check the violence. Britain and Milosevic, though legitimate authorities, valued land over human life. Their motives were unjust. Justice is blind, but will forever be weighed by our motives and actions.

REFERENCES

Andryszewski, T. (2000). Kosovo: the splintering of Yugoslavia. Brookfield, CT: The Millbrook Press, Inc.

Diagram Group, The. (1997). People of South Africa. New York: Author.

Gump, J.O. (1994). The dust rose like smoke: the subjugation of the Zulu and the Sioux. Lincoln, NE: University of Nebraska Press.

Judah, T. (2000). Kosovo: war and revenge. New Haven, CT: Yale University Press.

Knight, I. (1995). Anatomy of the Zulu Army: from Shaka to Cetshwayo. London: Greenhill Books.

LOCAL LAW ENFORCEMENT ACT OF 2003

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. On May 1, 2003, Senator KENNEDY and I introduced the Local Law Enforcement Act, a bill that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred on September 22, 2000. A man looking to ''waste some faggots'' entered a gay bar in Roanoke, VA, and opened fire, killing Danny Overstreet, and injuring six others. Overstreet, sitting at a table closest to the gunman, dropped when a shot hit him in the chest. The 43-year-old gay man died within minutes, despite efforts to help him. The other six victims eventually recovered. A witness told police that the gunman—a vocal antigay advocate—had asked directions earlier in the evening to gay bars in the Roanoke area.

I believe that Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

SUPREME COURT AFFIRMATIVE ACTION DECISION

Mr. KENNEDY. Mr. President, on Monday, in a landmark decision, the Supreme Court made clear that colleges and universities can adopt admissions policies that take students' racial and ethnic background into account to achieve a diverse student body. The Court's decision is a resounding vindication for the fundamental principle that affirmative action can be used in education to promote opportunity for all, and encourage interaction among students of diverse backgrounds.

Our diversity is our greatest strength, and this decision recognizes the broad benefits of diversity in higher education. A diverse student body benefits all students at our colleges and universities and helps prepare students for our increasingly diverse workforce and our diverse society.

As the opinion of Justice O'Connor states, ''Major American businesses have made clear that the skills needed in today's increasingly global marketplace can only be developed through exposure to widely diverse people, cultures, ideas and viewpoints.'' High-ranking military leaders, too, have stated that affirmative action is necessary for promoting a ''qualified, racially diverse officer corps,'' to enable the Armed Forces to protect national security.

The Court's decision supports the paramount importance of education as a gateway to equal opportunity, reaffirming once again the Court's historic decision nearly 50 years ago in Brown v. Board of Education. Few areas are as vital to sustaining our democracy that education. Our institutions of higher education, like our public schools, are indispensable in broadening the minds of young adults, and training them for leadership.

As the Court stated in Brown, and emphasized again in Monday's opinion, ''Education is the very foundation of good citizenship.'' The Nation is becoming increasingly diverse, and it is important for all our institutions to reflect that rich diversity.

The Court stated: ''In order to cultivate a set of leaders with legitimacy in the eyes of the citizenry, it is necessary that the path to leadership be visibly open to talented and qualified individuals of every race and ethnicity. Access to education must be inclusive of talented and qualified individuals of every race and ethnicity, so that all members of our heterogeneous society may participate in the education institutions that provide the training and education necessary to succeed in America.''

The Supreme Court has made clear that a well-crafted affirmative action admissions program like that of the University of Michigan Law School is constitutional. It is flexible and allows for individualized review of each applicant, and it is not a quota. The Court also made clear that States do not have to promote diversity only by relying on percentage plan programs which guarantee college admission to all students above a certain class-rank in every high school graduating class in the State.

As the Court recognized, such programs do not work for graduate and professional schools. In fact, percentage plans can prevent colleges and universities from making the individualized assessment of applicants that is necessary to assemble a diverse student body.

Our country has made extraordinary progress over the past half century toward equality of opportunity in all aspects of our society, and affirmative action has been an indispensable part of that success. But we all know that we have to do more to make the promise of Brown a reality. Even with affirmative action, vast inequities remain in access to higher education especially for African-Americans and Latinos.

We know that civil rights is still the unfinished business in America. Half a century after Brown, our schools remain starkly divided along racial and ethnic lines, and minority children are too often relegated to inadequate schools. We have to do more to see that minority children are not forced to think of an institution like the University of Michigan as an impossible dream. This decision by the Supreme Court is another major step by the Court to make that dream possible, and it is difficult to believe that either this Congress or this President would approve a Supreme Court nominee who would reverse that decision.

Mr. FEINGOLD. Mr. President, it has been nearly 50 years since the Supreme Court ruled segregation in schools unconstitutional in Brown v. Board of Education of Topeka, Kansas. Then-Chief Justice Earl Warren said: ''We conclude that in the field of public education the doctrine of 'separate but equal' has no place. Separate educational facilities are inherently unequal.''

This week, the tenet of equality that lies at the foundation of the Brown decision was reaffirmed and strengthened. In fact, it is becoming more and

more infused into our Nation's increasingly diverse identity.

This week, the U.S. Supreme Court reaffirmed the principle that diversity is a compelling national interest and that race can be a factor in higher education admissions decisions. The Court upheld the admissions policy at the University of Michigan Law School in Grutter v. Bollinger.

Justice Sandra Day O'Connor, on behalf of the 5-to-4 majority and citing Brown, wrote: ''This Court has long recognized that 'education . . . is the very foundation of good citizenship.''

Justice O'Connor and the Supreme Court found the use of race in the Michigan Law School admissions policy consistent with the aspirations of the 1954 Supreme Court in deciding Brown. O'Connor stated for the Court:

> In order to cultivate a set of leaders with legitimacy in the eyes of the citizenry, it is necessary that the path to leadership be visibly open to talented and qualified individuals of every race and ethnicity. All members of our heterogeneous society must have confidence in the openness and integrity of the educational institutions with which the law interacts . . . Access to legal education (and thus, the legal profession) must be inclusive of talented and qualified individuals of every race and ethnicity, so that all members of our heterogenous society may participate in the educational institutions that provide the training and education necessary to succeed in America.

The Court's decision keeps this country on a path toward the day when our children and our children's children will not be able to envision a pre-Brown v. Board America. In fact, Justice O'Connor cites the Brown opinion in writing the Grutter decision. Justice O'Connor's words reflect a powerful American value that is really a strength of our Nation—diversity. It is in the best interest of all Americans to seek diversity in all segments of our society, including educational institutions, the military, and the workplace. To fail to do so, in fact, would be to misrepresent our national identity.

I am heartened, by the large number of amicus briefs filed in support of affirmative action. These briefs showed the Court the deep importance of diversity to so many people and institutions across the Nation. I am pleased to have had the opportunity to join Senator KENNEDY and several of our colleagues in signing one such brief, urging the court to uphold the Bakke decision and support Michigan's admission policies.

One of the greatest strengths of our Nation is its guarantee of equal educational opportunities for all students. Our Nation's colleges and universities are the envy of the world for their rigorous courses of study and high-caliber professors, but also for their enriching environment of students from a range of racial, ethnic, and social and economic backgrounds representing every part of America, if not the world. I am proud that the Court has affirmed the importance of campus diversity and deemed it a constitutionally permissible governmental interest.

In the Grutter case, the Court decisively allowed race and ethnicity to be considered in combination with other factors in an admissions decision. I don't believe that the decision striking down the specific point system used in the undergraduate admissions policy will be a serious impediment to the implementation of race-sensitive admissions policies at colleges and universities.

In the 50 years since the walls of segregation began to crumble, we have traveled many miles on the road toward guaranteeing civil rights to all Americans. But this week's decision affirming diversity as a compelling national interest—and thus declaring affirmative action constitutional and viable—confirms our Nation's progress in ways unmeasurable by miles or years. The Court's decision is more than a victory. It is a milestone. It is a testament to the strength of Brown and our Constitution's equal protection guarantees.

HONORING AMERICAN AND KOREAN VETERANS OF THE KOREAN WAR

Ms. MURKOWSKI. Mr. President, today marks the 53rd anniversary of the official beginning of the Korean war.

Korea has often been called the forgotten war, but for the thousands of Alaskans who are veterans of that war it is hardly forgotten. The memory is with them daily.

The heroic American and Korean veterans of that war fought under the most adverse circumstances to free the people of the Republic of Korea from the yoke of Communism.

These veterans learned the hard way the lesson that is engraved on the Korean war Memorial here in Washington, ''Freedom is not free.''

While today marks the beginning of the Korean war, this anniversary does not mark the beginning of the war between freedom and Communism in that troubled country. From the moment that the Korean peninsula was divided in 1945, that battle had begun.

While Korea was one of the first examples of Imperial Japan's lust for land when it became a Japanese possession in the wake of the Russo-Japanese War at the beginning of the twentieth century, it was a side show in World War II. The U.S. had no plan for what to do with Korea when the war was over.

Although we had had U.S. representatives—governmental, business and missionary—in Korea from 1882 until the outbreak of the war, we made no plans for what would happen when at war's end, we might return to Korea.

The United States remained committed to the December 1945 decision of the Allied foreign ministers in Moscow that a trusteeship under four powers, including China, should be established with a view toward Korea's eventual independence. As a result, we were slow to draw-up long-range alternative plans for South Korea.

We had made no decisions on how to govern Korea, or to assist Korea in governing itself. We had not made plans for the defense of the country, nor for its economic development. We didn't even have a plan for how we might accept a Japanese surrender on the peninsula.

The most convenient way to deal with the surrender issue was to allow the Soviets to accept the surrender in the north and for U.S. forces to take the surrender in the south. Such a division of Korea, which to modern eyes, seems so normal on our maps, was totally foreign to the long history of Korea. Further, the division, which was drawn on a large-scale map in the Pentagon and had no rational basis on the actual terrain, did not represent any known political division of the peninsula. When it took place, it left freedom loving Koreans in the north and communist insurgents in the south.

The Korean war did not begin with the full scale invasion of the Republic of Korea on June 25, 1950. It had been underway as an insurgency in the south since, at least, 1946. One of the first tasks facing the United States was to train and replace existing Japanese police and security forces. The United States, with insufficient forces in-country to deal with the insurgency problem, acted quickly to stem the insurgency by creating a Korean defense force to combat it.

This Korean Constabulary, consisting of Korean veterans of the various armies who had fought World War II in the area, was led by U.S. officers and fought under U.S. orders. The Constabulary had an initial force of 2,000 men in 1946, but built up to approximately 26,000 over the next two years.

It was equipped with the very little military materiel left behind by U.S. forces as they withdrew. The young American officers, mostly reservists, with few regulars had little in the way of education, language or experience for their task, but they had good will and a devotion to duty which they infused in their Korean troops. In contrast, the army that the North Koreans were forming north of the divide was well equipped with Soviet equipment and led by well trained and well indoctrinated communist zealots.

While all out invasion would wait until 1950, substantial insurgency and guerrilla warfare was a constant theme in the southern half of the peninsula from 1946 to 1948. When the Republic of Korea was founded in August of 1948, the Korean Constabulary became the Korean Army and brought with it a level of devotion to country and duty which has been, since that time, the envy of most of the world's fighting forces.

Today is a time, therefore, not just to remember the heroic men and women who served from 1950 to 1953, but to honor the heroic Koreans and Americans who defended Korean freedom in the days before 1950.

CIVIL LIBERTIES IN HONG KONG

Mr. FEINGOLD. Mr. President, 8 months ago I took the floor in this Chamber to call attention to some disturbing trends with regard to democracy and civil liberties in Hong Kong. I said that Hong Kong's rulers, at the behest of Beijing, were set upon a path that risked destroying the spirit and vitality that make Hong Kong unique. I urged those who care about Hong Kong, and about freedom, to speak out and alert Hong Kong authorities to the error of their ways. Many did so.

Today, I regret to report, Hong Kong is one step closer to becoming just another Chinese city. Hong Kong's Legislative Council is expected to vote into law next month antisubversion legislation that would significantly erode the barriers that insulate Hong Kong's residents from the antidemocratic legal concepts and practices of the People's Republic of China.

As I said here last October, China's leaders pressured their hand-picked Chief Executive in Hong Kong, Tung Chee-Hwa, to introduce this legislation last year. Hong Kong authorities maintained that they had no choice but to comply, since Article 23 of the Basic Law that became Hong Kong's constitution after the territory reverted from British to Chinese control in 1997 required Hong Kong to adopt laws to protect national security. Many Hong Kong legal experts disagreed. But be that as it may, the same Basic Law says the territory will move toward electing its legislature and executive by universal suffrage. At present, only one-third of the legislators were chosen by direct popular vote, and only 800 of Hong Kong's 7 million residents were allowed to cast ballots in Tung Chee-Hwa's reelection as Chief Executive last year. The Government has yet to announce any plans to expand suffrage.

The sequence of these steps is important. Pushing through legislation curtailing civil liberties to comply with Article 23 before establishing a democratic legislature per Article 68 violates the most fundamental tenet of popular rule—that governmental authority is derived from the consent of the governed. The Hong Kong authorities invited public comments on the legislation, both in its initial outline form and later detailed drafts. But despite serious objections from journalists, lawyers, chambers of commerce, human rights activists, religious groups, and other interested parties, the bill on which the Legislative Council is expected to vote next month reflects only minor revisions from the Government's original draft. Without a legislature accountable to the citizenry, the people were free to speak their views, but the Government was free to ignore them.

As a result, most of the concerns I raised about the legislative proposal last October remain unaddressed:

Definitions of offenses such as ''subversion,'' ''sedition'' and ''secession'' are extremely vague, permitting security officials to prosecute people arbitrarily, as they do on the Mainland.

Merely ''handling'' publications the authorities consider to be ''seditious'' would be a criminal offense, as would ''intimidating'' the Government in Beijing or acting to ''disestablish'' the ''basic system'' of China—meaning the political monopoly of the Communist Party—or endangering China's ''stability.''

''Inciting'' subversion, even if only through speech, would be criminalized. In China, workers have been given long prison sentences for ''inciting subversion'' for simply demanding to be paid. Others have received 10-year terms for criticizing the Government on the Internet.

Hong Kong affiliates of organizations that Beijing decides threaten national security may be banned. This provision is likely to be used to ban Falun Gong, and conceivably it could be applied to the Roman Catholic Church if it does not renounce its ties to Rome. Hong Kong groups that monitor human rights and labor conditions in China have also been labeled ''hostile foreign elements'' by Mainland authorities and thus could be targeted.

Police will be permitted to enter and search private residences and seize property without a warrant.

Journalists and others could be prosecuted for the unauthorized disclosure of official secrets or information related to Hong Kong affairs that are the responsibility of the Central Government. Recall that for 5 months, Mainland authorities treated information about SARS as an official secret, and the world learned about the epidemic only after it spread to Hong Kong. Disclosing that information was clearly in the public's interest. But this bill does not allow a public interest defense, nor is there any counterbalancing right-to-know or freedom-of-information legislation. If this bill becomes law, how long will it take us to find out about China's next epidemic?

These proposed revisions to Hong Kong's laws, demanded by Beijing, run counter to China's commitment in the 1984 Sino-British Declaration to preserve Hong Kong's civil liberties for at least 50 years following the handover. They would significantly undermine such internationally recognized basic human rights as freedom of expression, freedom of association, and freedom of conscience, and potentially threaten freedom of religion and the right to due process as well.

Hong Kong's democratic politicians, activists, attorneys, journalists, and other professionals are understandably alarmed about this legislation. To hear some of them tell it, passage of this bill will mean the end of Hong Kong as we know it. In reality, I suspect most Hong Kong residents would wake up on July 10 to find life in their city essentially unchanged. The effects of this legislation will appear only gradually and incrementally. The first to feel the impact will probably be groups on the margins of Hong Kong society, such as Falun Gong practitioners. Perhaps most Hong Kongers will say nothing, because they are not Falun Gong practitioners. But over time, they will come to find themselves living in a poorer place, and the world will be poorer as a result.

If this legislation passes in its present form, it promises to make Hong Kong poorer in more ways than one. Last December, the American Chamber of Commerce in Hong Kong wrote the Government to express its concern about the bill's potential impact on the free flow of information, which it said was essential for the operation of Hong Kong's markets and for maintaining its competitiveness as a business location. The letter came a few weeks after a senior analyst at Bank of China International resigned after China's Premier criticized one of his reports. The British Chamber of Commerce warned Hong Kong could become ''a much less favorable location for international business'' if investors could not obtain free and unfettered information. Some analysts have suggested that investment on the Chinese Mainland could suffer as well, since foreign firms operating in China often rely on their Hong Kong offices for uncensored information about the Mainland.

Through the United States-Hong Kong Policy Act of 1992, Congress made support for human rights and democratization in Hong Kong a fundamental principle of United States foreign policy. As a concrete expression of support for Hong Kong's continued autonomy, the act stipulated that Hong Kong would continue to receive the same treatment under most United States laws after the handover as it had before. However, it allowed the President to suspend that provision on a case by case basis, whenever he determined that Hong Kong was no longer sufficiently autonomous to justify being treated differently from the rest of China under a particular law. This is not a decision the President should take lightly. However, if the proposed legislation compromises the independence of Hong Kong's judicial system or the integrity of its financial markets, as some analysts fear, the President would have no choice but to review specific United States statutes to evaluate whether separate treatment for Hong Kong can still be justified.

I hope we never get to that point. I hope that Hong Kong's freedom and its creativity can be preserved and that its people will be given more say in how they are governed, not less. For that reason, I urge those in the Hong Kong Government and Legislative Council who care about Hong Kong's future—and I am sure most of them do—to turn back from the course they are on before it is too late.

CBO COST ESTIMATE

Mr. SHELBY. Mr. President, I ask unanimous consent that the Congressional Budget Office cost estimate for S. 498, the Joseph A. De Laine Congressional Gold Medal bill, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 19, 2003.

Hon. RICHARD C. SHELBY,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed estimate for S. 498, a bill to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the nation.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS HOLTZ-EAKIN,
Director.

Enclosure

S. 498—A bill to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the nation

S. 709 would authorize the President to award posthumously a gold medal to Joseph De Laine Jr. to honor Reverend Joseph Anthony De Laine on behalf of the Congress for his civil rights contributions to the nation. The legislation would authorize the U.S. Mint to spend up to $30,000 to produce the gold medal. To help recover the costs of the medal, S. 498 would authorize the Mint to strike and sell bronze duplicates of the medal at a price that covers production costs for both the medal and the duplicates.

Based on the costs of recent medals produced by the Mint, CBO estimates that the bill would not significantly increase direct spending from the U.S. Mint Public Enterprise Fund. We estimate that the gold medal would cost about $25,000 to produce in fiscal years 2003 and 2004, including around $5,000 for the cost of the gold and around $20,000 for the costs to design, engrave, and manufacture the medal. CBO expects that the Mint would recoup little of its costs by selling bronze duplicates to the public.

S. 498 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

TRIBUTE TO JANINE LOUISE JOHNSON

Mr. HARKIN. Mr. President, it is with great sadness that I pay tribute to Janine Johnson, who for over 12 years served the Senate, its Members and staff as an assistant counsel in the Office of Legislative Counsel. Janine died on May 29, 2003 at the far too young age of 37.

In reality, there is little my words can add to the memorial Janine herself built through her outstanding legal skills, extraordinary dedication and uncommon kindness and personal grace. She will be remembered for her positive impact on the laws she helped so much to enact and for the example and fond memories she has left her colleagues and friends.

Janine came to work in the Senate Office of Legislative Counsel with an already full set of accomplishments: first in her high school class of 333 in Winchester, Massachusetts; National Merit Scholar; cum laude graduate of both Harvard College and Harvard Law School; a federal circuit court clerkship with Judge Cecil F. Poole on the United States Court of Appeals for the Ninth Circuit; member of the Massachusetts Bar.

We are fortunate that Janine built on that record by bringing her excellent qualifications and talent to the Senate. Beginning in February of 1991, she drafted many bills and amendments for committees and individual members and their staffs. Her work, which was primarily in the areas of the environment, public works, agriculture, nutrition and natural resources, contributed to a long list of enacted legislation.

In addition to numerous environmental and public works laws, including the Water Resources Development Acts of 1996 and 2000, and the Transportation Equity Act for the 21st Century of 1998, Janine contributed greatly to writing the Federal Agriculture Improvement and Reform Act of 1996 and the Farm Security and Rural Investment Act of 2002. And though her efforts helped better our Nation, and even other parts of the world, only a very few people have any idea or appreciation of Janine's work.

That is just the way Janine would have it. She was a private person who did not seek the limelight. Instead, she quietly went about doing excellent work as the consummate professional she was. She was meticulous, detail-oriented and precise, as one would want someone drafting important legislation to be, with an uncanny ability to take concepts and ideas and shape them into exact language carefully crafted to fit into the federal statutory scheme. To cite an example, Janine was the lead legislative counsel in drafting the nutrition title of the 2002 farm bill. Especially in a bill as extensive and complex as the farm bill, it is the rule that drafting errors are to be expected. To this day, not one error has been found in the drafting of the 2002 farm bill's nutrition title.

Janine willingly put in the extra hours so often required to produce such high-quality work while meeting the demanding time constraints of the legislative process. She was a very patient and stabilizing force in what are frequently pressurized circumstances—someone who also took pride in cultivating and maintaining good relations with both sides of the aisle and all sides of the various issues she worked on.

In short, Janine Johnson exemplified the fine professional qualities that are characteristic of the Senate Office of Legislative Counsel. She distinguished herself by setting a high standard within an office known for its high standards.

Janine's death is a terrible loss, and yet as we consider her very substantial and lasting accomplishments and contributions—and more importantly the memories of her that live on—it is fitting to recall the words of John Donne:

Death be not proud, though some have called thee
Mighty and dreadfull, for, thou art not so,
For, those, whom thou think'st, thou dost overthrow,
Die not, poore death, nor yet canst thou kill me.

I offer my condolences and kind wishes to Janine's family, friends and colleagues as they mourn her passing.

CREATING AN ASSISTANT SECRETARY FOR MANUFACTURING IN THE DEPARTMENT OF COMMERCE

Mr. VOINOVICH. Mr. President, I rise today to ask my colleagues' support for legislation I have introduced creating the new position of Assistant Secretary for Manufacturing in the Department of Commerce.

In America we are blessed with ingenuity, gumption, and a can-do spirit that is recognized around the world. At the turn of the last century we helped lead the world into the Industrial age. American inventors gave electricity and air travel to the world.

As we enter the 21st century, American manufacturing has as much potential as it has ever had at any time in our Nation's history. Accomplishments in the high-tech industry have been rapidly integrated into manufacturing to make our factories and our workers more productive, reduce costs, and save time.

At the same time, substantial new trade, training, energy, labor, and foreign competition challenges have arisen. Helping our manufacturing interests deal with these challenges is something that private sector organizations such as the National Association Manufacturers have done well for years. It only stands to reason that we focus resources in the Government sector in support of manufacturing as well.

I am concerned about the slow economic recovery and our Nation's declining position in the global marketplace, particularly for manufacturing, which is the backbone of our economy, both in Ohio and the Nation. There is a genuine panic by the manufacturing community over their future and the jobs created from manufacturing. They feel they are under siege from environmental regulations, rising health care costs, litigation, escalating natural gas costs, and the prospect of dramatically higher electricity costs if energy reform legislation is not passed.

First, health care costs continue to rise. Nationwide, we have seen double-digit increases in health care premiums over the last 2 years alone. In

Ohio, the business community tells me they are seeing 20 to 50 percent increases in their health care costs. These increases raise labor costs, decreasing capital that otherwise would be available to make investments, and, ultimately, negatively impact our global competitiveness. In addition, these costs are being passed on to employees, limiting their take-home pay and increasing the number of uninsured.

Second, high natural gas prices are also having a detrimental effect on industry in Ohio and across the Nation. Many industries cannot compete internationally because of these high prices. Over the last 10 years, the average price for natural gas has been less than $3.00 per million cubic feet (Mcf). This year, companies in Ohio have been paying almost $10.00 per Mcf, more than a threefold increase. These price spikes are felt the hardest by Ohio's agriculture, chemical, and manufacturing industries. In order to be competitive, we cannot afford to hamper American companies in this manner.

Additionally, I have heard from companies in both the manufacturing and the chemical sectors that they cannot survive with these high prices. In particular, two chemical companies in Ohio have informed me that they are considering moving their operations not only out of Ohio, but outside of the United States because of these high costs. At the same time, suppliers of these companies are considering temporary shutdowns because they cannot afford to operate. Ohio's companies have not been able to budget and plan sufficiently because these prices have been so unpredictable this year.

As natural gas prices continue to rise, the President's National Energy Policy Task Force projects that over 1,300 new power plants will need to be built to satisfy America's energy needs over the next 20 years. As a result of the emissions limits and regulatory uncertainty triggered by the Clean Air Act, the Department of Energy currently predicts that over 90 percent of these new plants will be powered by natural gas. Further, analysis by EIA and the EPA shows that a large percentage of coal-fired plants are likely to be replaced by natural gas-fired plants in the near future.

Third, manufacturers need reliable transportation infrastructure to bring in supplies and ship out their products. We are a ''just in time'' economy and we are falling behind in our national investment in highways and bridges. According to the U.S. Department of Transportation, for each $1 billion of Federal spending on highway construction, 47,500 jobs are created annually. Furthermore, the Department estimates that every dollar invested in our highways yields $5.70 in economic benefits due to reduced delays, improved safety and reduced vehicle operating cost. Clearly, transportation investment in needed ''ready-to-go'' projects could go a long way in getting the economy back on track.

Finally, manufacturing companies are distressed by the surge in foreign competition, particularly from China. As a matter of fact, if a vote were taken today among Ohio manufacturers, many would oppose normal trade relations with China.

These are only a few of the challenges facing American manufacturers. Their profitability and survivability is impacted by virtually every policy and/or agency within the Federal Government. Moreover, the fact that there has been limited coordination of Government policies and agencies that impact manufacturing has contributed to a prolonged, steady decline of what I believe is the most critical sector of our economy.

According to USA Today, U.S. manufacturers laid off 95,000 workers in April—the 33rd consecutive month of decline and the largest drop in 15 months. Since July 2000, manufacturing has lost 2.6 million jobs. My own State of Ohio has lost 154,500 manufacturing jobs, over a 15-percent decline. New orders for manufactured goods in April decreased by $9.4 billion, or 2.9 percent, to $320 billion. This was the largest percent decline since November 2001. Shipments decreased by $7.1 billion or 2.2 percent to $320.6 billion. This was the largest percent decline since February 2002.

According to the National Association of Manufacturers, ''If the U.S. manufacturing base continues to shrink at its present rate and the critical mass is lost, the manufacturing innovation process will shift to other global centers. Once that happens, a decline in U.S. living standards in the future is virtually assured.''

Unfortunately, up to now, there has been no senior level policymaker responsible for examining prospective and existing Government policies to determine their potential impact on manufacturing. This is more than an unfortunate oversight; it is a potential economic disaster. Government policies are often developed without regard to their impact on manufacturing. Too many Government decisionmakers view manufacturing as a ''dying sector'' that is better transferred overseas so Americans can focus on the more profitable service sector. What these people fail to realize is that manufacturing is the foundation of the service sector.

There is no retail industry without manufactured products to sell. There is no transportation industry without manufactured products to transport. There is no repair industry without manufactured products to repair. Even services such as accounting, financial management, banking, and information technology sell their services to manufacturers and could not remain profitable without a vibrant manufacturing sector.

Manufacturing growth spawns more additional economic activity and jobs than any other economic sector. Every $1 of final demand for manufactured goods generates an additional 67 cents in other manufactured products, and 76 cents in products and services from nonmanufacturing sectors.

In fact, manufacturers are responsible for almost two-thirds of all private sector Research & Development—$127 billion in 2002. In addition, spillovers from R&D benefit other manufacturing and nonmanufacturing firms.

Manufacturing productivity gains are historically higher than those of any other economic sector. For example, over the past two decades, manufacturing averaged twice the annual productivity gains of the rest of the private sector. These gains enable Americans to do more with less, increase our ability to compete, and facilitate higher wages for all employees.

Manufacturing salaries and benefits average $54,000, which is higher than the average for the total private sector. Two factors in particular attract workers to manufacturing: one, higher pay and benefits, and, two, opportunities for advanced education and training.

Manufacturing has been an important contributor to regional economic growth and tax receipts at all levels of government. During the 1990s, manufacturing corporations paid 30 to 34 percent of all corporate taxes collected by State and local governments, as well as Social Security and payroll taxes, excise taxes, import and tariff duties, environmental taxes and license taxes.

Furthermore, manufacturing is a secure foundation for future economic prosperity. Capital investments in factories and equipment tend to anchor businesses more securely to a community, a State or a nation. When a corporation owns property in a community, they are more likely to be an active participant in helping improve the quality of life, stability, and economic vitality of that community.

Our competitors recognize this and are moving rapidly to claim the manufacturing preeminence that once characterized the U.S. economy. While America's industrial leadership is being squeezed by rising health care costs, runaway litigation, excessive regulation and some of the highest taxes on investment in the industrialized world, our foreign competitors are taking a larger market share with less expensive products that make it difficult to raise prices. The result is a dramatic decline in manufacturing cashflow that forces firms to cut back on R&D and capital investment, and to reduce employment. The U.S. manufacturing base is receding—and with it the all-important innovation that is the seedbed of our industrial strength and competitive edge.

Unfortunately, while many countries support their manufacturing sector with favorable government policies, tax incentives, and even financial subsidies, the United States does not even coordinate government initiatives that

might impact our own manufacturers. Within the U.S. Government, however, we do have Cabinet level Departments to represent the interests of agriculture, transportation, and energy. These three sectors combined do not generate as much economic activity, nor employ as many individuals as manufacturing. Nevertheless, there is no senior level policymaker anywhere in the Federal Government whose sole responsibility is the health and growth of manufacturing. Is it any wonder we are losing market share to foreign competition?

The bill I am introducing today will help rectify this unfortunate situation. It will establish an Assistant Secretary in the Commerce Department who will: one, represent and advocate for the interests of the manufacturing sector; two, aid in the development of policies that promote the expansion of the manufacturing sector; three, review policies that may adversely impact the manufacturing sector; and, four, assist the manufacturing sector in other ways as the Secretary of Commerce shall prescribe.

The new Assistant Secretary of Commerce for Manufacturing will also submit to Congress an annual report that contains: one, an overview of the state of the manufacturing sector in the United States; two, forecast of the future state of the manufacturing sector in the United States; and, three, an analysis of current and significant laws, regulations, and policies that adversely impact the manufacturing sector in the United States.

It is a small step forward but an important one. I look forward to working with my colleagues to enact this important legislation.

CONTROL OF STATE AND LOCAL POLITICAL INSTITUTIONS

Mr. ALEXANDER. Mr. President, I recently had the opportunity to read a book cowritten by a friend and law school classmate of mine, Professor Ross Sandler. The book, ''Democracy by Decree,'' cowritten by Professor David Schoenbrod, is a fascinating discussion of an issue that has bedeviled our democracy since the 1960's: the control of State and local political institutions by the Federal courts.

When I served as Governor of Tennessee, I had the opportunity to attend many meetings with my fellow Governors. I learned that at that time, the prisons in virtually every State were under the control not of the Governor but of the Federal courts, whose decrees governed almost all aspects of prison management. Many of these decrees had lasted for years and years, and most would continue in force past the time I left the Governor's mansion.

Under our Federal system, the enforcement of criminal laws had been left to the States. With all of these decrees in force, however, instead of elected officials controlling a central aspect of law enforcement, a small group of lawyers and judges in each State could and would dictate penal policy by controlling the decrees. Nearly all these cases started out with the salutary purpose of protecting the constitutional rights of prison inmates to be free of prison brutality. They ended up going much further than the Constitution required or even permitted. Federal judges in some States were deciding how hot the coffee had to be in the prison commissary or how often the windows had to be washed. Judicial decrees of this nature had lasted so long that no one quite knew how to terminate them, and prison officials even got used to them. Not only had prison officials become comfortable with judicial management, they sometimes even colluded with litigants to force elected officials to provide a greater percentage of government resources to the penal system, even when the Constitution did not so require.

When the situation of judicial abuse over the management of prisons came to the attention of Congress, this body responded effectively by enacting the Prison Litigation Reform Act, codified at section 3626 of title 18 of the U.S. Code. This law, largely developed by Chairman HATCH, Senator SPECTER, former Senator Abraham, and others, limits the period of time Federal judges could impose decrees managing State and local prisons. Under the act, a judicial decree governing prison conditions cannot remain in effect for more than 2 years, unless the issuing court reviews the conditions at the prison and affirmatively determines that the decree is still needed to remedy a current violation of law or the Constitution. The burden of proving the need for the continuation of the decree remains, as in the original suit, with the plaintiffs. The 2-year time limit applies equally to consent decrees and to decrees entered after trial.

I believe the Prison Litigation Reform Act has been effective at restoring control of State and local penal facilities to the democratic branches of the States. According to Professor Sandler, many of the 20 and 25-year-old decrees governing prison conditions have been terminated or modified. This very fact demonstrates that the constitutional shortcomings that had initially prompted many of the lawsuits had been fixed, but there was no effective mechanism for allowing political actors to resume control over these institutions. At the same time, however, there has been no evident impact on the ability of the Federal courts to protect prison inmates from current or ongoing violations of the law or the Constitution.

What the Prison Litigation Reform Act accomplished so successfully and in a carefully balanced way should serve as a model for Congress to emulate in other areas of Federal law. Federal courts, prodded by activists and plaintiffs' lawyers, have taken control through negotiated consent decrees of multiple State and local social programs. The same problems that bedeviled Governors, State legislators, and prison administrators before the Prison Litigation Reform Act now confronts those democratically responsible actors who seek to manage foster care, special education, mental health services, Food Stamps, and welfare programs. In many States and local communities, any number of these programs is under direct judicial supervision. As was the case with prison decrees, many of the orders governing these myriad social programs have been in place for many years, binding elected officials to obligations imposed for a different set of circumstances, with no requirement that the court review the underlying facts to determine if continued judicial oversight is warranted or appropriate.

As a former law clerk to one of this Nation's most eminent Federal judges, I know that judicial oversight can often be a crucial tool, sometimes the only tool, with which to vindicate people's constitutional or legal rights. I know that Federal judges did not seek to usurp the prerogatives of Governors, mayors, and legislators. Over time and often incrementally, however, they did so.

Judges, in fact, were and are often reluctant to intrude into the operations of government programs. When they seek to encourage a negotiated resolution, however, they empower plaintiffs' lawyers and government lawyers to negotiate and decide the outcome. Often, the parties to the negotiation find that they can make common cause, particularly in finding non-democratic means for improving programs and prying more money and authority from Governors, mayors, and legislators. Working behind closed doors, and unaccountable to the people, the lawyers and the activists negotiate elaborate decrees of hundreds of pages, often encrusted with horse trades that often have little or nothing to do with the law or the alleged violations but a lot to do with long-term agendas of the parties to the negotiations. Only a small cadre of people is involved behind these closed doors. And at the end of the process, these self-interested negotiators present the judge with a decree that reflects the ''consent'' of all parties but bypasses the democratic process. These decrees are put into effect, and often no one ever reviews whether the legal bases on which they may be founded remain viable. Instead, they remain in effect for years and years, tying the hands of elected officials, even if there is no violation of law to remedy.

Building on the proven model of the Prison Litigation Reform Act, Congress can and should limit the harm that institutional reform decrees do to local democracy without precluding judges from vindicating legal and constitutional rights when necessary. Congress ought to consider legislation in different areas to limit judicial decrees in institutional reform cases to correcting only actually proven systemic

violations of federal law or the Constitution. Further, Congress ought to allow courts to consider and make modifications of consent decrees in institutional reform cases any time a public official with an interest in the case has a good and compelling reason to seek changes. Finally, Congress should compel termination of decrees after a fixed time, unless plaintiffs demonstrate that current violations of law necessitating the continuation of the decree exist.

Reform by Congress of the general procedures governing judicial decrees in cases seeking reform of State and local government institutions along the lines suggested by Professor Sandler in his book will strengthen our State and local democratic institutions while ensuring the continued protection of constitutional and legal rights. I hope to look for opportunities to pursue and effectuate some of the proposals I have outlined above as the Senate considers relevant authorizing legislation. I hope many of my colleagues will join me in this effort.

ADDITIONAL STATEMENTS

IN HONOR OF THE NATIONAL UNDERGROUND RAILROAD FAMILY REUNION FESTIVAL AND ITS SPONSORS

• Mr. CORZINE. Mr. President, I rise to pay tribute to the Harriet Tubman Historical Society and the National Underground Railroad Family Reunion Festival. The William Still Underground Railroad Foundation, Inc. sponsors this national festival. Celebrating the rich history of those that sought their freedom and the freedom of others by following the North Star, the festival reunites families from throughout the country—particularly descendants of the many men and women who bravely constituted the Underground Railroad.

Descendants of William Still, who is considered by many to be the father of the Underground Railroad, have gathered to preserve their family's legacy for the past 133 years. They unite in celebration and in honor of Still and other pioneering gentlemen and gentlewomen who fought against the oppressive forces of slavery. William Still was a freeborn black who became a prominent abolitionist, writer, and businessman. Working tirelessly to free the enslaved and to destroy the very institution of slavery, William Still led perhaps the most dramatic system of protest our young Nation had ever seen.

As the birthplace of William Still and other notable abolitionists, New Jersey played a significant role in the success of the Underground Railroad. Offering an excellent cover of dense forests and heavy wilderness, our State provided various routes for Underground conductors. After crossing the Delaware River under the cloak of darkness, escaping slaves would travel from Camden to Burlington, and then on to Bordentown. Runaways also came to Bordentown through the towns of Swedesboro and Woodbury. This path to freedom then ran north through the woodlands of Princeton and on to New Brunswick, a hub in the railroad that also received fugitives traveling from Trenton. Conductors then bore their travelers across the Raritan River—a perilous but pivotal crossing. From Rahway these exhausted and terrified slaves and their devoted guides traveled to Jersey City and into New York. These newly emancipated men, women, and children then continued their journey north, to Canada and to freedom. The Underground Railroad carried the hopes and dreams of hundreds of thousands. Many Americans risked their own lives and the lives of their loved ones in order to defend the beliefs that all are created equal and that liberty is a universal right.

Families and communities throughout New Jersey were vital to the liberation of countless slaves. The National Family Reunion Festival, sponsored by the Still family, seeks to provide a forum for generations, not only to preserve their due sense of pride, but to pass on the stories of their forebears' bravery to younger generations. The Still family boasts a proud American heritage that dates back 360 years. Fittingly, the Stills have spearheaded this year's 3-day festival. It is the first of its kind—a unique blend of history and culture, the past and the present, a commemoration of the historical fight against the enslavement of men and women and finally a celebration of the unity we seek and strive to create in our Nation every day. The National Underground Railroad Family Reunion Festival will bring together descendants of conductors, abolitionists, stationmasters, and fugitives along with those who joyously recognize the incredible courage with which the railroad ran and the invaluable justice for which it ran.

Mr. President, I invite you and my colleagues to join me in commending The William Still Underground Railroad Foundation, Inc. and the Harriet Tubman Historical Society for their spectacular efforts that honor the valorous deeds of abolitionists and keep the history and legacies of our great Nation alive.•

THE CENTENNIAL CELEBRATION OF COWETA, OKLAHOMA.

• Mr. NICKLES. Mr. President, I am pleased to inform my colleagues in the Senate today that the city of Coweta, in my home State of Oklahoma, is celebrating the centennial of its founding.

Coweta has a rich and proud history. From its beginning as a Native American settlement town to being one of the fastest growing cities in one of the fastest growing counties in Oklahoma, Coweta is truly a great place to live, work, and raise a family. It is a place where values like faith, family, and community are lived daily by its residents. The spirit and character of Oklahoma are alive and well in Coweta.

It is my honor and privilege of help recognize and celebrate this occasion. Generations of residents have made Coweta a renewable place during its first 100 hundred years. Current and future generations will continue to make Coweta a special place for many years to come.

Congratulations to Coweta for celebrating this centennial.•

TRIBUTE TO STEPHEN CABELL

• Mr. BUNNING. Mr. President, I rise today to honor and pay tribute to Mr. Stephen Cabell of Owensboro, KY. Earlier this year, Stephen was named a Presidential Scholar in the Arts.

The Presidential Scholars in the Arts Program is administered by the U.S. Department of Education to honor some of our Nation's most artistic and creative high school seniors. Each year, the National Foundation for Advancement in the Arts recommends a small number of exceptionally gifted students to this program. This year, only 16 students from across the country were named a Presidential Scholar in the Arts. This honor rewards individuals who excel in various disciplines of the arts, including music, theater, dance, and visual arts. Stephen was awarded this honor in recognition of his musical composition genius.

Stephen Cabell was born in Owensboro, KY. During his freshman year of high school he was accepted into the Interlochen Arts Academy in Michigan, a prestigious high school known for its contribution to the fine arts. While attending Interlochen, he studied horn, piano, and music composition. Stephen continues his love of music during his free time, when he tutors students in music theory, researches composers, and collects musical scores. He is the son of Steve and Mary Cabell of Owensboro, who I know are very proud of Stephen and his talent and commitment to music and perfection.

Since he was 8 years old, Stephen has been composing musical pieces. During his career he has won numerous awards. Stephen is a recipient of the Morton Gould Young Composers Award from the American Society of Composers, Authors, and Publishers, ASCAP, as well as the Neil Robert Memorial Scholarship from the Interlochen Arts Academy. Groups such as the Owensboro Symphony Orchestra, Imani Winds, and the Interlochen Academy regularly perform his music. Most recently, Stephen performed one of his pieces at the John F. Kennedy Center for the Performing Arts in an event designed to showcase the talents of all 16 Presidential Scholars. In the fall, Stephen plans to study composition at the Curtis Institute of Music.

Stephen Cabell has repeatedly proven his genius in the field of musical composition. I would like to congratulate him again on being named a Presidential Scholar in the Arts, a tremendous honor indeed. I thank the Senate for allowing me to recognize Stephen and his accomplishments. He is a true source of pride for Kentucky.●

TRIBUTE TO DANNY PIPER

● Mr. HARKIN. Mr. President, I want to put into the CONGRESSIONAL RECORD a statement I made last year shortly after we lost a great friend of mine and a true American success story, Danny Piper.

Danny Piper came into my life 13 years ago. I was the Chairman of the Disability Policy Subcommittee here in the Senate, and was the sponsor of the Americans with Disabilities Act. We were having a series of hearings leading up to the hopeful passage of this bill. Danny became the first person with Downs Syndrome to testify before a congressional committee. I can't remember exactly how this came about, but I am sure that Marietta Lane, Paul Marchand, and Bobby Silverstein had something to do with finding Danny and getting him and Sylvia and Larry to Washington.

I can remeber that day like it was yesterday. Danny was cool, composed, and very confident as a witness. I spoke with him later, and asked if appearing before the Senate was like being in his high school play. ''Not so bad,'' Danny replied.

I followed Danny from then on. I was so proud when he got his high school certificate, then got his first job. In fact, I spent one of my ''workdays'' at the store with Danny. He showed me the ropes.'' He showed me the correct way to stock shelves. He made sure I knew how to load the cardboard box machine so I wouldn't get hurt. We went to lunch together, and it was a day I will always cherish.

Evey once in a while I would run into Dan in one place or another. He always hailed me as ''Hi, big guy.'' Once, I was visiting a school in Ankeny during the summer, and I was to meet with some teachers and administrators. To my surprise, when I entered the room, there stood Dan. So he gave me his usual, ''Hi, big guy'' routine. One of the older persons there said, ''This is Senator HARKIN.'' Dan just sort of shrugged, and said, ''Yeah, yeah, I know . . . big guy''. This memory still makes me smile.

Dan was always a part of all my campaigns, always there for my announcements and always there for the victory parties. But perhaps my most cherished moment with Dan was this spring. Dan set another first, I believe, when he introduced me at my announcement for reelection before a bank of TV cameras and a couple of hundred people. Sylvia told me how hard he practiced for this, and I could tell. He was poised, but a little nervous as he forgot to introduce my wife, Ruth. I told Dan it was no big deal, I still forget to do that sometimes myself. But he gave that introduction without missing a beat. He had it down pat. I was so proud and honored that Dan would do that for me.

Sylvia and Larry, their family were pioneers in every sense of the word. Long before it was even grudgingly accepted, they made sure Dan was fully integrated in with his peers in school, made sure he was not ''sent away'' like my brother was so many years ago, to an institution where everyone was ''just like him.'' Dan was a pioneer, also, challenging a system that wanted to deny him his individuality, deny him his personal hopes and dreams, deny him his independence, deny him his human right to meet challenges and set goals for himself.

When we visited Dan in the hospital, I was so certain that he was going to make it. He had that same positive upbeat attitude I have always known. He was looking forward to helping me again this fall, as he had always helped me.

Well, Dan, a tragic accident has meant that you will not be with us physically. But the most powerful thing about you, Dan, was your spirit, and that will always be with us who were touched by your life. Your spirit commands us to lead on, break down barriers that separate us, provide that ladder or ramp of opportunity for all. We will enact MICASSA into law, Dan, and your example of overcoming challenges and meeting goals compels us not to fall in this endeavor.

Thank you, Dan, for all the help you gave us during your brief life. You helped us to be more understanding, more generous and more caring toward one another. That is a great legacy. In whatever lies ahead, you will be often on my mind, and always in my heart.●

RON MICHAELSON: 29 YEARS AT THE ILLINOIS STATE BOARD OF ELECTIONS

● Mr. DURBIN. Mr. President, I rise today to pay tribute to my friend Dr. Ronald D. Michaelson. Ron Michaelson will retire in June after 29 years of outstanding service to Illinois as the executive director of the Illinois State Board of Elections. I want to salute his dedication to public service and briefly share his story with you today.

Dr. Michaelson grew up in Chicago. He received a bachelor of arts degree from Wheaton College in 1963, a master of arts degree in political science from Northwestern University in 1965, and a Ph.D. in government from Southern Illinois University in 1970.

Dr. Michaelson went on to devote his life to public service. He began his professional career working in State government as an assistant to former Illinois Governor Richard Ogilvie. He then spent several years teaching at Sangamon State University. His interest in the political arena remained, however, and in 1974 he returned to that arena to head the newly created State board of elections. The board was formed to interpret election laws and coordinate procedures for holding elections, and Dr. Michaelson became the board's first and so far only executive director.

Dr. Michaelson's drive and ambition helped him administer and supervise the agency in a fair and bipartisan manner. He devoted himself and his 65 staff members to creating one of the most respected campaign disclosure systems in the Nation—one that requires candidates to report disclosure statements electronically, making them easily accessible to those interested in a candidate's campaign donations. Dr. Michaelson's success in creating a fair and effective system of campaign disclosure in the tough political environment of Illinois provided a heartening and instructive example for the cause of political openness nationwide.

In addition to his teaching and his work in government, Dr. Michaelson has authored numerous articles that have been published in leading state and national journals. He is the past national chairman of the Council on Governmental Ethics Laws and speaks frequently at conferences in the areas of election administration and campaign finance. He currently serves as an appointee to the advisory committee of the Federal Election Commission and teaches as an adjunct professor of public affairs at the University of Illinois at Springfield.

Dr. Michaelson's dedication to public service will continue beyond his retirement this month. He intends to assist the State board of elections on a part-time basis with the implementation of the recently enacted Help America Vote Act.

In a time of considerable cynicism about public officials, Ron Michaelson's career stands as a shining example of the finest tradition of honorable service to the public: an example of integrity, fairness, hard work, and high standards. I am truly pleased to honor Dr. Michaelson on his retirement from the Illinois State Board of Elections and to thank him for his service to the state of Illinois and for the example he has set in the course of that service. I know my fellow Senators will join me in congratulating Dr. Michaelson on his remarkable career.●

TRIBUTE TO REBECCA WILLIAMS

● Mr. BUNNING. Mr. President, I rise today to honor and pay tribute to Ms. Rebecca Williams of Henderson, KY. Rebecca was recently awarded a James Madison Memorial fellowship.

The James Madison fellowship, in its 12th year of competition, supports the further study of American history by college graduates who aspire to become teachers of American history, American government, and social studies in

the Nation's secondary schools. Named in honor of the fourth President of the United States, the fellowship will fund up to $24,000 of Ms. William's course of study toward a master's degree.

The award recognizes promising and distinguished teachers and encourages the strengthening of their knowledge of the origins and development of American government and history. Ultimately, the award acknowledges educators who will provide outstanding tutelage to students across the country.

Ms. Williams is a teacher at Bryan Station High School in Lexington, KY. She is one of 56 recipients of the fellowship, selected from applicants from across the United States. Ms. Williams has distinguished herself as an exceptional and aspiring educator. Her dedication to the field of American history and to the education of Kentucky's youth is remarkable.

Ms. Williams is a tribute to Kentucky, and I am proud of her achievements. I thank the Senate for allowing me to recognize Ms. Williams's wonderful accomplishments. She is Kentucky at its finest.●

TRIBUTE TO THE EDUCATION ASSOCIATION OF McCRACKEN COUNTY

● Mr. BUNNING. Mr. President, I rise to honor and pay tribute to the McCracken County Education Association for the high ideals which they have taught through example to the children of their county school system. The McCracken County Education Association of McCracken County, KY, generously took the initiative not only to raise $10,089 and donate it to Habitat for Humanity but also to give their time and effort in the construction of a home in Paducah.

The initiative involved all 12 of McCracken County's public schools and the children that attend them. Each teacher was asked to raise $35 from their own classroom while the central office and each school contributed $350. The ways in which the money was raised are just as admirable for their originality and civic mindedness as they are for their charity. One teacher added a brick to a miniature house structure for every dollar her students contributed, while one school of only 350 students held a bake sale and raised approximately $5,000. Overall and throughout, the raising of funds was marked with a spirit of cooperation and team spirit. On June 6 the funds were presented to Habitat for Humanity of Paducah/McCracken County and on the 14th the teachers, administrators, and staff of McCracken County Education Association assembled at 1920 Broad St. in Paducah, KY, to donate time and labor in the construction of a house.

The altruism and generosity of the McCracken County Education Association ought to be highly commended and imitated by all who have seen its shining example. Such interest in the well-being of our neighbors combines the virtues of justice and compassion and enriches the society in which it exists.

While it is true that the McCracken County Education Association's concern for their neighbors and for a society in which all have shelter is truly virtuous, it is also true that the work they did was just as, if not more, valuable for the reason that they are the educators of America's future. The children whom the McCracken County Education Association included in this fundraiser event learned more than just what books might have taught them in school. They learned that an active interest in the well-being of others is important. They learned that though they are children who are still in the process of learning, their voices will be heard if they work together with order and with the good of society at heart. It is not only these children who stand to learn something from this notable example of generosity and civic responsibility but all of us here today.

My Senate colleagues and all others would do well to imitate the concern and initiative of the McCracken County Education Association. I thank the Senate for allowing me to laud the praises of the McCracken County Education Association.●

BIRTHDAY TRIBUTE FOR MR. WILLARD ELDREDGE

● Mr. CRAPO. Mr. President, I would like to take a moment to extend a heartfelt birthday greeting to Mr. Willard Eldredge who turns 80 years old today. On July 5, his friends and family will gather in Idaho Falls to honor this great man on the occasion of his birthday. Mr. Eldredge has touched many lives over the years, and I am one of the fortunate ones to have benefited from his influence. You see, I was involved in Boy Scouts, and eventually became an Eagle Scout. Mr. Eldredge was a Scout pack leader of mine many years ago. He taught me and other young men the values, work ethic, and commitment that it took to succeed in Scouts and in life. He served as a role model for me, and taught me lessons about honor, duty, honesty, and patriotism that I have carried with me throughout my life. It is now my honor to wish my former mentor a wonderful, and very happy 80th birthday.●

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

MESSAGE FROM THE HOUSE

At 2:52 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 923. An act to amend the Small Business Investment Act of 1958 to allow certain premier certified lenders to elect to maintain an alternative loss reserve.

H.R. 1416. An act to make technical corrections to the Homeland Security Act of 2002.

H.R. 1460. An act to amend title 38, United States Code, to improve education and entrepreneurship benefits, housing, and certain other benefits for veterans, and for other purposes.

H.R. 1772. An act to improve small business advocacy, and for other purposes.

H.R. 2555. An act making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 923. An act to amend the Small Business Investment Act of 1958 to allow certain premier certified lenders to elect to maintain an alternative loss reserve; to the Committee on Small Business and Entrepreneurship.

H.R. 1416. An act to make technical corrections to the Homeland Security Act of 2002; to the Committee on Governmental Affairs.

H.R. 1460. An act to amend title 38, United States Code, to improve education and entrepreneurship benefits, housing, and certain other benefits for veterans, and for other purposes.

H.R. 1772. An act to improve small business advocacy, and for other purposes; to the Committee on Small Business and Entrepreneurship.

H.R. 2555. An act making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2004, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 1323. A bill to extend the period for which chapter 12 of title 11, United States Code, is reenacted by 6 months.

MEASURE HELD AT THE DESK

The following resolution was ordered held at the desk by unanimous consent:

S. Res. 186. A Resolution commending August Hiebert for his Service to the Alaska Communications Industry.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with

accompanying papers, reports, and documents, and were referred as indicated:

EC–2899. A communication from the Chairman, Navy Sea Cadet Corps, transmitting, pursuant to law, the 2002 Audit and Annual Report; to the Committee on the Judiciary.

EC–2900. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Flufenacet acetamid; Pesticide Tolerance'' (FRL7313–9) received on June 24, 2003; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2901. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Extension of Tolerances for Emergency Exemptions (Multiple Chemicals'' (FRL7311–5) received on June 24, 2003; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2902. A communication from the Director, Regulations Management, Veterans Benefits Administration, Department of Veterans' Affairs, transmitting, pursuant to law, the report of a rule entitled ''Accelerated Payments Under the Montgomery GI Bill—Active Duty Program'' (RIN2900–AL22) received on June 24, 2002; to the Committee on Veterans' Affairs.

EC–2903. A communication from the Under Secretary for Health, Department of Veterans' Affairs, transmitting, pursuant to law, the 2002 Annual Report entitled ''VA Research: Discovery, Innovation, Leadership''; to the Committee on Veterans' Affairs.

EC–2904. A communication from the White House Liaison, Department of Health and Human Services, transmitting, pursuant to law, the report of vacancy and the designation of acting officer for the position of Assistant Secretary for Legislation; to the Committee on Health, Education, Labor, and Pensions.

EC–2905. A communication from the White House Liaison, Department of Health and Human Services, transmitting, pursuant to law, the report of vacancy and the designation of acting officer for the position of Inspector General; to the Committee on Health, Education, Labor, and Pensions.

EC–2906. A communication from the Director, Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Regulations on Aluminum in Large and Small Volume Parenterals Used in Total Parenteral Nutrition; Delay of Effective Date'' (Doc. No. 02N–0241) received on June 24, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2907. A communication from the Director, Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Labeling for Oral and Rectal Over-the-Counter Drug Products Containing Aspirin and Nonaspirin Salicylates; Reye's Syndrome Warning'' (RIN0910–AA01) received on June 24, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2908. A communication from the Director, Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Ingrown Toenail Relief Drug Products for Over-the-Counter Human Use'' (RIN0910–AA01) received on June 24, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2909. A communication from the Director, Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Antidiarrheal Drug Products for Over-the-Counter Human Use; Final Monograph'' (RIN0910–AA01) received on June 24, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2910. A communication from the Director, Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Public Information Regulations'' (Doc. No. 99N–2637) received on June 24, 2003; to the Committee on Health, Education, Labor, and Pensions.

EC–2911. A communication from the Acting General Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Suspension of Community Eligibility'' (Doc. No. FEMA–7809) received on June 24, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–2912. A communication from the Acting General Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Changes in Flood Elevation Determinations'' (44 CFR Part 65) received on June 24, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–2913. A communication from the Acting General Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Final Flood Elevation Determinations'' (44 CFR Part 67) received on June 24, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–2914. A communication from the Acting General Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Final Flood Elevation Determinations'' (44 CFR Part 67) received on June 24, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–2915. A communication from the Acting General Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Changes in Flood Elevation Determinations'' (Doc. No. FEMA–B–7436) received on June 24, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–2916. A communication from the Acting General Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Changes in Flood Elevation Determinations'' (Doc. No. FEMA–B–7539) received on June 24, 2003; to the Committee on Banking, Housing, and Urban Affairs.

EC–2917. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Annual Report on the Profitability of the Credit Card Operations of Depository Institutions for 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–2918. A communication from the General Counsel, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a nomination confirmed for the position of Assistant Secretary for Congressional and Intergovernmental Relations; to the Committee on Banking, Housing, and Urban Affairs.

EC–2919. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad to Canada; to the Committee on Foreign Relations.

EC–2920. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services sold commercially under contract in the amount of $100,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–2921. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services sold commercially under contract in the amount of $100,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–2922. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed technical assistance agreement for the export of defense articles or defense services sold commercially under contract in the amount of $50,000,000 or more to Israel; to the Committee on Foreign Relations.

EC–2923. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $100,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–2924. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense articles or defense services in the amount of $50,000,000 or more to South Korea; to the Committee on Foreign Relations.

EC–2925. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense services, technical data and defense articles sold commercially under a contract in the amount of $50,000,000 or more to South Korea; to the Committee on Foreign Relations.

EC–2926. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $100,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–2927. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $100,000,000 or more to Belgium, Canada, Denmark, France, Germany, Ireland, Italy, Norway and the United Kingdom; to the Committee on Foreign Relations.

EC–2928. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the text of agreements and background statements of international agreements other than treaties; to the Committee on Foreign Relations.

EC–2929. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant

to law, a report concerning the amount of funds for information technology and software used to support Department of Defense weapon systems; to the Committee on Armed Services.

EC–2930. A communication from the Director, Strategic and Tactical Systems, Office of Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, the report of funds for four new Foreign Comparative Testing projects; to the Committee on Armed Services.

EC–2931. A communication from the Director, Admissions Liaison, Department of the Air Force, transmitting, the report of separation action; to the Committee on Armed Services.

EC–2932. A communication from the Director, Admissions Liaison, Department of the Air Force, transmitting, the report of separation action; to the Committee on Armed Services.

EC–2933. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, the Annual Report on the Department of Defense Mentor-Protege Program; to the Committee on Armed Services.

EC–2934. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Federally Enforceable State Operating Permit Program; Allegheny County, Pennsylvania'' (FRL7511–7) received on June 24, 2003; to the Committee on Environment and Public Works.

EC–2935. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; State of Colorado; Credible Evidence'' (FRL7512–7) received on June 24, 2003; to the Committee on Environment and Public Works.

EC–2936. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Utah; SIP Renumbering'' (FRL7501–5) received on June 24, 2003; to the Committee on Environment and Public Works.

EC–2937. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans and Designation of Areas for Quality Planning Purposes 1-Hour Ozone Standard for San Diego, California'' (FRL7515–4) received on June 24, 2003; to the Committee on Environment and Public Works.

EC–2938. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Finding of Substantial Inadequacy of Implementation Plan; Call for California State Implementation Plan Revision'' (FRL7518–4) received on June 24, 2003; to the Committee on Environment and Public Works.

EC–2939. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Interim Final Determination that the State of California has Corrected Deficiencies and Stay and Deferral of Sanctions; San Joaquin Valley Ozone Nonattainment Area'' (FRL7517–9) received on June 24, 2003; to the Committee on Environment and Public Works.

EC–2940. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of the Drinking Water State Revolving Fund Program; to the Committee on Environment and Public Works.

EC–2941. A communication from the Comptroller General of the United States, General Accounting Office, transmitting, pursuant to law, a report on the forum to develop a more comprehensive key national indicator system; to the Committee on Governmental Affairs.

EC–2942. A communication from the Administrator, General Service Administration, transmitting, pursuant to law, the report of the Office of the Inspector General for the period from October 1, 2002 through March 31, 2003; to the Committee on Governmental Affairs.

EC–2943. A communication from the Chairman, National Science Board, transmitting, pursuant to law, the report of the Office of the Inspector General for the period from October 1, 2002 through March 31, 2003; to the Committee on Governmental Affairs.

EC–2944. A communication from the Chairman, Federal Maritime Commission, transmitting, pursuant to law, the report of the Office of the Inspector General for the period from October 1, 2002 through March 31, 2003; to the Committee on Governmental Affairs.

EC–2945. A communication from the Secretary of Veterans Affairs, transmitting, pursuant to law, the report of the Office of the Inspector General for the period from October 1, 2002 through March 31, 2003; to the Committee on Governmental Affairs.

EC–2946. A communication from the Chair, Equal Employment Opportunity Commission, transmitting, pursuant to law, the report of the Office of the Inspector General for the period from October 1, 2002 through March 31, 2003; to the Committee on Governmental Affairs.

EC–2947. A communication from the Chief Executive Officer, Corporation for National and Community Service, transmitting, pursuant to law, the report of the Office of the Inspector General for the period from October 1, 2002 through March 31, 2003; to the Committee on Governmental Affairs.

EC–2948. A communication from the Chairman, Congressional Award, transmitting, pursuant to law, the fiscal year 2002 report to Congress; to the Committee on Governmental Affairs.

EC–2949. A communication from the CFO and Plan Administrator, First South Farm Credit Retirement Committee, transmitting, pursuant to law, the Annual Pension Plan Report for calendar year 2002; to the Committee on Governmental Affairs.

EC–2950. A communication from the District of Columbia Auditor, transmitting, a report entitled ''The Department of Mental Health Failed to Implement A Vocational Rehabilitation Program for the District's Mental Health Consumers''; to the Committee on Governmental Affairs.

EC–2951. A communication from the Assistant Administrator, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Highly Migratory Species; incidental Catch Requirements of Bluefin Tuna'' (RIN0648–AO75) received on June 24, 2003; to the Committee on Governmental Affairs.

EC–2952. A communication from the Deputy Associate Administrator, Office of Acquisition Policy, General Service Administration, transmitting, pursuant to law, the report of a rule entitled ''Federal Acquisition Regulation'' (FAC 2001–14) received on June 24, 2003; to the Committee on Governmental Affairs.

EC–2953. A communication from the General Counsel of the Department of Commerce, transmitting, a draft of proposed legislation entitled ''Fishery Conservation and Management Amendments of 2003''; to the Committee on Commerce, Science, and Transportation.

EC–2954. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: SOCATA Group AEROSPATIALE Models MD 892A–150, MS 892E–150, MS 893A, MS 893E, MS 894A, MS 894E, Rallye 150ST Airplanes'' ((RIN2120–AA64)(2003–0245)) received on June 19, 2003; to the Committee on Commerce, Science, and Transportation.

EC–2955. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Hartzell Propeller Inc. Model HC–C2Y (KR) 1BF/F8477–4 Propellers'' ((RIN2120–AA64)(2003–0242)) received on June 19, 2003; to the Committee on Commerce, Science, and Transportation.

EC–2956. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Dornier Model 328 100 and 300 Series Airplanes'' ((RIN2120–AA64)(2003–0243)) received on June 19, 2003; to the Committee on Commerce, Science, and Transportation.

EC–2957. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: McDonnell Douglas Model MD 90 Airplanes'' ((RIN2120–AA64)(2003–0240)) received on June 19, 2003; to the Committee on Commerce, Science, and Transportation.

EC–2958. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Fokker Odel F28 Mark 0070 and 0100 Series Airplanes'' ((RIN2120–AA64)(2003–0241)) received on June 19 , 2003; to the Committee on Commerce, Science, and Transportation .

EC–2959. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Moundridge, KS; Correction'' ((RIN2120–AA66)(2003–0102)) received on June 19, 2003; to the Committee on Commerce, Science, and Transportation.

EC–2960. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Cabelier, ND'' ((RIN2120–AA66)(2003–0101)) received on June 19, 2003; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SHELBY, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 1334. An original bill to facilitate check truncation by authorizing substitute checks, to foster innovation in the check collection system without mandating receipt of checks in electronic form, and to improve the overall efficiency of the Nation's payments system, and for other purposes (Rept. No. 108-79).

By Mr. SHELBY, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 498. A bill to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the Nation.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GREGG for the Committee on Health, Education, Labor, and Pensions.

*David Hall, of Massachusetts, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2005.

*Lilian R. BeVier, of Virginia, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2004.

Mr. GREGG. Mr. President, for the Committee on Health, Education, Labor, and Pensions I report favorably the following nomination list which was printed in the RECORD on the date indicated, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar that this nomination lie at the Secretary's desk for the information of Senators.

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

*Public Health Service nominations beginning Thomas D. Matte and ending Ronald R. Pinheiro, which nominations were received by the Senate and appeared in the Congressional Record on June 3, 2003.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. VOINOVICH:

S. 1326. A bill to establish the position of Assistant Secretary of Commerce for Manufacturing in the Department of Commerce; to the Committee on Commerce, Science, and Transportation.

By Mr. CORZINE:

S. 1327. A bill to reduce unsolicited commercial electronic mail and to protect children from sexually oriented advertisements; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for himself and Mrs. CLINTON):

S. 1328. A bill to provide for an evaluation by the Institute of Medicine of the National Academy of Sciences of leading health care performance measures and options to implement policies that align performance with payment under the medicare program under title XVIII of the Social Security Act; to the Committee on Finance.

By Mr. LOTT (for himself and Mr. KERRY):

S. 1329. A bill to amend title 49, United States Code, to require the Secretary of Transportation to carry out a grant program to provide financial assistance for local rail line relocations projects; to the Committee on Commerce, Science, and Transportation.

By Ms. MURKOWSKI:

S. 1330. A bill to establish the Kenai Mountains-Turnagain Arm National Heritage Area in the State of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SANTORUM (for himself, Mr. CONRAD, and Mr. BREAUX):

S. 1331. A bill to clarify the treatment of tax attributes under section 108 of the Internal Revenue Code of 1986 for taxpayers which file consolidated returns; to the Committee on Finance.

By Mr. HATCH:

S. 1332. A bill to amend title XVIII of the Social Security Act to provide regulatory relief, appeals process reforms, contracting flexibility, and education improvements under the Medicare program, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BINGAMAN, Mr. BUNNING, Mr. DASCHLE, Mr. ROCKEFELLER, Mr. BAUCUS, Ms. SNOWE, Mr. THOMAS, Mr. SMITH, Mr. CONRAD, Mr. GRAHAM of Florida, Mr. KERRY, Mr. BREAUX, Mrs. LINCOLN, and Mr. JEFFORDS):

S. 1333. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers; to the Committee on Finance.

By Mr. SHELBY:

S. 1334. An original bill to facilitate check truncation by authorizing substitute checks, to foster innovation in the check collection system without mandating receipt of checks in electronic form, and to improve the overall efficiency of the Nation's payments system, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. GRASSLEY (for himself, Mr. GRAHAM of Florida, Ms. MIKULSKI, and Mr. BREAUX):

S. 1335. A bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs; to the Committee on Finance.

By Mr. BROWNBACK (for himself and Mr. KENNEDY):

S. 1336. A bill to allow North Koreans to apply for refugee status or asylum; to the Committee on the Judiciary.

By Mr. SMITH:

S. 1337. A bill to establish an incentive program to promote effective safety belt laws and increase safety belt use; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ENSIGN (for Mr. CAMPBELL (for himself, Mr. ENSIGN, Mr. KYL, Mr. BURNS, Mr. ALLARD, Mr. CRAPO, and Mr. CRAIG)):

S. Res. 183. A resolution commemorating 50 years of adjudication under the McCarran Amendment of rights to the use of water; to the Committee on Energy and Natural Resources.

By Mr. KYL (for himself, Ms. MIKULSKI, Mr. BROWNBACK, Mr. MCCAIN, and Mr. ALLEN):

S. Res. 184. A resolution calling on the Government of the People's Republic of China immediately and unconditionally to release Dr. Yang Jianli, and for other purposes; to the Committee on Foreign Relations.

By Ms. MURKOWSKI (for herself, Mr. STEVENS, and Mr. INOUYE):

S. Res. 185. A resolution expressing the sense of the Senate with respect to raising awareness and encouraging education about safety on the Internet and supporting the goals and ideals of National Internet Safety Month; considered and agreed to.

By Mr. STEVENS (for himself and Ms. MURKOWSKI):

S. Res. 186. A resolution commending August Hiebert for his service to the Alaska Communications Industry; ordered held at the desk.

ADDITIONAL COSPONSORS

S. 470

At the request of Mr. SARBANES, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 470, a bill to extend the authority for the construction of a memorial to Martin Luther King, Jr.

S. 501

At the request of Mr. GRASSLEY, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 501, a bill to provide a grant program for gifted and talented students, and for other purposes.

S. 517

At the request of Mr. DAYTON, his name was added as a cosponsor of S. 517, a bill to amend title 38, United States Code, to provide improved benefits for veterans who are former prisoners of war.

S. 518

At the request of Ms. COLLINS, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 518, a bill to increase the supply of pancreatic islet cells for research, to provide better coordination of Federal efforts and information on islet cell transplantation, and to collect the data necessary to move islet cell transplantation from an experimental procedure to a standard therapy.

S. 595

At the request of Mr. BREAUX, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 595, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 610

At the request of Mr. VOINOVICH, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 610, a bill to amend the provisions of title 5, United States Code, to provide for workforce flexibilities and certain Federal personnel provisions relating to the National Aeronautics and Space Administration, and for other purposes.

S. 640

At the request of Mr. LEAHY, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 640, a bill to amend subchapter III of chapter 83 and chapter 84 of title 5, United States Code, to include Federal

prosecutors within the definition of a law enforcement officer, and for other purposes.

S. 664

At the request of Mr. BAUCUS, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 664, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, to increase the rates of the alternative incremental credit, and to provide an alternative simplified credit for qualified research expenses.

S. 678

At the request of Mr. AKAKA, the names of the Senator from Nebraska (Mr. HAGEL) and the Senator from Ohio (Mr. VOINOVICH) were added as cosponsors of S. 678, a bill to amend chapter 10 of title 39, United States Code, to include postmasters and postmasters organizations in the process for the development and planning of certain policies, schedules, and programs, and for other purposes.

S. 752

At the request of Mr. BINGAMAN, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 752, a bill to amend the Internal Revenue Code of 1986 to treat distributions from publicly traded partnerships as qualifying income of regulated investment companies, and for other purposes.

S. 765

At the request of Mr. VOINOVICH, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 765, a bill to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to streamline the financial disclosure process for executive branch employees.

S. 811

At the request of Mr. ALLARD, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 811, a bill to support certain housing proposals in the fiscal year 2003 budget for the Federal Government, including the downpayment assistance initiative under the HOME Investment Partnership Act, and for other purposes.

S. 854

At the request of Mr. COLEMAN, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 854, a bill to authorize a comprehensive program of support for victims of torture, and for other purposes.

S. 875

At the request of Mr. KERRY, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Colorado (Mr. CAMPBELL) were added as cosponsors of S. 875, a bill to amend the Internal Revenue Code of 1986 to allow an income tax credit for the provision of homeownership and community development, and for other purposes.

S. 888

At the request of Mr. GREGG, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 888, a bill to reauthorize the Museum and Library Services Act, and for other purposes.

S. 939

At the request of Mr. HAGEL, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 939, a bill to amend part B of the Individuals with Disabilities Education Act to provide full Federal funding of such part, to provide an exception to the local maintenance of effort requirements, and for other purposes.

S. 973

At the request of Mr. NICKLES, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 973, a bill to amend the Internal Revenue Code of 1986 to provide a shorter recovery period for the depreciation of certain restaurant buildings.

S. 1032

At the request of Mr. SARBANES, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 1032, a bill to provide for alternative transportation in certain federally owned or managed areas that are open to the general public.

S. 1046

At the request of Mr. HOLLINGS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 1046, a bill to amend the Communications Act of 1934 to preserve localism, to foster and promote the diversity of television programming, to foster and promote competition, and to prevent excessive concentration of ownership of the nation's television broadcast stations.

S. 1091

At the request of Mr. DURBIN, the names of the Senator from Michigan (Ms. STABENOW) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 1091, a bill to provide funding for student loan repayment for public attorneys.

S. 1109

At the request of Mr. TALENT, the name of the Senator from Minnesota (Mr. COLEMAN) was added as a cosponsor of S. 1109, a bill to provide $50,000,000,000 in new transportation infrastructure funding through Federal bonding to empower States and local governments to complete significant infrastructure projects across all modes of transportation, including roads, rail, transit, aviation, and water, and for other purposes.

S. 1129

At the request of Mrs. FEINSTEIN, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1129, a bill to provide for the protection of unaccompanied alien children, and for other purposes.

S. 1195

At the request of Mr. DAYTON, his name was added as a cosponsor of S. 1195, a bill to amend title XIX of the Social Security Act to clarify that inpatient drug prices charged to certain public hospitals are included in the best price exemptions for the medicaid drug rebate program.

S. 1201

At the request of Mr. GRAHAM of South Carolina, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1201, a bill to promote healthy lifestyles and prevent unhealthy, risky behaviors among teenage youth.

S. 1218

At the request of Mr. HOLLINGS, the names of the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Washington (Ms. CANTWELL) and the Senator from Florida (Mr. NELSON) were added as cosponsors of S. 1218, a bill to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program.

S. 1248

At the request of Mr. GREGG, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1248, a bill to reauthorize the Individuals with Disabilities Education Act, and for other purposes.

S. 1252

At the request of Mr. DAYTON, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1252, a bill to provide benefits to domestic partners of Federal employees.

S. 1289

At the request of Mr. GRAHAM of Florida, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1289, a bill to name the Department of Veterans Affairs Medical Center in Minneapolis, Minnesota, after Paul Wellstone.

S. 1293

At the request of Mr. HATCH, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1293, a bill to criminalize the sending of predatory and abusive e-mail.

S. 1303

At the request of Mr. BROWNBACK, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1303, a bill to amend title XVIII of the Social Security Act and otherwise revise the Medicare Program to reform the method of paying for covered drugs, drug administration services, and chemotherapy support services.

S. 1315

At the request of Mr. CRAIG, the name of the Senator from Missouri (Mr. TALENT) was added as a cosponsor of S. 1315, a bill to amend the Federal Land Policy and Management Act of 1976 to provide owners of non-Federal lands with a reliable method of receiving compensation for damages resulting from the spread of wildfire from nearby forested National Forest System lands or Bureau of Land Management lands, when those forested Federal lands are not maintained in the

forest health status known as condition class 1.

S. 1325

At the request of Mr. BURNS, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 1325, a bill to amend the National Highway System Designation Act of 1995 to modify the applicability of requirements concerning hours of service to operators of commercial motor vehicles transporting agricultural commodities and farm supplies.

S. CON. RES. 25

At the request of Mr. VOINOVICH, the names of the Senator from Minnesota (Mr. COLEMAN) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. Con. Res. 25, a concurrent resolution recognizing and honoring America's Jewish community on the occasion of its 350th anniversary, supporting the designation of an ''American Jewish History Month'', and for other purposes.

S. CON. RES. 40

At the request of Mrs. CLINTON, the names of the Senator from Oregon (Mr. SMITH), the Senator from Texas (Mrs. HUTCHISON), the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), the Senator from Minnesota (Mr. DAYTON) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of S. Con. Res. 40, a concurrent resolution designating August 7, 2003, as ''National Purple Heart Recognition Day''.

S. RES. 160

At the request of Mr. AKAKA, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Res. 160, a resolution to express the sense of the Senate that the federal Government should actively pursue a unified approach to strengthen and promote the national policy on aquaculture.

AMENDMENT NO. 936

At the request of Mr. NELSON of Florida, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of amendment No. 936 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 938

At the request of Mr. NELSON of Florida, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of amendment No. 938 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 956

At the request of Mr. REID, his name was added as a cosponsor of amendment No. 956 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 967

At the request of Mr. HARKIN, the names of the Senator from North Dakota (Mr. DORGAN), the Senator from New York (Mr. SCHUMER), the Senator from Washington (Mrs. MURRAY), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Oregon (Mr. SMITH) were added as cosponsors of amendment No. 967 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 972

At the request of Mr. BINGAMAN, his name was added as a cosponsor of amendment No. 972 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 972

At the request of Mr. SMITH, his name was added as a cosponsor of amendment No. 972 proposed to S. 1, supra.

AMENDMENT NO. 972

At the request of Mr. HOLLINGS, his name was added as a cosponsor of amendment No. 972 proposed to S. 1, supra.

AMENDMENT NO. 972

At the request of Mr. HATCH, his name was added as a cosponsor of amendment No. 972 proposed to S. 1, supra.

AMENDMENT NO. 972

At the request of Mr. BOND, his name was added as a cosponsor of amendment No. 972 proposed to S. 1, supra.

AMENDMENT NO. 991

At the request of Mr. HARKIN, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of amendment No. 991 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 994

At the request of Mr. DURBIN, the names of the Senator from Louisiana (Ms. LANDRIEU) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of amendment No. 994 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 994

At the request of Mr. SARBANES, his name was added as a cosponsor of amendment No. 994 proposed to S. 1, supra.

AMENDMENT NO. 994

At the request of Ms. MIKULSKI, her name was added as a cosponsor of amendment No. 994 proposed to S. 1, supra.

AMENDMENT NO. 1000

At the request of Mrs. CLINTON, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of amendment No. 1000 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 1003

At the request of Mr. BROWNBACK, the names of the Senator from Alaska (Mr. STEVENS) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of amendment No. 1003 intended to be proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 1021

At the request of Mr. CONRAD, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of amendment No. 1021 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 1022

At the request of Mr. BROWNBACK, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of amendment No. 1022 intended to be proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 1024

At the request of Mr. ENSIGN, the names of the Senator from Maryland (Ms. MIKULSKI) and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of amendment No. 1024 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

AMENDMENT NO. 1040

At the request of Mr. SCHUMER, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of amendment No. 1040 proposed to S. 1, a bill to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. VOINOVICH:

S. 1326. A bill to establish the position of Assistant Secretary of Commerce for Manufacturing in the Department of Commerce; to the Committee on Commerce, Science, and Transportation.

Mr. VOINOVICH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ASSISTANT SECRETARY OF COMMERCE FOR MANUFACTURING.

(a) ESTABLISHMENT.—There is in the Department of Commerce the position of Assistant Secretary of Commerce for Manufacturing. The Assistant Secretary shall be appointed by the President by and with the advice and consent of the Senate.

(b) DUTIES.—The Assistant Secretary of Commerce for Manufacturing shall—

(1) represent and advocate for the interests of the manufacturing sector;

(2) aid in the development of policies that promote the expansion of the manufacturing sector;

(3) review policies that may adversely impact the manufacturing sector; and

(4) perform such other duties as the Secretary of Commerce shall prescribe.

(c) REPORTING REQUIREMENTS.—The Assistant Secretary of Commerce for Manufacturing shall submit to Congress an annual report that contains the following:

(1) An overview of the state of the manufacturing sector in the United States.

(2) A forecast of the future state of the manufacturing sector in the United States.

(3) An analysis of current and significant laws, regulations, and policies that adversely impact the manufacturing sector in the United States.

(d) COMPENSATION.—Section 5314 of title 5, United States Code, relating to Level IV of the Executive Schedule, is amended by inserting before ''and Assistant'' in the item relating to the Assistant Secretaries of Commerce the following: ''Assistant Secretary of Commerce for Manufacturing,''.

By Mr. CORZINE:

S. 1327. A bill to reduce unsolicited commercial electronic mail and to protect children from sexually oriented advertisements; to the Committee on Commerce, Science, and Transportation.

Mr. CORZINE. Mr. President, today I am introducing legislation, the Restrict and Eliminate the Delivery of Unsolicited Commercial Electronic Mail, REDUCE, Spam Act, to curb the influx of unwanted junk e-mail, or ''spam,'' that is clogging our inboxes and wasting the time and money of American consumers and businesses.

The flood of spam is growing so fast that it will soon account for more than half of all e-mail sent in the United States. Spam already accounts for nearly 40 percent of e-mail traffic, and costs U.S. businesses $10 billion annually in lost productivity and additional equipment, software and manpower costs necessary to manage this burden. Microsoft Inc. estimates that more than 80 percent of the more than 2.5 billion e-mail messages sent each day to Hotmail users are spam. And data suggests that the problem is only growing.

The problem of spam goes well beyond inconvenience and cost. The Federal Trade Commission examined a random sample of 1000 spam messages and, in a report issued on April 30, 2003, found staggering evidence of fraud. According to the report, 33 percent of the messages sampled contained false routing information; 22 percent contained false information in the subject line; 40 percent contained false statements in the text; and a full 66 percent contained false information of some sort. Most alarmingly, in the case of spam touting business or investment opportunities, 96 percent contained some sort of fraudulent information.

In addition, pornographic spam is a growing problem for parents trying to shield their children from such images. The FTC report found that 17 percent of spam advertising pornographic websites included adult images in the body of the message. This is not acceptable when our children are using email more and more each day.

Unfortunately, it is very difficult to track down those who send spam. Often, spammers use multiple e-mail addresses or disguise routing information to avoid being identified. Finding spammers can take not just real expertise, but persistence, time, energy and commitment.

To attack the problem of spam, my proposal adopts a two-prong approach championed by the leading thinker about cyberlaw, Professor Lawrence Lessig of Stanford Law School. Congresswoman ZOE LOFGREN also has introduced similar legislation in the House of Representatives. The approach is simple: first, anyone sending bulk unsolicited commercial e-mail would have to include on each e-mail a simple prefix—either ADV: or ADV:ADLT. Second, anyone who finds a spam-source who has failed to properly label unsolicited commercial e-mail would be eligible for a monetary reward from the FTC.

The first part of this proposal would enable Internet Service Providers, ISPs, employers and individual users to filter spam from business and personal email. This would give people the ability to tell their Internet service provider to block ADV e-mail, or they could automatically filter such e-mail into a spam folder on their own computer. This approach would enable far more effective filtering than currently possible.

The second part of my proposal would require the FTC to pay a bounty to anyone who tracks down a spammer who has failed properly to label unsolicited commercial e-mail. The proposal would invite anyone across the world who uses the Internet to hunt down these law-violating spammers. The FTC would then fine them and pay a portion of that fine as a reward to the bounty hunter who found them. The FTC could use the remainder of the fine to track down and prosecute other spammers.

Creating incentives for private individuals to help track down spammers is likely to substantially strengthen the enforcement of anti-spam laws. And with proper enforcement, spammers would soon learn that neglecting to label spam does not pay. In the end, that will mean that more spammers will label their spam or give up and stop spamming altogether. Either way, we will have fixed, or at least started to fix, the problem.

Professor Lessig is so convinced that this approach will substantially reduce spam that he has pledged to resign from his job at Stanford if it does not. While I will not hold him to that warranty, I do share his enthusiasm about this innovative approach, which is likely to be much more effective than relying exclusively on government investigators to identify spammers.

Having said that, I recognize that any domestic anti-spam legislation potentially is subject to evasion by spammers who relocate overseas in order to continue sending spam. To respond to that possibility, my bill also orders the Administration to study the possibility of an international agreement to reduce spam. This is an issue that affects us globally, and, in my view, we should consider a coordinated response.

In addition to these primary provisions, my bill would require marketers to establish a valid return e-mail address to which an e-mail recipient can write to ''opt-out'' of receiving further e-mails, and would prohibit marketers from sending any further e-mails after a person opts-out. The bill also would prohibit spam with false or misleading routing information or deceptive subject headings, and would authorize the Federal Trade Commission to collect civil fines against marketers who violate these requirements. Furthermore, my proposal would give Internet Service Providers the right to bring civil actions against marketers who violate these requirements and disrupt their networks, and, finally, the proposal would establish criminal penalties for fraudulent spam.

I know that the Commerce Committee recently ordered reported legislation to deal with the problem of spam, and I am hopeful that bill will come before the full Senate before long. When it does, it is my intention to work with my colleagues to see if some of the concepts in the REDUCE Spam Act, such as the establishment of individual rewards for bounty hunters, and a report on a possible international agreement on spam, can be incorporated into the broader package, to ensure that any legislation sent to the President will actually be effective in reducing spam.

I ask unanimous consent that the text of the legislation be printed in the

RECORD at this point, along with a related article by Professor Lawrence Lessig.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Restrict and Eliminate the Delivery of Unsolicited Commercial Electronic Mail or Spam Act of 2003'' or the ''REDUCE Spam Act of 2003''.

SEC. 2. DEFINITIONS.

In this Act:

(1) COMMERCIAL ELECTRONIC MAIL MESSAGE.—

(A) IN GENERAL.—The term ''commercial electronic mail message'' means any electronic mail message the primary purpose of which is the commercial advertisement or promotion of a commercial product or service (including content on an Internet website operated for a commercial purpose).

(B) REFERENCE TO COMPANY OR WEBSITE.—The inclusion of a reference to a commercial entity or a link to the website of a commercial entity in an electronic mail message does not, by itself, cause such message to be treated as a commercial electronic mail message for purposes of this Act if the contents or circumstances of the message indicate a primary purpose other than commercial advertisement or promotion of a commercial product or service.

(2) COMMISSION.—The term ''Commission'' means the Federal Trade Commission.

(3) ELECTRONIC MAIL ADDRESS.—

(A) IN GENERAL.—The term ''electronic mail address'' means a destination (commonly expressed as a string of characters) to which an electronic mail message can be sent or delivered.

(B) INCLUSION.—In the case of the Internet, the term ''electronic mail address'' may include an electronic mail address consisting of a user name or mailbox (commonly referred to as the ''local part'') and a reference to an Internet domain (commonly referred to as the ''domain part'').

(4) FTC ACT.—The term ''FTC Act'' means the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(5) HEADER INFORMATION.—The term ''header information'' means the source, destination, and routing information attached to an electronic mail message, including the originating domain name and originating electronic mail address.

(6) INITIATE.—The term ''initiate'', when used with respect to a commercial electronic mail message, means to originate such message or to procure the transmission of such message, either directly or through an agent, but shall not include actions that constitute routine conveyance of such message by a provider of Internet access service. For purposes of this Act, more than 1 person may be considered to have initiated the same commercial electronic mail message.

(7) INTERNET.—The term ''Internet'' has the meaning given that term in section 231(e)(3) of the Communications Act of 1934 (47 U.S.C. 231(e)(3)).

(8) INTERNET ACCESS SERVICE.—The term ''Internet access service'' has the meaning given that term in section 231(e)(4) of the Communications Act of 1934 (47 U.S.C. 231(e)(4)).

(9) PRE-EXISTING BUSINESS RELATIONSHIP.—

(A) IN GENERAL.—The term ''pre-existing business relationship'', when used with respect to a commercial electronic mail message, means that either—

(i) within the 5-year period ending upon receipt of a commercial electronic mail message, there has been a business transaction between the sender and the recipient, including a transaction involving the provision, free of charge, of information, goods, or services requested by the recipient and the recipient was, at the time of such transaction or thereafter, provided a clear and conspicuous notice of an opportunity not to receive further commercial electronic mail messages from the sender and has not exercised such opportunity; or

(ii) the recipient has given the sender permission to initiate commercial electronic mail messages to the electronic mail address of the recipient and has not subsequently revoked such permission.

(B) APPLICABILITY.—If a sender operates through separate lines of business or divisions and holds itself out to the recipient as that particular line of business or division, then such line of business or division shall be treated as the sender for purposes of subparagraph (A).

(10) RECIPIENT.—The term ''recipient'', when used with respect to a commercial electronic mail message, means the addressee of such message.

(11) SENDER.—The term ''sender'', when used with respect to a commercial electronic mail message, means the person who initiates such message. The term ''sender'' does not include a provider of Internet access service whose role with respect to electronic mail messages is limited to handling, transmitting, retransmitting, or relaying such messages.

(12) UNSOLICITED COMMERCIAL ELECTRONIC MAIL MESSAGE.—The term ''unsolicited commercial electronic mail message'' means any commercial electronic mail message that—

(A) is not a transactional or relationship message; and

(B) is sent to a recipient without the recipient's prior affirmative or implied consent.

SEC. 3. COMMERCIAL ELECTRONIC MAIL CONTAINING FRAUDULENT HEADER OR ROUTING INFORMATION.

(a) IN GENERAL.—Chapter 63 of title 18, United States Code, is amended by adding at the end the following:

''§ 1351. Unsolicited commercial electronic mail containing fraudulent header information

''(a) Any person who initiates the transmission of any unsolicited commercial electronic mail message, with knowledge and intent that the message contains or is accompanied by header information that is false or materially misleading, shall be fined or imprisoned for not more than 1 year, or both, under this title.

''(b) For purposes of this section, the terms 'unsolicited commercial electronic mail message' and 'header information' have the meanings given such terms in section 2 of the REDUCE Spam Act of 2003.''.

(b) CONFORMING AMENDMENT.—The chapter analysis at the beginning of chapter 63 of title 18, United States Code, is amended by adding at the end the following:

''1351. Unsolicited commercial electronic mail.''.

SEC. 4. REQUIREMENTS FOR UNSOLICITED COMMERCIAL ELECTRONIC MAIL.

(a) SUBJECT LINE REQUIREMENTS.—It shall be unlawful for any person to initiate the transmission of an unsolicited commercial electronic mail message to an electronic mail address within the United States, unless the subject line includes—

(1) except in the case of an unsolicited commercial electronic mail message described in paragraph (2)—

(A) an identification that complies with the standards adopted by the Internet Engineering Task Force for identification of unsolicited commercial electronic mail messages; or

(B) in the case of the absence of such standards, ''ADV:'' as the first four characters; or

(2) in the case of an unsolicited commercial electronic mail message that contains material that may only be viewed, purchased, rented, leased, or held in possession by an individual 18 years of age and older—

(A) an identification that complies with the standards adopted by the Internet Engineering Task Force for identification of adult-oriented unsolicited commercial electronic mail messages; or

(B) in the case of the absence of such standards, ''ADV:ADLT'' as the first eight characters.

(b) RETURN ADDRESS REQUIREMENTS.—

(1) ESTABLISHMENT.—It shall be unlawful for any person to initiate the transmission of an unsolicited commercial electronic mail message to an electronic mail address within the United States, unless the sender establishes a valid sender-operated return electronic mail address where the recipient may notify the sender not to send any further commercial electronic mail messages.

(2) INCLUDED STATEMENT.—All unsolicited commercial electronic mail messages subject to this subsection shall include a statement informing the recipient of the valid return electronic mail address referred to in paragraph (1).

(3) PROHIBITION OF SENDING AFTER OBJECTION.—Upon notification or confirmation by a recipient of the recipient's request not to receive any further unsolicited commercial electronic mail messages, it shall be unlawful for a person, or anyone acting on that person's behalf, to send any unsolicited commercial electronic mail message to that recipient. Such a request shall be deemed to terminate a pre-existing business relationship for purposes of determining whether subsequent messages are unsolicited commercial electronic mail messages.

(c) HEADER AND SUBJECT HEADING REQUIREMENTS.—

(1) FALSE OR MISLEADING HEADER INFORMATION.—It shall be unlawful for any person to initiate the transmission of an unsolicited commercial electronic mail message that such person knows, or reasonably should know, contains or is accompanied by header information that is false or materially misleading.

(2) DECEPTIVE SUBJECT HEADINGS.—It shall be unlawful for any person to initiate the transmission of an unsolicited commercial electronic mail message with a subject heading that such person knows, or reasonably should know, is likely to mislead a recipient, acting reasonably under the circumstances, about a material fact regarding the contents or subject matter of the message.

(d) AFFIRMATIVE DEFENSE.—A person who violates subsection (a) or (b) shall not be liable if—

(1)(A) the person has established and implemented, with due care, reasonable practices and procedures to effectively prevent such violations; and

(B) the violation occurred despite good faith efforts to maintain compliance with such practices and procedures; or

(2) within the 2-day period ending upon the initiation of the transmission of the unsolicited commercial electronic mail message in violation of subsection (a) or (b), such person initiated the transmission of such message, or one substantially similar to it, to less than 1,000 electronic mail addresses.

SEC. 5. ENFORCEMENT.

(a) IN GENERAL.—Section 4 shall be enforced by the Commission under the FTC

Act. For purposes of such Commission enforcement, a violation of this Act shall be treated as a violation of a rule under section 18 (15 U.S.C. 57a) of the FTC Act prohibiting an unfair or deceptive act or practice.

(b) RULEMAKING.—Not later than 30 days after the date of enactment of this Act, the Commission shall institute a rulemaking proceeding concerning enforcement of this Act. The rules adopted by the Commission shall prevent violations of section 4 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the FTC Act were incorporated into and made a part of this section, except that the rules shall also include—

(1) procedures to minimize the burden of submitting a complaint to the Commission concerning a violation of section 4, including procedures to allow the electronic submission of complaints to the Commission;

(2) civil penalties for violations of section 4 in an amount sufficient to effectively deter future violations, a description of the type of evidence needed to collect such penalties, and procedures to collect such penalties if the Commission determines that a violation of section 4 has occurred;

(3) procedures for the Commission to grant a reward of not less than 20 percent of the total civil penalty collected to the first person that—

(A) identifies the person in violation of section 4; and

(B) supplies information that leads to the successful collection of a civil penalty by the Commission;

(4) a provision that enables the Commission to keep the remainder of the civil penalty collected and use the funds toward the prosecution of further claims, including for necessary staff or resources; and

(5) civil penalties for knowingly submitting a false complaint to the Commission.

(c) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Commission shall conclude the rulemaking proceeding initiated under subsection (b) and shall prescribe implementing regulations.

SEC. 6. PRIVATE RIGHT OF ACTION.

(a) ACTION AUTHORIZED.—A recipient of an unsolicited commercial electronic mail message, or a provider of Internet access service, adversely affected by a violation of section 4 may bring a civil action in any district court of the United States with jurisdiction over the defendant to—

(1) enjoin further violation by the defendant; or

(2) recover damages in an amount equal to—

(A) actual monetary loss incurred by the recipient or provider of Internet access service as a result of such violation; or

(B) at the discretion of the court, the amount determined under subsection (b).

(b) STATUTORY DAMAGES.—

(1) IN GENERAL.—For purposes of subsection (a)(2)(B), the amount determined under this subsection is the amount calculated by multiplying the number of willful, knowing, or negligent violations by an amount, in the discretion of the court, of up to $10.

(2) PER-VIOLATION PENALTY.—In determining the per-violation penalty under this subsection, the court shall take into account the degree of culpability, any history of prior such conduct, ability to pay, the extent of economic gain resulting from the violation, and such other matters as justice may require.

(c) ATTORNEY FEES.—In any action brought pursuant to subsection (a), the court may, in its discretion, require an undertaking for the payment of the costs of such action, and assess reasonable costs, including reasonable attorneys' fees, against any party.

SEC. 7. INTERNET ACCESS SERVICE PROVIDERS.

Nothing in this Act shall be construed—

(1) to enlarge or diminish the application of chapter 121 of title 18, relating to when a provider of Internet access service may disclose customer communications or records;

(2) to require a provider of Internet access service to block, transmit, route, relay, handle, or store certain types of electronic mail messages;

(3) to prevent or limit, in any way, a provider of Internet access service from adopting a policy regarding commercial electronic mail messages, including a policy of declining to transmit certain types of commercial electronic mail messages, or from enforcing such policy through technical means, through contract, or pursuant to any other provision of Federal, State, or local criminal or civil law; or

(4) to render lawful any such policy that is unlawful under any other provision of law.

SEC. 8. EFFECT ON OTHER LAWS.

Nothing in this Act shall be construed to impair the enforcement of section 223 or 231 of the Communications Act of 1934 (47 U.S.C. 223 or 231), chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

SEC. 9. FTC STUDY.

Not later than 24 months after the date of enactment of this Act, the Commission, in consultation with appropriate agencies, shall submit a report to Congress that provides a detailed analysis of the effectiveness and enforcement of the provisions of this Act and the need, if any, for Congress to modify such provisions.

SEC. 10. STUDY OF POSSIBLE INTERNATIONAL AGREEMENT.

Not later than 6 months after the date of enactment of this Act, the President shall—

(1) conduct a study in consultation with the Internet Engineering Task Force on the possibility of an international agreement to reduce spam; and

(2) issue a report to Congress setting forth the findings of the study required by paragraph (1).

SEC. 11. EFFECTIVE DATE.

The provisions of this Act shall take effect 180 days after the date of enactment of this Act, except that subsections (b) and (c) of section 5 shall take effect upon the date of enactment of this Act.

[From the Philadelphia Inquirer, May 4, 2003]

HOW TO UNSPAM THE INTERNET

(By Lawrence Lessig)

The Internet is choking on spam. Billions of unsolicited commercial messages—constituting almost 50 percent of all e-mail traffic—fill the in-boxes of increasingly impatient Internet users. These messages offer to sell everything from human growth hormones to pornography. And increasingly the offers to sell pornography are themselves pornographic.

So far, Congress has done nothing about this burden on the Internet. Many states have passed laws that have tried. Virginia just passed the most extreme of these laws, making it a felony to send spam with a fraudulent return address. Other states are considering the same.

Yet all of these regulations suffer from a similar flaw: Spamsters know the laws will never be enforced. The cost of bringing a lawsuit is extraordinarily high. Most of us have better things to do than sue spamsters. Thus, despite a patchwork of regulation that in theory should be restricting spam, the practice of spam continues to increase at an astonishing rate.

But last week, U.S. Rep. Zoe Lofgren (D., Calif.) introduced a bill that, if properly implemented by the Federal Trade Commission, would actually work. I am so confident she is right that I've offered to resign my job if her proposal does not significantly reduce the burden of spam.

The Restrict and Eliminate Delivery of Unsolicited Commercial E-mail (REDUCE) Spam Act has two important parts. First, anyone sending bulk unsolicited commercial e-mail must include on each e-mail a simple tag—either ADV: or ADV:ADLT. Second, anyone who finds a spamster who fails properly to label unsolicited commercial e-mail will be paid a bounty by the FTC.

The first part of the proposal would enable simple filters to block unwanted spam. Users could tell their Internet service provider to block ADV e-mail, or they could automatically filter such e-mail into a spam folder on their own computer. These simple filters would replace the extraordinarily sophisticated filters companies have been developing to identify and block spam.

These complex filters, though ingenious, are necessarily one step behind. Spamsters will always find a way to trick them. The filters will be changed to respond, but the spamsters will in turn change their spam to find a way around the filters. Thus the filters will never block all spam, but they will always block a certain number of messages that are not spam.

But part one of the Lofgren legislation would never work if it weren't for part two: A spamster bounty. Lofgren's proposal would require the FTC to pay a bounty to anyone who tracks down a spamster who has failed properly to label unsolicited commercial e-mail. This proposal would invite savvy 18-year-olds from across the world to hunt down these law-violating spamsters. The FTC would then fine them, after paying a reward to the bounty hunter who found them.

The bounty would assure that the spam law was enforced. Properly enforced, the law would teach most spamsters that failing to label spam doesn't pay. The spamsters in turn would decide either to label their spam or give up and get a real job. Either way, the burden of spam would be reduced.

No doubt no solution would eliminate 100 percent of spam. Much is foreign; American laws would not easily reach those spamsters. But the question lawmakers should ask is what is the smallest, least burdensome regulation that would have the most significant effect. If Lofgren's proposal were passed, the vast majority of spamsters would have to change their ways. Technologists could then target their filters on the spamsters that remain.

What about free speech? Don't spamsters have First Amendments rights?

Of course they do. And many of the laws proposed right now go too far in censoring speech. Threatening a felony for a bad return address, as the Virginia law does, is a dangerous precedent. Laws that ban spam altogether are much worse.

But Lofgren's proposal simply requires a proper label so consumers can choose whether they want to receive the speech or not. And most important, by reducing the clutter of unsolicited and unwanted spam, the law would improve the opportunity for other speech—including political speech—to get through.

More fundamentally, free speech is threatened just as much by bad filters as by bad laws. A well-crafted law—narrow in its scope, and moderate in its regulation—can in turn eliminate the demand for bad filters. Lofgren's proposal would have just this effect. Congress should act to follow Lofgren's lead. In Internet time, not Washington time.

By Mr. HATCH (for himself and Mrs. CLINTON):

S. 1328. A bill to provide for an evaluation by the Institute of Medicine of the National Academy of Sciences of leading health care performance measures and options to implement policies that align performance with payment under the Medicare program under title XVIII of the Social Security Act; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to address an issue of importance to all Americans, the quality and safety of health care in the United States.

Numerous studies have identified serious shortcomings in the quality and safety of health care. However, addressing these shortcomings and improving health care outcomes in a complex health care system requires long-range strategies and specific goals.

The Medicare program, as one of the largest purchasers of health care, is ideally situated to take a leadership role in encouraging quality improvement. Currently, however, Medicare's payment methods and regulations provide few incentives to pursue innovative quality improvement strategies and to reward those who achieve exemplary performance.

Traditional Medicare pays most physicians according to a fee schedule and pays hospitals according to a DRG-based payment system. Medicare+Choice plans are paid a capitated rate and, in turn, pay physicians using a range of approaches, from salary to capitation to fee-for-service, none of which directly reward enhanced quality.

Attempts to adjust Medicare payments to reward performance improvements in safety and quality have been hampered, in part, by the lack of measures and data for assessing performance. Although the Centers for Medicare and Medicaid Services recently began an initiative to develop voluntary consensus performance measures for 10 clinical conditions for hospitals, standardized measures of quality for hospitals and providers do not otherwise exist.

As the Senate considers a new Medicare prescription drug benefit and additional measures to reform the Medicare program, it is more important than ever that we consider also measures to ensure that these new benefits are provided as safely and effectively as possible.

That is why I am today introducing a bill charging the Institute of Medicine with performing a study to evaluate leading health care performance measures and options to implement policies that align performance with payment in Medicare.

We have learned much about health care quality in the last several years. The Institute of Medicine, in its studies entitled ''To Err Is Human,'' and ''Crossing the Quality Chasm,'' has identified the health care safety and quality shortcomings that exist and the need for improvement. In a recent study performed at the request of Congress, ''Leadership by Example,'' the Institute of Medicine identified the leadership role that Government can take in improving health care quality in government sponsored health care programs and those in the private sector.

The bill that I am introducing today, and the study that will result, represents the next step toward improving health care quality and safety in the United States. It is an important step and one that we must take in order to ensure that Medicare beneficiaries receive the highest quality health care services available. I urge my colleagues to join me in supporting this legislation.

Mrs. CLINTON. Mr. President, I am pleased to join my friend from Utah, Senator HATCH, today in introducing a bill that will commission a study from IOM to identify performance measures and payment incentives that reward high quality providers in Medicare.

Currently Medicare pays the same amount for good care as it does for poor quality care. It's easy to assume that the dollars that go to Medicare all yield high quality care, but the evidence is otherwise.

Take heart disease, the leading cause of death in the U.S. Cholesterol management after a heart attack can mean the difference between disability and an active lifestyle. Yet we don't have adequate data that show us whether most Medicare beneficiaries are getting this clinically appropriate care. And the only data that we do have, from NCQA, The State of Health Care Quality 2002, tells us that in 2001 almost one-quarter, 23 percent, of Medicare beneficiaries in health plans did not have their cholesterol managed after a heart attack.

In New York, between 14 and 22 percent of diabetic beneficiaries in health plans did not get a blood sugar control test in 2001.

When Medicare and Medicare enrollees pay the same amount to providers that give excellent care as it does to those who provide mediocre care, that may unintentionally create incentives for providers to skimp or cut corners on quality. We debate endlessly over ways to control costs in Medicare, but we have not taken one of the simple steps that will, almost certainly, drive quality up and assure that we are getting good value for the dollars we spend.

Medicare should be a leader in national efforts to improve quality. Medicare, with its $250 billion of purchasing power, 40 million enrollees, programs data, and professional experience can bring more resources to bear on these quality problems than any other purchaser.

The study we are proposing today would be the first step down this path. It would cost relatively little but yield great rewards as a guide to how to measure and pay for quality in the future. The study would develop measures to assess quality, including outcome measures. It would tell us what payment incentives have worked in the private sector. And it would identify approaches to use incentives to improve quality that can be implemented across all of Medicare.

So I am pleased that we are making this effort today, and hope that it is just the first step of many more that we will take down the path of improving Medicare for patients and consumers.

By Ms. MURKOWSKI:

S. 1330. A bill to establish the Kenai Mountains-Turnagain Arm National Heritage Area in the State of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

Ms. MURKOWSKI. Mr. President, the Kenai Mountains-Turnagain Arm National Heritage Area is one of the best examples for preserving the heritage of one of this Nation's first pioneer areas. This legislation will create a national heritage corridor that covers an area from Seward to Anchorage.

This national heritage corridor will protect the natural and cultural resources of a well established region. The Kenai Mountains-Turnagain Arm National Heritage Area will follow along a corridor that was established by pioneering Alaskans. This route will partially follow two nationally recognized treasures—the Iditarod Trail and the Seward Highway National Scenic Byway. It will honor Native traders, gold rush stampeders and the route of the Alaska Railroad. One of the biggest gold discoveries along this route was the Bear Creek gold find near Hope in 1895. The route of the Alaska Railroad was finished in 1923.

Unlike many others, this national heritage corridor will not be managed by the Federal Government, but instead, by a group of local community leaders. The preservation of historic areas depends largely upon the community and its support, and clearly, no one entity can provide the adequate management, protection and preservation for these extensive resources. In fact, over the past five years, a group of local community leaders has been working hard for this national heritage designation. They have been successful in garnering support from communities throughout this entire route. These local folks have extensive knowledge of the resources; they are personally acquainted with the area; they understand the ruggedness and the beauty of the land, and certainly appreciate the potential economic value this designation would bring to the area.

The preservation of history and heritage depends upon the mutual support and assistance from public and private groups. This national heritage designation has been a vision of many people from Seward to Anchorage, and comprises lands in the Kenai Mountains and the upper Turnagain Arm region. An 11-member board will be established and charged with seeing the vision become a reality. This non-profit board

will be tasked with coordinating and supporting the protection of trail resources; interpreting the trail, and identifying the cultural landscapes of the Kenai Mountains-Turnagain Arm historic transportation corridor. A plan will also be developed for the management of the heritage corridor, and will complement existing Federal, State, borough and local plans. To ensure even greater support of this designation, there will be opportunities provided to the public for their full participation as the plan is being developed.

The purposes of designating this national treasure are to: Enable all people to envision and experience the heritage and impacts of transportation routes used first by indigenous people, followed by pioneers to the Nation's first frontier;

Encourage economic viability in the affected communities.

This national heritage corridor is significant for a whole host of reasons: Allow citizens to help preserve the heritage of the pioneers; protect and honor the history of Native traders, gold seekers and pioneers; decisions and management will be made by local citizens; support of several historical associations, the cities of Seward, Girdwood, Hope and Anchorage; an 11-member non-profit local board will plan and operate the heritage corridor; increase public awareness and appreciation for the natural, historical and cultural resources, and modern resource development of the heritage corridor; restore historic buildings and structures that are located within the boundaries of the heritage corridor; and, no additional lands will be acquired by the Federal Government or by the local management group.

Rarely ever do we have such an opportunity when whole communities, Federal, State and local governments agree on and support such a national designation. Through adequate funding from the Department of the Interior, interpretation signs and technical assistance to conduct local planning will help to preserve and protect natural, historical, landscape and cultural resource values for current and future generations of the Kenai Mountains-Turnagain Arm National Heritage Area.

And, finally, with the passage of this bill, visitors to the area can enjoy the shore lines of Turnagain Arm and watch the world's second largest tidal range move 30 foot tides in and out. A traveler through the mountain passes of the heritage area can view evidence of retreating glaciers and avalanches. Visitors will be amazed at the abundant wildlife that make their home in the area. The history of early settlers will be preserved for current and future generations.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Kenai Mountains-Turnagain Arm National Heritage Area Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) The Kenai Mountains-Turnagain Arm transportation corridor is a major gateway to Alaska and includes a range of transportation routes used first by indigenous people who were followed by pioneers who settled the Nation's last frontier;

(2) the natural history and scenic splendor of the region are equally outstanding; vistas of nature's power include evidence of earthquake subsidence, recent avalanches, retreating glaciers and tidal action along Turnagain Arm, which has the world's second greatest tidal range;

(3) the cultural landscape formed by indigenous people and then by settlement, transportation and modern resource development in this rugged and often treacherous natural setting stands as powerful testimony to the human fortitude, perseverance, and resourcefulness that is America's proudest heritage from the people who settled the frontier;

(4) there is a national interest in recognizing, preserving, promoting, and interpreting these resources;

(5) the Kenai Mountains-Turnagain Arm region is geographically and culturally cohesive because it is defined by a corridor of historic routes—trail, water, railroad, and roadways through a distinct landscape of mountains, lakes, and fjords;

(6) national significance of separate elements of the region include, but are not limited to, the Iditarod National Historic Trail, the Seward Highway National Scenic Byway, and the Alaska Railroad National Scenic Railroad;

(7) national heritage area designation provides for the interpretation of these routes, as well as the national historic districts and numerous historic routes in the region as part of the whole picture of human history in the wider transportation corridor including early Native trade routes, connections by waterway, mining trail, and other routes;

(8) national heritage area designation also provides communities within the region with the motivation and means for ''grass roots'' regional coordination and partnerships with each other and with borough, State, and Federal agencies; and

(9) national heritage area designation is supported by the Kenai Peninsula Historical Association, the Seward Historical Commission, the Seward City Council, the Hope and Sunrise Historical Society, the Hope Chamber of Commerce, the Alaska Association for Historic Preservation, the Cooper Landing Community Club, the Alaska Wilderness Recreation and Tourism Association, Anchorage Historic Properties, the Anchorage Convention and Visitors Bureau, the Cook Inlet Historical Society, the Moose Pass Sportsman's Club, the Alaska Historical Commission, the Girdwood Board of Supervisors, the Kenai River Special Management Area Advisory Board, the Bird/Indian Community Council, the Kenai Peninsula Borough Trails Commission, the Alaska Division of Parks and Recreation, the Kenai Peninsula Borough, the Kenai Peninsula Tourism Marketing Council, and the Anchorage Municipal Assembly.

(b) PURPOSES.—The purposes of this Act are—

(1) to recognize, preserve, and interpret the historic and modern resource development and cultural landscapes of the Kenai Mountains-Turnagain Arm historic transportation corridor, and to promote and facilitate the public enjoyment of these resources; and

(2) to foster, through financial and technical assistance, the development of cooperative planning and partnership among the communities and borough, State, and Federal Government entities.

SEC. 3. DEFINITIONS.

In this Act:

(1) HERITAGE AREA.—The term ''Heritage Area'' means the Kenai Mountains-Turnagain Arm National Heritage Area established by section 4(a) of this Act.

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the 11 member Board of Directors of the Kenai Mountains-Turnagain Arm National Heritage Corridor Communities Association.

(3) MANAGEMENT PLAN.—The term ''management plan'' means the management plan for the Heritage Area.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 4. KENAI MOUNTAINS-TURNAGAIN ARM NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is established the Kenai Mountains-Turnagain Arm National Heritage Area.

(b) BOUNDARIES.—The Heritage Area shall comprise the lands in the Kenai Mountains and upper Turnagain Arm region generally depicted on the map entitled ''Kenai Peninsula/Turnagain Arm National Heritage Corridor'', numbered ''Map #KMTA–1, and dated ''August 1999''. The map shall be on file and available for public inspection in the offices of the Alaska Regional Office of the National Park Service and in the offices of the Alaska State Heritage Preservation Officer.

SEC. 5. MANAGEMENT ENTITY.

(a) The Secretary shall enter into a cooperative agreement with the management entity, to carry out the purposes of this Act. The cooperative agreement shall include information relating to the objectives and management of the Heritage Area, including the following:

(1) A discussion of the goals and objectives of the Heritage Area;

(2) An explanation of the proposed approach to conservation and interpretation of the Heritage Area;

(3) A general outline of the protection measures, to which the management entity commits.

(b) Nothing in this Act authorizes the management entity to assume any management authorities or responsibilities on Federal lands.

(c) Representatives of other organizations shall be invited and encouraged to participate with the management entity and in the development and implementation of the management plan, including but not limited to: The State Division of Parks and Outdoor Recreation; the State Division of Mining, Land and Water; the Forest Service; the State Historic Preservation Office; the Kenai Peninsula Borough; the Municipality of Anchorage; the Alaska Railroad; the Alaska Department of Transportation; and the National Park Service.

(d) Representation of ex-officio members in the non-profit corporation shall be established under the bylaws of the management entity.

SEC. 6. AUTHORITIES AND DUTIES OF MANAGEMENT ENTITY.

(a) MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 3 years after the Secretary enters into a cooperative agreement with the management entity, the management entity shall develop a management plan for the Heritage Area, taking into consideration existing Federal, State, borough, and local plans.

(2) CONTENTS.—The management plan shall include, but not be limited to—

(A) comprehensive recommendations for conservation, funding, management, and development of the Heritage Area;

(B) a description of agreements on actions to be carried out by Government and private organizations to protect the resources of the Heritage Area;

(C) a list of specific and potential sources of funding to protect, manage, and develop the Heritage Area;

(D) an inventory of the resources contained in the Heritage Area; and

(E) a description of the role and participation of other Federal, State, and local agencies that have jurisdiction on lands within the Heritage Area.

(b) PRIORITIES.—The management entity shall give priority to the implementation of actions, goals, and policies set forth in the cooperative agreement with the Secretary and the heritage plan, including assisting communities within the region in—

(1) carrying out programs which recognize important resource values in the Heritage Area;

(2) encouraging economic viability in the affected communities;

(3) establishing and maintaining interpretive exhibits in the Heritage Area;

(4) improving and interpreting heritage trails;

(5) increasing public awareness and appreciation for the natural, historical, and cultural resources and modern resource development of the Heritage Area;

(6) restoring historic buildings and structures that are located within the boundaries of the Heritage Area; and

(7) ensuring that clear, consistent, and appropriate signs identifying public access points and sites of interest are placed throughout the Heritage Area.

(c) PUBLIC MEETINGS.—The management entity shall conduct 2 or more public meetings each year regarding the initiation and implementation of the management plan for the Heritage Area. The management entity shall place a notice of each such meeting in a newspaper of general circulation in the Heritage Area and shall make the minutes of the meeting available to the public.

SEC. 7. DUTIES OF THE SECRETARY.

(a) The Secretary, in consultation with the Governor of Alaska, or his designee, is authorized to enter into a cooperative agreement with the management entity. The cooperative agreement shall be prepared with public participation.

(b) In accordance with the terms and conditions of the cooperative agreement and upon the request of the management entity, and subject to the availability of funds, the Secretary may provide administrative, technical, financial, design, development, and operations assistance to carry out the purposes of this Act.

SEC. 8. SAVINGS PROVISIONS.

(a) REGULATORY AUTHORITY.—Nothing in this Act shall be construed to grant powers of zoning or management of land use to the management entity of the Heritage Area.

(b) EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this Act shall be construed to modify, enlarge, or diminish any authority of the Federal, State, or local governments to manage or regulate any use of land as provided for by law or regulation.

(c) EFFECT ON BUSINESS.—Nothing in this Act shall be construed to obstruct or limit business activity on private development or resource development activities.

SEC. 9. PROHIBITION ON THE ACQUISITION OR REAL PROPERTY.

The management entity may not use funds appropriated to carry out the purposes of this Act to acquire real property or interest in real property.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) FIRST YEAR.—For the first year $350,000 is authorized to be appropriated to carry out the purposes of this Act, and is made available upon the Secretary and the management entity completing a cooperative agreement.

(b) IN GENERAL.—There is authorized to be appropriated not more than $1,000,000 to carry out the purposes of this Act for any fiscal year after the first year. Not more than $10,000,000, in the aggregate, may be appropriated for the Heritage Area.

(c) MATCHING FUNDS.—Federal funding provided under this Act shall be matched at least 25 percent by other funds or in-kind services.

(d) SUNSET PROVISION.—The Secretary may not make any grant or provide any assistance under this Act beyond 15 years from the date that the Secretary and management entity complete a cooperative agreement.

By Mr. SANTORUM (for himself, Mr. CONRAD, and Mr. BREAUX):

S. 1331. A bill to clarify the treatment of tax attributes under section 108 of the Internal Revenue Code of 1986 for taxpayers which file consolidated returns; to the Committee on Finance.

Mr. SANTORUM. Mr. President, today I am introducing a bill along with Senator CONRAD that would close a gaping loophole in the Internal Revenue Code. This loophole involves the treatment of companies whose debt is cancelled in a bankruptcy proceeding. Under existing law, these companies are not required to immediately pay tax on their income from debt cancellation. The are, however, required to reduce their net operating losses, NOLs, and other tax attributes. These attribute reductions have the effect of allowing bankrupt companies to defer, but not permanently avoid, paying tax on income from debt cancellation.

It has come to my attention that MCI/WorldCom and certain other bankrupt companies are attempting to circumvent these rules. In plain English, MCI/WorldCom—the group of corporations that has perpetrated the greatest business fraud—is trying to relieve itself of $35 billion of debt and yet emerge from bankruptcy with an NOL that is estimated to range from $10 to $15 billion. Such an NOL will, post-bankruptcy, eliminate federal income tax of $3.5 billion to $5.25 billion on MCI/WorldCom's first $10 to $15 billion of income.

Plainly, if this tax loophole is not eliminated, MCI/WorldCom will not pay taxes for the foreseeable future. By attempting to utilize this loophole, MCI/WorldCom is demonstrating that it is not, in fact, a new company—instead, it is the same reckless company that we have come to know. The legislation I am introducing today will assure that MCI/WorldCom doesn't get away with this outrageous behavior. It will also prevent other companies from imitating this approach.

Such results would be bad tax policy for two reasons. First, they would clearly be contrary to the policy objectives that Congress intended to achieve when it enacted the current tax attribute reduction rules. Second, equivalent taxpayers would be treated differently under Section 108 based on their corporate structure and borrowing practices—factors that, form a tax policy standpoint, do not justify any difference in treatment.

Based on rulings and court cases, I believe this bill reflects the current tax position of the Treasury Department with respect to NOLs. Although it is also clear that aggressive taxpayers and their lawyers have utilized this tax loophole. The approach to this provision is contrary to United Dominion Industries, Inc. v. United States, 532 U.S. 822 (2001). Although not dealing directly with Section 108, the case is clear that the only NOL of a consolidated group is the group's entire NOL. I am introducing this bill with an effective date of today to provide notice to MCI/WorldCom, and all similarly situated taxpayers, that this Congress will not stand for this.

I encourage my colleagues to support closing this loophole to avoid such abuse in the future. I ask unanimous consent to have the Business Week story from May 12, 2003, ''Why This Tax Loophole For Losers Should End,'' and the text of the bill be printed in the RECORD.

S. 1331

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF THE TREATMENT OF TAX ATTRIBUTES.

(a) IN GENERAL.—Section 108(b) of the Internal Revenue Code of 1986 (relating to reduction of tax attributes) is amended by adding at the end the following new paragraph:

''(6) AFFILIATED GROUPS.—If the taxpayer is a member of an affiliated group of corporations which files a consolidated return under section 1501, the tax attributes described in paragraph (1) shall be the aggregate tax attributes of such group. The Secretary shall prescribe such regulations as may be necessary under section 1502 to carry out the purposes of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to discharges of indebtedness occurring after June 25, 2003, except that discharges of indebtedness under any plan of reorganization in a case under title 11, United States Code, shall be deemed to occur on the date such plan is confirmed.

There being no objection, the additional material ordered to be printed in the RECORD, as follows:

[From Business Week, May 12, 2003]

(By David Henry)

WHY THIS TAX LOOPHOLE FOR LOSERS SHOULD END

Is there no end to the ugly superlatives that fallen telecom giant WorldCom Inc. is amassing? First, its top execs reigned over the greatest alleged accounting fraud in history. Then, the company filed the largest corporate bankruptcy. Now, it is lining up to collect what could be one of the biggest single corporate tax breaks of all time.

To the fury of its competitors, WorldCom is angling to snare a $2.5 billion benefit from Uncle Sam. How? By exploiting a provision in the Internal Revenue Service code so it

can hanging onto previous losses of at least $6.6 billion and enjoy years of tax-free earnings. What's more, the ploy would protect new management against any takeover for at least two years. And, WorldCom could use the losses to offset even income it picks up by taking over other companies. ''WorldCom is in an enviable position,'' says Robert Willens, tax accounting analyst at Lehman Brothers Inc. ''It will have a copious tax losses and can be a powerful acquirer.''

WorldCom's new owners—the holders of its $41 billion of dad debt—are driving a truck through a loophole that needs to be closed pronto. It was left open by Congress when the lawmakers overhauled IRS rules to stamp out a notorious trade in corporate tax losses. At one time, owners of loss-making businesses could sell their companies along with their accumulated tax loss—often their only asssit—to profitable companies. Now, tax losses are snuffed out when company ownership changes hands.

So, WorldCom is going through hoops to avoid that fate. Pending a final vote by creditors later this year, the company is changing its bylaws to prohibit anyone from building anyone from building a stake of more than 4.75 percent in the company. They have to keep bidders at bay for at least two years, otherwise the IRS would argue that control of WorldCom has changed hands and that the tax losses—which, assuming a 38 percent tax rate, could give a $2.5 billion boost to earnings—should be wiped out. ''It is the perfect poison pill,'' says Carl M. Jenks, tax expert at law firm Jones Day.

The perverse tactic is increasingly popular. The former Williams Communication Group put a similar 5 percent ownership limit in place last fall when it became WilTil Communications Group Inc. after a bankruptcy reorganization. The bankruptcy judge overseeing UAL Corp. agreed on Feb. 24 to a similar restriction on UAL securities in order to preserve its $4 billion of tax losses. ''We will generally recommend that any company with net operating losses worth anything adopt these restrictions,'' says Douglas W. Killip, a tax lawyer at Akin Gump Strauss Hauer & Field.

For WorldCom's rivals, the tax break is salt on a wound. William P. Barr, a former U.S. attorney general and now general counsel of Verizon Communications, fumes that WorldCom is trying to ''compound its fraud by escaping the payment of taxes.'' WorldCom's bankruptcy reorganization will eliminate the cost of servicing some $30 billion of debt. That, the company projects, will help it to make $2 billion before taxes next year. By using the tax losses, it will be able to keep about $780 million in cash it would otherwise owe the government. In fact, it won't be liable for any tax at least until the accumulated losses are worked through. And, because it racked up the $6.6 billion in losses just through 2001, WorldCom could have billions more to play with once the numbers for 2002 are finally worked out.

What's more, the poison pill is likely to deter any company from buying WorldCom and dumping some of the obsolete assets still clogging and telecom industry. That will slow and recovery in capital spending and hurt WorldCom's competitors. ''It is bad when business decisions are motivated by tax reasons and not based on sound economics,'' says Anthony Sabino, bankruptcy law professor at St. John's University.

Rivals are likely to push the IRS to find a way to stop WorldCom from utilizing the losses, observers say. But their chances of success are slim because the IRS never issued regulations that could have nullified the ploy. And the courts generally rule against the agency when it attempts to write rules retroactively, Willens says.

Still, it's time to close the stable door before any more horses bolt. Besides, Uncle Sam could use the money right now.

By Mr. HATCH:

S. 1332. A bill to amend title XVIII of the Social Security Act to provide regulatory relief, appeals process reforms, contracting flexibility, and education improvements under the Medicare program, and for other purposes; to the Committee on Finance.

Mr. HATCH. Mr. President, there is no question that our need to improve the Medicare program by adding prescription drug coverage for beneficiaries is extremely important, as this debate indicates.

But, our discussions would not be complete if we neglected another major Medicare improvement which is also long overdue, and that is the need to improve the climate in which providers strive to provide high quality services to patients.

Medicare's anticipated regulations—three times longer than the U.S. tax code—prevent providers from delivering health care efficiently and beneficiaries from receiving the care they need.

Complex Federal regulations and reams of paperwork require physicians to spend hours each day filling out government forms rather than caring for their patients. The array of Federal Medicare rules with which physicians must comply is overwhelming. Doctors are required to complete claims forms, advance beneficiary notices, certify medical necessity, file enrollment forms, and comply with code documentation guidelines. Indeed, these rules and mandates are not only extensive, they are constantly changing and they may be interpreted differently in different regions of the country.

The complexity of the rules and the variation in their interpretation has prompted outcries from all centers of our country. In fact, I have heard loud and clear from the physicians in my home State of Utah about the severity of the problem.

Leon Sorensen, Executive Vice President of the Utah Medical Association, recently wrote to me and said:

''The Utah Medical Association has long been concerned about the unnecessary burdens placed upon physicians by the voluminous regulations of Medicare. Not only does compliance with these regulations take physicians' time away from patients, but also the regulations contribute to the high cost of medical care while contributing little of value. They discourage physicians from participating fully in Medicare. They are often punitive in nature rather than an educational. They use tactics that would not be tolerated by businesses or government if applied to them.

An example is the practice of extrapolating a small sample of billing errors over the physician's entire practice, making the physician liable for payback of thousands of dollars of ''overpaid'' claims when demonstrated over billings may amount only to a few dollars. If this process were used by the IRS in a tax audit, the public outcry would be deafening.

Medicare also requires that alleged ''overpayments'' to physicians by repaid within 60 days, even if a physician chooses to appeal Medicare's allegations. When assessed a Medicare overpayment, the only way physicians can appeal is to subject their practices to another audit, using a ''statistically valid random sample.'' Statistical sample audits can shut down a physician's practice for days, preventing physicians from treating patients. Physicians are forced to settle with Medicare rather than be subjected to such unfair scrutiny.

Any defense against this kind of administrative abuse is extremely costly, time consuming and often ineffective.

Indeed, failure to follow Medicare's complex rules—or just the perception of such failure—can result in an audit of a physician's billing records, withholding of payments and crippling of a physician's practice.

And, physicians are not the only individuals affected by these rules. Medicare beneficiaries are affected—both directly and indirectly—by Medicare's onerous rules and burdensome paperwork. Both patients and providers are confused by obscure paperwork and apparently conflicting rules. Physicians have difficulty understanding how to bill for their services and beneficiaries find it difficult to understand the forms and billing information that they receive. Indeed, the administrative costs associated with managing this paperwork and the fear of harsh consequences in response to clerical errors has led some providers to consider whether they should continue to participate in the Medicare program.

The problem has not escaped the attention of the administration and addressing it is a priority for President Bush and it should be for Congress also. Secretary Thompson has said, ''Patients and providers alike are fed up with voluminous and complex paperwork. Rules are constantly changing. Complexity is overloading the system, criminalizing honest mistakes and driving doctors, nurses, and other health care professionals out of the program.''

Congress has considered legislation over the past few years to provide relief from this regulatory burden. Former Senator Frank Murkowski should be given great credit for drafting S. 452, the ''Medicare Education and Regulatory Fairness Act of 2001''—legislation that he introduced in the Senate on March 5, 2001 but which never came to a vote.

The legislation that I am introducing today, the ''Medicare Education Regulatory Reform and Contracting Improvement Act of 2003,'' MERCI, builds on that initiative. It will improve the Medicare program for beneficiaries and providers alike by clarifying regulations, rewarding quality and by enhancing services. I am introducing this legislation today because the need for Medicare regulatory reform remains. In fact, the need for Medicare regulatory reform has never been greater. In addition, the regulatory reform that I am proposing in MERCI fits hand in glove with the reforms that we have

proposed in S. 1, the ''Prescription Drug and Medicare Improvement Act of 2003.'' The reformed Medicare program must include reformed regulations if it is to provide efficient service to beneficiaries.

Let me take a moment to review a few of the important provisions in this bill. The educational provisions of the MERCI Act are designed to decrease Medicare billing and claims payment errors by improving education and training programs for Medicare providers. It includes also provisions that will improve communication between the Department of Health and Human Services and Medicare providers. Furthermore, the bill will improve communication with Medicare beneficiaries by providing for central toll-free telephone services to require free, appropriate referrals to individuals seeking information or assistance with Medicare.

The MERCI Act includes regulatory reform provisions that are designed to reduce waste, fraud and abuse in Medicare; provisions that are just and fair for beneficiaries, contractors, and providers. Among other things, the bill eliminates retroactive application of regulatory changes and expedites the appeals processes for beneficiaries, providers, and suppliers of Medicare services.

Finally, the MERCI Act will improve Medicare contracting; increasing competition, improving service and reducing costs by providing for a competitive bidding process for Medicare contractors that takes into account performance quality, price and other factors that are important to beneficiaries.

Medicare beneficiaries and Medicare providers have been suffering from burdensome and confusing regulations for too long. It is time that they received some mercy. The time for Medicare regulatory reform has come and the bill that I am introducing today provides that mercy. MERCI, the ''Medicare Education, Regulatory Reform and Contracting Improvement Act of 2003'' takes a common sense approach to providing relief for the Medicare beneficiaries and providers who have been suffering this burden for so long.

I believe that MERCI will improve the delivery of health care services to Medicare beneficiaries by enhancing the efficiency of the Medicare program for all concerned.

Finally, I would be remiss if I did not thank Chairman GRASSLEY and Senator BAUCUS for working with me to include the MERCI legislative language in S. 1, the ''Prescription Drug and Medicare Improvement Act of 2003.'' Senators GRASSLEY and BAUCUS have worked for many years to reform Medicare's complex regulations, as have I, and their agreement to include this language is appreciated greatly.

And so, it is with a great appreciation for my colleagues who have worked with me on this legislation and for those who have worked on similar legislation in the past, that I urge my colleagues in the Senate today to join me in addressing the needs of Medicare beneficiaries and providers by supporting this legislation.

By Mr. GRASSLEY (for himself, Mr. BINGAMAN, Mr. BUNNING, Mr. DASCHLE, Mr. ROCKEFELLER, Mr. BAUCUS, Ms. SNOWE, Mr. THOMAS, Mr. SMITH, Mr. CONRAD, Mr. GRAHAM of Florida, Mr. KERRY, Mr. BREAUX, Mrs. LINCOLN, and Mr. JEFFORDS):

S. 1333. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of certain expenses of rural letter carriers; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, the U.S. Postal Service provides a vital and important communication link for the Nation and the citizens of my home State of Iowa. Rural Letter Carriers play a special role and have a proud history as an important link in assuring the delivery of our mail. Rural letter carriers first delivered the mail with their own horses and buggies, later with their own motorcycles, and now in their own cars and trucks. They are responsible for maintenance and operation of their vehicles in all types of weather and road conditions. In the winter, snow and ice is their enemy, while in the spring, the melting snow and ice causes potholes and washboard roads. In spite of these quite adverse conditions, rural letter carriers daily drive over 3 million miles and serve 24 million American families on over 66,000 routes.

Although the mission of rural carriers has not changed since the horse and buggy days, the amount of mail they deliver has changed dramatically. As the Nation's mail volume has increased throughout the years, the Postal Service is now delivering more than 200 billion pieces of mail a year. The average carrier delivers about 2,300 pieces of mail a day to about 500 addresses.

Most recently, e-commerce has changed the type of mail rural letter carriers deliver. This fact was confirmed in a GAO study entitled ''U.S. Postal Service: Challenges to Sustaining Performance Improvements Remain Formidable on the Brink of the 21st Century,'' dated October 21, 1999. As this report explains, the Postal Service expects declines in its core business, which is essentially letter mail, in the coming years. The growth of e-mail on the Internet, electronic communications, and electronic commerce has the potential to substantially affect the Postal Service's mail volume.

First-Class mail has always been the bread and butter of the Postal Service's revenue, but the amount of revenue from First-Class letters is declining. E-commerce is providing the Postal Service with another opportunity to increase another part of its business. That is because what individuals and companies order over the Internet must be delivered, sometimes by the Postal Service and often by rural letter carriers. Currently, the Postal Service had about 33 percent of the parcel business. Rural letter carriers are now delivering larger volumes of business mail, parcels, and priority mail packages. But, more parcel business means more cargo capacity is necessary in postal delivery vehicles, especially in those owned and operated by rural letter carriers.

When delivering greeting cards or bills, or packages ordered over the Internet, rural letter carriers use vehicles they currently purchase, operate and maintain. In exchange, they receive a reimbursement from the Postal Service. This reimbursement is called an Equipment Maintenance Allowance, EMA. Congress recognizes that providing a personal vehicle to delivery the U.S. Mail is not typical vehicle use. So, when a rural letter carrier is ready to sell such a vehicle, it's going to have little trade-in value because of the typically high mileage, extraordinary wear and tear, and the fact that it is probably right-hand drive. Therefore, Congress intended to exempt the EMA allowance from taxation in 1988 through a specific provision for rural mail carriers in the Technical and Miscellaneous Revenue Act of 1988.

That provision allowed an employee of the U.S. Postal Service who was involved in the collection and delivery of mail on a rural route, to compute their business use mileage deduction as 150 percent of the standard mileage rate for all business use mileage. As an alternative, rural letter carrier taxpayers could elect to utilize the actual expense method, business portion of actual operation and maintenance of the vehicle, plus depreciation. If EMA exceeded the allowable vehicle expense deductions, the excess was subject to tax. If EMA fell short of the allowable vehicle expenses, a deduction was allowed only to the extent that the sum of the shortfall and all other miscellaneous itemized deductions exceeded two percent of the taxpayer's adjusted gross income.

The Taxpayer Relief Act of 1997 further simplified the tax returns of rural letter carriers. That Act permitted the EMA income and expenses ''to wash,'' so that neither income nor expenses would have to be reported on a rural letter carrier's return. That simplified taxes for approximately 120,000 taxpayers, but the provision eliminated the option of filing the actual expense method for employee business vehicle expenses. The lack of this option, combined with the dramatic changes the Internet is having on the mail, specifically on rural letter carriers and their vehicles, is a problem I believe Congress must address.

The mail mix is changing and already Postal Service management has, understandably, encouraged rural letter carriers to purchase larger right-hand

drive vehicles, such as Sports Utility Vehicles, SUVs, to handle the increase in parcel loads. Large SUVs are much more expensive than traditional vehicles. So without the ability to use the actual expense method and depreciation, rural letter carriers must use their salaries to cover vehicle expenses. Additionally, the Postal Service has placed 11,000 postal vehicles on rural routes, which means those carriers receive no EMA.

These developments have created a situation that is contrary to the historical Congressional intent of using reimbursement to fund the government service of delivering mail, and also has created an inequitable tax situation for rural letter carriers. If actual business expenses exceed the EMA, a deduction for those expenses should be allowed. To correct this inequity, I am introducing a bill today that reinstates the ability of a rural letter carrier to choose between using the actual expense method for computing the deduction allowable for business use of a vehicle, or using the current practice of deducting the reimbursed EMA expenses.

Rural letter carriers perform a necessary and valuable service and face may changes and challenges in this new Internet era. We must make sure that these public servants receive fair and equitable tax treatment as they perform their essential role in fulfilling the Postal Service's mandate of binding the Nation together.

I urge my colleagues to join Senators BINGAMAN, DASCHLE, BUNNING, ROCKEFELLER, SNOWE, THOMAS, SMITH of Oregon, CONRAD, GRAHAM of Florida, KERRY, BREAUX, LINCOLN and myself in sponsoring this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTAIN EXPENSES OF RURAL LETTER CARRIERS.

(a) IN GENERAL.—Section 162(o) of the Internal Revenue Code of 1986 (relating to treatment of certain reimbursed expenses of rural mail carriers) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) SPECIAL RULE WHERE EXPENSES EXCEED REIMBURSEMENTS.—Notwithstanding paragraph (1)(A), if the expenses incurred by an employee for the use of a vehicle in performing services described in paragraph (1) exceed the qualified reimbursements for such expenses, such excess shall be taken into account in computing the miscellaneous itemized deductions of the employee under section 67.''.

(b) CONFORMING AMENDMENT.—The heading for section 162(o) of the Internal Revenue Code of 1986 is amended by striking ''REIMBURSED''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

Mr. BINGAMAN. Mr. President, I join Senator GRASSLEY, the chairman of the Finance Committee, and several of our colleagues in introducing legislation that will allow rural letter carriers to deduct their actual expenses when they use their own vehicle to deliver the mail. This Tax Code correction will reduce the out-of-pocket costs currently incurred by our Nation's rural letter carriers, giving them comparable tax treatment enjoyed by others using their vehicles in their line of business.

For many years, rural letter carriers were allowed to calculate their deductible expenses by using either a special formula or keeping track of their costs. In 1997, Congress simplified the tax treatment for letter carriers, but disallowed them the ability to use the actual expense method—business portion of actual operation and maintenance of the vehicle, plus depreciation—for calculating their costs. Unfortunately, this has resulted in many letter carriers being unable to account for their real expenses when using their own vehicle to deliver the mail. This problem is worse in more rugged parts of our country where road conditions and severe weather can require letter carriers to use an SUV or four-wheel-drive vehicle that are more expensive to maintain. This legislation will ensure that these mail carriers are fully reimbursed for the costs associated with the operation of their vehicles.

Although the Internet has made the world seem smaller, purchased goods must still be delivered. The benefits of Internet purchases in remote locations is limited if the purchased item cannot be delivered. For this reason, in rural States, such as New Mexico, these letter carriers play an important role in delivering the majority of the State's mail and parcels. On a daily basis across the Nation, rural letter carriers drive over 3 million miles delivering mail and parcels to over 30 million families. We need to be sure that we have not created a tax impediment for these dedicated individuals. I look forward to working with the chairman and my colleagues to get this legislation passed this year.

I ask unanimous consent that the text of the bill be printed in the RECORD immediately following the statement of Senator GRASSLEY on the introduction of this legislation.

By Mr. GRASSLEY (for himself, Mr. GRAHAM of Florida, Ms. MIKULSKI, and Mr. BREAUX):

S. 1335. A bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today to introduce the Long-Term Care and Retirement Security Act. This legislation, which I sponsored in the 106th and 107th Congress with my distinguished colleague from Florida, Senator BOB GRAHAM, would ease the tremendous cost of long-term care.

The bill that Senator GRAHAM and I are re-introducing today would allow individuals a tax deduction for the cost of long-term care insurance premiums. Increasingly, Americans are interested in private long-term care insurance to pay for nursing home stays, assisted living, home health aides, and other services. However, most people find the policies unaffordable. The younger the person, the lower the insurance premium, yet most people aren't ready to buy a policy until retirement. A deduction would encourage more people to buy long-term insurance.

Our proposal would also give individuals or their care givers a $3,000 tax credit to help cover their long-term care expenses. This would apply to those who have been certified by a doctor as needing help with at least three activities of daily living, such as eating, bathing, or dressing. This credit would help care givers pay for medical supplies, nursing care and any other expenses incurred while caring for family members with disabilities.

One family that would benefit from this legislation is the Gardner family of Waterloo, IA. Ruth Gardner is a 70-year-old mother of nine who suffers from a degenerative tissue disorder, Scleroderma, atrial fibrillation, congestive heart failure and is a breast cancer survivor. For the last 3 years her nine children, their spouses and numerous grandchildren have worked tirelessly to fulfill Ms. Gardner's wish of spending her last months with dignity and respect at home.

While Ms. Gardner's wish may seem small, the task of managing her care is not. Each week family members meet to organize their schedules in an effort to provide over 20 hours of daily care for Ms. Gardner. Working relentlessly, and at a considerable cost, the Gardner family manages to provide around-the-clock care while balancing both work and their family lives. All this effort comes at a great cost, both emotionally and financially. The Gardners have been able to locate some funding to help support the care for Ms. Gardner; however, the family continues to bear considerable costs. These costs include weekly nursing visits that cost $102 per visit, emergency response service at $30 a month, daily hospice service at $32 an hour and not to mention the hours and hours of personal time donated by the family.

The Long-Term Care and Retirement Security Act would help the 22 million family caregivers like the Gardners. A $3,000 tax credit would help to pay for Ms. Gardner's monthly hospice care, weekly nurse visits or help to hire a nurse to cover some of the time that the family currently donates. This legislation would also help the increasing number of families placed in the difficult situation by allowing them to purchase long-term care insurance. Had this legislation been enacted earlier, long-term care insurance would

have been an affordable option for Ms. Gardner, alleviating the difficult situation that her family currently faces.

As it has in the past, the bill that Senator GRAHAM and I are introducing today has been endorsed by both the AARP and the Health Insurance Association of America. A companion bill sponsored by Representatives NANCY JOHNSON, Karen Thurman and EARL POMEROY is pending in the House of Representatives.

An aging nation has no time to waste in preparing for long-term care, and the need to help people afford long-term care is more pressing than ever. I look forward to working with Senator GRAHAM and our colleagues in the Senate to get our bill passed into law as soon as possible.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Long-Term Care and Retirement Security Act of 2003''.

SEC. 2. TREATMENT OF PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions) is amended by redesignating section 223 as section 224 and by inserting after section 222 the following new section:

''SEC. 223. PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable percentage of the amount of eligible long-term care premiums (as defined in section 213(d)(10)) paid during the taxable year for coverage for the taxpayer and the taxpayer's spouse and dependents under a qualified long-term care insurance contract (as defined in section 7702B(b)).

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the applicable percentage shall be determined in accordance with the following table based on the number of years of continuous coverage (as of the close of the taxable year) of the individual under any qualified long-term care insurance contracts (as defined in section 7702B(b)):

''If the number of years of continuous coverage is—	The applicable percentage is—
Less than 1	60
At least 1 but less than 2	70
At least 2 but less than 3	80
At least 3 but less than 4	90
At least 4	100.

''(2) SPECIAL RULES FOR INDIVIDUALS WHO HAVE ATTAINED AGE 55.—In the case of an individual who has attained age 55 as of the close of the taxable year, the following table shall be substituted for the table in paragraph (1):

''If the number of years of continuous coverage is—	The applicable percentage is—
Less than 1	70
At least 1 but less than 2	85
At least 2	100.

''(3) ONLY COVERAGE AFTER 2003 TAKEN INTO ACCOUNT.—Only coverage for periods after December 31, 2003, shall be taken into account under this subsection.

''(4) CONTINUOUS COVERAGE.—An individual shall not fail to be treated as having continuous coverage if the aggregate breaks in coverage during any 1-year period are less than 60 days.

''(c) COORDINATION WITH OTHER DEDUCTIONS.—Any amount paid by a taxpayer for any qualified long-term care insurance contract to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 162(l) or 213(a).''.

(b) LONG-TERM CARE INSURANCE PERMITTED TO BE OFFERED UNDER CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.—

(1) CAFETERIA PLANS.—Section 125(f) of the Internal Revenue Code of 1986 (defining qualified benefits) is amended by inserting before the period at the end '', except that such term shall include the payment of premiums for any qualified long-term care insurance contract (as defined in section 7702B) to the extent the amount of such payment does not exceed the eligible long-term care premiums (as defined in section 213(d)(10)) for such contract''.

(2) FLEXIBLE SPENDING ARRANGEMENTS.—Section 106 of such Code (relating to contributions by an employer to accident and health plans) is amended by striking subsection (c).

(c) CONFORMING AMENDMENTS.—

(1) Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (18) the following new paragraph:

''(19) PREMIUMS ON QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS.—The deduction allowed by section 223.''.

(2) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

''Sec. 223. Premiums on qualified long-term care insurance contracts.

''Sec. 224. Cross reference.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2003.

(2) CAFETERIA PLANS AND FLEXIBLE SPENDING ARRANGEMENTS.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2004.

SEC. 3. CREDIT FOR TAXPAYERS WITH LONG-TERM CARE NEEDS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new section:

''SEC. 25C. CREDIT FOR TAXPAYERS WITH LONG-TERM CARE NEEDS.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable credit amount multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.

''(2) APPLICABLE CREDIT AMOUNT.—For purposes of paragraph (1), the applicable credit amount shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	The applicable credit amount is—
2004	$1,000
2005	1,500
2006	2,000
2007	2,500
2008 or thereafter	3,000.

''(b) LIMITATION BASED ON ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $100 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds the threshold amount. For purposes of the preceding sentence, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

''(2) THRESHOLD AMOUNT.—For purposes of paragraph (1), the term 'threshold amount' means—

''(A) $150,000 in the case of a joint return, and

''(B) $75,000 in any other case.

''(3) INDEXING.—In the case of any taxable year beginning in a calendar year after 2004, each dollar amount contained in paragraph (2) shall be increased by an amount equal to the product of—

''(A) such dollar amount, and

''(B) the medical care cost adjustment determined under section 213(d)(10)(B)(ii) for the calendar year in which the taxable year begins, determined by substituting '2003' for '1996' in subclause (II) thereof.

If any increase determined under the preceding sentence is not a multiple of $50, such increase shall be rounded to the next lowest multiple of $50.

''(c) DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'applicable individual' means, with respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in subparagraph (B) for a period—

''(i) which is at least 180 consecutive days, and

''(ii) a portion of which occurs within the taxable year.

Notwithstanding the preceding sentence, a certification shall not be treated as valid unless it is made within the 39½ month period ending on such due date (or such other period as the Secretary prescribes).

''(B) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—An individual is described in this subparagraph if the individual meets any of the following requirements:

''(i) The individual is at least 6 years of age and—

''(I) is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

''(II) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of daily living (as so defined), or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

''(ii) The individual is at least 2 but not 6 years of age and is unable due to a loss of functional capacity to perform (without substantial assistance from another individual) at least 2 of the following activities: eating, transferring, or mobility.

''(iii) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent.

''(2) ELIGIBLE CAREGIVER.—

''(A) IN GENERAL.—A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

''(i) The taxpayer.

''(ii) The taxpayer's spouse.

''(iii) An individual with respect to whom the taxpayer is allowed a deduction under section 151(c) for the taxable year.

''(iv) An individual who would be described in clause (iii) for the taxable year if section 151(c)(1)(A) were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount, the standard deduction under section 63(c)(2)(C), and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (iii) applied.

''(v) An individual who would be described in clause (iii) for the taxable year if—

''(I) the requirements of clause (iv) are met with respect to the individual, and

''(II) the requirements of subparagraph (B) are met with respect to the individual in lieu of the support test of section 152(a).

''(B) RESIDENCY TEST.—The requirements of this subparagraph are met if an individual has as his principal place of abode the home of the taxpayer and—

''(i) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer's spouse, is a member of the taxpayer's household for over half the taxable year, or

''(ii) in the case of any other individual, is a member of the taxpayer's household for the entire taxable year.

''(C) SPECIAL RULES WHERE MORE THAN 1 ELIGIBLE CAREGIVER.—

''(i) IN GENERAL.—If more than 1 individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual (other than the taxpayer) files a written declaration (in such form and manner as the Secretary may prescribe) that such individual will not claim such applicable individual for the credit under this section.

''(ii) NO AGREEMENT.—If each individual required under clause (i) to file a written declaration under clause (i) does not do so, the individual with the highest modified adjusted gross income (as defined in section 32(c)(5)) shall be treated as the eligible caregiver.

''(iii) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of married individuals filing separately, the determination under this subparagraph as to whether the husband or wife is the eligible caregiver shall be made under the rules of clause (ii) (whether or not one of them has filed a written declaration under clause (i)).

''(d) IDENTIFICATION REQUIREMENT.—No credit shall be allowed under this section to a taxpayer with respect to any applicable individual unless the taxpayer includes the name and taxpayer identification number of such individual, and the identification number of the physician certifying such individual, on the return of tax for the taxable year.

''(e) TAXABLE YEAR MUST BE FULL TAXABLE YEAR.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 6213(g)(2) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (L), by striking the period at the end of subparagraph (M) and inserting '', and'', and by inserting after subparagraph (M) the following new subparagraph:

''(N) an omission of a correct TIN or physician identification required under section 25C(d) (relating to credit for taxpayers with long-term care needs) to be included on a return.''.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25B the following new item:

''Sec. 25C. Credit for taxpayers with long-term care needs.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2003.

SEC. 4. ADDITIONAL CONSUMER PROTECTIONS FOR LONG-TERM CARE INSURANCE.

(a) ADDITIONAL PROTECTIONS APPLICABLE TO LONG-TERM CARE INSURANCE.—Subparagraphs (A) and (B) of section 7702B(g)(2) of the Internal Revenue Code of 1986 (relating to requirements of model regulation and Act) are amended to read as follows:

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to any contract if such contract meets—

''(i) MODEL REGULATION.—The following requirements of the model regulation:

''(I) Section 6A (relating to guaranteed renewal or noncancellability), and the requirements of section 6B of the model Act relating to such section 6A.

''(II) Section 6B (relating to prohibitions on limitations and exclusions).

''(III) Section 6C (relating to extension of benefits).

''(IV) Section 6D (relating to continuation or conversion of coverage).

''(V) Section 6E (relating to discontinuance and replacement of policies).

''(VI) Section 7 (relating to unintentional lapse).

''(VII) Section 8 (relating to disclosure), other than section 8F thereof.

''(VIII) Section 11 (relating to prohibitions against post-claims underwriting).

''(IX) Section 12 (relating to minimum standards).

''(X) Section 13 (relating to requirement to offer inflation protection), except that any requirement for a signature on a rejection of inflation protection shall permit the signature to be on an application or on a separate form.

''(XI) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

''(XII) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

''(ii) MODEL ACT.—The following requirements of the model Act:

''(I) Section 6C (relating to preexisting conditions).

''(II) Section 6D (relating to prior hospitalization).

''(III) The provisions of section 8 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) MODEL PROVISIONS.—The terms 'model regulation' and 'model Act' mean the long-term care insurance model regulation, and the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of September 2000).

''(ii) COORDINATION.—Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

''(iii) DETERMINATION.—For purposes of this section and section 4980C, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.''.

(b) EXCISE TAX.—Paragraph (1) of section 4980C(c) of the Internal Revenue Code of 1986 (relating to requirements of model provisions) is amended to read as follows:

''(1) REQUIREMENTS OF MODEL PROVISIONS.—

''(A) MODEL REGULATION.—The following requirements of the model regulation must be met:

''(i) Section 9 (relating to required disclosure of rating practices to consumer).

''(ii) Section 14 (relating to application forms and replacement coverage).

''(iii) Section 15 (relating to reporting requirements), except that the issuer shall also report at least annually the number of claims denied during the reporting period for each class of business (expressed as a percentage of claims denied), other than claims denied for failure to meet the waiting period or because of any applicable preexisting condition.

''(iv) Section 22 (relating to filing requirements for marketing).

''(v) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C, except that—

''(I) in addition to such requirements, no person shall, in selling or offering to sell a qualified long-term care insurance contract, misrepresent a material fact; and

''(II) no such requirements shall include a requirement to inquire or identify whether a prospective applicant or enrollee for long-term care insurance has accident and sickness insurance.

''(vi) Section 24 (relating to suitability).

''(vii) Section 29 (relating to standard format outline of coverage).

''(viii) Section 30 (relating to requirement to deliver shopper's guide).

The requirements referred to in clause (vi) shall not include those portions of the personal worksheet described in Appendix B relating to consumer protection requirements not imposed by section 4980C or 7702B.

''(B) MODEL ACT.—The following requirements of the model Act must be met:

''(i) Section 6F (relating to right to return), except that such section shall also apply to denials of applications and any refund shall be made within 30 days of the return or denial.

''(ii) Section 6G (relating to outline of coverage).

''(iii) Section 6H (relating to requirements for certificates under group plans).

''(iv) Section 6I (relating to policy summary).

''(v) Section 6J (relating to monthly reports on accelerated death benefits).

''(vi) Section 7 (relating to incontestability period).

''(C) DEFINITIONS.—For purposes of this paragraph, the terms 'model regulation' and 'model Act' have the meanings given such terms by section 7702B(g)(2)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to policies issued more than 1 year after the date of the enactment of this Act.

Mr. GRAHAM of Florida. Mr. President, there has been a renewed interest in health issues, particularly the plight

of the uninsured. That issue presents lawmakers with significant challenges, particularly finding the right mixes of programs to provide health care coverage to the vastly different populations that make up this group.

There is an equally daunting health care issue facing our country, but it is one that has received far less attention. That issue is the increasing need for long-term care. Over 13 million people in the United States need help with basic activities of daily living such as eating, getting in and out of bed, getting around inside, dressing, bathing and using the toilet. While many Americans believe that long-term care is an issue primarily affecting seniors, the reality is that 5.2 million adults between the ages of 18 to 64 and over 450,000 children need long-term care services. These numbers are expected to double as the baby boom generation begins to retire.

Most long-term is provided at home or in the community by informal caregivers. However, in situations where individuals must enter nursing homes or other institutional facilities, costs are paid largely out-of-pocket. Such a financing structure jeopardizes the retirement security of many Americans who have worked hard their entire lives.

In order to help families address their long-term care needs, Senator GRASSLEY and I are re-introducing the ''Long-Term Care and Retirement Security Act.'' This legislation provides two important tools to help Americans and their families meet their immediate and future long-term care needs—an above-the-line income tax deduction for the purchase of long-term care insurance and a caregiver tax credit.

First, the bill provides an above-the-line deduction for long-term care premiums to make long-term care insurance more affordable for a greater number of Americans. Today, such premiums are deductible, but the availability of the deduction is severely limited. First, the current deduction is available only for the thirty percent of taxpayers who itemize their deductions. That leaves the remaining seventy percent of taxpayers with absolutely no benefit. Second, the deduction is limited to an amount, which in addition to other medical expenses exceeds 7.5 percent of the taxpayers adjusted gross income. This AGI limit further decreases the utilization of the current deduction.

The Graham-Grassley legislation removes these restrictions and makes the deduction for long-term care premiums available to all taxpayers.

In order to provide sufficient incentives for families to maintain long-term care coverage, the deduction allowed under this bill increases the longer the policy is maintained. The deduction starts at 60 percent for premiums paid during the first year of coverage and gradually increases each year thereafter until the deduction reaches 100 percent after at least 4 years of continuous coverage. This schedule is accelerated for those age 55 or older. For them, the deduction starts at 70 percent for the first year and increases to 100 percent with at least two years of continuous coverage.

Second, the bill provides an income tax credit for taxpayers with long-term care needs. The credit is phased in over 4 years, starting at $1,000 for 2003 and eventually reaching $3,000. To target assistance to those most in need, the credit phases out for married couples with income above $150,000, $75,000 for single taxpayers.

In addition to the deduction and tax credit, our bill allows employers to offer long-term care insurance under cafeteria plans and include long-term care services as reimbursable costs under flexible spending arrangements. The bill also updates the requirements that long-term care policies must meet in order to qualify for the income tax deduction. These updated requirements reflect the most recent model regulations and code issued by the National Association of Insurance Commissioners.

I urge my colleagues to join Senator GRASSLEY and me in cosponsoring this legislation.

By Mr. BROWNBACK (for himself and Mr. KENNEDY):

S. 1336. A bill to allow North Koreans to apply for refugee status or asylum; to the Committee on the Judiciary.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PURPOSE.

The purpose of this Act is to ensure that North Koreans are not barred from eligibility for refugee status or asylum in the United States on account of any legal right to citizenship they may enjoy under the Constitution of the Republic of Korea. This Act is not intended in any way to prejudice whatever rights to citizenship North Koreans may enjoy under the Constitution of the Republic of Korea.

SEC. 2. TREATMENT OF NATIONALS OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA.

For purposes of eligibility for refugee status under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157), or for asylum under section 208 of such Act (8 U.S.C. 1158), a national of the Democratic People's Republic of Korea shall not be considered a national of the Republic of Korea.

By Mr. SMITH:

S. 1337. A bill to establish an incentive program to promote effective safety belt laws and increase safety belt use; to the Committee on Commerce, Science, and Transportation.

Mr. SMITH of Oregon. Mr. President, I rise today to introduce the Safe, Efficient, Automobile Travel to Better Ensure Lives in Transit, SEAT BELT, Act of 2003.

This bill will establish an incentive grant program that rewards States that have enacted or will enact primary seat belt laws. The bill also gives a premium to those States that increase seat belt usage.

According to the National Highway Traffic Safety Administration, NHTSA, motor vehicle crashes are responsible for 95 percent of all transportation-related deaths and 99 percent of all transportation-related injuries. It is estimated that in 2002, 42,850 people were killed in vehicle crashes and roughly 3 million more were injured. Motor vehicle crashes are ranked as the leading cause of death for Americans ages 1 to 34.

In addition to the thousands of transportation-related deaths and injuries, the economic costs associated with vehicle crashes constitute a serious public health problem and significant fiscal burden to the Nation. The total annual economic cost to the U.S. economy of all motor vehicle crashes is an astonishing $230.6 billion, or 2.3 percent of the U.S. gross domestic product. This translates into an average of $820 for every person living in the United States.

Increasing seat belt usage is a guaranteed and proven way to lower the number of transportation-related deaths and costs associated with vehicle crashes. In 2002, 59 percent of vehicle occupants killed were not restrained by seat belts or child safety seats. Safety experts agree that the best short-term and most immediate way to reduce traffic crash fatalities and serious injuries is to increase seat belt use.

Experience in the United States and other countries has shown that sound laws coupled with high-visibility enforcement are the keys to high seat belt use. Currently, the effectiveness of most State seat belt laws is reduced by secondary enforcement provisions that preclude law enforcement from stopping an unbelted motorist unless another traffic law violation is also observed.

Primary enforcement seat belt laws are significantly correlated with higher seat belt usage levels. States with primary enforcement laws have an average of 80 percent belt usage, compared to just 69 percent in States having secondary enforcement laws. Currently, only 19 jurisdictions have primary seat belt laws. Nearly 4000 lives would be saved each year if seat belt use were to increase from the national average of 75 percent to 90 percent.

The SEAT BELT Act creates two grant programs to encourage seat belt use. The first grant program rewards States that have or will have primary seat belt enforcement. Forty percent of the available funds for this program will be applied to the first grant category.

Every State that enacts a primary seat belt law or currently has one will receive two times their Section 402 allotment. Those States that enact a primary seat belt law sooner will receive

their incentive grant sooner. Any funds not obligated by the end of FY 2008 will be made available to States qualified to receive funds under the second grant category.

The second grant program would reward States that increase their seat belt usage. Sixty percent of the available funds for this program will be applied to the second grant category. The Secretary of Transportation shall carry out this program which is designed to maximize the effectiveness of the awarded funds and the fairness of the distribution of such funds; increase the national seat belt usage rate as expeditiously as possible; reward States that maintain a seat belt usage rate above 85 percent, as determined by NHTSA; and reward States that demonstrate an increase in their seat belt usage rates.

The SEAT BELT Act will ensure that funds are distributed fairly by rewarding the 19 jurisdictions, including my home state of Oregon, which took an early lead to enact a primary seat belt law. The Act also provides sufficient financial incentives to persuade the States that have not enacted a primary seat belt law to do so. And lastly, the Act provides continuing incentives to States to encourage them to have high seat belt usage rates and rewards them for their persistence in striving towards higher usage rates.

I urge my colleagues to cosponsor this important legislation and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Safe, Efficient Automobile Travel to Better Ensure Lives in Transit (SEATBELT) Act of 2003''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) According to the National Highway Traffic Safety Administration (NHTSA), motor vehicle crashes are responsible for 95 percent of all transportation-related deaths and 99 percent of all transportation-related injuries.

(2) Motor vehicle crashes are the leading cause of death for Americans between the ages of 1 and 34.

(3) It is estimated that, in 2002, 42,850 people were killed and approximately 3,000,000 people were injured in vehicle crashes.

(4) NHTSA estimates that if safety belt use were to increase from 75 percent to 90 percent, nearly 4,000 lives would be saved each year.

SEC. 3. SAFETY BELT INCENTIVE GRANTS.

(a) REQUIREMENTS FOR GRANT PROGRAMS.—

(1) IN GENERAL.—Chapter 4 of title 23, United States Code, is amended by adding at the end the following new section:

''§ 412. Safety belt incentive grants

''(a) PRIMARY ENFORCEMENT SAFETY BELT USE LAW INCENTIVE GRANTS.—

''(1) ELIGIBILITY.—The Secretary shall make a grant to each State that, as determined by the Secretary, has in effect a primary enforcement safety belt use law.

''(2) AMOUNT OF GRANT.—The amount of a grant for which a State qualifies under this subsection shall equal the amount of funds allocated to the State under section 402 of this title for fiscal year 2003 multiplied by 2.

''(3) DISTRIBUTION OF FUNDS.—Funds awarded to a State under this subsection shall be distributed over a 2-year period.

''(4) FUNDS AVAILABLE FOR GRANT PROGRAM.—Forty percent of the funds made available to carry out the occupant protection programs under section 405 of this title in a fiscal year shall be available for grants under this subsection during such fiscal year.

''(5) DISPOSITION OF UNUSED FUNDS.—Any funds available for grants under this subsection that have not been awarded by the end of fiscal year 2008 shall be made available for the safety belt usage grant program under subsection (b).

''(b) SAFETY BELT USAGE AWARD GRANTS.—

''(1) IN GENERAL.—The Secretary shall carry out a program for making safety belt usage award grants to eligible States. The program shall be designed to—

''(A) maximize the effectiveness of the awarded funds and the fairness of the distribution of such funds;

''(B) increase the national seat belt usage rate as expeditiously as possible;

''(C) reward States that maintain a seat belt usage rate above 85 percent (as determined by the National Highway Traffic Safety Administration); and

''(D) reward States that demonstrate an increase in their seat belt usage rates.

''(2) FUNDS AVAILABLE FOR GRANT PROGRAM.—Sixty percent of the funds made available to carry out the occupant protection programs under section 405 of this title in a fiscal year shall be available for grants under this subsection during such fiscal year.

''(c) USE OF FUNDS.—Grants awarded under this section may be used to carry out activities under this title.

''(d) DEFINITIONS.—In this section:

''(1) PASSENGER MOTOR VEHICLE.—The term 'passenger motor vehicle' has the meaning given the term in section 405(f)(5) of this title.

''(2) PRIMARY ENFORCEMENT SAFETY BELT USE LAW.—The term 'primary enforcement safety belt use law' means a law that meets the criteria for such laws published by the Secretary in a rule relating to the grant program under this section.

''(3) SAFETY BELT.—The term 'safety belt' has the meaning given the term in section 405(f)(6) of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 411 the following new item:

''412. Safety belt incentive grants.''.

(b) INTERIM FINAL RULE.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Transportation shall publish an interim final rule listing the criteria for awarding grants pursuant to section 412 of title 23, United States Code, as added by subsection (a), including the criteria to be used by the Secretary in determining whether a law is a primary enforcement safety belt use law for purposes of such section.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 183—COMMEMORATING 50 YEARS OF ADJUDICATION UNDER THE MCCARRAN AMENDMENT OF RIGHTS TO THE USE OF WATER

Mr. ENSIGN (for Mr. CAMPBELL (for himself, Mr. ENSIGN, Mr. KYL, Mr. BURNS, Mr. ALLARD, Mr. CRAPO, and Mr. CRAIG)) submitted the following resolution; which was referred to the Committee on Energy and Natural Resources:

S. RES. 183

Whereas section 208 of the Department of Justice Appropriation Act, 1953 (commonly known as the McCarran Amendment) (43 U.S.C. 666) waived the sovereign immunity of the United States so that it could be joined in comprehensive State general adjudications of the rights to use water;

Whereas in United States v. District Court for Eagle County, 401 U.S. 520, 524 (1971), the Supreme Court confirmed that the McCarran Amendment was ''an all-inclusive statute concerning 'the adjudication of rights to the use of water of a river system' which . . . has no exceptions and . . . includes appropriative rights, riparian rights, and reserved rights'';

Whereas in Colorado River Water Conservation District v. United States, 424 U.S. 800, 819 (1976), the Supreme Court concluded that the concern over ''avoiding the generation of additional litigation through permitting inconsistent dispositions of property . . . Is heightened with respect to water rights, the relationships among which are highly interdependent'' and that the ''consent to jurisdiction given by the McCarran Amendment bespeaks a policy that recognizes the availability of comprehensive state systems for adjudication of water rights as the means of achieving these goals'';

Whereas since the passage of the McCarran Amendment, Federal and non-Federal users, along with numerous Western States, have invested millions of dollars in water right adjudications in those States to establish rights to the use of water that will determine priority of use during times of scarcity;

Whereas State water laws in the West have evolved to accommodate instream values such as recreation and environmental needs, while continuing to recognize and protect traditional consumptive uses for the West's cities and farms;

Whereas Federal claims for water have been recognized under both Federal and State laws within State general adjudications, thus enhancing the protection of Federal interests, as well as the certainty and reliability of non-Federal interests, in water in the West;

Whereas the significance of the McCarran Amendment, in providing States with the ability to determine the extent of federal claims to water resources, has become increasingly apparent as many of the Western States are experiencing a severe and sustained drought, where water supplies for all purposes are severely restricted; and

Whereas now more than ever there is a pressing need to recognize and support the availability of comprehensive systems for quantification of rights to use water in those Western States for all beneficial purposes: Now, therefore, be it

Resolved, that the Senate—

(1) reaffirms the policies and principles of the McCarran Amendment that have been recognized by Supreme Court decisions and recognizes that, as a matter of practice, the United States should adhere and defer to State water law; and

(2) commends Western States that maintain comprehensive systems for the quantification of rights to use water for all beneficial purposes, including environmental protection and enhancement.

Mr. CAMPBELL. Mr. President, I rise to submit a Resolution commemorating 50 years of adjudicating water rights under the McCarran Amendment and commending Western States' management of water.

Rather than simply go into the Resolution itself, I would like to put the Amendment in its proper historical context.

Unlike the Eastern United States, the history of the West, its settlement, and even its founding, is closely linked to the Federal Government. We should remember that Lewis and Clark and so many other courageous explorers who mapped the Western territories were funded by the United States government. We should also be mindful that much of what we know as the West was purchased or otherwise acquired by the United States Government including the Louisiana Purchase of 1803 and the 1848 Treaty of Guadalupe Hidalgo.

However, just because the Federal Government might have acquired the Western territories didn't mean that people wanted to move there. The West was a rough place, harsh land and harsher winters were enough to keep most folks back East. Again, the United States took action to promote Westward expansion by implementing laws like the Homestead Act to encourage people to relocate.

Eventually, the dream of discovering gold and mining precious metals was the catalyst that got people moving West, and eventual completion of the trans-continental railroad provided the means. Each Western territory developed into a distinct State, based on the makeup of its constituents, diverse as the Mormons of Utah to the Spanish and Mexican-Americans of New Mexico and to the Great Plains Indians and other Tribes.

No matter the reason why people moved West, they all needed water as precious and scarce a resource then as it is today. New industries and cities to sprout up that needed water to survive and a way to manage it.

Water law out West is as distinct from the East as are the histories of the two great regions of our Nation. In the West, water is a rare commodity, and is therefore regarded as a property right under the law sold apart from the land.

Since water was such a scarce resource, each State managed water based on its particular resources, geography, population, and municipal and industrial needs. Yet, Western States all recognized and favored water adjudication systems according to the doctrines of prior appropriation and beneficial use.

State management of water worked rather smoothly for decades. Then after World War II, during the new Deal's expansive programs, the Federal government sought to realign and trump the established States' interest in water to some degree. On one hand, the Federal Government believed it to be acting in its own interest since Uncle Sam owned much of the West. The United States still owns thirty-seven percent of my State of Colorado.

The United States rode roughshod over State interests, often completely ignoring private property rights and resisting cooperative agreements to manage water. The States fought Federal arm twisting as best as they could, but couldn't do much against the U.S. as sovereign. The Federal bullying got so bad that in 1951, a Readers Digest article criticized the U.S.'s strong arm tactics in the famous Santa Margarita water conflict stating that, ''the lack of moral sensitivity in our Government has put into jeopardy thousands of our small landowners; their property, homes, savings and their future.''

Thankfully, Senator PATRICK MCCARRAN of Nevada along with other likeminded Senators, successfully defended States' interests and got a very simply provision passed into law. In short, the law that we are celebrating today waives the United States' sovereign immunity so that it could be joined in general state adjudications of rights to use water.

Although a simple concept, the McCarran Amendment effectively leveled the playing field, requiring Uncle Sam to work within the State system he implicitly helped to establish.

The breadth of the McCarran Amendment has been defined by U.S. Supreme Court cases. The Court concluded that although the amendment itself might be short in length, its effect war far reaching. The High Court stated that McCarran was ''an all inclusive statute concerning the adjudication of 'the rights to the use of water of a river system' '' which ''has no exceptions'' and ''includes appropriat[ive] rights, riparian rights, and reserved rights.''

It is undeniable that the history of the West is linked to the Federal Government. Since the Federal Government maintains vast landholdings, the future of the West will also be linked to Uncle Sam. Similarly, the management of property and natural resources, of which water is both, has been and shall remain a State function.

The purpose of the McCarran Amendment was to prevent federal bullying of private and state interests in managing water, and to recognize water as a State resource. McCarran encourages the Federal Government to work together with the States.

I am submitting this resolution today at a time when much of the West is still under or will likely experience severe drought conditions. The Federal Government must remember the history of the McCarran amendment and look to the States in adjudicating water.

SENATE RESOLUTION 184—CALLING ON THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA IMMEDIATELY AND UNCONDITIONALLY TO RELEASE DR. YANG JIANLI, AND FOR OTHER PURPOSES

Mr. KYL (for himself, Ms. MIKULSKI, Mr. BROWNBACK, Mr. MCCAIN, and Mr. ALLEN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 184

Whereas, according to the Department of State's 2002 Country Reports on Human Rights Practices in China, the Government of the People's Republic of China has ''continued to commit numerous and serious [human rights] abuses,'' including ''instances of . . . arbitrary arrest and detention, lengthy incommunicado detention, and denial of due process'';

Whereas according to the report, ''the country's criminal procedures were not in compliance with international standards,'' the ''lack of due process in the judicial system remained a serious problem,'' and ''authorities routinely violated legal protections in the cases of political dissidents'';

Whereas Dr. Yang Jianli, an internationally renowned scholar, pro-democracy activist, and president of the Foundation for China in the 21st Century, is an alien lawfully admitted for permanent residence in the United States who has been detained incommunicado by the Government of the People's Republic of China since April 26, 2002;

Whereas according to the United Nations Commission on Human Rights Resolution 1997/38 of April 11, 1997, ''prolonged incommunicado detention may . . . itself constitute a form of cruel, inhuman, or degrading treatment,'' which is prohibited by international law;

Whereas Dr. Yang Jianli has been deprived of his basic human rights by being denied access to legal counsel and contact with his wife and two children (who are United States citizens), and has also been denied his right to trial within a reasonable time or to release pending trial;

Whereas, on June 3, 2003, the United Nations Working Group on Arbitrary Detention expressed the opinion that ''[t]he non-observance of Mr. Yang Jianli's right to a fair trial is of such gravity as to give his deprivation of liberty an arbitrary character. Therefore, his arrest and detention is arbitrary being in contravention of Article 9 of the Universal Declaration of Human Rights and Article 9 of the International Covenant on Civil and Political Rights.''; and

Whereas the arbitrary imprisonment of United States citizens and permanent resident aliens by the Government of the People's Republic of China and the continuing violations by the Government of their fundamental human rights demands a forceful response by Congress and the President of the United States: Now, therefore, be it

Resolved,

SECTION 1. CONDEMNATION OF THE TREATMENT BY THE GOVERNMENT OF CHINA OF DR. YANG JIANLI.

The Senate—

(1) condemns and deplores the incommunicado detention of Dr. Yang Jianli, and calls for his immediate and unconditional release;

(2) condemns and deplores the lack of due process afforded to Dr. Yang; and

(3) strongly urges the Government of the People's Republic of China to consider the

implications for the broader relationship between the United States and the People's Republic of China of detaining permanent resident aliens of the United States without providing them access to legal counsel or family members.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that the United States should—

(1) make the immediate release of Dr. Yang Jianli by the Government of the People's Republic of China a top priority of United States foreign policy;

(2) continue to make every effort to assist Dr. Yang Jianli and his family while discussions of his release are ongoing;

(3) ensure that the Government of the People's Republic of China understands that the detention of United States citizens and permanent resident aliens, and the infliction of human rights violations on these groups, is not in the interests of the Government of the People's Republic of China because it will reduce the opportunities for cooperation between the United States and the People's Republic of China;

(4) reiterate its deep concern regarding the continued imprisonment of Dr. Yang Jianli and other United States citizens and permanent resident aliens whose human rights are being violated; and

(5) engage in discussions with the Government of the People's Republic of China regarding the legal status and immediate humanitarian needs of these United States citizens and permanent resident aliens.

Mr. KYL. Mr. President, I rise today to submit a resolution calling on the government of the People's Republic of China to release Dr. Yang Jianli, an internationally renowned scholar and pro-democracy activist, who has been detained in China since April 2002 without access to legal counsel, contact with his family, or a trial. Dr. Yang, a U.S. permanent resident, is a mathematician and economist who lives in Massachusetts. He heads the Foundation for China in the 21st Century, a group that advocates democratization in China.

On June 3, the U.N.'s Working Group on Arbitrary Detention condemned China's detention of Dr. Yang, finding that the Chinese government has violated his rights as a citizen of China and as a resident of the U.S. The panel declared that, ''The nonobservance of Dr. Yang's right to a fair trial is of such gravity as to give his deprivation of liberty an arbitrary character. Therefore, his arrest and detention is arbitrary being in contravention of Article 9 of the Universal Declaration on Human Rights and Article 9 of the International Covenant on Civil and Political Rights.''

In recognition of the U.N. working group's conclusions, as well as the Chinese government's blatant rejection of them, the State Department officially called for Dr. Yang's release, stating, ''We are particularly disturbed now by China's public rejection of an accepted international process and the findings of the independent and impartial panel of jurists, so we are urging China to comply fully with international obligations that it has assumed, and we urge that Dr. Yang be released and allowed to return to his wife and children in Boston.''

The resolution that I am submitting with my colleagues goes hand-in-hand with the State Department's support for Dr. Yang. It expresses the sense of the Senate that the U.S. should: 1. make the immediate release of Dr. Yang Jianli a top foreign policy priority; 2. make clear to the Chinese government that the detention of U.S. citizens and permanent residents is not in its best interests; and 3. express the deep concern of the U.S. regarding the imprisonment of Dr. Yang and other U.S. citizens and permanent residents, as well as discuss their legal status and humanitarian needs.

I would like to note that a similar resolution—submitted by Representatives Cox and Frank—is expected to be considered today by the House of Representatives.

As I have stated repeatedly, if China wants to become a productive and respected member of the international community, it must begin to adhere to accepted norms of behavior. China's leaders seem to be oblivious to the understanding that all people deserve certain basic freedoms and that violation of such fundamental rights is an appropriate concern of the United States and the world at large. We should make clear that the Chinese government's continued detention of Yang Jianli and others—in violation of these international norms—will adversely impact our bilateral relations. Without such pressure, the behavior of China's leaders is unlikely to change, and the voices of those who have devoted their lives to the cause of freedom—like Yang Jianli—will continue to be silenced.

I hope that my colleagues in the Senate will join me in strongly supporting this resolution and in calling for Dr. Yang Jianli's release.

Ms. MIKULSKI. Mr. President, I rise to join Senator KYL in submitting a resolution calling for the immediate release of Dr. Yang Jianli. Dr. Yang Jianli. Dr. Yang is a democracy activist who has since been held incommunicado in China for more than a year. Dr. Yang is being held in violation of his human rights and international law. He should be freed now.

Dr. Yang Jianli is a scholar and important democracy activist in his home State of Massachusetts where he is founder and president of the Foundation for China in the 21st Century. Jianli is a permanent United States resident who continues to work for democracy in his native China.

Dr. Yang was taken into custody when he returned to China on April 26, 2002. He has been held incommunicado since then. His family in Massachusetts and Maryland are understandably concerned about his welfare.

The U.S. Department of State has called for China to release Dr. Yang. So has the United Nations Working Group on Arbitrary Detention. The Chinese government refuses to admit to detaining this man illegally. However, the U.N. Working Group on Arbitrary Detention says, ''The non-observance of Dr. Yang's right to a fair trial is of such gravity as to give his deprivation of liberty an arbitrary character. Therefore, his arrest and detention is arbitrary being in contravention of Article 9 of the Universal Declaration of Human rights and Article 9 of the International Covenant of Civil and Political Rights.'' In other words, the Chinese government never bothered to charge Yang Jianli with a crime—they just locked him up and threw away the key.

We can assist by increasing the pressure of the Chinese government and support the U.N. petition on Dr. Yang's behalf. Being deprived of his basic human rights of access to legal counsel and contact with his wife and children is wrong. When China wanted most-favored-nation trade status, we heard a lot of lip service to human rights and democracy. Dr. Yang Jianli's case shows the true face of China's government. They locked him up because he wanted to speak out about democracy and human rights.

I strongly urge the Chinese government to respond to the continual requests for Yang's freedom by the United States government and human rights groups around the world. The House is taking up a similar resolution today. I hope that the Senate will act quickly to add our voices in calling for freedom for Yang Jianli.

Mr. BROWNBACK. Mr. President, after more than a year of suffering abuse and incommunicado detention, I urge this body to call for the immediate and unconditional release of Chinese democracy activist, Dr. Yang Jianli.

Dr. Yang, a permanent resident of the United States, a respected scholar, a pro-democracy advocate, president of the Foundation for China in the 21st Century, as well as a loving husband and father, is now a prisoner and victim of shameless abuse by the Chinese government.

Following his participation in the 1989 Tiananmen Square pro-democracy student protests, Dr. Yang was added to an unofficial blacklist of expatriate Chinese dissidents. Upon his return to the country in 2002, Dr. Yang was detained and has been denied access to his family, legal counsel and due process.

The resolution submitted today in the Senate coupled with H. Res. 199, strongly calls for the release of Dr. Yang Jianli and condemns the People's Republic of China for ongoing deplorable human rights abuses. Clearly, it is not in their interest to deny human rights to any United States citizen or U.S. permanent resident alien.

Let this also be an additional chance to voice our regret and deep concern for the continual abuse of the people in China. Dr. Yang Jianli understands this better than most. He has devoted his life to the cause of democracy and freedom for the people for China and has been, once again, silenced.

China must know and the world must know that denial of basic human rights will no longer be tolerated. Dr. Yang is just one of the many, who suffer daily under the harsh rule of those who refuse to embrace democracy. We must let his story and his voice be heard for the millions of others who can not speak out. Let us continue to pressure the People's Republic of China and let us continue to stand for what is right and just around the world.

SENATE RESOLUTION 185—EXPRESSING THE SENSE OF THE SENATE WITH RESPECT TO RAISING AWARENESS AND ENCOURAGING EDUCATION ABOUT SAFETY ON THE INTERNET AND SUPPORTING THE GOALS AND IDEALS OF NATIONAL INTERNET SAFETY MONTH

Ms. MURKOWSKI (for herself, Mr. STEVENS, and Mr. INOUYE) submitted the following resolution; which was considered and agreed to:

S. RES. 185

Whereas, in the United States, 48 million children between the ages of 5 and 17 use computers;

Whereas 5 to 17 year-olds in the United States currently spend 5 billion hours on-line annually;

Whereas 70 million youth under the age of 18 worldwide are on-line;

Whereas the majority of teenagers' on-line use occurs after school, at home, when working parents are not at home;

Whereas 90 percent of those age 15 to 24 use the Internet, with almost half of them using it once a day or more;

Whereas approximately 3 out of 4 young people have access to the Internet at home, and nearly 1 in 3 has access from their own bedroom;

Whereas 9 out of 10 children between ages 8 and 16 have viewed pornography on the Internet, with most being accessed unintentionally when, often in the process of doing homework, a child used a seemingly innocent sounding word in an Internet search for information or pictures;

Whereas 62 percent of parents of teenagers are unaware that their children have accessed objectionable websites;

Whereas 89 percent of sexual solicitations were made in either chat rooms or Instant Messages;

Whereas 30 percent of the girls responding to a Girl Scout research study reported that they had been sexually harassed in a chat room, but only 7 percent told a parent about the harassment, most fearing their parents would overreact and ban computer usage altogether;

Whereas, in 1996, the Federal Bureau of Investigation was involved in 113 cases involving Internet crimes against children, but in 2001, the FBI opened 1,541 cases against suspects of Internet crimes involving child pornography or abuse; and

Whereas June as National Internet Safety Month will provide national awareness of the dangers of the Internet while offering education about how to be safe, responsible, and accountable on the Internet: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) National Internet Safety Month provides an opportunity to educate the people of the United States on the dangers of the Internet and the importance of being safe and responsible on-line;

(2) national and community organizations should be recognized and applauded for their work in promoting awareness of the dangers of the Internet and for providing information on developing the critical thinking and decision-making skills to be safe on-line; and

(3) Internet safety organizations, law enforcement, educators, and volunteers should increase their efforts to raise the awareness of on-line safety.

SENATE RESOLUTION 186—COMMENDING AUGUST HIEBERT FOR HIS SERVICE TO THE ALASKA COMMUNICATIONS INDUSTRY

Mr. STEVENS (for himself and Ms. MURKOWSKI) submitted the following resolution; which was ordered held at the desk:

S. RES. 186

Whereas Augie Hiebert came to Alaska in 1939 and built the first successful commercial radio station;

Whereas on Dec. 7, 1941, Augie Hiebert picked up the first report of the raid on Pearl Harbor from his radio station in Fairbanks, Alaska giving military leaders the first word of the attack that began World War II;

Whereas in 1953, Augie Hiebert founded Alaska's first television station;

Whereas Augie Hiebert established Alaska's first FM radio station and was named president of the Alaska Broadcasting system, overseeing the affiliation of nine stations that serve all major Alaska communities;

Whereas Augie Heibert helped establish Alaska's first satellite earth station activated in 1970;

Whereas Augie Heibert led in the development of the Territory and State of Alaska, working for over a half century to pioneer modern radio and television on behalf of the broadcast industry;

Whereas Augie Hiebert has been a pillar of the Alaska community as president of the Anchorage Chamber of Commerce and the Association of the U.S. Army in Alaska, and as director of the Alaska Educational Broadcasting Committee, the CBS Television Network Affiliates Association, the Civil Air Patrol, and the Pioneers of Alaska: Now, therefore, be it

Resolved, That it is the sense of the Senate that Augie Hiebert is commended for his service to the communications industry in Alaska and the world and for bringing the best that broadcasting has to offer to the people of Alaska.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1044. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table.

SA 1045. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1046. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1047. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1048. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1049. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1050. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1051. Mr. ENZI (for himself, Mrs. LINCOLN, Mr. PRYOR, and Ms. MURKOWSKI) proposed an amendment to the bill S. 1, supra.

SA 1052. Mr. EDWARDS (for himself and Mr. HARKIN) proposed an amendment to the bill S. 1, supra.

SA 1053. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1054. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1055. Mrs. HUTCHISON (for herself, Mr. KENNEDY, Mr . DURBIN, Mr. KERRY, and Mr. LAUTENBERG) submitted an amendment intended to be proposed to amendment SA 1004 proposed by Mrs. HUTCHISON to the bill S. 1, supra; which was ordered to lie on the table.

SA 1056. Mr. SHELBY (for himself, Ms. STABENOW, Mr. SESSIONS, Mr. COCHRAN, Mr. LOTT, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1057. Mrs. DOLE (for herself and Mr. EDWARDS) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1058. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1059. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1060. Mr. BAUCUS (for Mrs. FEINSTEIN (for himself, Mr. NICKLES, Mr. CHAFEE, and Mr. GRAHAM, of South Carolina)) proposed an amendment to the bill S. 1, supra.

SA 1061. Mr. BAUCUS (for Mr. AKAKA (for himself and Mr . INOUYE)) proposed an amendment to the bill S. 1, supra.

SA 1062. Mr. REID (for Mrs. BOXER) proposed an amendment to amendment SA 974 proposed by Mr. GRASSLEY (for himself, Mr. LEAHY, Ms. CANTWELL, Mr. DURBIN, and Mr. KOHL) to the bill S. 1, supra.

SA 1063. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1064. Ms. SNOWE (for herself, Mr. ROCKEFELLER, and Mr. SMITH) submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1065. Mr. BINGAMAN (for himself, Mr. DOMENICI, Ms. MIKULSKI, and Mrs. LINCOLN) proposed an amendment to the bill S. 1, supra.

SA 1066. Mr. BINGAMAN proposed an amendment to the bill S. 1 , supra.

SA 1067. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1068. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1069. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1070. Mr. SCHUMER submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1071. Mr. ROCKEFELLER (for himself and Mr. SMITH) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1072. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1073. Mr. SMITH (for himself, Mr. FEINGOLD, and Ms . CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 1, supra.

SA 1074. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1075. Ms. STABENOW (for herself and Mr. LEVIN) proposed an amendment to the bill S. 1, supra.

SA 1076. Ms. STABENOW (for herself and Mr. LEVIN) proposed an amendment to the bill S. 1, supra.

SA 1077. Ms. STABENOW (for herself and Mr. LEVIN) proposed an amendment to the bill S. 1, supra.

SA 1078. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1079. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1080. Mr. DEWINE (for himself and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1081. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1082. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1083. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1084. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1085. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 1086. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1, supra; which was ordered to lie on the table.

SA 1087. Mr. GRASSLEY (for Mr. CRAIG) proposed an amendment to the bill S. 1, supra.

SA 1088. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, supra.

SA 1089. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, supra.

SA 1090. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, supra.

SA 1091. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, supra.

SA 1092. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 1, supra.

SA 1093. Mr. KYL proposed an amendment to amendment SA 1092 proposed by Mr. GRASSLEY (for himself and Mr. BAUCUS) to the bill S. 1, supra.

TEXT OF AMENDMENTS

SA 1044. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. URBAN HEALTH PROVIDER ADJUSTMENT.

(a) IN GENERAL.—Beginning with fiscal year 2004, notwithstanding section 1923(f) of the Social Security Act (42 U.S.C. 1396r–4(f)) and subject to subsection (c), with respect to a State, payment adjustments made under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) to a hospital described in subsection (b) shall be made without regard to the DSH allotment limitation for the State determined under section 1923(f) of that Act (42 U.S.C. 1396r–4(f)).

(b) HOSPITAL DESCRIBED.—A hospital is described in this subsection if the hospital—

(1) is owned or operated by a State (as defined for purposes of title XIX of the Social Security Act), or by an instrumentality or a municipal governmental unit within a State (as so defined) as of January 1, 2003; and

(2) is located in Marion County, Indiana.

(c) LIMITATION.—The payment adjustment described in subsection (a) for fiscal year 2004 and each fiscal year thereafter shall not exceed 175 percent of the costs of furnishing hospital services described in section 1923(g)(1)(A) of the Social Security Act (42 U.S.C. 1396r–4(g)(1)(A)).

SA 1045. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title IV, add the following:

SEC. ___. DEMONSTRATION PROJECT FOR EXCLUSION OF BRACHYTHERAPY DEVICES FROM PROSPECTIVE PAYMENT SYSTEM FOR OUTPATIENT HOSPITAL SERVICES.

(a) DEMONSTRATION PROJECT.—The Secretary shall conduct a demonstration project under part B of title XVIII of the Social Security Act under which brachytherapy devices shall be excluded from the prospective payment system for outpatient hospital services under the medicare program and, notwithstanding section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)), the amount of payment for a device of brachytherapy furnished under the demonstration project shall be equal to the hospital's charges for each device furnished, adjusted to cost.

(b) SPECIFICATION OF GROUPS FOR BRACHYTHERAPY DEVICES.—The Secretary shall create additional groups of covered OPD services that classify devices of brachytherapy furnished under the demonstration project separately from the other services (or group of services) paid for under section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)) in a manner reflecting the number, isotope, and radioactive intensity of such devices furnished, including separate groups for palladium–103 and iodine–125 devices.

(c) DURATION.—The Secretary shall conduct the demonstration project under this section for the 3-year period beginning on the date that is 90 days after the date of enactment of this Act.

(d) REPORT.—Not later than January 1, 2007, the Secretary shall submit to Congress a report on the demonstration project conducted under this section. The report shall include an evaluation of patient outcomes under the demonstration project, as well as an analysis of the cost effectiveness of the demonstration project.

(e) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act to such extent and for such period as the Secretary determines is necessary to conduct the demonstration project under this section.

(f) FUNDING.—

(1) IN GENERAL.—The Secretary shall provide for the transfer from the Federal Supplementary Insurance Trust Fund established under section 1841 of the Social Security Act (42 U.S.C. 1395t) of such funds as are necessary for the costs of carrying out the demonstration project under this section.

(2) BUDGET NEUTRALITY.—In conducting the demonstration project under this section, the Secretary shall ensure that the aggregate payments made by the Secretary do not exceed the amount which the Secretary would have paid if the demonstration project under this section was not implemented.

SA 1046. Mr. CHAMBLISS submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtile B of title IV, add the following:

SEC. ___. DEMONSTRATION PROJECT FOR COVERAGE OF SURGICAL FIRST ASSISTING SERVICES OF CERTIFIED REGISTERED NURSE FIRST ASSISTANTS.

(a) DEMONSTRATION PROJECT.—The Secretary shall conduct a demonstration project under part B of title XVIII of the Social Security Act under which payment is made for surgical first assisting services furnished by a certified registered nurse first assistant to medicare beneficiaries.

(b) DEFINITIONS.—In this section:

(1) SURGICAL FIRST ASSISTING SERVICES.—The term ''surgical first assisting services'' means services consisting of first assisting a physician with surgery and related preoperative, intraoperative, and postoperative care (as determined by the Secretary) furnished by a certified registered nurse first assistant (as defined in paragraph (2)) which the certified registered nurse first assistant is legally authorized to perform by the State in which the services are performed.

(2) CERTIFIED REGISTERED NURSE FIRST ASSISTANT.—The term ''certified registered nurse first assistant'' means an individual who—

(A) is a registered nurse and is licensed to practice nursing in the State in which the surgical first assisting services are performed;

(B) has completed a minimum of 2,000 hours of first assisting a physician with surgery and related preoperative, intraoperative, and postoperative care; and

(C) is certified as a registered nurse first assistant by an organization recognized by the Secretary.

(c) PAYMENT RATES.—Payment under the demonstration project for surgical first assisting services furnished by a certified registered nurse first assistant shall be made at the rate of 80 percent of the lesser of the actual charge for the services or 85 percent of the amount determined under the fee schedule established under section 1848(b) of the Social Security Act (42 U.S.C. 1395w–4(b)) for the same services if furnished by a physician.

(d) DEMONSTRATION PROJECT SITES.—The project established under this section shall be conducted in 5 States selected by the Secretary.

(e) DURATION.—The Secretary shall conduct the demonstration project for the 3-year period beginning on the date that is 90 days after the date of the enactment of this Act.

(f) REPORT.—Not later than January 1, 2007, the Secretary shall submit to Congress a report on the project. The report shall include an evaluation of patient outcomes under the project, as well as an analysis of the cost effectiveness of the project.

(g) FUNDING.—

(1) IN GENERAL.—The Secretary shall provide for the transfer from the Federal Supplementary Insurance Trust Fund established under section 1841 of the Social Security Act (42 U.S.C. 1395t) of such funds as are necessary for the costs of carrying out the project under this section.

(2) BUDGET NEUTRALITY.—In conducting the project under this section, the Secretary shall ensure that the aggregate payments made by the Secretary do not exceed the amount which the Secretary would have paid if the project under this section was not implemented.

(i) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act to such extent and for such period as the Secretary determines is necessary to conduct demonstration projects.

SA 1047. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 78, line 15, insert before the period the following: ''and all succeeding years. Once such a determination is made with respect to an area, the Administrator shall ensure that a contract of the type entered into under the preceding sentence remains in effect for such area for each such succeeding year and beneficiaries receiving the standard prescription drug coverage under such a contract may elect to remain enrolled in such coverage under a such contract regardless of whether the access required under subsection (d)(1) is going to be provided in the area in the year''.

SA 1048. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 79, between line 22 and 23, insert the following:

''(F) PERMANENT FALLBACK IN CERTAIN AREAS.—

''(i) IN GENERAL.—Notwithstanding paragraph (1), in the case of an applicable area, the Administrator shall enter into a contract under paragraph (1)(B) with respect to the area for each year after the year in which the area meets the definition of an applicable area. Eligible beneficiaries residing in such area may elect to receive standard prescription drug coverage (including access to negotiated prices for such beneficiaries pursuant to section 1860D–6(e)) under such contract in a year regardless of whether the access required under subsection (d)(1) is going to be provided in the area in that year.

''(ii) APPLICABLE AREA.—For purposes of this subparagraph, the term 'applicable area' means an area—

''(I) that was designated under paragraph (1)(B) for a year;

''(II) in which the access required under subsection (d)(1) was met with respect to a year subsequent to the year described in subclause (I); and

''(III) that was designated under paragraph (1)(B) for a year subsequent to the year described in subclause (II).

SA 1049. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 39, strike line 23 through page 40, line 2, and insert the following:

''(E) RESTRICTIONS ON REMOVING DRUGS FROM FORMULARY.—An eligible entity may not remove a drug from the formulary under the plan—

''(i) during the 2-year contract for the plan; and

''(ii) unless the entity has provided appropriate notice to beneficiaries, physicians, and pharmacists that the drug will be removed at the beginning of the subsequent 2-year contract for the plan.

SA 1050. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 79, between line 22 and 23, insert the following:

''(F) PERMANENT FALLBACK FOR CERTAIN BENEFICIARIES.—

''(i) IN GENERAL.—Notwithstanding paragraph (1), the Administrator shall enter into a contract under paragraph (1)(B) for each area for each year. Applicable eligible beneficiaries residing in such area may elect to receive standard prescription drug coverage (including access to negotiated prices for such beneficiaries pursuant to section 1860D–6(e)) under such contract in a year regardless of whether the access required under subsection (d)(1) is going to be provided in the area in that year. Other eligible beneficiaries residing in such area may elect to receive such coverage under such contract only if the area has been designated under paragraph (1)(B) for the year.

''(ii) APPLICABLE ELIGIBLE BENEFICIARY.—For purposes of this subparagraph, the term 'applicable eligible beneficiary' means an individual who—

''(I) is enrolled under this part;

''(II) was covered under a group health plan; and

''(III) involuntarily lost such coverage such that the beneficiary was eligible for a special open enrollment period under section 1860D–2(b)(3).

SA 1051. Mr. ENZI (for himself, Mrs. LINCOLN, Mr. PRYOR, and Ms. MURKOWSKI) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 37, between lines 20 and 21, insert the following:

''(C) CONVENIENT ACCESS TO PHARMACIES.—In this section, the term 'convenient access' means access that is no less favorable to enrollees than the rules for convenient access to pharmacies of the Secretary of Defense established as of June 1, 2003, for purposes of the TriCare retail pharmacy program. Such rules shall include adequate emergency access for enrolled beneficiaries.

On page 48, between lines 4 and 5, insert the following:

''(4) TYING OF CONTRACTS.—No eligible entity with a contract under this part, or its agent, may require a pharmacy to participate in a medicare prescription drug plan as a condition of participating in nonmedicare programs or networks, or require a pharmacy to participate in a nonmedicare program or network as a condition of participating in a medicare prescription drug plan.

SA 1052. Mr. EDWARDS (for himself and Mr. HARKIN) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicar program, and for other purposes; as follows:

At the end, add the following:

TITLE ____—DIRECT-TO-CONSUMER PRESCRIPTION DRUG ADVERTISING

SEC. ___01. DIRECT-TO-CONSUMER ADVERTISING.

Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) is amended by inserting at the end the following:

REGULATIONS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate amended regulations governing prescription drug advertisements.

(2) CONTENTS.—In addition to any other requirements, the regulations under paragraph (1) shall require that—

(A) any advertisement present a fair balance, comparable in depth and detail, between—

(i) information relating to effectiveness of the drug (including, if available, effectiveness in comparison to other drugs for substantially the same condition or conditions); and

(ii) information relating to side effects and contraindications;

(B) any advertisement present a fair balance, comparable in depth, between—

(i) aural and visual presentations relating to effectiveness of the drug; and

(ii) aural and visual presentations relating to side effects and contraindications, *provided that,* nothing in this section shall require explicit images or sounds depicting side effects and contraindications;

(C) prohibit false or misleading advertising that would encourage a consumer to take the prescription drug for a use other than a use for which the prescription drug is approved under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355); and

(D) require that any prescription drug that is the subject of a direct-to-consumer advertisement include in the package in which the prescription drug is sold to consumers a medication guide explaining the benefits and risks of use of the prescription drug in terms designed to be understandable to the general public.

SEC. ___02. CIVIL PENALTY.

Section 303 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 333) is amended by adding at the end the following:

''(h) DIRECT-TO-CONSUMER PRESCRIPTION DRUG ADVERTISING.—

''(1) IN GENERAL.—A person that commits a violation of section 301 involving the misbranding of a prescription drug (within the meaning of section 502(n)) in a direct-to-consumer advertisement shall be assessed a civil penalty if—

''(A) the Secretary provides the person written notice of the violation; and

''(B) the person fails to correct or cease the advertisement so as to eliminate the violation not later than 180 days after the date of the notice.

''(2) AMOUNT.—The amount of a civil penalty under paragraph (1)—

''(A) shall not exceed $500,000 in the case of an individual and $5,000,000 in the case of any other person; and

''(B) shall not exceed $10,000,000 for all such violations adjudicated in a single proceeding.

''(3) PROCEDURE.—Paragraphs (3) through (5) of subsection (g) apply with respect to a civil penalty under paragraph (1) of this subsection to the same extent and in the same manner as those paragraphs apply with respect to a civil penalty under paragraph (1) or (2) of subsection (g).''.

SEC. ___03. REPORTS.

The Secretary of Health and Human Services shall annually submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that, for the most recent 1-year period for which data are available—

(1) provides the total number of direct-to-consumer prescription drug advertisements made by television, radio, the Internet, written publication, or other media;

(2) identifies, for each such advertisement—

(A) the dates on which, the times at which, and the markets in which the advertisement was made; and

(B) the type of advertisement (reminder, help-seeking, or product-claim); and

(3)(A) identifies the advertisements that violated or appeared to violate section 502(n) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(n)); and

(B) describes the actions taken by the Secretary in response to the violations.

SEC. ___04. REVIEW OF DIRECT-TO-CONSUMER DRUG ADVERTISEMENTS.

(a) IN GENERAL.—The Secretary of Health and Human Services shall expedite, to the maximum extent practicable, reviews of the legality of direct-to-consumer drug advertisements.

(b) POLICY.—The Secretary of Health and Human Services shall not adopt or follow any policy that would have the purpose or effect of delaying reviews of the legality of direct-to-consumer drug advertisements except—

(1) as a result of notice-and-comment rulemaking; or

(2) as the Secretary determines to be necessary to protect public health and safety.

SA 1053. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements to the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 633, after line 21, add the following:

(3) APPLICATION TO HAWAII.—Section 1923(f) (42 U.S.C. 1396r–4(f)), as amended by paragraph (1), is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6), the following:

''(7) TREATMENT OF HAWAII AS A LOW-DSH STATE.—The Secretary shall compute a DSH allotment for the State of Hawaii for each of fiscal years 2004 and 2005 in the same manner as DSH allotments are determined with respect to those States to which paragraph (5) applies (but without regard to the requirement under such paragraph that total expenditures under the State plan for disproportionate share hospital adjustments for any fiscal year exceeds 0).''.

SA 1054. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle D of title I, add the following:

SEC. 133. OFFICE OF THE MEDICARE BENEFICIARY ADVOCATE.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall establish within the Department of Health and Human Services, an Office of the Medicare Beneficiary Advocate (in this section referred to as the ''Office'').

(b) DUTIES.—The Office shall carry out the following activities:

(1) Establishing a toll-free telephone number for medicare beneficiaries to use to obtain information on the medicare program, and particularly with respect to the benefits provided under part D of title XVIII of the Social Security Act and the Medicare Prescription Drug plans and MedicareAdvantage plans offering such benefits. The Office shall ensure that the toll-free telephone number accommodates beneficiaries with disabilities and limited-English proficiency.

(2) Establishing an Internet website with easily accessible information regarding Medicare Prescription Drug plans and MedicareAdvantage plans and the benefits offered under such plans. The website shall—

(A) be updated regularly to reflect changes in services and benefits, including with respect to the plans offered in a region and the associated monthly premiums, benefits offered, formularies, and contact information for such plans, and to ensure that there are no broken links or errors;

(B) have printer-friendly, downloadable fact sheets on the medicare coverage options and benefits;

(C) be easy to navigate, with large print and easily recognizable links; and

(D) provide links to the websites of the eligible entities participating in part D of title XVIII.

(3) Providing regional publications to medicare beneficiaries that include regional contacts for information, and that inform the beneficiaries of the prescription drug benefit options under title XVIII of the Social Security Act, including with respect to—

(A) monthly premiums;

(B) formularies; and

(C) the scope of the benefits offered.

(4) Conducting outreach to medicare beneficiaries to inform the beneficiaries of the medicare coverage options and benefits under parts A, B, C, and D of title XVIII of the Social Security Act.

(5) Working with local benefits administrators, ombudsmen, local benefits specialists, and advocacy groups to ensure that medicare beneficiaries are aware of the medicare coverage options and benefits under parts A, B, C, and D of title XVIII of the Social Security Act.

(c) FUNDING.—

(1) ESTABLISHMENT.—Of the amounts authorized to be appropriated under the Secretary's discretion for administrative expenditures, $2,000,000 may be used to establish the Office in accordance with this section.

(2) OPERATION.—With respect to each fiscal year occurring after the fiscal year in which the Office is established under this section, the Secretary may use, out of amounts authorized to be appropriated under the Secretary's discretion for administrative expenditures for such fiscal year, such sums as may be necessary to operate the Office in that fiscal year.

SA 1055. Mrs. HUTCHISON (for herself, Mr. KENNEDY, Mr. DURBIN, Mr. KERRY, and Mr. LAUTENBERG) submitted an amendment intended to be proposed to amendment SA 1004 proposed by Mrs. HUTCHISON to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be added, add the following:

SEC. ___. REVISION OF THE INDIRECT MEDICAL EDUCATION (IME) ADJUSTMENT PERCENTAGE.

(a) IN GENERAL.—Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended—

(1) in subclause (VI), by striking ''and'' after the semicolon at the end;

(2) in subclause (VII)—

(A) by striking ''on or after October 1, 2002'' and inserting ''during fiscal year 2003''; and

(B) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new subclause:

''(VIII) during fiscal year 2004, 'c' is equal to 1.41; and

''(IX) on or after October 1, 2005, 'c' is equal to 1.47.''.

(b) CONFORMING AMENDMENT RELATING TO DETERMINATION OF STANDARDIZED AMOUNT.—Section 1886(d)(2)(C)(i) (42 U.S.C. 1395ww(d)(2)(C)(i)) is amended—

(1) by striking ''1999 or'' and inserting ''1999,''; and

(2) by inserting '', or the Prescription Drug and Medicare Improvement Act of 2003'' after ''2000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges occurring on or after October 1, 2003.

At the end of subtitle B of title IV, add the following:

SEC. ___. MEDICARE SECONDARY PAYOR (MSP) PROVISIONS.

(a) TECHNICAL AMENDMENT CONCERNING SECRETARY'S AUTHORITY TO MAKE CONDITIONAL PAYMENT WHEN CERTAIN PRIMARY PLANS DO NOT PAY PROMPTLY.—

(1) IN GENERAL.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended—

(A) in subparagraph (A)(ii), by striking ''promptly (as determined in accordance with regulations)'';

(B) in subparagraph (B)—

(i) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), respectively; and

(ii) by inserting before clause (ii), as so redesignated, the following new clause:

''(i) AUTHORITY TO MAKE CONDITIONAL PAYMENT.—The Secretary may make payment under this title with respect to an item or service if a primary plan described in subparagraph (A)(ii) has not made or cannot reasonably be expected to make payment with respect to such item or service promptly (as determined in accordance with regulations). Any such payment by the Secretary shall be conditioned on reimbursement to the appropriate Trust Fund in accordance with the succeeding provisions of this subsection.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective as if included in the enactment of title III of the Medicare and Medicaid Budget Reconciliation Amendments of 1984 (Public Law 98-369).

(b) CLARIFYING AMENDMENTS TO CONDITIONAL PAYMENT PROVISIONS.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is further amended—

(1) in subparagraph (A), in the matter following clause (ii), by inserting the following sentence at the end: ''An entity that engages in a business, trade, or profession shall be deemed to have a self-insured plan if it carries its own risk (whether by a failure to obtain insurance, or otherwise) in whole or in part.'';

(2) in subparagraph (B)(ii), as redesignated by subsection (a)(2)(B)—

(A) by striking the first sentence and inserting the following: ''A primary plan, and an entity that receives payment from a primary plan, shall reimburse the appropriate Trust Fund for any payment made by the Secretary under this title with respect to an item or service if it is demonstrated that such primary plan has or had a responsibility to make payment with respect to such item or service. A primary plan's responsibility for such payment may be demonstrated by a judgment, a payment conditioned upon the recipient's compromise, waiver, or release (whether or not there is a determination or admission of liability) of payment for items or services included in a claim against the primary plan or the primary plan's insured, or by other means.''; and

(B) in the final sentence, by striking ''on the date such notice or other information is received'' and inserting ''on the date notice of, or information related to, a primary plan's responsibility for such payment or other information is received''; and

(3) in subparagraph (B)(iii), as redesignated by subsection (a)(2)(B), by striking the first sentence and inserting the following: ''In order to recover payment made under this title for an item or service, the United States may bring an action against any or all entities that are or were required or responsible (directly, as an insurer or self-insurer, as a third-party administrator, as an employer that sponsors or contributes to a group health plan, or large group health plan, or otherwise) to make payment with respect to the same item or service (or any portion thereof) under a primary plan. The United States may, in accordance with paragraph (3)(A) collect double damages against any such entity. In addition, the United States may recover under this clause from any entity that has received payment from a primary plan or from the proceeds of a primary plan's payment to any entity.''.

(c) CLERICAL AMENDMENTS.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(1) in paragraph (1)(A), by moving the indentation of clauses (ii) through (v) 2 ems to the left; and

(2) in paragraph (3)(A), by striking ''such'' before ''paragraphs''.

SA 1056. Mr. SHELBY (for himself, Ms. STABENOW, Mr. SESSIONS, Mr. COCHRAN, Mr. LOTT, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV, add the following:

SEC. ____. TREATMENT OF GRANDFATHERED LONG-TERM CARE HOSPITALS.

(a) IN GENERAL.—The last sentence of section 1886(d)(1)(B) is amended by inserting '', and the Secretary may not impose any special conditions on the operation, size, number of beds, or location of any hospital so classified for continued participation under this title or title XIX or for continued classification as a hospital described in clause (iv)'' before the period at the end.

(b) TREATMENT OF PROPOSED REVISION.—The Secretary shall not adopt the proposed revision to section 412.22(f) of title 42, Code of Federal Regulations contained in 68 Federal Register 27154 (May 19, 2003) or any revision reaching the same or substantially the same result as such revision.

(c) EFFECTIVE DATE.—The amendment made by, and provisions of, this section shall apply to cost reporting periods ending on or after December 31, 2002.

SA 1057. Mrs. DOLE (for herself and Mr. EDWARDS) submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV, add the following:

SEC. ____. TREATMENT OF CERTAIN ENTITIES FOR PURPOSES OF PAYMENTS UNDER THE MEDICARE PROGRAM.

(a) PAYMENTS TO HOSPITALS.—Notwithstanding any other provision of law, effective for discharges occurring on or after October 1, 2003, for purposes of making payments to hospitals (as defined in section 1886(d) and 1833(t) of the Social Security Act (42 U.S.C. 1395(d)) under the medicare program under title XVIII of such Act (42 U.S.C. 1395 et seq.), Iredell County, North Carolina, and Rowan County, North Carolina, are deemed to be located in the Charlotte-Gastonia-Rock Hill, North Carolina, South Carolina Metropolitan Statistical Area.

(b) BUDGET NEUTRAL.—The Secretary shall adjust the area wage index referred to in subsection (a) in a manner which assures that the appropriate payments made under section 1886(d) of the Social Security Act (42 U.S.C., 1395(ww)(d)) in a fiscal year for the operating cost of inpatient hospital services are not greater or less than those which would have be made in the year if this section did not apply.

(c) PAYMENTS TO SKILLED NURSING FACILITIES AND HOME HEALTH AGENCIES.—Notwithstanding any other provision of law, effective beginning October 1, 2003, for purposes of making payments to skilled nursing facilities (SNFs) and home health agencies (as defined in sections 1861(j) and 1861(o) of the Social Security Act (42 U.S.C. 1395(j)(o)) under the medicare program under title XVIII of such Act (42 U.S.C 1395 et seq.), Iredell County, North Carolina, and Rowan County, North Carolina, are deemed to be located in the Charlotte-Gastonia-Rock Hill, North Carolina, South Carolina Metropolitan Statistical Area.

(d) APPLICATION.—Effective for fiscal year 2004, the skilled nursing facility PPS and home health PPS rates for Iredell County, North Carolina, and Rowan County, North Carolina, will be updated by the prefloor, prereclassified hospital wage index available for the Charlotte-Gastonia-Rock Hill, North Carolina, South Carolina Metropolitan Statistical Area. This provision must be implemented in a budget neutral manner, using a methodology that maintains the current SNF and home health expenditure levels.

SA 1058. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title VI, insert the following:

SEC. ____. RESTORATION OF FEDERAL HOSPITAL INSURANCE TRUST FUND.

(a) DEFINITIONS.—In this section:

(1) CLERICAL ERROR.—The term ''clerical error'' means the failure that occurred on April 15, 2001, to have transferred the correct amount from the general fund of the Treasury to the Trust Fund.

(2) TRUST FUND.—The term ''Trust Fund'' means the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i).

(b) CORRECTION OF TRUST FUND HOLDINGS.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary of the Treasury shall take the actions described in paragraph (2) with respect to the Trust Fund with the goal being that, after such actions are taken, the holdings of the Trust Fund will replicate, to the extent practicable in the judgment of the Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, the holdings that would have been held by the Trust Fund if the clerical error had not occurred.

(2) OBLIGATIONS ISSUED AND REDEEMED.—The Secretary of the Treasury shall—

(A) issue to the Trust Fund obligations under chapter 31 of title 31, United States Code, that bear issue dates, interest rates, and maturity dates that are the same as those for the obligations that—

(i) would have been issued to the Trust Fund if the clerical error had not occurred; or

(ii) were issued to the Trust Fund and were redeemed by reason of the clerical error; and

(B) redeem from the Trust Fund obligations that would have been redeemed from the Trust Fund if the clerical error had not occurred.

(c) APPROPRIATION.—Not later than 120 days after the date of enactment of this Act, there is appropriated to the Trust Fund, out of any money in the Treasury not otherwise appropriated, an amount determined by the

Secretary of the Treasury, in consultation with the Secretary of Health and Human Services, to be equal to the interest income lost by the Trust Fund through the date on which the appropriation is being made as a result of the clerical error.

SA 1059. Mr. HATCH sumitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title I, add the following:

SEC. ___. REVIEW AND REPORT ON CURRENT STANDARDS OF PRACTICE FOR PHARMACY SERVICES PROVIDED TO PATIENTS IN NURSING FACILITIES.

(a) REVIEW.—

(1) IN GENERAL.—The Secretary shall conduct a thorough review of the current standards of practice for pharmacy services provided to patients in nursing facilities.

(2) SPECIFIC MATTERS REVIEWED.—In conducting the review under paragraph (1), the Secretary shall—

(A) assess the current standards of practice, clinical services, and other service requirements generally used for pharmacy services in long-term care settings; and

(B) evaluate the impact of those standards with respect to patient safety, reduction of medication errors and quality of care.

(b) REPORT.—

(1) IN GENERAL.—Not later than the date that is 18 months after the date of enactment of this Act, the Secretary shall submit a report to Congress on the study conducted under subsection (a)(1), together with any recommendations for legislation that the Administrator determines to be appropriate as a result of such study.

(2) CONTENTS.—The report submitted under paragraph (1) shall contain—

(A) a detailed description of the plans of the Secretary to implement the provisions of this Act in a manner consistent with applicable State and Federal laws designed to protect the safety and quality of care of nursing facility patients; and

(B) recommendations regarding necessary actions and appropriate reimbursement to ensure the provision of prescription drugs to medicare beneficiaries residing in nursing facilities in a manner consistent with existing patient safety and quality of care standards under applicable State and Federal laws.

SA 1060. Mr. BAUCUS (for Mrs. FEINSTEIN (for herself, Mr. NICKLES, Mr. CHAFEE, and Mr. GRAHAM of South Carolina) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of title IV, insert:

Subtitle D—Part B Premium

SEC. ___. INCOME-RELATED INCREASE IN MEDICARE PART B PREMIUM.

(a) IN GENERAL.—Section 1839 (42 U.S.C. 1395r) is amended by adding at the end the following:

''(h) INCREASE IN PREMIUM FOR HIGH-INCOME BENEFICIARIES.—

''(1) AMOUNT OF INCREASE.—

''(A) IN GENERAL.—Except as provided in paragraph (4), if the modified adjusted gross income of an individual for a taxable year ending with or within a calendar year (as initially determined by the Secretary in accordance with paragraph (2)) exceeds the threshold amount, the amount of the premium under subsection (a) for the individual for the calendar year shall, in lieu of the amount otherwise determined under subsection (a), be equal to the applicable percentage of an amount equal to 200 percent of the monthly actuarial rate for enrollees age 65 and over as determined under subsection (a)(1) for the calendar year.

''(B) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means the percentage determined in accordance with the following tables:

''(i) INDIVIDUALS NOT FILING JOINT RETURNS.—

''If the modified adjusted gross income exceeds the threshold amount by:	**The applicable percentage is:**
Not more than $25,000	50 percent
More than $25,000	100 percent.

''(ii) INDIVIDUALS FILING JOINT RETURNS.—

''If the modified adjusted gross income exceeds the threshold amount by:	**The applicable percentage is:**
Not more than $50,000	50 percent
More than $50,000	100 percent.

''(C) DEFINITION OF THRESHOLD AMOUNT.—For purposes of this subsection, the term 'threshold amount' means—

''(i) except as provided in clause (ii), $75,000; and

''(ii) $150,000 in the case of a taxpayer filing a joint return.

''(D) INFLATION ADJUSTMENT FOR THRESHOLD AMOUNT.—

''(i) IN GENERAL.—In the case of any calendar year beginning after 2006, the dollar amount in clause (i) of subparagraph (C) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the percentage (if any) by which the average of the Consumer Price Index for all urban consumers (United States city average) for the 12-month period ending with June of the preceding calendar year exceeds such average for the 12-month period ending with June 2005.

''(ii) JOINT RETURNS.—The dollar amount described in clause (ii) of subparagraph (C) for any calendar year after 2006 shall be increased to an amount equal to twice the amount in effect under clause (i) of subparagraph (C) (after application of this subparagraph).

''(iii) ROUNDING.—If any dollar amount after being increased under clause (i) is not a multiple of $1,000, such dollar amount shall be rounded to the nearest multiple of $1,000.

''(E) DEFINITION OF MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986)—

''(i) determined without regard to sections 135, 911, 931, and 933 of such Code; and

''(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax under such Code.

''(F) JOINT RETURN.—For purposes of this subsection, the term 'joint return' has the meaning given such term by section 7701(a)(38) of the Internal Revenue Code of 1986.

''(2) DETERMINATION OF MODIFIED ADJUSTED GROSS INCOME.—The Secretary shall make an initial determination of the amount of an individual's modified adjusted gross income for a taxable year ending with or within a calendar year for purposes of this subsection as follows:

''(A) NOTICE.—Not later than September 1 of the year preceding the year, the Secretary shall provide notice to each individual whom the Secretary finds (on the basis of the individual's actual modified adjusted gross income for the most recent taxable year for which such information is available or other information provided to the Secretary by the Secretary of the Treasury) will be subject to an increase under this subsection that the individual will be subject to such an increase, and shall include in such notice the Secretary's estimate of the individual's modified adjusted gross income for the year. In providing such notice, the Secretary shall use the most recent poverty line available as of the date the notice is sent.

''(B) CALCULATION BASED ON INFORMATION PROVIDED BY BENEFICIARY.—If, during the 60-day period beginning on the date notice is provided to an individual under subparagraph (A), the individual provides the Secretary with appropriate information (as determined by the Secretary) on the individual's anticipated modified adjusted gross income for the year, the amount initially determined by the Secretary under this paragraph with respect to the individual shall be based on the information provided by the individual.

''(C) CALCULATION BASED ON NOTICE AMOUNT IF NO INFORMATION IS PROVIDED BY THE BENEFICIARY OR IF THE SECRETARY DETERMINES THAT THE PROVIDED INFORMATION IN NOT APPROPRIATE.—The amount initially determined by the Secretary under this paragraph with respect to an individual shall be the amount included in the notice provided to the individual under subparagraph (A) if—

''(i) the individual does not provide the Secretary with information under subparagraph (B); or

''(ii) the Secretary determines that the information provided by the individual to the Secretary under such subparagraph in not appropriate.

''(3) ADJUSTMENTS.—

''(A) IN GENERAL.—If the Secretary determines (on the basis of final information provided by the Secretary of the Treasury) that the amount of an individual's actual modified adjusted gross income for a taxable year ending with or within a calendar year is less than or greater than the amount initially determined by the Secretary under paragraph (2), the Secretary shall increase or decrease the amount of the individual's monthly premium under this part (as the case may be) for months during the following calendar year by an amount equal to 1/12 of the difference between—

''(i) the total amount of all monthly premiums paid by the individual under this part during the previous calendar year; and

''(ii) the total amount of all such premiums which would have been paid by the individual during the previous calendar year if the amount of the individual's modified adjusted gross income initially determined under paragraph (2) were equal to the actual amount of the individual's modified adjusted gross income determined under this paragraph.

''(B) INTEREST.—

''(i) INCREASE.—In the case of an individual for whom the amount initially determined by the Secretary under paragraph (2) is based on information provided by the individual under subparagraph (B) of such paragraph, if the Secretary determines under subparagraph (A) that the amount of the individual's actual modified adjusted gross income for a taxable year is greater than the amount initially determined under paragraph (2), the Secretary shall increase the amount otherwise determined for the year under subparagraph (A) by an amount of interest equal to the sum of the amounts determined under

clause (ii) for each of the months described in such clause.

''(ii) COMPUTATION.—Interest shall be computed for any month in an amount determined by applying the underpayment rate established under section 6621 of the Internal Revenue Code of 1986 (compounded daily) to any portion of the difference between the amount initially determined under paragraph (2) and the amount determined under subparagraph (A) for the period beginning on the first day of the month beginning after the individual provided information to the Secretary under subparagraph (B) of paragraph (2) and ending 30 days before the first month for which the individual's monthly premium is increased under this paragraph.

''(iii) EXCEPTION.—Interest shall not be imposed under this subparagraph if the amount of the individual's modified adjusted gross income provided by the individual under subparagraph (B) of paragraph (2) was not less than the individual's modified adjusted gross income determined on the basis of information shown on the return of tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the taxable year involved.

''(C) STEPS TO RECOVER AMOUNTS DUE FROM PREVIOUSLY ENROLLED BENEFICIARIES.—In the case of an individual who is not enrolled under this part for any calendar year for which the individual's monthly premium under this part for months during the year would be increased pursuant to subparagraph (A) if the individual were enrolled under this part for the year, the Secretary may take such steps as the Secretary considers appropriate to recover from the individual the total amount by which the individual's monthly premium under this part for months during the year would have been increased under subparagraph (A) if the individual were enrolled under this part for the year.

''(D) DECEASED BENEFICIARY.—In the case of a deceased individual for whom the amount of the monthly premium under this part for months in a year would have been decreased pursuant to subparagraph (A) if the individual were not deceased, the Secretary shall make a payment to the individual's surviving spouse (or, in the case of an individual who does not have a surviving spouse, to the individual's estate) in an amount equal to the difference between—

''(i) the total amount by which the individual's premium would have been decreased for all months during the year pursuant to subparagraph (A); and

''(ii) the amount (if any) by which the individual's premium was decreased for months during the year pursuant to subparagraph (A).

''(4) WAIVER BY SECRETARY.—The Secretary may waive the imposition of all or part of the increase of the premium or all or part of any interest due under this subsection for any period if the Secretary determines that a gross injustice would otherwise result without such waiver.

''(5) TRANSFER TO PART B TRUST FUND.—

''(A) IN GENERAL.—The Secretary shall transfer amounts received pursuant to this subsection to the Federal Supplementary Medical Insurance Trust Fund.

''(B) DISREGARD.—In applying section 1844(a), amounts attributable to subparagraph (A) shall not be counted in determining the dollar amount of the premium per enrollee under paragraph (1)(A) or (1)(B) thereof.''

(b) CONFORMING AMENDMENTS.—(1) Section 1839 (42 U.S.C. 1395r) is amended—

(A) in subsection (a)(2), by inserting ''or section subsection (h)'' after ''subsections (b) and (e)'';

(B) in subsection (a)(3) of section 1839(a), by inserting ''or subsection (h)'' after ''subsection (e)'';

(C) in subsection (b), inserting ''(and as increased under subsection (h))'' after ''subsection (a) or (e)''; and

(D) in subsection (f), by striking ''if an individual'' and inserting the following: ''if an individual (other than an individual subject to an increase in the monthly premium under this section pursuant to subsection (h))''.

(2) Section 1840(c) (42 U.S.C. 1395r(c)) is amended by inserting ''or an individual determines that the estimate of modified adjusted gross income used in determining whether the individual is subject to an increase in the monthly premium under section 1839 pursuant to subsection (h) of such section (or in determining the amount of such increase) is too low and results in a portion of the premium not being deducted,'' before ''he may''.

(c) REPORTING REQUIREMENTS FOR SECRETARY OF THE TREASURY.—

(1) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information) is amended by adding at the end the following new paragraph:

''(19) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME-RELATED REDUCTION IN MEDICARE PART B PREMIUM.—

''(A) IN GENERAL.—The Secretary may, upon written request from the Secretary of Health and Human Services, disclose to officers and employees of the Centers for Medicare & Medicaid Services return information with respect to a taxpayer who is required to pay a monthly premium under section 1839 of the Social Security Act. Such return information shall be limited to—

''(i) taxpayer identity information with respect to such taxpayer,

''(ii) the filing status of such taxpayer,

''(iii) the adjusted gross income of such taxpayer,

''(iv) the amounts excluded from such taxpayer's gross income under sections 135 and 911,

''(v) the interest received or accrued during the taxable year which is exempt from the tax imposed by chapter 1 to the extent such information is available, and

''(vi) the amounts excluded from such taxpayer's gross income by sections 931 and 933 to the extent such information is available.

''(B) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Centers for Medicare & Medicaid Services only for the purposes of, and to the extent necessary in, establishing the appropriate monthly premium under section 1839 of the Social Security Act.''

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (3)(A) of section 6103(p) of such Code is amended by striking ''or (18)'' each place it appears and inserting ''(18), or (19)''.

(B) Paragraph (4) of section 6103(p) of such Code is amended by striking ''or (16)'' and inserting ''(16), or (19)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to the monthly premium under section 1839 of the Social Security Act for months beginning with January 2006.

(2) INFORMATION FOR PRIOR YEARS.—The Secretary of Health and Human Services may request information under section 6013(l)(19) of the Social Security Act (as added by subsection (c)) for taxable years beginning after December 31, 2002.

SA 1061. Mr. BAUCUS (for Mr. AKAKA (for himself and Mr. INOUYE)) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 633, after line 21, add the following:

(3) APPLICATION TO HAWAII.—Section 1923(f) (42 U.S.C. 1396r–4(f)), as amended by paragraph (1), is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6), the following:

''(7) TREATMENT OF HAWAII AS A LOW-DSH STATE.—The Secretary shall compute a DSH allotment for the State of Hawaii for each of fiscal years 2004 and 2005 in the same manner as DSH allotments are determined with respect to those States to which paragraph (5) applies (but without regard to the requirement under such paragraph that total expenditures under the State plan for disproportionate share hospital adjustments for any fiscal year exceeds 0).''.

SA 1062. Mr. REID (for Mrs. BOXER) proposed an amendment to amendment SA 974 proposed by Mr. GRASSLEY (for himself, Mr. LEAHY, Ms. CANTWELL, Mr. DURBIN, and Mr. KOHL) the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of the amendment add the following:

"SEC._____. NO COVERAGE GAP FOR ELIGIBLE BENEFICIARIES WITH CANCER.—

''(A) IN GENERAL.—In the case of an eligible beneficiary with cancer, the following rules shall apply:

''(i) Paragraph (2) shall be applied by substituting 'up to the annual out-of-pocket limit under paragraph (4)' for 'up to the initial coverage limit under paragraph (3)'.

''(ii) The Administrator shall not apply paragraph (3), subsection (d)(1)(C), or paragraph (1)(D), (2)(D), or (3)(A)(iv) of section 1860D–19(a).

''(B) PROCEDURES.—The Administrator shall establish procedures to carry out this paragraph. Such procedures shall provide for the adjustment of payments to eligible entities under section 1860D–16 that are necessary because of the rules under subparagraph (A).

SA 1063. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title IV, insert the following:

SEC. ____. MEDICARE PANCREATIC ISLET CELL TRANSPLANT DEMONSTRATION PROJECT.

(a) ESTABLISHMENT.—In order to test the appropriateness of pancreatic islet cell transplantation, not later than 120 days after the date of the enactment of this Act, the Secretary shall establish a demonstration project which the Secretary, provides for

payment under the medicare program under title XVIII of the Social Security Act for pancreatic islet cell transplantation and related items and services in the case of medicare beneficiaries who have type I (juvenile) diabetes and have end stage renal disease.

(b) DURATION OF PROJECT.—The authority of the Secretary to conduct the demonstration project under this section shall terminate on the date that is 5 years after the date of the establishment of the project.

(c) EVALUATION AND REPORT.—The Secretary shall conduct an evaluation of the outcomes of the demonstration project. Not later than 120 days after the date of the termination of the demonstration project under subsection (b), the Secretary shall submit to Congress a report on the project, including recommendations for such legislative and administrative action as the Secretary deems appropriate.

(d) PAYMENT METHODOLOGY.—The Secretary shall establish an appropriate payment methodology for the provision of items and services under the demonstration project, which may include a payment methodology that bundles, to the maximum extent feasible, payment for all such items and services.

SA 1064. Ms. SNOWE (for herself, Mr. ROCKEFELLER, and Mr. SMITH) submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ____. MEDICARE COVERAGE OF ALL ANTICANCER ORAL DRUGS.

(a) IN GENERAL.—Section 1861(s)(2)(Q) (42 U.S.C. 1395x(s)(2)(Q)) is amended by striking ''chemotherapeutic agent for a given indication,'' and all that follows and inserting ''agent for a medically accepted indication (as defined in subsection (t)(2)(B));''.

(b) CONFORMING AMENDMENT.—Section 1834(j)(5)(F)(iv) (42 U.S.C. 1395m(j)(5)(F)(iv)) is amended by striking ''therapeutic''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to drugs furnished during the period that begins on January 1, 2004 and ends on January 1, 2006. After January 1, 2006, the Social Security Act shall be applied and administered as if the amendments made by this subsection had never been enacted.

SA 1065. Mr. BINGAMAN (for himself, Mr. DOMENICI, Ms. MIKULSKI, and Mrs. LINCOLN) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 120, between lines 16 and 17, insert the following:

''(I) UPDATE OF ASSET OR RESOURCE TEST.—With respect to eligibility determinations for premium and cost-sharing subsidies under this section that are made on or after January 1, 2009, such determinations shall be made (to the extent a State, as of such date, has not already eliminated the application of an asset or resource test under section 1905(p)(1)(C)) in accordance with the following:

''(i) SELF-DECLARATION OF VALUE.—

''(I) IN GENERAL.—A State shall permit an individual applying for such subsidies to declare and certify by signature under penalty of perjury on the application form that the value of the individual's assets or resources (or the combined value of the individual's assets or resources and the assets or resources of the individual's spouse), as determined under section 1613 for purposes of the supplemental security income program, does not exceed $10,0000 ($20,000 in the case of the combined value of the individual's assets or resources and the assets or resources of the individual's spouse).

''(II) ANNUAL ADJUSTMENT.—Beginning on January 1, 2010, and for each subsequent year, the dollar amounts specified in subclause (I) for the preceding year shall be increased by the percentage increase in the Consumer Price Index for all urban consumers (U.S. urban average) for the 12-month period ending with June of the previous year.

''(ii) METHODOLOGY FLEXIBILITY.—Nothing in clause (i) shall be construed as prohibiting a State in making eligibility determinations for premium and cost-sharing subsidies under this section from using asset or resource methodologies that are less restrictive than the methodologies used under 1613 for purposes of the supplemental security income program.

''(J) DEVELOPMENT OF MODEL DECLARATION FORM.—The Secretary shall—

''(i) develop a model, simplified application form for individuals to use in making a self-declaration of assets or resources in accordance with subparagraph (I)(i); and

''(ii) provide such form to States and, for purposes of outreach under section 1144, the Commissioner of Social Security.''.

SA 1066. Mr. BINGAMAN proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 137, line 6, strike ''Notwithstanding'' and insert ''Except as provided in paragraph (4) and notwithstanding''.

On page 138, line 2, strike ''or 'G' '' and insert '' 'G', or a policy described in paragraph (4)''.

On page 138, line 17, insert '', who seeks to enroll with the same issuer who was the issuer of the policy described in clause (ii) of such subparagraph in which the individual was enrolled (unless such issuer does not offer at least one of the policies described in paragraph (4)),'' after ''section 1860D–2(b)(2)''.

On page 140, between lines 13 and 14, insert the following:

''(4) NEW STANDARDS.—In applying subsection (p)(1)(E) (including permitting the NAIC to revise its model regulations in response to changes in law) with respect to the change in benefits resulting from title I of the Prescription Drug and Medicare Improvement Act of 2003, with respect to policies issued to individuals who are enrolled in a Medicare Prescription Drug plan under part D or under a contract under section 1860D–3(e), the changes in standards shall only provide for substituting (for the benefit packages described in paragraph (2)(B)(ii) that included coverage for prescription drugs) two benefit packages that shall be consistent with the following:

''(A) FIRST NEW POLICY.—The policy described in this subparagraph has the following benefits, notwithstanding any other provision of this section relating to a core benefit package:

''(i) The policy should provide coverage for benefits other than prescription drugs similar to the coverage for benefits other than prescription drugs provided under a medicare supplemental policy which had a benefit package classified as 'H' before the date of enactment of the Prescription Drug and Medicare Improvement Act of 2003.

''(ii) The policy should provide coverage for prescription drugs that—

''(I) compliments, but does not duplicate, the benefits available under part D; and

''(II) does not cover 100 percent of the deductible, copayments, coinsurance (including any cost-sharing applicable under the limitation on out-of-pocket expenditures), or any other cost-sharing applicable under part D.

''(B) SECOND NEW POLICY.—The policy described in this subparagraph has the same benefits as the policy described in subparagraph (A), except that the reference to the benefit package classified as 'H' in clause (i) of such subparagraph is deemed to be a reference to the benefit package classified as 'J'.

(b) REPORT.—The Secretary shall enter into an arrangement with the National Association of Insurance Commissioners (in this section referred to as the ''NAIC'') under which, not later than 18 months after the date of enactment of this Act, the NAIC shall submit to Congress a report on the medicare supplemental policies described in section 1882(v)(4) of the Social Security Act, as added by subsection (a), that assesses the viability of the policies described in such section and, if viable, the details of those policies.

SA 1067. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 510, after line 18, add the following:

SEC. ____. MEDICARE COVERAGE OF KIDNEY DISEASE EDUCATION SERVICES.

(a) COVERAGE OF KIDNEY DISEASE EDUCATION SERVICES.—

(1) IN GENERAL.—Section 1861 of the Social Security Act (42 U.S.C.1395x) is amended—

(A) in subsection (s)(2)—

(i) in subparagraph (U), by striking ''and'' at the end;

(ii) in subparagraph (V)(iii), by adding ''and'' at the end; and

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

''(W) kidney disease education services (as defined in subsection (ww));''; and

(B) by adding at the end the following new subsection:

''Kidney Disease Education Services

''(ww)(1) The term 'kidney disease education services' means educational services that are—

''(A) furnished to an individual with kidney disease who, according to accepted clinical guidelines identified by the Secretary, will require dialysis or a kidney transplant;

''(B) furnished, upon the referral of the physician managing the individual's kidney condition, by a qualified person (as defined in paragraph (2)); and

''(C) designed—

''(i) to provide comprehensive information regarding—

''(I) the management of comorbidities;

''(II) the prevention of uremic complications; and

''(III) each option for renal replacement therapy (including peritoneal dialysis, hemodialysis (including vascular access options), and transplantation); and

''(ii) to ensure that the individual has the opportunity to actively participate in the choice of therapy.

''(2) The term 'qualified person' means—

''(A) a physician (as described in subsection (r)(1));

''(B) an individual who—

''(i) is—

''(I) a registered nurse;

''(II) a registered dietitian or nutrition professional (as defined in subsection (vv)(2));

''(III) a clinical social worker (as defined in subsection (hh)(1));

''(IV) a physician assistant, nurse practitioner, or clinical nurse specialist (as those terms are defined in subsection (aa)(5)); or

''(V) a transplant coordinator; and

''(ii) meets such requirements related to experience and other qualifications that the Secretary finds necessary and appropriate for furnishing the services described in paragraph (1); or

''(C) a renal dialysis facility subject to the requirements of section 1881(b)(1) with personnel who—

''(i) provide the services described in paragraph (1); and

''(ii) meet the requirements of subparagraph (A) or (B).

''(3) The Secretary shall develop the requirements under paragraph (2)(B)(ii) after consulting with physicians, health educators, professional organizations, accrediting organizations, kidney patient organizations, dialysis facilities, transplant centers, network organizations described in section 1881(c)(2), and other knowledgeable persons.

''(4) In promulgating regulations to carry out this subsection, the Secretary shall ensure that such regulations ensure that each beneficiary who is entitled to kidney disease education services under this title receives such services in a timely manner that ensures that the beneficiary receives the maximum benefit of those services.

''(5) The Secretary shall monitor the implementation of this subsection to ensure that beneficiaries who are eligible for kidney disease education services receive such services in the manner described in paragraph (4).''.

(2) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—Section 1848(j)(3) of such Act (42 U.S.C. 1395w–4(j)(3)) is amended by inserting '', (2)(W)'', after ''(2)(S)''.

(3) PAYMENT TO RENAL DIALYSIS FACILITIES.—Section 1881(b) of such Act (42 U.S.C. 1395rr(b)), as amended by section 433(b)(5), is further amended by adding at the end the following new paragraph:

''(13) For purposes of paragraph (7), the single composite weighted formulas determined under such paragraph shall not take into account the amount of payment for kidney disease education services (as defined in section 1861(ww)). Instead, payment for such services shall be made to the renal dialysis facility on an assignment-related basis under section 1848.''.

(4) ANNUAL REPORT TO CONGRESS.—Not later than April 1, 2004, and annually thereafter, the Secretary of Health and Human Services shall submit to Congress a report on the number of medicare beneficiaries who are entitled to kidney disease education services (as defined in section 1861(ww) of the Social Security Act, as added by paragraph (1)) under title XVIII of such Act and who receive such services, together with such recommendations for legislative and administrative action as the Secretary determines to be appropriate to fulfill the legislative intent that resulted in the enactment of that subsection.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after the date that is 6 months after the date of enactment of this Act.

SA 1068. Mrs. LINCOLN submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 510, after line 18, add the following:

SEC. ___. MEDICARE COVERAGE OF DIABETES LABORATORY DIAGNOSTIC TESTS.

(a) COVERAGE.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended—

(1) in subparagraph (U), by striking ''and'' at the end;

(2) in subparagraph (V)(iii), by adding ''and'' at the end; and

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

''(W) diabetes screening tests and services (as defined in subsection (ww));''.

(b) SERVICES DESCRIBED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

''Diabetes Screening Tests and Services

''(ww)(1) The term 'diabetes screening tests' means diagnostic testing furnished to an individual at risk for diabetes (as defined in paragraph (2)) for the purpose of early detection of diabetes, including—

''(A) a fasting plasma glucose test; and

''(B) such other tests, and modifications to tests, as the Secretary determines appropriate, in consultation with appropriate organizations.

''(2) For purposes of paragraph (1), the term 'individual at risk for diabetes' means an individual who has any, a combination of, or all of the following risk factors for diabetes:

''(A) A family history of diabetes.

''(B) Overweight defined as a body mass index greater than or equal to 25 kg/m^2.

''(C) Habitual physical inactivity.

''(D) Belonging to a high-risk ethnic or racial group.

''(E) Previous identification of an elevated impaired fasting glucose.

''(F) Identification of impaired glucose tolerance.

''(G) Hypertension.

''(H) Dyslipidemia.

''(I) History of gestational diabetes mellitus or delivery of a baby weighing greater than 9 pounds.

''(J) Polycystic ovary syndrome.

''(3) The Secretary shall establish standards, in consultation with appropriate organizations, regarding the frequency of diabetes screening tests, except that such frequency may not be more often than twice within the 12-month period following the date of the most recent diabetes screening test of that individual.''.

(c) FREQUENCY.—Section 1862(a)(1) of the Social Security Act (42 U.S.C. 1395y(a)(1)) is amended—

(1) in subparagraph (H), by striking ''and'' at the end;

(2) in subparagraph (I), by striking the semicolon at the end and inserting '', and''; and

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

''(J) in the case of a diabetes screening test or service (as defined in section 1861(ww)(1)), which is performed more frequently than is covered under section 1861(ww)(3).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to tests furnished on or after the date that is 90 days after the date of enactment of this Act.

SA 1069. Mrs. LINCOLN sumitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 499, after line 20, insert the following:

SEC. ___. ELIMINATION OF COST-SHARING FOR BONE MASS MEASUREMENTS.

(a) ELIMINATION OF COINSURANCE.—

(1) IN GENERAL.—Section 1833(a)(1)(N) of the Social Security Act (42 U.S.C. 1395*l*(a)(1)(N)) is amended—

(A) by inserting ''other than bone mass measurement described in section 1861(s)(15)'' after ''(as defined in section 1848(j)(3))''; and

(B) by adding after the comma at the end the following: ''and in the case of such services consisting of such a bone mass measurement, the amounts paid shall be 100 percent of such payment basis,''.

(2) ELIMINATION OF COINSURANCE IN OUTPATIENT HOSPITAL SETTINGS.—The third sentence of section 1866(a)(2)(A) of the Social Security Act (42 U.S.C. 1395cc(a)(2)(A)) is amended by inserting after ''1861(s)(10)(A)'' the following: '', with respect to bone mass measurement (as defined in section 1861(rr)),''.

(b) WAIVER OF DEDUCTIBLE.—The first sentence of section 1833(b) of the Social Security Act (42 U.S.C. 1395*l*(b)), as amended by section 432(b), is further amended—

(1) by striking ''and'' before ''(5)''; and

(2) by inserting before the period at the end the following: '', and (6) such deductible shall not apply with respect to bone mass measurement (as defined in section 1861(rr))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2004.

SA 1070. Mr. SCHUMER sumitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 120, strike lines 3 through 16, and insert the following:

''(H) NONAPPLICATION TO DUAL ELIGIBLE INDIVIDUALS.—In the case of an individual who is a dual eligible individual—

''(i) the subsidies provided under this section shall not apply; and

''(ii) such individuals may be provided with medical assistance for covered outpatient drugs (as such term is defined for purposes of section 1927) in accordance with the State medicaid program under title XIX.

On page 122, line 1, strike ''and territorial residents''.

Beginning on page 149, strike line 22 and all that follows through page 152, line 3, and insert the following:

''(e) DEFINITIONS.—For purposes of this section, the''.

On page 152, strike lines 8 through 11, and insert the following:

(2) EXEMPTION FROM FUNDING LIMITATION FOR THE COMMONWEALTH OF PUERTO RICO AND THE TERRITORIES.—

(A) IN GENERAL.—Section 1108(g) (42 U.S.C. 1308(g)) is amended by adding at the end the following new paragraph:

''(3) CERTAIN PAYMENTS DISREGARDED.—The limitations under subsection (f) and the previous provisions of this subsection shall be

applied without regard to any payments made for medical assistance for covered drugs (as defined in section 1860D(a)(2)) under title XIX for dual eligible individuals (as defined in section 1860D–19(a)(4)(E) or for any payments made in carrying out section 1935.''.

(B) CONFORMING AMENDMENT.—Section 1108(f) (42 U.S.C. 1308(f)) is amended by inserting ''and section 1935(e)(1)(B)'' after ''Subject to subsection (g)''.

SA 1071. Mr. ROCKEFELLER (for himself and Mr. SMITH) sumitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ___. MEDICARE COVERAGE OF ALL ANTINEOPLASTIC AND CERTAIN OTHER DRUGS.

(a) IN GENERAL.—Section 1861(s)(2)(Q) (42 U.S.C. 1395x(s)(2)(Q)) is amended by striking ''prescribed for use as an anticancer chemotherapeutic agent'' and all that follows and inserting ''prescribed for use as—

''(i) an antineoplastic agent for a medically accepted anticancer indication (as defined in subsection (t)(2)(B)), excluding (except as provided in subparagraph (T)) drugs for chemotherapy-induced nausea; or

''(ii) an oral alternative to IV-administered medications, but only if the Secretary determines such coverage does not result, as estimated by the Secretary, in expenditures made under this title during any 5-year period that are greater than the expenditures that would have been made under this title during such period if such coverage was not provided.''.

(b) CONFORMING AMENDMENT.—Section 1834(j)(5)(F)(iv) (42 U.S.C. 1395m(j)(5)(F)(iv)) is amended to read as follows:

''(iv) oral drugs described in section 1861(s)(2)(Q); and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to drugs furnished during the period that begins on or after the date that is 90 days after the date of the enactment of this Act and ends on January 1, 2006. After January 1, 2006, the Social Security Act shall be applied and administered as if the amendments made by this section had never been enacted.

SA 1072. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ___. MEDICARE COVERAGE OF ALL ANTINEOPLASTIC AND CERTAIN OTHER DRUGS; PUBLIC DISCLOSURE OF MARKET-BASED DRUG PRICING INFORMATION.

(a) MEDICARE COVERAGE OF ALL ANTINEOPLASTIC AND CERTAIN OTHER DRUGS.—

(1) IN GENERAL.—Section 1861(s)(2)(Q) (42 U.S.C. 1395x(s)(2)(Q)) is amended by striking ''prescribed for use as an anticancer chemotherapeutic agent'' and all that follows and inserting ''prescribed for use as—

''(i) an antineoplastic agent for a medically accepted anticancer indication (as defined in subsection (t)(2)(B)), excluding (except as provided in subparagraph (T)) drugs for chemotherapy-induced nausea; or

''(ii) an oral alternative to IV-administered medications, but only if the Secretary determines such coverage does not result, as estimated by the Secretary, in expenditures made under this title during any 5-year period that are greater than the expenditures that would have been made under this title during such period if such coverage was not provided.''.

(2) CONFORMING AMENDMENT.—Section 1834(j)(5)(F)(iv) (42 U.S.C. 1395m(j)(5)(F)(iv)) is amended to read as follows:

''(iv) oral drugs described in section 1861(s)(2)(Q); and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply only with respect to drugs furnished during the period that begins on or after the date that is 90 days after the date of the enactment of this Act and ends on January 1, 2006. After January 1, 2006, the Social Security Act shall be applied and administered as if the amendments made by this subsection had never been enacted.

(b) PUBLIC DISCLOSURE OF MARKET-BASED DRUG PRICING INFORMATION.—

(1) IN GENERAL.—Section 1927(b)(3)(D) (42 U.S.C. 1396r–8(b)(3)(D)) is amended to read as follows:

''(D) PUBLIC AVAILABILITY OF INFORMATION.—

''(i) TIMELY AVAILABILITY OF INFORMATION.—Notwithstanding any other provision of law, with respect to a manufacturer with an agreement in effect under this section, not later than 30 days after the date the Secretary receives from such manufacturer the information required to be reported under this paragraph (or verifies such information with a wholesaler), the Secretary shall make the information described in clause (ii), including the identity of the manufacturer to which the information applies, publicly available through the Internet or other means of communication.

''(ii) INFORMATION DESCRIBED.—The information described in this clause is the following:

''(I) AVERAGE MANUFACTURER'S PRICE.—The average manufacturer price (as defined in subsection (k)(1)) for each of the manufacturer's covered outpatient drugs.

''(II) BEST PRICE.—With respect to single source drugs and innovator multiple source drugs, the manufacturer's best price (as defined in subsection (c)(1)(C)) for each of the manufacturer's covered outpatient drugs.

''(III) BASE AVERAGE MANUFACTURER PRICE AND INITIAL AVERAGE MANUFACTURER PRICE FOR NEWLY MARKETED DRUGS USED TO DETERMINE AN ADDITIONAL REBATE FOR SINGLE SOURCE AND INNOVATOR MULTIPLE SOURCE DRUGS.—The average manufacturer price described in subparagraphs (A)(ii)(II) (without regard to the percentage increase determined under that subparagraph) and (B) of subsection (c)(2) for each dosage form and strength of a single source drug or an innovator multiple source drug used to determine, with respect to a rebate period, an additional rebate for such dosage form and strength for such a drug.

''(iii) NONDISCLOSURE OF CERTAIN INFORMATION.—Notwithstanding any other provision of law, information disclosed by manufacturers (or verified with wholesalers) under an agreement with the Secretary of Veterans Affairs described in subsection (a)(6)(A) may not be disclosed except—

''(I) as the Secretary determines to be necessary to carry out this section;

''(II) to permit the Comptroller General to review the information provided; or

''(III) to permit the Director of the Congressional Budget Office to review the information provided.

''(iv) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed as affecting any requirement applicable to the Secretary of Veterans Affairs regarding the confidentiality of information required to be disclosed to the Secretary of Veterans Affairs by a manufacturer under section 8126 of title 38, United States Code.''.

(2) EFFECTIVE DATE; IMPLEMENTATION.—

(A) EFFECTIVE DATE.—The amendments made by paragraph (1) take effect upon the date of enactment of this Act and apply to the most recent reported price information under section 1927(b)(3) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)) as of such date, and all such information reported under such section after such date.

(B) ADDITIONAL PERIOD FOR IMPLEMENTATION.—Notwithstanding the 30-day requirement for the public availability of market-based drug pricing information under section 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)), with respect to the initial public availability of such information, the Secretary of Health and Human Services shall have up to 90 days from the date of the enactment of this Act in which to make such information so available.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out section 1927(b)(3)(D) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)), as amended by this subsection, such sums as may be necessary to carry out such section. Amounts appropriated pursuant to this subsection shall be in addition to amounts otherwise appropriated to carry out title XIX of such Act (42 U.S.C. 1396 et seq.).

SA 1073. Mr. SMITH (for himself, Mr. FEINGOLD, and Ms. CANTWELL) sumitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 379, strike lines 9 through 13, and insert:

''(A) IN GENERAL.—The term 'specialized Medicare+Choice plans for special needs beneficiaries' means a Medicare+Choice plan that—

''(i) exclusively serves special needs beneficiaries (as defined in subparagraph (B)), or

''(ii) to the extent provided in regulations prescribed by the Secretary, disproportionately serves such special needs beneficiaries, frail elderly medicare beneficiaries, or both.

SA 1074. Mr. COLEMAN sumitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title IV, add the following:

SEC. ___. IMPROVEMENTS IN NATIONAL COVERAGE DETERMINATION PROCESS TO RESPOND TO CHANGES IN TECHNOLOGY.

(a) IN GENERAL.—Section 1862 (42 U.S.C. 1395y) is amended—

(A) in the third sentence of subsection (a) by inserting ''consistent with subsection (j)'' after ''the Secretary shall ensure''; and

(B) by adding at the end the following new subsection:

''(j) NATIONAL COVERAGE DETERMINATION PROCESS.—

''(1) TIMEFRAME FOR DECISIONS ON REQUESTS FOR NATIONAL COVERAGE DETERMINATIONS.—In the case of a request for a national coverage determination that—

''(A) does not require a technology assessment from an outside entity or deliberation from the Medicare Coverage Advisory Committee, the decision on the request shall be made not later than 6 months after the date of the request; or

''(B) requires such an assessment or deliberation and in which a clinical trial is not requested, the decision on the request shall be made not later than 9 months after the date of the request.

''(2) PROCESS FOR PUBLIC COMMENT IN NATIONAL COVERAGE DETERMINATIONS.—At the end of the 6-month period (with respect to a request under paragraph (1)(A)) or 9-month period (with respect to a request under paragraph (1)(B)) that begins on the date a request for a national coverage determination is made, the Secretary shall—

''(A) make a draft of proposed decision on the request available to the public through the Medicare Internet site of the Department of Health and Human Services or other appropriate means;

''(B) provide a 30-day period for public comment on such draft;

''(C) make a final decision on the request within 60 days of the conclusion of the 30-day period referred to under subparagraph (B);

''(D) include in such final decision summaries of the public comments received and responses thereto;

''(E) make available to the public the clinical evidence and other data used in making such a decision when the decision differs from the recommendations of the Medicare Coverage Advisory Committee; and

''(F) in the case of a decision to grant the coverage determination, assign a temporary or permanent code and implement the coverage decision at the end of the 60-day period referred to in subparagraph (C).

''(3) NATIONAL COVERAGE DETERMINATION DEFINED.—For purposes of this subsection, the term 'national coverage determination' has the meaning given such term in section 1869(f)(1)(B).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to national coverage determinations as of January 1, 2004.

SA 1075. Ms. STABENOW (for herself and Mr. LEVIN) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 676, after line 22, add the following:

SEC. ___. EXTENSION OF MORATORIUM.

(a) IN GENERAL.—Section 6408(a)(3) of the Omnibus Budget Reconciliation Act of 1989, as amended by section 13642 of the Omnibus Budget Reconciliation Act of 1993 and section 4758 of the Balanced Budget Act of 1997, is amended—

(1) by striking ''until December 31, 2002'', and

(2) by striking ''Kent Community Hospital Complex in Michigan or.''

(b) EFFECTIVE DATES.—

(1) PERMANENT EXTENSION.—The amendment made by subsection (a)(1) shall take effect as if included in the amendment made by section 4758 of the Balanced Budget Act of 1997.

(2) MODIFICATION.—The amendment made by subsection (a)(2) shall take effect on the date of enactment of this Act.

SA 1076. Ms. STABENOW (for herself and Mr. LEVIN) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 438, between lines 10 and 11, insert the following:

SEC. ___. COMPREHENSIVE CANCER CENTERS.

(a) IN GENERAL.—Section 1886(d)(1) of the Social Security Act (42 U.S.C. 1395ww(d)(1)) is amended—

(1) in subparagraph (B)(v)—

(A) by striking ''or'' at the end of subclause (III);

(B) by striking the semicolon at the end of subclause (IV) and inserting '', or''; and

(C) by inserting after subclause (IV) the following:

''(IV) a hospital that is a nonprofit corporation, the sole member of which was recognized as a comprehensive cancer center by the National Cancer Institute of the National Institutes of Health as of April 20, 1983, that specifies in its articles of incorporation that at least 50 percent of its total discharges must have a principal finding of neoplastic disease, as defined in subparagraph (E), and that is a freestanding facility licensed for less than 131 acute care beds;''; and

(2) in subparagraph (E), by striking ''(II) and (III)'' and inserting ''(II), (III), and (IV)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to cost reporting periods beginning after the date of enactment of this Act.

SA 1077. Ms. STABENOW (for herself and Mr. LEVIN) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

On page 438, between lines 10 and 11, insert the following:

SEC. ___. REDISTRIBUTION OF UNUSED RESIDENT POSITIONS.

(a) IN GENERAL.—Section 1886(h)(4) (42 U.S.C. 1395ww(h)(4)) is amended—

(1) in subparagraph (F)(i), by inserting ''subject to subparagraph (I),'' after ''October 1, 1997,'';

(2) in subparagraph (H)(i), by inserting ''and subject to subparagraph (I),'' after ''subparagraphs (F) and (G),''; and

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

''(I) REDISTRIBUTION OF UNUSED RESIDENT POSITIONS.—

''(i) REDUCTION IN LIMIT BASED ON UNUSED POSITIONS.—

''(I) IN GENERAL.—If a hospital's resident level (as defined in clause (iii)(I)) is less than the otherwise applicable resident limit (as defined in clause (iii)(II)) for each of the reference periods (as defined in subclause (II)), effective for cost reporting periods beginning on or after January 1, 2003, the otherwise applicable resident limit shall be reduced by 75 percent of the difference between such limit and the reference resident level specified in subclause (III) (or subclause (IV) if applicable).

''(II) REFERENCE PERIODS DEFINED.—In this clause, the term 'reference periods' means, for a hospital, the 3 most recent consecutive cost reporting periods of the hospital for which cost reports have been settled (or, if not, submitted) on or before September 30, 2001.

''(III) REFERENCE RESIDENT LEVEL.—Subject to subclause (IV), the reference resident level specified in this subclause for a hospital is the highest resident level for the hospital during any of the reference periods.

''(IV) ADJUSTMENT PROCESS.—Upon the timely request of a hospital, the Secretary may adjust the reference resident level for a hospital to be the resident level for the hospital for the cost reporting period that includes July 1, 2002.

''(ii) REDISTRIBUTION.—

''(I) IN GENERAL.—The Secretary is authorized to increase the otherwise applicable resident limits for hospitals by an aggregate number estimated by the Secretary that does not exceed the aggregate reduction in such limits attributable to clause (i) (without taking into account any adjustment under subclause (IV) of such clause).

''(II) EFFECTIVE DATE.—No increase under subclause (I) shall be permitted or taken into account for a hospital for any portion of a cost reporting period that occurs before July 1, 2003, or before the date of the hospital's application for an increase under this clause. No such increase shall be permitted for a hospital unless the hospital has applied to the Secretary for such increase by December 31, 2004.

''(III) CONSIDERATIONS IN REDISTRIBUTION.—In determining for which hospitals the increase in the otherwise applicable resident limit is provided under subclause (I), the Secretary shall take into account the need for such an increase by specialty and location involved, consistent with subclause (IV).

''(IV) PRIORITY FOR RURAL AND SMALL URBAN AREAS.—In determining for which hospitals and residency training programs an increase in the otherwise applicable resident limit is provided under subclause (I), the Secretary shall first distribute the increase to programs of hospitals located in rural areas or in urban areas that are not large urban areas (as defined for purposes of subsection (d)) on a first-come-first-served basis (as determined by the Secretary) based on a demonstration that the hospital will fill the positions made available under this clause and not to exceed an increase of 25 full-time equivalent positions with respect to any hospital.

''(V) APPLICATION OF LOCALITY ADJUSTED NATIONAL AVERAGE PER RESIDENT AMOUNT.—With respect to additional residency positions in a hospital attributable to the increase provided under this clause, notwithstanding any other provision of this subsection, the approved FTE resident amount is deemed to be equal to the locality adjusted national average per resident amount computed under subparagraph (E) for that hospital.

''(VI) CONSTRUCTION.—Nothing in this clause shall be construed as permitting the redistribution of reductions in residency positions attributable to voluntary reduction programs under paragraph (6) or as affecting the ability of a hospital to establish new medical residency training programs under subparagraph (H).

''(iii) RESIDENT LEVEL AND LIMIT DEFINED.—In this subparagraph:

''(I) RESIDENT LEVEL.—The term 'resident level' means, with respect to a hospital, the total number of full-time equivalent residents, before the application of weighting factors (as determined under this paragraph), in the fields of allopathic and osteopathic medicine for the hospital.

''(II) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term 'otherwise applicable resident limit' means, with respect to a hospital,

the limit otherwise applicable under subparagraphs (F)(i) and (H) on the resident level for the hospital determined without regard to this subparagraph.''.

(b) NO APPLICATION OF INCREASE TO IME.—Section 1886(d)(5)(B)(v) (42 U.S.C. 1395ww(d)(5)(B)(v)) is amended by adding at the end the following: ''The provisions of subsection (h)(4)(I) (determined without regard to clause (ii) thereof) shall apply with respect to the first sentence of this clause in the same manner as such provisions apply with respect to subparagraph (F) of such subsection.''.

(c) REPORT ON EXTENSION OF APPLICATIONS UNDER REDISTRIBUTION PROGRAM.—Not later than July 1, 2004, the Secretary of Health and Human Services shall submit to Congress a report containing recommendations regarding whether to extend the deadline for applications for an increase in resident limits under section 1886(h)(4)(I)(i)(II) of the Social Security Act (as added by subsection (a)).

SA 1076. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV, add the following:

SEC. ___. REVISION OF ALTERNATIVE GUIDELINES FOR GEOGRAPHIC RECLASSIFICATION OF CERTAIN DISPROPORTIONATELY LARGE HOSPITALS.

Section 4409(b) of the Balanced Budget Act of 1997 (42 U.S.C. 1395ww note) is amended—

(1) in paragraph (1)—

(A) by inserting ''(A)'' after ''(1)'';

(B) by adding ''or'' after the semicolon at the end; and

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

''(B) beginning with fiscal year 2003, the hospital is the only hospital located in such an Area'';

(2) in paragraph (2), by inserting ''in the case of a hospital described in paragraph (1)(A),'' before ''not less than 40 percent''; and

(3) in paragraph (3), by inserting ''for fiscal years before 2003,'' before ''the hospital submitted an application''.

SA 1079. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV, add the following:

SEC. ___. RECLASSIFICATION OF CERTAIN RURAL COUNTIES FOR PURPOSES OF REIMBURSEMENT UNDER THE MEDICARE PROGRAM.

(a) IN GENERAL.—Notwithstanding any other provision of law, effective for discharges occurring during fiscal years 2003, 2004, and 2005, for purposes of making payments under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)), a hospital located in a rural county in a State that is adjacent to 1 or more urban areas is deemed to be located in the urban metropolitan statistical area from which the greatest number of hospital employees commute, if—

(1) the rural county is surrounded by urban metropolitan statistical areas; and

(2) the hospital would be reclassified as being located in an adjacent urban metropolitan statistical area for purposes of determining the wage index and the standardized amount applicable to the hospital but for a requirement that the hospital have a wage index that is 106 percent of its applicable rural wage index.

(b) TREATMENT AS DECISION OF MEDICARE GEOGRAPHIC CLASSIFICATION REVIEW BOARD.—For purposes of section 1886(d) of the Social Security Act (42 U.S.C 1395ww(d)), any reclassification under subsection (a) shall be treated as a decision of the Medicare Geographic Classification Review Board under paragraph (10) of that section.

(c) PROCESS FOR APPLICATIONS TO ENSURE THAT PROVISIONS APPLY BEGINNING OCTOBER 1, 2003.—The Secretary of Health and Human Services shall establish a process for the Medicare Geographic Classification Review Board to accept, and make determinations with respect to, applications that are filed by applicable hospitals within 90 days of the date of enactment of this section to reclassify based on the provisions of this section in order to ensure that such provisions shall apply to payments under such section 1886(d) for discharges occurring on or after October 1, 2003.

(d) ADJUSTMENTS TO ENSURE BUDGET NEUTRALITY.—If 1 or more applicable hospital's applications are approved pursuant to the process under subsection (c), the Secretary of Health and Human Services shall make a proportional adjustment in the standardized amounts determined under paragraph (3) of such section 1886(d) for payments for discharges occurring in fiscal year 2004 to ensure that approval of such applications does not result in aggregate payments under such section 1886(d) that are greater or less than those that would otherwise be made if this section had not been enacted.

SA 1080. Mr. DEWINE (for himself and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements to the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ___. COMPREHENSIVE IMMUNOSUPPRESSIVE DRUG COVERAGE FOR TRANSPLANT PATIENTS.

(a) COMPREHENSIVE COVERAGE OF IMMUNOSUPPRESSIVE DRUGS UNDER THE MEDICARE PROGRAM.—

(1) IN GENERAL.—Section 1861(s)(2)(J) (42 U.S.C. 1395x(s)(2)(J)) is amended by striking '', to an individual who receives'' and all that follows before the semicolon at the end and inserting ''to an individual who has received an organ transplant''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to drugs furnished on or after the date of enactment of this Act.

(b) PROVISION OF APPROPRIATE COVERAGE OF IMMUNOSUPPRESSIVE DRUGS UNDER THE MEDICARE PROGRAM FOR ORGAN TRANSPLANT RECIPIENTS.—

(1) CONTINUED ENTITLEMENT TO IMMUNOSUPPRESSIVE DRUGS.—

(A) KIDNEY TRANSPLANT RECIPIENTS.—Section 226A(b)(2) (42 U.S.C. 426–1(b)(2)) is amended by inserting ''(except for coverage of immunosuppressive drugs under section 1861(s)(2)(J))'' after ''shall end''.

(B) OTHER TRANSPLANT RECIPIENTS.—The flush matter following paragraph (2)(C)(ii)(II) of section 226(b) (42 U.S.C. 426(b)) is amended by striking ''of this subsection)'' and inserting ''of this subsection and except for coverage of immunosuppressive drugs under section 1861(s)(2)(J))''.

(C) APPLICATION.—Section 1836 (42 U.S.C. 1395o) is amended—

(i) by striking ''Every individual who'' and inserting ''(a) IN GENERAL.—Every individual who''; and

(ii) by adding at the end the following new subsection:

''(b) SPECIAL RULES APPLICABLE TO INDIVIDUALS ONLY ELIGIBLE FOR COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.—

''(1) IN GENERAL.—In the case of an individual whose eligibility for benefits under this title has ended except for the coverage of immunosuppressive drugs by reason of section 226(b) or 226A(b)(2), the following rules shall apply:

''(A) The individual shall be deemed to be enrolled under this part for purposes of receiving coverage of such drugs.

''(B) The individual shall be responsible for the full amount of the premium under section 1839 in order to receive such coverage.

''(C) The provision of such drugs shall be subject to the application of—

''(i) the deductible under section 1833(b); and

''(ii) the coinsurance amount applicable for such drugs (as determined under this part).

''(D) If the individual is an inpatient of a hospital or other entity, the individual is entitled to receive coverage of such drugs under this part.

''(2) ESTABLISHMENT OF PROCEDURES IN ORDER TO IMPLEMENT COVERAGE.—The Secretary shall establish procedures for—

''(A) identifying beneficiaries that are entitled to coverage of immunosuppressive drugs by reason of section 226(b) or 226A(b)(2); and

''(B) distinguishing such beneficiaries from beneficiaries that are enrolled under this part for the complete package of benefits under this part.''.

(D) TECHNICAL AMENDMENT.—Subsection (c) of section 226A (42 U.S.C. 426–1), as added by section 201(a)(3)(D)(ii) of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1497), is redesignated as subsection (d).

(2) EXTENSION OF SECONDARY PAYER REQUIREMENTS FOR ESRD BENEFICIARIES.—Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended by adding at the end the following new sentence: ''With regard to immunosuppressive drugs furnished on or after the date of enactment of the Prescription Drug and Medicare Improvement Act of 2003, this subparagraph shall be applied without regard to any time limitation.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to drugs furnished on or after the date of enactment of this Act.

(c) PLANS REQUIRED TO MAINTAIN COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.—

(1) APPLICATION TO CERTAIN HEALTH INSURANCE COVERAGE.—

(A) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following:

''SEC. 2707. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

''A group health plan (and a health insurance issuer offering health insurance coverage in connection with a group health plan) shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan or issuer on the day before the date of enactment of the Prescription Drug and Medicare Improvement Act of 2003, and such

requirement shall be deemed to be incorporated into this section.''.

(B) CONFORMING AMENDMENT.—Section 2721(b)(2)(A) of the Public Health Service Act (42 U.S.C. 300gg–21(b)(2)(A)) is amended by inserting ''(other than section 2707)'' after ''requirements of such subparts''.

(2) APPLICATION TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(A) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185 et seq.) is amended by adding at the end the following new section:

''SEC. 714. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

''A group health plan (and a health insurance issuer offering health insurance coverage in connection with a group health plan) shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan or issuer on the day before the date of enactment of the Prescription Drug and Medicare Improvement Act of 2003, and such requirement shall be deemed to be incorporated into this section.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1185(a)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(ii) The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Coverage of immunosuppressive drugs.''.

(3) APPLICATION TO GROUP HEALTH PLANS UNDER THE INTERNAL REVENUE CODE OF 1986.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(A) in the table of sections, by inserting after the item relating to section 9812 the following new item:

''Sec. 9813. Coverage of immunosuppressive drugs.'';

and

(B) by inserting after section 9812 the following:

''SEC. 9813. COVERAGE OF IMMUNOSUPPRESSIVE DRUGS.

''A group health plan shall provide coverage of immunosuppressive drugs that is at least as comprehensive as the coverage provided by such plan on the day before the date of enactment of the Prescription Drug and Medicare Improvement Act of 2003, and such requirement shall be deemed to be incorporated into this section.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning on or after January 1, 2004.

SA 1081. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 476, between lines 5 and 6, insert the following:

(10) EXEMPTION FOR CERTAIN INHALATION DRUGS AND BIOLOGICALS.—Section 1842(o) (42 U.S.C. 1395u(o)), as amended by subsection (a)(2) and paragraphs (4), (6) (7) and (9), is amended by adding at the end the following new paragraph:

''(10)(A) Notwithstanding the preceding provisions of this subsection, in the case of existing inhalation drugs and biologicals furnished on or after January 1, 2004, and before January 1, 2011, the payment rate for such drugs and biologicals shall be 95 percent of the average wholesale price (as in effect on June 30, 2003).

''(B) During the period described in subparagraph (A), the Secretary may not make any increased or separate payments under paragraph (8) with respect to existing inhalation drugs and biologicals.

''(C) For purposes of this paragraph, the term 'existing inhalation drugs and biologicals' means inhalation drugs and biologicals furnished through durable medical equipment covered under section 1861(n) that are first available for payment under this part on or before June 30, 2003.''.

SA 1082. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title IV, add the following:

SEC. ___. ACCELERATING THE RATE OF REDUCTION OF BENEFICIARY COPAYMENT LIABILITY UNDER THE MEDICARE HOSPITAL OUTPATIENT DEPARTMENT PROSPECTIVE PAYMENT SYSTEM.

Section 1833(t)(8)(C)(ii) (42 U.S.C. 1395l(t)(8)(C)(ii)) is amended—

(1) in subclause (V), by striking ''and thereafter'' and inserting ''through 2008''; and

(2) by adding at the end the following new subclauses:

''(VI) For procedures performed in 2009, 36 percent.

''(VII) For procedures performed in 2010 and 2011, 34 percent.

''(VIII) For procedures performed in 2012, 32 percent.

''(IX) For procedures performed in 2013 and thereafter, 30 percent.''.

SEC. ___. MEDICARE SECONDARY PAYOR (MSP) PROVISIONS.

(a) TECHNICAL AMENDMENT CONCERNING SECRETARY'S AUTHORITY TO MAKE CONDITIONAL PAYMENT WHEN CERTAIN PRIMARY PLANS DO NOT PAY PROMPTLY.—

(1) IN GENERAL.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is amended—

(A) in subparagraph (A)(ii), by striking ''promptly (as determined in accordance with regulations)'';

(B) in subparagraph (B)—

(i) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), respectively; and

(ii) by inserting before clause (ii), as so redesignated, the following new clause:

''(i) AUTHORITY TO MAKE CONDITIONAL PAYMENT.—The Secretary may make payment under this title with respect to an item or service if a primary plan described in subparagraph (A)(ii) has not made or cannot reasonably be expected to make payment with respect to such item or service promptly (as determined in accordance with regulations). Any such payment by the Secretary shall be conditioned on reimbursement to the appropriate Trust Fund in accordance with the succeeding provisions of this subsection.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall be effective as if included in the enactment of title III of the Medicare and Medicaid Budget Reconciliation Amendments of 1984 (Public Law 98-369).

(b) CLARIFYING AMENDMENTS TO CONDITIONAL PAYMENT PROVISIONS.—Section 1862(b)(2) (42 U.S.C. 1395y(b)(2)) is further amended—

(1) in subparagraph (A), in the matter following clause (ii), by inserting the following sentence at the end: ''An entity that engages in a business, trade, or profession shall be deemed to have a self-insured plan if it carries its own risk (whether by a failure to obtain insurance, or otherwise) in whole or in part.'';

(2) in subparagraph (B)(ii), as redesignated by subsection (a)(2)(B)—

(A) by striking the first sentence and inserting the following: ''A primary plan, and an entity that receives payment from a primary plan, shall reimburse the appropriate Trust Fund for any payment made by the Secretary under this title with respect to an item or service if it is demonstrated that such primary plan has or had a responsibility to make payment with respect to such item or service. A primary plan's responsibility for such payment may be demonstrated by a judgment, a payment conditioned upon the recipient's compromise, waiver, or release (whether or not there is a determination or admission of liability) of payment for items or services included in a claim against the primary plan or the primary plan's insured, or by other means.''; and

(B) in the final sentence, by striking ''on the date such notice or other information is received'' and inserting ''on the date notice of, or information related to, a primary plan's responsibility for such payment or other information is received''; and

(3) in subparagraph (B)(iii), , as redesignated by subsection (a)(2)(B), by striking the first sentence and inserting the following: ''In order to recover payment made under this title for an item or service, the United States may bring an action against any or all entities that are or were required or responsible (directly, as an insurer or self-insurer, as a third-party administrator, as an employer that sponsors or contributes to a group health plan, or large group health plan, or otherwise) to make payment with respect to the same item or service (or any portion thereof) under a primary plan. The United States may, in accordance with paragraph (3)(A) collect double damages against any such entity. In addition, the United States may recover under this clause from any entity that has received payment from a primary plan or from the proceeds of a primary plan's payment to any entity.''.

(c) CLERICAL AMENDMENTS.—Section 1862(b) (42 U.S.C. 1395y(b)) is amended—

(1) in paragraph (1)(A), by moving the indentation of clauses (ii) through (v) 2 ems to the left; and

(2) in paragraph (3)(A), by striking ''such'' before ''paragraphs''.

SA 1083. Mr. COLEMAN submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title IV, add the following:

SEC. ___. TREATMENT OF CERTAIN ENTITIES FOR PURPOSES OF PAYMENTS UNDER THE MEDICARE PROGRAM.

(a) PAYMENTS TO HOSPITALS.—Notwithstanding any other provision of law, effective for discharges occurring on or after October 1, 2003, for purposes of making payments to hospitals (as defined in section 1886(d) and 1833(t) of the Social Security Act (42 U.S.C.

1395(d)) under the medicare program under title XVIII of such Act (42 U.S.C. 1395 et seq.), Stearns County, Minnesota, such county is deemed to be located in the Minneapolis-St. Paul, Minnesota-Wisconsin, Metropolitan Statistical Area.

(b) BUDGET NEUTRALITY.—The Secretary shall adjust the area wage index referred to in subsection (a) in a manner which assures that the appropriate payments made under section 1886(d) of the Social Security Act (42 U.S.C., 1395(ww)(d)) in a fiscal year for the operating cost of inpatient hospital services are not greater or less than those which would have be made in the year if this section did not apply.

SA 1084. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 152, between lines 7 and 8, and insert the following:

''(g) STATE OPTION TO PAY MEDICARE PART D PRICE FOR COVERED OUTPATIENT DRUGS FOR DUAL ELIGIBLE INDIVIDUALS.—Notwithstanding any provision of title XVIII, or section 1927(c)(1)(C)(i), with respect to a State that provides medical assistance for a covered drug (as such term is defined in section 1860D(a)(2)) for a dual eligible individual enrolled under the State plan under this title (or under a waiver of such plan) that is also a covered outpatient drug (as defined for purposes of in section 1927) included on the State formulary established under section 1927, if the price the State would pay for the drug under this title exceeds the price that an eligible entity offering a Medicare Prescription Drug plan or a MedicareAdvantage organization offering a MedicareAdvantage plan would pay for the drug under title XVIII, the State may elect to pay the price that applies under title XVIII. An election by a State under the preceding sentence shall have no effect on the terms of a rebate agreement entered into under section 1927 which would otherwise apply to the provision of medical assistance for the covered outpatient drug.''.

SA 1085. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VI, insert the following:

SEC. ___. SENSE OF THE SENATE ON PAYMENT REDUCTIONS UNDER MEDICARE PHYSICIAN FEE SCHEDULE.

(a) FINDINGS.—Congress finds that—

(1) the fees Medicare pays physicians were reduced by 5.4 percent across-the-board in 2002;

(2) recent action by Congress narrowly averted another across-the-board reduction of 4.4 percent for 2003;

(3) based on current projections, the Centers for Medicare & Medicaid Services (CMS) estimates that, absent legislative or administrative action, fees will be reduced across-the-board once again in 2004 by 4.2 percent;

(4) the prospect of continued payment reductions under the Medicare physician fee schedule for the foreseeable future threatens to destabilize an important element of the program, namely physician participation and willingness to accept Medicare patients;

(5) the primary source of this instability is the sustainable growth rate (SGR), a system of annual spending targets for physicians' services under Medicare;

(6) the SGR system has a number of defects that result in unrealistically low spending targets, such as the use of the increase in the gross domestic product (GDP) as a proxy for increases in the volume and intensity of services provided by physicians, no tolerance for variance between growth in Medicare beneficiary health care costs and our Nation's GDP, and a requirement for immediate recoupment of the difference;

(7) both administrative and legislative action are needed to return stability to the physician payment system;

(8) using the discretion given to it by Medicare law, CMS has included expenditures for prescription drugs and biologicals administered incident to physicians' services under the annual spending targets without making appropriate adjustments to the targets to reflect price increases in these drugs and biologicals or the growing reliance on such therapies in the treatment of Medicare patients;

(9) between 1996 and 2002, annual Medicare spending on these drugs grew from $1,800,000,000 to $6,200,000,000, or from $55 per beneficiary to an estimated $187 per beneficiary;

(10) although physicians are responsible for prescribing these drugs and biologicals, neither the price of the drugs and biologicals, nor the standards of care that encourage their use, are within the control of physicians; and

(11) SGR target adjustments have not been made for cost increases due to new coverage decisions and new rules and regulations.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the Center for Medicare & Medicaid Services (CMS) should use its discretion to exclude drugs and biologicals administered incident to physician services from the sustainable growth rate (SGR) system;

(2) CMS should use its discretion to make SGR target adjustments for new coverage decisions and new rules and regulations; and

(3) in order to provide ample time for Congress to consider more fundamental changes to the SGR system, the conferees on the Prescription Drug and Medicare Improvement Act of 2003 should include in the conference agreement a provision to establish a minimum percentage update in physician fees for the next 2 years and should consider adding provisions that would mitigate the swings in payment, such as establishing multi-year adjustments to recoup the variance and creating ''tolerance'' corridors for variations around the update target trend.

SA 1086. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; which was ordered to lie on the table; as follows:

On page 37, strike lines 4 and 5 and insert ''reasonable distances to pharmacy services in urban and rural areas and access to pharmacy services of the Indian Health Service and Indian tribes and tribal organizations.''.

On page 165, strike lines 4 and 5 and insert ''into account reasonable distances to pharmacy services in urban and rural areas and access to pharmacy services of the Indian Health Service and Indian tribes and tribal organizations.''.

SA 1087. Mr. GRASSLEY (for Mr. CRAIG) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of subtitle A of title II, add the following:

SEC. ___. ESTABLISHMENT OF MEDICAREADVANTAGE CONSUMER-DRIVEN HEALTH PLAN OPTION.

(a) PROGRAM SPECIFICATIONS.—Part C of title XVIII (42 U.S.C. 1395w–21 et seq.), amended by section 205, is amended by inserting after section 1858A the following new section:

''CONSUMER-DRIVEN HEALTH PLAN OPTION

''SEC. 1858B. (a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—Beginning on January 1, 2006, there is established a consumer-driven health plan program under which consumer-driven health plans offered by consumer-driven health plan sponsors are offered to MedicareAdvantage eligible individuals in preferred provider regions.

''(2) DEFINITIONS.—

''(A) CONSUMER-DRIVEN HEALTH PLAN SPONSOR.—The term 'consumer-driven health plan sponsor' means an entity with a contract under section 1857 that meets the requirements of this section applicable with respect to consumer-driven health plan sponsors.

''(B) CONSUMER-DRIVEN HEALTH PLAN.—The term 'consumer-driven health plan' means a MedicareAdvantage plan that—

''(i) provides 100 percent coverage for preventive benefits (as defined by the Secretary);

''(ii) includes a personal care account from which enrollees must pay out-of-pocket costs until the deductible is met; and

''(iii) has a high deductible (as determined by the Secretary).

''(C) PREFERRED PROVIDER REGION.—The term 'preferred provider region' has the meaning given that term under section 1858(a)(2)(C).

''(b) ELIGIBILITY, ELECTION, AND ENROLLMENT; BENEFITS AND BENEFICIARY PROTECTIONS.—

''(1) IN GENERAL.—Except as provided in the succeeding provisions of this subsection, the provisions of sections 1851 and 1852 that apply with respect to coordinated care plans shall apply to consumer-driven health plans offered by a consumer-driven health plan sponsor.

''(2) SERVICE AREA.—The service area of a consumer-driven health plan shall be a preferred provider region.

''(3) AVAILABILITY.—Each preferred provider organization plan must be offered to each MedicareAdvantage eligible individual who resides in the service area of the plan.

''(4) AUTHORITY TO PROHIBIT RISK SELECTION.—The provisions of section 1852(a)(6) shall apply to preferred provider organization plans.

''(5) ASSURING ACCESS TO SERVICES IN CONSUMER-DRIVEN HEALTH PLANS.—The requirements of section 1858(a)(5) shall apply to consumer-driven health plans.

''(6) PERSONAL CARE ACCOUNTS.—

''(A) ESTABLISHMENT.—Each consumer-driven health plan shall establish a personal care account on behalf of each enrollee from which such enrollee shall be required to pay out-of-pockets costs until the deductible described in subsection (a)(2)(B)(iii) is met.

''(B) ROLLOVER.—Subject to subparagraph (C), any amounts remaining in a personal care account at the end of a year shall be credited to such an account for the subsequent year.

''(C) CHANGES OF ELECTION.—If, after electing a consumer-driven health plan, a beneficiary elects a plan under this part that is not a consumer-driven health plan during a subsequent year or elects to receive benefits under the original medicare fee-for-service program option (whether or not as a result of circumstances described in section 1851(e)(4)), any amounts remaining in the account as of the date of such election shall be credited to the Federal Hospital Insurance Trust Fund under section 1817 and the Federal Supplementary Medical Insurance Trust Fund under section 1841 in such proportion as the Secretary determines is appropriate.

''(c) PAYMENTS TO CONSUMER-DRIVEN HEALTH PLAN SPONSORS.—

''(1) PAYMENTS TO ORGANIZATIONS.—

''(A) MONTHLY PAYMENTS.—

''(i) IN GENERAL.—Under a contract under section 1857 and subject to paragraph (5), subsections (e) and (i), and section 1859(e)(4), the Secretary shall make, to each consumer-driven health plan sponsor, with respect to coverage of an individual for a month under this part in a preferred provider region, separate monthly payments with respect to—

''(I) benefits under the original medicare fee-for-service program under parts A and B in accordance with paragraph (4); and

''(II) benefits under the voluntary prescription drug program under part D in accordance with section 1858A and the other provisions of this part.

''(ii) SPECIAL RULE FOR END-STAGE RENAL DISEASE.—The Secretary shall establish separate rates of payment applicable with respect to classes of individuals determined to have end-stage renal disease and enrolled in a consumer-driven health plan under this clause that are similar to the separate rates of payment described in section 1853(a)(1)(B).

''(B) ADJUSTMENT TO REFLECT NUMBER OF ENROLLEES.—The Secretary may retroactively adjust the amount of payment under this paragraph in a manner that is similar to the manner in which payment amounts may be retroactively adjusted under section 1853(a)(2).

''(C) COMPREHENSIVE RISK ADJUSTMENT METHODOLOGY.—The Secretary shall apply the comprehensive risk adjustment methodology described in section 1853(a)(3)(B) to 100 percent of the amount of payments to plans under paragraph (4)(D)(ii).

''(D) ADJUSTMENT FOR SPENDING VARIATIONS WITHIN A REGION.—The Secretary shall establish a methodology for adjusting the amount of payments to plans under paragraph (4)(D)(ii) that achieves the same objective as the adjustment described in paragraph 1853(a)(2)(C).

''(2) APPLICATION OF PREFERRED PROVIDER BENCHMARKS.—The benchmark amounts calculated under section 1858(c)(2) shall apply with respect to consumer-driven health plans.

''(3) APPLICATION OF PREFERRED PROVIDER PAYMENT FACTORS.—The provisions of section 1858(c)(3) shall apply with respect to consumer driven health plans.

''(4) SECRETARY'S DETERMINATION OF PAYMENT AMOUNT FOR BENEFITS UNDER THE ORIGINAL MEDICARE FEE-FOR-SERVICE PROGRAM.—The Secretary shall determine the payment amount for plans as follows:

''(A) REVIEW OF PLAN BIDS.—The Secretary shall review each plan bid submitted under subsection (d)(1) for the coverage of benefits under the original medicare fee-for-service program option to ensure that such bids are consistent with the requirements under this part and are based on the assumptions described in section 1854(a)(2)(A)(iii).

''(B) DETERMINATION OF PREFERRED PROVIDER REGIONAL BENCHMARK AMOUNTS.—The preferred provider regional benchmark calculated under section 1858(c)(4)(B) shall apply with respect to consumer-drive health plans amount for that plan for the benefits under the original medicare fee-for-service program option for each plan equal to the regional benchmark adjusted by using the assumptions described in section 1854(a)(2)(A)(iii).

''(C) COMPARISON TO BENCHMARK.—The Secretary shall determine the difference between each plan bid (as adjusted under subparagraph (A)) and the preferred provider regional benchmark amount (as determined under subparagraph (B)) for purposes of determining—

''(i) the payment amount under subparagraph (D); and

''(ii) the additional benefits required and MedicareAdvantage monthly basic beneficiary premiums.

''(D) DETERMINATION OF PAYMENT AMOUNT.—

''(i) IN GENERAL.—Subject to clause (ii), the Secretary shall determine the payment amount to a consumer-driven health plan sponsor for a consumer-driven health plan as follows:

''(I) BIDS THAT EQUAL OR EXCEED THE BENCHMARK.—In the case of a plan bid that equals or exceeds the preferred provider regional benchmark amount, the amount of each monthly payment to the organization with respect to each individual enrolled in a plan shall be the preferred provider regional benchmark amount.

''(II) BIDS BELOW THE BENCHMARK.—In the case of a plan bid that is less than the preferred provider regional benchmark amount, the amount of each monthly payment to the organization with respect to each individual enrolled in a plan shall be the preferred provider regional benchmark amount reduced by the amount of any premium reduction elected by the plan under section 1854(d)(1)(A)(i).

''(ii) APPLICATION OF ADJUSTMENT METHODOLOGIES.—The Secretary shall adjust the amounts determined under subparagraph (A) using the factors described in section 1858(c)(3)(A)(ii).

''(E) FACTORS USED IN ADJUSTING BIDS AND BENCHMARKS FOR CONSUMER-DRIVEN HEALTH PLAN SPONSORS AND IN DETERMINING ENROLLEE PREMIUMS.—Subject to subparagraph (F), in addition to the factors used to adjust payments to plans described in section 1853(d)(6), the Secretary shall use the adjustment for geographic variation within the region established under paragraph (1)(D).

''(F) ADJUSTMENT FOR NATIONAL COVERAGE DETERMINATIONS AND LEGISLATIVE CHANGES IN BENEFITS.—The Secretary shall provide for adjustments for national coverage determinations and legislative changes in benefits applicable with respect to consumer-driven health plan sponsors in the same manner as the Secretary provides for adjustments under section 1853(d)(7).

''(5) PAYMENTS FROM TRUST FUND.—The payment to a consumer-driven health plan sponsor under this section shall be made from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in a manner similar to the manner described in section 1853(g).

''(6) SPECIAL RULE FOR CERTAIN INPATIENT HOSPITAL STAYS.—Rules similar to the rules applicable under section 1853(h) shall apply with respect consumer-driven health plan sponsors.

''(7) SPECIAL RULE FOR HOSPICE CARE.—Rules similar to the rules applicable under section 1853(i) shall apply with respect to consumer-driven health plan sponsors.

''(d) SUBMISSION OF BIDS BY CONSUMER-DRIVEN HEALTH PLANS; PREMIUMS.—

''(1) SUBMISSION OF BIDS BY CONSUMER-DRIVEN HEALTH PLAN SPONSORS.—

''(A) IN GENERAL.—For the requirements on submissions by consumer-driven health plans, see section 1854(a)(1).

''(B) UNIFORM PREMIUMS.—Each bid amount submitted under subparagraph (A) for a consumer-driven health plan in a preferred provider region may not vary among MedicareAdvantage eligible individuals residing in such preferred provider region.

''(C) APPLICATION OF FEHBP STANDARD; PROHIBITION ON PRICE GOUGING.—Each bid amount submitted under subparagraph (A) for a consumer-driven health plan must reasonably and equitably reflect the cost of benefits provided under that plan.

''(D) REVIEW.—The Secretary shall review the adjusted community rates (as defined in section 1854(g)(3)), the amounts of the MedicareAdvantage monthly basic premium and the MedicareAdvantage monthly beneficiary premium for enhanced medical benefits filed under this paragraph and shall approve or disapprove such rates and amounts so submitted. The Secretary shall review the actuarial assumptions and data used by the consumer-driven health plan sponsor with respect to such rates and amounts so submitted to determine the appropriateness of such assumptions and data.

''(E) NO LIMIT ON NUMBER OF PLANS IN A REGION.—The Secretary may not limit the number of consumer-driven health plans offered in a preferred provider region.

''(2) MONTHLY PREMIUMS CHARGED.—The amount of the monthly premium charged to an individual enrolled in a consumer-driven health plan offered by a consumer-driven health plan sponsor shall be equal to the sum of the following:

''(A) The MedicareAdvantage monthly basic beneficiary premium, as defined in section 1854(b)(2)(A) (if any).

''(B) The MedicareAdvantage monthly beneficiary premium for enhanced medical benefits, as defined in section 1854(b)(2)(C) (if any).

''(C) The MedicareAdvantage monthly obligation for qualified prescription drug coverage, as defined in section 1854(b)(2)(B) (if any).

''(3) DETERMINATION OF PREMIUM REDUCTIONS, REDUCED COST-SHARING, ADDITIONAL BENEFITS, AND BENEFICIARY PREMIUMS.—The rules for determining premium reductions, reduced cost-sharing, additional benefits, and beneficiary premiums under section 1854(d) shall apply with respect to consumer-driven health plan sponsors.

''(4) PROHIBITION OF SEGMENTING PREFERRED PROVIDER REGIONS.—The Secretary may not permit a consumer-driven health plan sponsor to elect to apply the provisions of this section uniformly to separate segments of a preferred provider region (rather than uniformly to an entire preferred provider region).

''(e) PORTION OF TOTAL PAYMENTS TO AN ORGANIZATION SUBJECT TO RISK FOR 2 YEARS.—

''(1) NOTIFICATION OF SPENDING UNDER THE PLAN.—

''(A) IN GENERAL.—For 2007 and 2008, the consumer-driven health plan sponsor offering a consumer-driven health plan shall notify the Secretary of the total amount of costs that the organization incurred in providing benefits covered under parts A and B of the original medicare fee-for-service program for all enrollees under the plan in the previous year.

''(B) CERTAIN EXPENSES NOT INCLUDED.—The total amount of costs specified in subparagraph (A) may not include—

''(i) subject to subparagraph (C), administrative expenses incurred in providing the benefits described in such subparagraph; or

''(ii) amounts expended on providing enhanced medical benefits under section 1852(a)(3)(D).

''(C) ESTABLISHMENT OF ALLOWABLE ADMINISTRATIVE EXPENSES.—For purposes of applying subparagraph (B)(i), the administrative expenses incurred in providing benefits described in subparagraph (A) under a consumer-driven health plan may not exceed an amount determined appropriate by the Administrator.

''(2) ADJUSTMENT OF PAYMENT.—

''(A) NO ADJUSTMENT IF COSTS WITHIN RISK CORRIDOR.—If the total amount of costs specified in paragraph (1)(A) for the plan for the year are not more than the first threshold upper limit of the risk corridor (specified in paragraph (3)(A)(iii)) and are not less than the first threshold lower limit of the risk corridor (specified in paragraph (3)(A)(i)) for the plan for the year, then no additional payments shall be made by the Secretary and no reduced payments shall be made to the consumer-driven health plan sponsor offering the plan.

''(B) INCREASE IN PAYMENT IF COSTS ABOVE UPPER LIMIT OF RISK CORRIDOR.—

''(i) IN GENERAL.—If the total amount of costs specified in paragraph (1)(A) for the plan for the year are more than the first threshold upper limit of the risk corridor for the plan for the year, then the Secretary shall increase the total of the monthly payments made to the consumer-driven health plan sponsor offering the plan for the year under subsection (c)(1)(A) by an amount equal to the sum of—

''(I) 50 percent of the amount of such total costs which are more than such first threshold upper limit of the risk corridor and not more than the second threshold upper limit of the risk corridor for the plan for the year (as specified under paragraph (3)(A)(iv)); and

''(II) 10 percent of the amount of such total costs which are more than such second threshold upper limit of the risk corridor.

''(C) REDUCTION IN PAYMENT IF COSTS BELOW LOWER LIMIT OF RISK CORRIDOR.—If the total amount of costs specified in paragraph (1)(A) for the plan for the year are less than the first threshold lower limit of the risk corridor for the plan for the year, then the Secretary shall reduce the total of the monthly payments made to the consumer-driven health plan sponsor offering the plan for the year under subsection (c)(1)(A) by an amount (or otherwise recover from the plan an amount) equal to—

''(i) 50 percent of the amount of such total costs which are less than such first threshold lower limit of the risk corridor and not less than the second threshold lower limit of the risk corridor for the plan for the year (as specified under paragraph (3)(A)(ii)); and

''(ii) 10 percent of the amount of such total costs which are less than such second threshold lower limit of the risk corridor.

''(3) ESTABLISHMENT OF RISK CORRIDORS.—

''(A) IN GENERAL.—For 2006 and 2007, the Secretary shall establish a risk corridor for each consumer-driven health plan. The risk corridor for a plan for a year shall be equal to a range as follows:

''(i) FIRST THRESHOLD LOWER LIMIT.—The first threshold lower limit of such corridor shall be equal to—

''(I) the target amount described in subparagraph (B) for the plan; minus

''(II) an amount equal to 5 percent of such target amount.

''(ii) SECOND THRESHOLD LOWER LIMIT.—The second threshold lower limit of such corridor shall be equal to—

''(I) the target amount described in subparagraph (B) for the plan; minus

''(II) an amount equal to 10 percent of such target amount.

''(iii) FIRST THRESHOLD UPPER LIMIT.—The first threshold upper limit of such corridor shall be equal to the sum of—

''(I) such target amount; and

''(II) the amount described in clause (i)(II).

''(iv) SECOND THRESHOLD UPPER LIMIT.—The second threshold upper limit of such corridor shall be equal to the sum of—

''(I) such target amount; and

''(II) the amount described in clause (ii)(II).

''(B) TARGET AMOUNT DESCRIBED.—The target amount described in this paragraph is, with respect to a consumer-driven health plan offered by a consumer-driven health plan sponsor in a year, an amount equal to the sum of—

''(i) the total monthly payments made to the organization for enrollees in the plan for the year under subsection (c)(1)(A); and

''(ii) the total MedicareAdvantage basic beneficiary premiums collected for such enrollees for the year under subsection (d)(2)(A).

''(4) PLANS AT RISK FOR ENTIRE AMOUNT OF ENHANCED MEDICAL BENEFITS.—A consumer-driven health plan sponsor that offers a consumer-driven health plan that provides enhanced medial benefits under section 1852(a)(3)(D) shall be at full financial risk for the provision of such benefits.

''(5) NO EFFECT ON ELIGIBLE BENEFICIARIES.—No change in payments made by reason of this subsection shall affect the amount of the MedicareAdvantage basic beneficiary premium that a beneficiary is otherwise required to pay under the plan for the year under subsection (d)(2)(A).

''(6) DISCLOSURE OF INFORMATION.—The provisions of section 1860D–16(b)(7), including subparagraph (B) of such section, shall apply to a consumer-driven health plan sponsor and a consumer-driven health plan in the same manner as such provisions apply to an eligible entity and a Medicare Prescription Drug plan under part D.

''(f) ORGANIZATIONAL AND FINANCIAL REQUIREMENTS FOR CONSUMER-DRIVEN HEALTH PLAN SPONSORS.—A consumer-driven health plan sponsor shall be organized and licensed under State law as a risk-bearing entity eligible to offer health insurance or health benefits coverage in each State within the preferred provider region in which it offers a consumer-driven health plan.

''(g) INAPPLICABILITY OF PROVIDER-SPONSORED ORGANIZATION SOLVENCY STANDARDS.—The requirements of section 1856 shall not apply with respect to consumer-driven health plan sponsors.

''(h) CONTRACTS WITH CONSUMER-DRIVEN HEALTH PLAN SPONSORS.—The provisions of section 1857 shall apply to a consumer-driven health plan offered by a consumer-driven health plan sponsor under this section.

''(i) BUDGET NEUTRALITY.—Notwithstanding any other provision of this section, in conducting the program under this section, the Secretary shall ensure that the aggregate payments made by the Secretary under this title do not exceed the amount the Secretary would have paid if this section had not been enacted.''.

(b) CONSUMER-DRIVEN HEALTH PLAN TERMINOLOGY DEFINED.—Section 1859(a) (42 U.S.C. 1395w–29(a)), as amended by section 211(b), is amended by adding at the end the following new paragraph:

''(4) CONSUMER-DRIVEN HEALTH PLAN SPONSOR; CONSUMER-DRIVEN HEALTH PLAN.—The terms 'consumer-driven health plan sponsor' and 'consumer-driven health plan' have the meaning given such terms in section 1858B(a)(2).''.

SA 1088. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of subtitle B of title IV, add the following:

SEC. ___. EQUITABLE TREATMENT FOR CHILDREN'S HOSPITALS.

(a) IN GENERAL.—Section 1833(t)(7)(D)(ii) (42 U.S.C. 1395l(t)(7)(D)(ii)) is amended to read as follows:

''(ii) PERMANENT TREATMENT FOR CANCER HOSPITALS AND CHILDREN'S HOSPITALS.—

''(I) CANCER HOSPITALS.—In the case of a hospital described in section 1886(d)(1)(B)(v), for covered OPD services for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount of such difference.

''(II) CHILDREN'S HOSPITALS.—In the case of a hospital described in section 1886(d)(1)(B)(iii), for covered OPD services furnished before October 1, 2003, and for which the PPS amount is less than the pre-BBA amount the amount of payment under this subsection shall be increased by the amount of such difference. In the case of such a hospital, for such services furnished on or after October 1, 2003, and for which the PPS amount is less than the greater of the pre-BBA amount or the reasonable operating and capital costs without reductions incurred in furnishing such services, the amount of payment under this subsection shall be increased by the amount of such difference.''.

SA 1089. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of subtitle B of title IV, add the following:

SEC. ___. EQUITABLE TREATMENT FOR CHILDREN'S HOSPITALS.

(a) IN GENERAL.—Section 1833(t)(7)(D)(ii) (42 U.S.C. 1395l(t)(7)(D)(ii)) is amended to read as follows:

''(ii) PERMANENT TREATMENT FOR CANCER HOSPITALS AND CHILDREN'S HOSPITALS.—

''(I) IN GENERAL.—Subject to subclause (II), in the case of a hospital described in clause (iii) or (v) of section 1886(d)(1)(B), for covered OPD services for which the PPS amount is less than the pre-BBA amount, the amount of payment under this subsection shall be increased by the amount of such difference.

''(II) SPECIAL RULE FOR CERTAIN CHILDREN'S HOSPITALS.—In the case of a hospital described in section 1886(d)(1)(B)(iii) that is located in a State with a reimbursement system under section 1814(b)(3), but that is not reimbursed under such system, for covered OPD services furnished on or after October 1, 2003, and for which the PPS amount is less than the greater of the pre-BBA amount or the reasonable operating and capital costs without reductions of the hospital in providing such services, the amount of payment under this subsection shall be increased by the amount of such difference.''.

SA 1090. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of subtitle A of title IV, add the following:

SEC. ___. PERMITTING DIRECT PAYMENT UNDER THE MEDICARE PROGRAM FOR CLINICAL SOCIAL WORKER SERVICES PROVIDED TO RESIDENTS OF SKILLED NURSING FACILITIES.

(a) IN GENERAL.—Section 1888(e)(2)(A)(ii) (42 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting ''clinical social worker services,'' after ''qualified psychologist services,''.

(b) CONFORMING AMENDMENT.—Section 1861(hh)(2) (42 U.S.C. 1395x(hh)(2)) is amended by striking ''and other than services furnished to an inpatient of a skilled nursing facility which the facility is required to provide as a requirement for participation''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after October 1, 2003.

SA 1091. Mr. BAUCUS (for Ms. MIKULSKI) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of title VI, add the following:

SEC. ___. EXTENSION OF MUNICIPAL HEALTH SERVICE DEMONSTRATION PROJECTS.

The last sentence of section 9215(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (42 U.S.C. 1395b–1 note), as previously amended, is amended by striking ''December 31, 2004, but only with respect to'' and all that follows and inserting ''December 31, 2009, but only with respect to individuals who reside in the city in which the project is operated and so long as the total number of individuals participating in the project does not exceed the number of such individuals participating as of January 1, 1996.''.

SA 1092. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

At the end of subtitle C of title II, add the following:

Subtitle D—Evaluation of Alternative Payment and Delivery Systems

SEC. 231. ESTABLISHMENT OF ALTERNATIVE PAYMENT SYSTEM FOR PREFERRED PROVIDER ORGANIZATIONS IN HIGHLY COMPETITIVE REGIONS.

(a) ESTABLISHMENT OF ALTERNATIVE PAYMENT SYSTEM FOR PREFERRED PROVIDER ORGANIZATIONS IN HIGHLY COMPETITIVE REGIONS.—Section 1858 (as added by section 211(b)) is amended by adding at the end the following new subsection:

''(i) ALTERNATIVE PAYMENT METHODOLOGY FOR HIGHLY COMPETITIVE REGIONS.—

''(1) ANNUAL DETERMINATION AND DESIGNATION.—

''(A) IN 2008.—In 2008, prior to the date on which the Secretary expects to publish the risk adjusters under section 1860D–11, the Secretary shall designate a limited number (but in no case fewer than 1) of preferred provider regions (other than the region described in subsection (a)(2)(C)(ii)) as highly competitive regions.

''(B) SUBSEQUENT YEARS.—For each year (beginning with 2009) the Secretary may designate a limited number of preferred provider regions (other than the region described in subsection (a)(2)(C)(ii)) as highly competitive regions in addition to any region designated as a highly competitive region under subparagraph (A).

''(C) CONSIDERATIONS.—In determining which preferred provider regions to designate as highly competitive regions under subparagraph (A) or (B), the Secretary shall consider the following:

''(i) Whether the application of this subsection to the preferred provider region would enhance the participation of preferred provider organization plans in that region.

''(ii) Whether the Secretary anticipates that there is likely to be at least 3 bids submitted under subsection (d)(1) with respect to the preferred provider region if the Secretary designates such region as a highly competitive region under subparagraph (A) or (B).

''(iii) Whether the Secretary expects that MedicareAdvantage eligible individuals will elect preferred provider organization plans in the preferred provider region if the region is designated as a highly competitive region under subparagraph (A) or (B).

''(iv) Whether the designation of the preferred provider region as a highly competitive region will permit compliance with the limitation described in paragraph (5).

In considering the matters described in clauses (i) through (iv), the Secretary shall give special consideration to preferred provider regions where no bids were submitted under subsection (d)(1) for the previous year.

''(2) EFFECT OF DESIGNATION.—If a preferred provider region is designated as a highly competitive region under subparagraph (A) or (B) of paragraph (1)—

''(A) the provisions of this subsection shall apply to such region and shall supersede the provisions of this part relating to benchmarks for preferred provider regions; and

''(B) such region shall continue to be a highly competitive region until such designation is rescinded pursuant to paragraph (5)(B)(ii).

''(3) SUBMISSION OF BIDS.—

''(A) IN GENERAL.—Notwithstanding subsection (d)(1), for purposes of applying section 1854(a)(2)(A)(i), the plan bid for a highly competitive region shall consist of a dollar amount that represents the total amount that the plan is willing to accept (not taking into account the application of the comprehensive risk adjustment methodology under section 1853(a)(3)) for providing coverage of only the benefits described in section 1852(a)(1)(A) to an individual enrolled in the plan that resides in the service area of the plan for a month.

''(B) CONSTRUCTION.—Nothing in subparagraph (A) shall be construed as permitting a preferred provider organization plan not to provide coverage for the benefits described in section 1852(a)(1)(C).

''(4) PAYMENTS TO PREFERRED PROVIDER ORGANIZATIONS IN HIGHLY COMPETITIVE AREAS.—With respect to highly competitive regions, the following rules shall apply:

''(A) IN GENERAL.—Notwithstanding subsection (c), of the plans described in subsection (d)(1)(E), the Secretary shall substitute the second lowest bid for the benchmark applicable under subsection (c)(4).

''(B) IF THERE ARE FEWER THAN THREE BIDS.—Notwithstanding subsection (c), if there are fewer than 3 bids in a highly competitive region for a year, the Secretary shall substitute the lowest bid for the benchmark applicable under subsection (c)(4).

''(5) FUNDING LIMITATION.—

''(A) IN GENERAL.—

''(i) IN GENERAL.—The total amount expended as a result of the application of this subsection during the period or year, as applicable, may not exceed the applicable amount (as defined in clause (ii)).

''(ii) APPLICABLE AMOUNT DEFINED.—In this paragraph, the term 'applicable amount' means—

''(I) for the period beginning on January 1, 2009, and ending on September 30, 2013, the total amount that would have been expended under this title during the period if this subsection had not been enacted plus $6,000,000,000; and

''(II) for fiscal year 2014 and any subsequent fiscal year, the total amount that would have been expended under this title during the year if this subsection had not been enacted.

''(B) APPLICATION OF LIMITATION.—If the Secretary determines that the application of this subsection will cause expenditures to exceed the applicable amount, the Secretary shall—

''(i) take appropriate steps to stay within the applicable amount, including through providing limitations on enrollment; or

''(ii) rescind the designation under subparagraph (A) or (B) of paragraph (1) of 1 or more preferred provider regions as highly competitive regions.

''(C) TRANSITION.—If the Secretary rescinds a designation under subparagraph (A) or (B) of paragraph (1) pursuant to subparagraph (B)(ii) with respect to a preferred provider region, the Secretary shall provide for an appropriate transition from the payment system applicable under this subsection to the payment system described in the other provisions of this section in that region. Any amount expended by reason of the preceding sentence shall be considered to be part of the total amount expended as a result of the application of this subsection for purposes of applying the limitation under subparagraph (A).

''(D) APPLICATION.—Notwithstanding paragraph (1)(B), on or after January 1 of the year in which the fiscal year described in subparagraph (A)(ii)(II) begins, the Secretary may designate appropriate regions under such paragraph.

''(6) LIMITATION OF JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of designations made under subparagraph (A) or (B) of paragraph (1).

''(7) SECRETARY REPORTS.—Not later than April 1 of each year (beginning in 2010), the Secretary shall submit a report to Congress and the Comptroller General of the United States that includes—

''(A) a detailed description of—

''(i) the total amount expended as a result of the application of this subsection in the previous year compared to the total amount that would have been expended under this title in the year if this subsection had not been enacted;

''(ii) the projections of the total amount that will be expended as a result of the application of this subsection in the year in which the report is submitted compared to the total amount that would have been expended under this title in the year if this subsection had not been enacted;

''(iii) amounts remaining within the funding limitation specified in paragraph (5); and

''(iv) the steps that the Secretary will take under clauses (i) and (ii) of paragraph (5)(B) to ensure that the application of this subsection will not cause expenditures to exceed the applicable amount described in paragraph (5)(A); and

''(B) a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that the descriptions under clauses (i), (ii), (iii), and (iv) of subparagraph (A) are reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

''(8) BIENNIAL GAO REPORTS.—Not later than January 1, 2011, and biennially thereafter, the Comptroller General of the United States shall submit to the Secretary and Congress a report on the designation of highly competitive regions under this subsection and the application of the payment system under this subsection within such regions. Each report shall include—

''(A) an evaluation of—

''(i) the quality of care provided to beneficiaries enrolled in a MedicareAdvantage preferred provider plan in a highly competitive region;

''(ii) the satisfaction of beneficiaries with benefits under such a plan;

''(iii) the costs to the medicare program for payments made to such plans; and

''(iv) any improvements in the delivery of health care services under such a plan;

''(B) a comparative analysis of the benchmark system applicable under the other provisions of this section and the payment system applicable in highly competitive regions under this subsection; and

''(C) recommendations for such legislation or administrative action as the Comptroller General determines to be appropriate.''.

(b) CONFORMING AMENDMENT.—Section 1858(c)(3)(A)(i) (as added by section 211(b)) is amended to read as follows:

''(i) Whether each preferred provider region has been designated as a highly competitive region under subparagraph (A) or (B) of subsection (i)(1) and the benchmark amount for any preferred provider region (as calculated under paragraph (2)(A)) for the year that has not been designated as a highly competitive region.''.

SEC. 232. FEE-FOR-SERVICE MODERNIZATION PROJECTS.

(a) ESTABLISHMENT.—

(1) REVIEW AND REPORT ON RESULTS OF EXISTING DEMONSTRATIONS.—

(A) REVIEW.—The Secretary shall conduct an empirical review of the results of the demonstrations under sections 442, 443, and 444.

(B) REPORT.—Not later than January 1, 2008, the Secretary shall submit a report to Congress on the empirical review conducted under subparagraph (A) which shall include estimates of the total costs of the demonstrations, including expenditures as a result of the provision of services provided to beneficiaries under the demonstrations that are incidental to the services provided under the demonstrations, and all other expenditures under title XVIII of the Social Security Act. The report shall also include a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that such estimates are reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

(2) PROJECTS.—Beginning in 2009, the Secretary, based on the empirical review conducted under paragraph (1), shall establish projects under which medicare beneficiaries receiving benefits under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act are provided with coverage of enhanced benefits or services under such program. The purpose of such projects is to evaluate whether the provision of such enhanced benefits or services to such beneficiaries—

(A) improves the quality of care provided to such beneficiaries under the medicare program;

(B) improves the health care delivery system under the medicare program; and

(C) results in reduced expenditures under the medicare program.

(2) ENHANCED BENEFITS OR SERVICES.—For purposes of this section, enhanced benefits or services shall include—

(A) preventive services not otherwise covered under title XVIII of the Social Security Act;

(B) chronic care coordination services;

(C) disease management services; or

(D) other benefits or services that the Secretary determines will improve preventive health care for medicare beneficiaries, result in improved chronic disease management, and management of complex, life-threatening, or high-cost conditions and are consistent with the goals described in subparagraphs (A), (B), and (C) of paragraph (1).

(b) PROJECT SITES AND DURATION.—

(1) IN GENERAL.—Subject to subsection (e)(2), the projects under this section shall be conducted—

(A) in a region or regions that are comparable (as determined by the Secretary) to the region or regions that are designated as a highly competitive region under subparagraph (A) or (B) of section 1858(i)(1) of the Social Security Act, as added by section 231 of this Act; and

(B) during the years that the region or regions are designated as such a highly competitive region.

(2) RULE OF CONSTRUCTION.—For purposes of paragraph (1), a comparable region does not necessarily mean the identical region.

(c) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) only to the extent and for such period as the Secretary determines is necessary to provide for enhanced benefits or services consistent with the projects under this section.

(d) BIENNIAL GAO REPORTS.—Not later than January 1, 2011, and biennially thereafter for as long as the projects under this section are being conducted, the Comptroller General of the United States shall submit to the Secretary and Congress a report that evaluates the projects. Each report shall include—

(1) an evaluation of—

(A) the quality of care provided to beneficiaries receiving benefits or services under the projects;

(B) the satisfaction of beneficiaries receiving benefits or services under the projects;

(C) the costs to the medicare program under the projects; and

(D) any improvements in the delivery of health care services under the projects; and

(2) recommendations for such legislation or administrative action as the Comptroller General determines to be appropriate.

(e) FUNDING.—

(1) IN GENERAL.—Payments for the costs of carrying out the projects under this section shall be made from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) and the Federal Supplementary Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t), as determined appropriate by the Secretary.

(2) LIMITATION.—The total amount expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act (including all amounts expended as a result of the projects under this section) during the period or year, as applicable, may not exceed—

(A) for the period beginning on January 1, 2009, and ending on September 30, 2013, an amount equal to the total amount that would have been expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act during the period if the projects had not been conducted plus $6,000,000,000; and

(B) for fiscal year 2014 and any subsequent fiscal year, an amount equal to the total amount that would have been expended under the medicare fee-for-service program under parts A and B of such title during the year if the projects had not been conducted.

(3) MONITORING AND REPORTS.—

(A) ONGOING MONITORING BY THE SECRETARY TO ENSURE FUNDING LIMITATION IS NOT VIOLATED.—The Secretary shall continually monitor expenditures made under title XVIII of the Social Security Act by reason of the projects under this section to ensure that the limitations described in subparagraphs (A) and (B) of paragraph (2) are not violated.

(B) REPORTS.—Not later than April 1 of each year (beginning in 2010), the Secretary shall submit a report to Congress and the Comptroller General of the United States that includes—

(i) a detailed description of—

(I) the total amount expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act (including all amounts expended as a result of the projects under this section) during the previous year compared to the total amount that would have been expended under the original medicare fee-for-service program in the year if the projects had not been conducted;

(II) the projections of the total amount expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act (including all amounts expended as a result of the projects under this section) during the year in which the report is submitted compared to the total amount that would have been expended under the original medicare fee-for-service program in the year if the projects had not been conducted;

(III) amounts remaining within the funding limitation specified in paragraph (2); and

(IV) how the Secretary will change the scope, site, and duration of the projects in subsequent years in order to ensure that the limitations described in subparagraphs (A) and (B) of paragraph (2) are not violated; and

(ii) a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that the descriptions under subclauses (I), (II), (III), and (IV) of clause (i) are reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

(4) APPLICATION OF LIMITATION.—If the Secretary determines that the projects under this section will cause the limitations described in subparagraphs (A) and (B) of paragraph (2) to be violated, the Secretary shall take appropriate steps to reduce spending under the projects, including through reducing the scope, site, and duration of the projects.

(5) AUTHORITY.—Beginning in 2014, the Secretary shall make necessary spending adjustments (including pro rata reductions in payments to health care providers under the medicare program) to recoup amounts so that the limitations described in subparagraphs (A) and (B) of paragraph (2) are not violated.

SA 1093. Mr. KYL proposed an amendment to amendment SA 1092 proposed by Mr. GRASSLEY (for himself and Mr. BAUCUS) to the bill S. 1, to amend title XVIII of the Social Security Act to make improvements in the medicare program, to provide prescription drug coverage under the medicare program, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

Subtitle D—Evaluation of Alternative Payment and Delivery Systems

SEC. 231. ESTABLISHMENT OF ALTERNATIVE PAYMENT SYSTEM FOR PREFERRED PROVIDER ORGANIZATIONS IN HIGHLY COMPETITIVE REGIONS.

(a) ESTABLISHMENT OF ALTERNATIVE PAYMENT SYSTEM FOR PREFERRED PROVIDER ORGANIZATIONS IN HIGHLY COMPETITIVE REGIONS.—Section 1858 (as added by section 211(b)) is amended by adding at the end the following new subsection:

''(i) ALTERNATIVE PAYMENT METHODOLOGY FOR HIGHLY COMPETITIVE REGIONS.—

''(1) ANNUAL DETERMINATION AND DESIGNATION.—

''(A) IN 2008.—In 2008, prior to the date on which the Secretary expects to publish the risk adjusters under section 1860D–11, the Secretary shall designate a limited number (but in no case fewer than 1) of preferred provider regions (other than the region described in subsection (a)(2)(C)(ii)) as highly competitive regions.

''(B) SUBSEQUENT YEARS.—For each year (beginning with 2009) the Secretary may designate a limited number of preferred provider regions (other than the region described in subsection (a)(2)(C)(ii)) as highly competitive regions in addition to any region designated as a highly competitive region under subparagraph (A).

''(C) CONSIDERATIONS.—In determining which preferred provider regions to designate as highly competitive regions under subparagraph (A) or (B), the Secretary shall consider the following:

''(i) Whether the application of this subsection to the preferred provider region would enhance the participation of preferred provider organization plans in that region.

''(ii) Whether the Secretary anticipates that there is likely to be at least 3 bids submitted under subsection (d)(1) with respect to the preferred provider region if the Secretary designates such region as a highly competitive region under subparagraph (A) or (B).

''(iii) Whether the Secretary expects that MedicareAdvantage eligible individuals will elect preferred provider organization plans in the preferred provider region if the region is designated as a highly competitive region under subparagraph (A) or (B).

''(iv) Whether the designation of the preferred provider region as a highly competitive region will permit compliance with the limitation described in paragraph (5).

In considering the matters described in clauses (i) through (iv), the Secretary shall give special consideration to preferred provider regions where no bids were submitted under subsection (d)(1) for the previous year.

''(2) EFFECT OF DESIGNATION.—If a preferred provider region is designated as a highly competitive region under subparagraph (A) or (B) of paragraph (1)—

''(A) the provisions of this subsection shall apply to such region and shall supersede the provisions of this part relating to benchmarks for preferred provider regions; and

''(B) such region shall continue to be a highly competitive region until such designation is rescinded pursuant to paragraph (5)(B)(ii).

''(3) SUBMISSION OF BIDS.—

''(A) IN GENERAL.—Notwithstanding subsection (d)(1), for purposes of applying section 1854(a)(2)(A)(i), the plan bid for a highly competitive region shall consist of a dollar amount that represents the total amount that the plan is willing to accept (not taking into account the application of the comprehensive risk adjustment methodology under section 1853(a)(3)) for providing coverage of only the benefits described in section 1852(a)(1)(A) to an individual enrolled in the plan that resides in the service area of the plan for a month.

''(B) CONSTRUCTION.—Nothing in subparagraph (A) shall be construed as permitting a preferred provider organization plan not to provide coverage for the benefits described in section 1852(a)(1)(C).

''(4) PAYMENTS TO PREFERRED PROVIDER ORGANIZATIONS IN HIGHLY COMPETITIVE AREAS.—With respect to highly competitive regions, the following rules shall apply:

''(A) IN GENERAL.—Notwithstanding subsection (c), of the plans described in subsection (d)(1)(E), the Secretary shall substitute the second lowest bid for the benchmark applicable under subsection (c)(4).

''(B) IF THERE ARE FEWER THAN THREE BIDS.—Notwithstanding subsection (c), if there are fewer than 3 bids in a highly competitive region for a year, the Secretary shall substitute the lowest bid for the benchmark applicable under subsection (c)(4).

''(5) FUNDING LIMITATION.—

''(A) IN GENERAL.—

''(i) IN GENERAL.—The total amount expended as a result of the application of this subsection during the period beginning on January 1, 2009, and ending on September 30, 2013, may not exceed the applicable amount (as defined in clause (ii)).

''(ii) APPLICABLE AMOUNT DEFINED.—In this paragraph, the term 'applicable amount' means the total amount that would have been expended under this title during the period described in clause (i) if this subsection had not been enacted plus $6,000,000,000.

''(B) APPLICATION OF LIMITATION.—If the Secretary determines that the application of this subsection will cause expenditures to exceed the applicable amount, the Secretary shall—

''(i) take appropriate steps to stay within the applicable amount, including through providing limitations on enrollment; or

''(ii) rescind the designation under subparagraph (A) or (B) of paragraph (1) of 1 or more preferred provider regions as highly competitive regions.

''(C) TRANSITION.—If the Secretary rescinds a designation under subparagraph (A) or (B) of paragraph (1) pursuant to subparagraph (B)(ii) with respect to a preferred provider region, the Secretary shall provide for an appropriate transition from the payment system applicable under this subsection to the payment system described in the other provisions of this section in that region. Any amount expended by reason of the preceding sentence shall be considered to be part of the total amount expended as a result of the application of this subsection for purposes of applying the limitation under subparagraph (A).

''(D) APPLICATION.—Notwithstanding paragraph (1)(B), on or after January 1 of the year in which the fiscal year described in subparagraph (A)(ii)(II) begins, the Secretary may designate appropriate regions under such paragraph.

''(6) LIMITATION OF JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise, of designations made under subparagraph (A) or (B) of paragraph (1).

''(7) SECRETARY REPORTS.—Not later than April 1 of each year (beginning in 2010), the Secretary shall submit a report to Congress and the Comptroller General of the United States that includes—

''(A) a detailed description of—

''(i) the total amount expended as a result of the application of this subsection in the previous year compared to the total amount that would have been expended under this title in the year if this subsection had not been enacted;

''(ii) the projections of the total amount that will be expended as a result of the application of this subsection in the year in which the report is submitted compared to the total amount that would have been expended under this title in the year if this subsection had not been enacted;

''(iii) amounts remaining within the funding limitation specified in paragraph (5); and

''(iv) the steps that the Secretary will take under clauses (i) and (ii) of paragraph (5)(B) to ensure that the application of this subsection will not cause expenditures to exceed the applicable amount described in paragraph (5)(A); and

''(B) a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that the descriptions under clauses (i), (ii), (iii), and (iv) of subparagraph (A) are reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

''(8) BIENNIAL GAO REPORTS.—Not later than January 1, 2011, and biennially thereafter, the Comptroller General of the United States shall submit to the Secretary and Congress a report on the designation of highly competitive regions under this subsection and the application of the payment system under this subsection within such regions. Each report shall include—

''(A) an evaluation of—

''(i) the quality of care provided to beneficiaries enrolled in a MedicareAdvantage preferred provider plan in a highly competitive region;

''(ii) the satisfaction of beneficiaries with benefits under such a plan;

''(iii) the costs to the medicare program for payments made to such plans; and

''(iv) any improvements in the delivery of health care services under such a plan;

''(B) a comparative analysis of the benchmark system applicable under the other provisions of this section and the payment system applicable in highly competitive regions under this subsection; and

''(C) recommendations for such legislation or administrative action as the Comptroller General determines to be appropriate.''.

(b) CONFORMING AMENDMENT.—Section 1858(c)(3)(A)(i) (as added by section 211(b)) is amended to read as follows:

''(i) Whether each preferred provider region has been designated as a highly competitive region under subparagraph (A) or (B) of subsection (i)(1) and the benchmark amount for any preferred provider region (as calculated under paragraph (2)(A)) for the year that has not been designated as a highly competitive region.''.

SEC. 232. FEE-FOR-SERVICE MODERNIZATION PROJECTS.

(a) ESTABLISHMENT.—

(1) REVIEW AND REPORT ON RESULTS OF EXISTING DEMONSTRATIONS.—

(A) REVIEW.—The Secretary shall conduct an empirical review of the results of the demonstrations under sections 442, 443, and 444.

(B) REPORT.—Not later than January 1, 2008, the Secretary shall submit a report to Congress on the empirical review conducted under subparagraph (A) which shall include estimates of the total costs of the demonstrations, including expenditures as a result of the provision of services provided to beneficiaries under the demonstrations that are incidental to the services provided under the demonstrations, and all other expenditures under title XVIII of the Social Security Act. The report shall also include a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that such estimates are reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

(2) PROJECTS.—Beginning in 2009, the Secretary, based on the empirical review conducted under paragraph (1), shall establish

projects under which medicare beneficiaries receiving benefits under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act are provided with coverage of enhanced benefits or services under such program. The purpose of such projects is to evaluate whether the provision of such enhanced benefits or services to such beneficiaries—

(A) improves the quality of care provided to such beneficiaries under the medicare program;

(B) improves the health care delivery system under the medicare program; and

(C) results in reduced expenditures under the medicare program.

(2) ENHANCED BENEFITS OR SERVICES.—For purposes of this section, enhanced benefits or services shall include—

(A) preventive services not otherwise covered under title XVIII of the Social Security Act;

(B) chronic care coordination services;

(C) disease management services; or

(D) other benefits or services that the Secretary determines will improve preventive health care for medicare beneficiaries, result in improved chronic disease management, and management of complex, life-threatening, or high-cost conditions and are consistent with the goals described in subparagraphs (A), (B), and (C) of paragraph (1).

(b) PROJECT SITES AND DURATION.—

(1) IN GENERAL.—Subject to subsection (e)(2), the projects under this section shall be conducted—

(A) in a region or regions that are comparable (as determined by the Secretary) to the region or regions that are designated as a highly competitive region under subparagraph (A) or (B) of section 1858(i)(1) of the Social Security Act, as added by section 231 of this Act; and

(B) during the years that the region or regions are designated as such a highly competitive region.

(2) RULE OF CONSTRUCTION.—For purposes of paragraph (1), a comparable region does not necessarily mean the identical region.

(c) WAIVER AUTHORITY.—The Secretary shall waive compliance with the requirements of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) only to the extent and for such period as the Secretary determines is necessary to provide for enhanced benefits or services consistent with the projects under this section.

(d) BIENNIAL GAO REPORTS.—Not later than January 1, 2011, and biennially thereafter for as long as the projects under this section are being conducted, the Comptroller General of the United States shall submit to the Secretary and Congress a report that evaluates the projects. Each report shall include—

(1) an evaluation of—

(A) the quality of care provided to beneficiaries receiving benefits or services under the projects;

(B) the satisfaction of beneficiaries receiving benefits or services under the projects;

(C) the costs to the medicare program under the projects; and

(D) any improvements in the delivery of health care services under the projects; and

(2) recommendations for such legislation or administrative action as the Comptroller General determines to be appropriate.

(e) FUNDING.—

(1) IN GENERAL.—Payments for the costs of carrying out the projects under this section shall be made from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) and the Federal Supplementary Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t), as determined appropriate by the Secretary.

(2) LIMITATION.—The total amount expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act (including all amounts expended as a result of the projects under this section) during the period or year, as applicable, may not exceed—

(A) for the period beginning on January 1, 2009, and ending on September 30, 2013, an amount equal to the total amount that would have been expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act during the period if the projects had not been conducted plus $6,000,000,000; and

(B) for fiscal year 2014 and any subsequent fiscal year, an amount equal to the total amount that would have been expended under the medicare fee-for-service program under parts A and B of such title during the year if the projects had not been conducted.

(3) MONITORING AND REPORTS.—

(A) ONGOING MONITORING BY THE SECRETARY TO ENSURE FUNDING LIMITATION IS NOT VIOLATED.—The Secretary shall continually monitor expenditures made under title XVIII of the Social Security Act by reason of the projects under this section to ensure that the limitations described in subparagraphs (A) and (B) of paragraph (2) are not violated.

(B) REPORTS.—Not later than April 1 of each year (beginning in 2010), the Secretary shall submit a report to Congress and the Comptroller General of the United States that includes—

(i) a detailed description of—

(I) the total amount expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act (including all amounts expended as a result of the projects under this section) during the previous year compared to the total amount that would have been expended under the original medicare fee-for-service program in the year if the projects had not been conducted;

(II) the projections of the total amount expended under the medicare fee-for-service program under parts A and B of title XVIII of the Social Security Act (including all amounts expended as a result of the projects under this section) during the year in which the report is submitted compared to the total amount that would have been expended under the original medicare fee-for-service program in the year if the projects had not been conducted;

(III) amounts remaining within the funding limitation specified in paragraph (2); and

(IV) how the Secretary will change the scope, site, and duration of the projects in subsequent years in order to ensure that the limitations described in subparagraphs (A) and (B) of paragraph (2) are not violated; and

(ii) a certification from the Chief Actuary of the Centers for Medicare & Medicaid Services that the descriptions under subclauses (I), (II), (III), and (IV) of clause (i) are reasonable, accurate, and based on generally accepted actuarial principles and methodologies.

(4) APPLICATION OF LIMITATION.—If the Secretary determines that the projects under this section will cause the limitations described in subparagraphs (A) and (B) of paragraph (2) to be violated, the Secretary shall take appropriate steps to reduce spending under the projects, including through reducing the scope, site, and duration of the projects.

(5) AUTHORITY.—Beginning in 2014, the Secretary shall make necessary spending adjustments (including pro rata reductions in payments to health care providers under the medicare program) to recoup amounts so that the limitations described in subparagraphs (A) and (B) of paragraph (2) are not violated.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, June 26, 2003, at 11:00 a.m. in Room 485 of the Russell Senate Office Building to conduct a BUSINESS MEETING on pending Committee matters.

Those wishing additional information may contact the Indian Affairs Committee at 224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, June 25, 2003, at 9:30 a.m., in open session to consider the nomination of Lieutenant General John P. Abizaid, USA, for appointment to the grade of General and to be commander, United States Central Command.

The PRESIDING OFFICER. Without objection, is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, on Wednesday, June 25 at 10:00 a.m. to consider pending calendar business.

On Wednesday, June 25, at 10:00 a.m., the Committee will hold a Business Meeting in Room SD–366 to consider the following items on the Agenda:

Agenda Item #3: S. 470—A bill to extend the authority for the construction of a memorial to Martin Luther King, Jr.

Agenda Item #4: S. 490—A bill to direct the Secretary of Agriculture to convey certain land in the Lake Tahoe Basin Management Unit, Nevada, to the Secretary of the Interior, in trust for the Washoe Indian Tribe of Nevada and California.

Agenda Item #6: S. 546—A bill to provide for the protection of paleontological resources on Federal lands, and for other purposes.

Agenda Item #7: S. 643—A bill to authorize the Secretary of the Interior, in cooperation with the University of New Mexico, to construct and occupy a portion of the Hibben Center for Archaeological Research at the University of New Mexico.

Agenda Item #8: S. 651—A bill to amend the National Trails System Act to clarify Federal authority relating to land acquisition from willing sellers for the majority of the trails in the System, and for other purposes.

Agenda Item #9: S. 677—A bill to revise the boundary of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area in the State of Colorado, and for other purposes.

Agenda Item #10: S. 924—A bill to authorize the exchange of lands between an Alaska Native Village Corporation and the Department of the Interior, and for other purposes.

Agenda Item #13: S. 1076—A bill to authorize construction of an education center at or near the Vietnam Veterans Memorial.

Agenda Item #14: H.R. 255—To authorize the Secretary of the Interior to grant an easement to facilitate access to the Lewis and Clark Interpretative Center in Nebraska City, Nebraska.

Agenda Item #15: H.R. 1577—To designate the visitor center in Organ Pipe National Monument in Arizona as the ''Kris Eggle Visitor Center'', and for other purposes.

In addition, the Committee may turn to any other measures that are ready for consideration.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 25, 2003 at 9:30 a.m. to hold a hearing on The African Growth and Opportunity Act.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 25, 2003 at 2:00 p.m. to hold a hearing on Constitutionalism, Human Rights and the Rule of Law in the Nation of Iraq.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, June 25, 2003, at 2:30 p.m. to hold a hearing on The Successor States to Pre-1991 Yugoslavia: Progress & Challenges.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, June 25, 2003, at 9:30 a.m. to consider the nomination of the Joshua B. Bolton to be Director of the Office of Management and Budget.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in Executive Session during the session of the Senate on Wednesday, June 25, 2003. The following agenda will be considered:

Agenda

S. 1248, Individuals with Disabilities Education Improvement Act of 2003.

Any nominees that have been cleared for action.

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

COMMITTEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''Oversight Hearing: Lessons Learned—The Inspector General's Report on the 9/11 Detainees'' on Wednesday, June 25, 2003, at 10:00 a.m. in the Dirksen Senate Office Building Room 226.

Tentative Witness List

Panel I: The Honorable Glenn A. Fine, Inspector General, Department of Justice, Washington, DC.

Panel II: Harley G. Lappin, Director, Federal Bureau of Prisons, Department of Justice, Washington, DC; Michael E. Rolince, Assistant Director in Charge, Washington Field Office, Federal Bureau of Investigation, Washington, DC; and David Nahmias, Counsel to the Assistant Attorney General, Criminal Division, Department of Justice, Washington, DC.

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

COMMITTEE ON THE JUDICIARY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''Department of Justice and Judicial Nominations'' on Wednesday, June 25, 2003, at 2:00 p.m. in the Dirksen Senate Office Building Room 215 [Finance Committee Hearing Room].

Revised Tentative Agenda

Panel I: Senators.

Panel II: Allyson K. Duncan to be United States Circuit Judge for the Fourth Circuit.

Panel III: Robert C. Brack to be United States District Judge for the District of New Mexico; Samuel Der-Yeghiayan to be United States District Judge for the Northern District of Illinois; Louise W. Flanagan to be United States District Judge for the Eastern District of North Carolina; Lonny R. Suko to be United States District Judge for the Eastern District of Washington; and Earl Leroy Yeakel III to be United States District Judge for the Western District of Texas.

Panel IV: Karen P. Tandy to be Administrator of the Drug Enforcement Administration, United States Department of Justice; and Christopher A. Wray to be Assistant Attorney General for the Criminal Division, United States Department of Justice.

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

SUBCOMMITTEE ON THE CONSTITUTION, CIVIL RIGHTS, AND PROPERTY RIGHTS

SUBCOMMITTEE ON NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on the Constitution, Civil Rights and Property Rights and the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs be authorized to meet to conduct a joint hearing on ''Constitutionalism, Human Rights and the Rule of Law in Iraq,'' on Wednesday, June 25, 2003, at 2:00 p.m. in SD226.

Tentative Witness List

Panel I: Mr. Sermid Al-Sarraf, Iraqi Jurists Association, Los Angeles, CA; Dr. Khaled Abou El Fadl, Professor of Law, The Omar and Azmeralda Alfi Distinguished Fellow in Islamic Law, UCLA School of Law, Los Angeles, CA; Mr. Bernard Haykel, Assistant Professor of Middle Eastern Studies and History, New York University, New York, NY; Dr. Kenneth M. Pollack, Director of Research, Saban Center for Middle East Policy, Brookings Institution, Washington, DC; and Ms. Zainab Salbi, President and Founder, Women for Women International, Washington, DC.

Panel II: Mr. Naoyuki Agawa, Former Professor of Constitutional Law, Keio University, Minister and Director of the Japan Information and Culture Center, Embassy of Japan, Washington, DC; Mr. A. E. Dick Howard, White Burkett Miller Professor of Law and Public Affairs, Roy L. and Rosamond Woodruff Morgan Research Professor, University of Virginia School of Law, Charlottesville, VA; Dr. Donald P. Kommers, Joseph and Elizabeth Robbie Professor of Government and International Studies, University of Notre Dame, Professor of Law, Notre Dame Law School, Notre Dame, IN; Mr. Neil J. Kritz, Director, Rule of Law Program, U.S. Institute of Peace, Washington, DC; and Mr. John C. Yoo, Professor of Law, Boalt Hall School of Law, University of California at Berkeley, Visiting Fellow, American Enterprise Institute, Washington, DC.

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

SUBCOMMITTEE ON ECONOMIC POLICY

Mr. SANTORUM. Mr. President, I ask unanimous consent that the subcommittee on economic policy of the committee on banking, housing, and urban affairs be authorized to meet during the session of the Senate on June 25, 2003, at 2:00 p.m. to conduct a hearing on ''Jumpstarting the Economy: Rural America.''

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

SUBCOMMITTEE ON FISHERIES, WILDLIFE AND WATER

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Subcommittee on Fisheries, Wildlife, and Water be authorized to meet on Wednesday, June 25th at 9:30 am to examine the consulting process required by Section 7 of the Endangered Species Act.

The hearing will take place in SD 406 (Hearing Room).

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the subcommittee on public lands and forests of the committee on energy and natural resources be authorized to meet during the session of the Senate on Wednesday, June 25, at 2:30 p.m. in room SD–366. The purpose of this oversight hearing is to gain an understanding of the grazing programs of the Bureau of Land Management and the United States Forest Service. The subcommittee will receive testimony on grazing permit renewal, BLM's potential changes to grazing regulations, range monitoring, drought and other grazing issues.

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

PRIVILEGES OF THE FLOOR

Mr. THOMAS. Mr. President, I ask unanimous consent that an intern, Samantha Muirhead, be granted privilege of the floor.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REED. Mr. President, I ask unanimous consent that Dr. Susan Dimock, a fellow in my office, be granted floor privileges for the duration of the debate on S. 1.

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

Mr. REID. Mr. President, I ask unanimous consent that Jennifer Crow, an American Political Science Association fellow in the office of Senator CANTWELL, be given floor privileges during consideration of S. 1.

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

MEASURE PLACED ON THE CALENDAR—S. 1323

Mr. TALENT. Mr. President, I understand S. 1323 is at the desk and is due for its second reading.

The PRESIDING OFFICER. The Senator is correct.

The clerk will read the bill by title for the second time.

The legislative clerk read as follows:

A bill (S. 1323) to extend the period for which chapter 12 of title 11, United States Code, is reenacted by 6 months.

Mr. TALENT. I object to further proceedings on the measure at this time.

The PRESIDING OFFICER. Objection is heard. The bill will be placed on the calendar.

THE CALENDAR

Mr. TALENT. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of the following post office naming bills: Calendar No. 150, S. 867; Calendar No. 152, S. 1207; Calendar No. 153, H.R. 825; Calendar No. 154, H.R. 917; Calendar No. 155, H.R. 925; Calendar No. 156, H.R. 981; Calendar No. 157, H.R. 985; Calendar No. 158, H.R. 1055; Calendar No. 159, H.R. 1368; Calendar No. 160, H.R. 1465; Calendar No. 161, H.R. 1596; Calendar No. 162, H.R. 1609; Calendar No. 163, H.R. 1740; and Calendar No. 164, H.R. 2030.

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

Mr. TALENT. Mr. President, I further ask unanimous consent that the bills be read a third time and passed, the motions to reconsider be laid upon the table, and that any statements relating to the bills be printed in the RECORD, with the above occurring en bloc.

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

RONALD REAGAN POST OFFICE BUILDING

The bill (S. 867) to designate the facility of the United States Postal Service located at 710 Wicks Lane in Billings, Montana, as the ''Ronald Reagan Post Office Building,'' was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF RONALD REAGAN POST OFFICE BUILDING.

(a) IN GENERAL.—The facility of the United States Postal Service located at 710 Wicks Lane in Billings, Montana, shall be known and designated as the ''Ronald Reagan Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Ronald Reagan Post Office Building.

WALT DISNEY POST OFFICE BUILDING

The bill (S. 1207) to redesignate the facility of the United States Postal Service located at 120 East Ritchie Avenue in Marceline, Missouri, as the ''Walt Disney Post Office Building,'' was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1207

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WALT DISNEY POST OFFICE BUILDING.

(a) REDESIGNATION.—The facility of the United States Postal Service located at 120 East Ritchie Avenue in Marceline, Missouri, and known as the Marceline Main Office, shall be known and designated as the ''Walt Disney Post Office Building''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Walt Disney Post Office Building.

MICHAEL J. HEALY POST OFFICE BUILDING

The bill (H.R. 825) to redesignate the facility of the United States Postal Service located at 7401 West 100th Place in Bridgeview, Illinois, as the ''Michael J. Healy Post Office Building'' was considered, ordered to a third reading, read the third time, and passed.

FLOYD SPENCE POST OFFICE BUILDING

This bill (H.R. 917) to designate the facility of the United States Postal Service located at 1830 South Lake Drive in Lexington, South Carolina, as the ''Floyd Spence Post Office Building,'' was considered, ordered to a third reading, read the third time, and passed.

CESAR CHAVEZ POST OFFICE

This bill (H.R. 925) to redesignate the facility of the United States Postal Service located at 1859 South Ashland Avenue in Chicago, Illinois, as the ''Cesar Chavez Post Office,'' was considered, ordered to a third reading, read the third time, and passed.

JAMES R. MERRY POST OFFICE

This bill (H.R. 981) to designate the facility of the United States Postal Service located at 141 Erie Street in Linesville, Pennsylvania, as the ''James R. Merry Post Office'' was considered, ordered to a third reading, read the third time, and passed.

DELBERT L. LATTA POST OFFICE BUILDING

This bill (H.R. 985) to designate the facility of the United States Postal Service located at 111 West Washington Street in Bowling Green, Ohio, as the ''Delbert L. Latta Post Office Building,'' was considered, ordered to a third reading, read the third time, and passed.

DR. ROSWELL N. BECK POST OFFICE BUILDING

This bill (H.R. 1055) to designate the facility of the United States Postal Service located at 1901 West Evans Street in Florence, South Carolina, as the ''Dr. Roswell N. Beck Post Office Building,'' was considered, ordered to a third reading, read the third time, and passed.

NORMAN D. SHUMWAY POST OFFICE BUILDING

The bill (H.R. 1368) to designate the facility of the United States Postal Service located at 7554 Pacific Avenue in Stockton, California, as the ''Norman D. Shumway Post Office Building'' was considered, ordered to a third reading, read the third time, and passed.

GENERAL CHARLES GABRIEL POST OFFICE

The bill (H.R. 1465) to designate the facility of the United States Postal

Service located at 4832 East Highway 27 in Iron Station, North Carolina, as the ''General Charles Gabriel Post Office'' was considered, ordered to a third reading, read the third time, and passed.

TIMOTHY MICHAEL GAFFNEY POST OFFICE BUILDING

The bill (H.R. 1596) to designate the facility of the United States Postal Service located at 2318 Woodson Road in St. Louis, Missouri, as the ''Timothy Michael Gaffney Postal Office Building'' was considered, ordered to a third reading, read the third time, and passed.

ADMIRAL DONALD DAVIS POST OFFICE BUILDING

The bill (H.R. 1609) to redesignate the facility of the United States Postal Service located at 201 West Boston Street in Brookfield, Missouri, as the ''Admiral Donald Davis Post Office Building'' was considered, ordered to a third reading, read the third time, and passed.

DR. CAESAR A. W. CLARK, SR. POST OFFICE BUILDING

The bill (H.R. 1740) to designate the facility of the United States Postal Service located at 1502 East Kiest Boulevard in Dallas, Texas, as the ''Dr. Caesar A. W. Clark, Sr. Post Office Building'' was considered, ordered to a third reading, read the third time, and passed.

PATSY TAKEMOTO MINK POST OFFICE BUILDING

The bill (H.R. 2030) to designate the facility of the United States Postal Service located at 120 Baldwin Avenue in Paia, Maui, Hawaii, as the ''Patsy Takemoto Mink Post Office Building'' was considered, ordered to a third reading, read the third time, and passed.

SAFETY ON THE INTERNET

Mr. TALENT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 185 which was submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 185) expressing the sense of the Senate with respect to raising awareness and encouraging education about safety on the Internet.

There being no objection, the Senate proceeded to consider the resolution.

Ms. MURKOWSKI. Mr. President, I rise in support of this resolution expressing the sense of the Senate with respect to raising awareness and encouraging education about safety on the Internet and supporting the goals and ideals of National Internet Safety Month.

The Internet has become one of the most significant advances in the twentieth century and, as a result, it affects people's lives in a positive manner each day. However, this technology is fraught with dangers that need to be brought to the attention of all Americans.

Never before has the problem of online predatory behavior been more of a concern. Consider the pervasiveness of Internet access by children and the rapid increase in Internet crime and predatory behavior. Never before have powerful educational solutions—like Internet safety curricula for grades kindergarten through 12, youth empowerment Internet safety campaigns and community-based Internet safety awareness presentations with the formation of community action teams, such as what I-Safe America, a nonprofit Internet safety foundation, does—been more critical and readily at hand. It is imperative that every community in every state be apprised of the increase in Internet-based criminal activity so that all Americans may learn about the Internet safety strategies which will enable them to keep their children safe from victimization. Consider the facts: Worldwide, 70 million youth under the age of 18 are online. This is considered to be a conservative estimate since it is projected that there are two million new Internet users per month in America alone. The Family/PC Survey in 2000 reported that 1 in 4 kids participate in real-time online chats. The Pew Study reported in the Journal of the American Medical Association in June 2001 that 13 million youth use Instant Messaging and that 89 percent of sexual solicitations were made in either chat rooms or Instant Messages. One in five teenagers who are online note that they have received unwanted sexual solicitations, according to the Crimes Against Children Research Center in a study completed in 2000.

It's important to note that while it's reported that 90 percent of teens and young adults ages 15 to 24 go online and half of them go online once a day or more, three out of four young people have access at home and nearly one in three has access from their own bedroom, according to the Kaiser Family Foundation. According to a 1999 Arbitron New Media study, the majority of teenagers' online use occurs at home, right after school, when working parents are not at home. Thirty percent of the girls responding to a 2002 Girl Scout Research Institute study, ''The Net Effect: Girls and New Media,'' said they had been sexually harassed in a chat room, but only seven percent told a parent about the harassment, most fearing their parents would overreact and ban computer usage altogether.

From a parental perspective, 75 percent of parents say that they know where their children spend time online. The truth about kids' Internet habits, according to WebSense, USA Today, and the National Foster Parent Association show that 58 percent of teens say they have accessed an objectionable website. A 2000 Time/CNN poll indicated that 43 percent of children say they do not have rules about Internet use in their homes. Also, 62 percent of parents of teenagers are unaware that their children have accessed objectionable websites, according to a Yankelovich Partners Study. According to the London School of Economics, 9 out of 10 children between the ages of 8 and 16 have viewed pornography on the Internet. In most cases, sex websites were accessed unintentionally when a child, often in the process of doing homework, used a seemingly innocent sounding word to search for information or pictures.

Most disturbing, however, are the patterns of Internet crimes against children. In 1996, the Federal Bureau of Investigation was involved in 113 cases involving Internet crimes against children. In 2001, the FBI opened 1,541 cases against people suspected of using the Internet to commit crimes involving child pornography or abuse. The U.S. Customs Service now places the number of websites offering child pornography at more than 100,000. Moreover, there was a 345 percent increase in the production of these sites just between February 2001 and July 2001, according to a recent study. The FBI notes that child pornography and the sexual exploitation of children through online means is the most significant crime problem it confronts.

Now is the time for America to focus its attention on supporting Internet safety, especially now that children are now on summer vacation and will subsequently spend more time online. Recent Internet crime trends indicate a call to action as it pertains to national Internet safety awareness at all levels.

Mr. TALENT. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to this matter be printed in the RECORD.

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

The resolution (S. Res. 185) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 185

Whereas, in the United States, 48 million children between the ages of 5 and 17 use computers;

Whereas 5 to 17 year-olds in the United States currently spend 5 billion hours on-line annually;

Whereas 70 million youth under the age of 18 worldwide are on-line;

Whereas the majority of teenagers' on-line use occurs after school, at home, when working parents are not at home;

Whereas 90 percent of those age 15 to 24 use the Internet, with almost half of them using it once a day or more;

Whereas approximately 3 out of 4 young people have access to the Internet at home,

and nearly 1 in 3 has access from their own bedroom;

Whereas 9 out of 10 children between ages 8 and 16 have viewed pornography on the Internet, with most being accessed unintentionally when, often in the process of doing homework, a child used a seemingly innocent sounding word in an Internet search for information or pictures;

Whereas 62 percent of parents of teenagers are unaware that their children have accessed objectionable websites;

Whereas 89 percent of sexual solicitations were made in either chat rooms or Instant Messages;

Whereas 30 percent of the girls responding to a Girl Scout research study reported that they had been sexually harassed in a chat room, but only 7 percent told a parent about the harassment, most fearing their parents would overreact and ban computer usage altogether;

Whereas, in 1996, the Federal Bureau of Investigation was involved in 113 cases involving Internet crimes against children, but in 2001, the FBI opened 1,541 cases against suspects of Internet crimes involving child pornography or abuse; and

Whereas June as National Internet Safety Month will provide national awareness of the dangers of the Internet while offering education about how to be safe, responsible, and accountable on the Internet: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) National Internet Safety Month provides an opportunity to educate the people of the United States on the dangers of the Internet and the importance of being safe and responsible on-line;

(2) national and community organizations should be recognized and applauded for their work in promoting awareness of the dangers of the Internet and for providing information on developing the critical thinking and decision-making skills to be safe on-line; and

(3) Internet safety organizations, law enforcement, educators, and volunteers should increase their efforts to raise the awareness of on-line safety.

ENVIRONMENTAL POLICY AND CONFLICT RESOLUTION ADVANCEMENT ACT OF 2003

Mr. TALENT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 64, S. 163.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 163) to reauthorize the United States Institute for Environmental Conflict Resolution, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. TALENT. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

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

The bill (S. 163) was read the third time and passed, as follows:

S. 163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Environmental Policy and Conflict Resolution Advancement Act of 2003''.

SEC. 2. ENVIRONMENTAL DISPUTE RESOLUTION FUND.

Section 13 of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5609) is amended by striking subsection (b) and inserting the following:

''(b) ENVIRONMENTAL DISPUTE RESOLUTION FUND.—There is authorized to be appropriated to the Environmental Dispute Resolution Fund established by section 10 $4,000,000 for each of fiscal years 2004 through 2008, of which—

''(1) $3,000,000 shall be used to pay operations costs (including not more than $1,000 for official reception and representation expenses); and

''(2) $1,000,000 shall be used for grants or other appropriate arrangements to pay the costs of services provided in a neutral manner relating to, and to support the participation of non-Federal entities (such as State and local governments, tribal governments, nongovernmental organizations, and individuals) in, environmental conflict resolution proceedings involving Federal agencies.''.

RECOGNITION OF JOSEPH A. DE LAINE

Mr. TALENT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 167, S. 498.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 498) to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the Nation.

There being no objection, the Senate proceeded to consider the bill.

Mr. TALENT. Mr. President, I ask unanimous consent that the committee amendment be agreed to, the bill, as amended, be read three times, passed, the motion to reconsider be laid upon the table, and any statements relating thereto be printed in the RECORD with no intervening action or debate.

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

The committee amendment was agreed to.

The bill (S. 498), as amended, was read the third time and passed, as follows:

S. 498

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) the Reverend Joseph Armstrong De Laine, one of the true heroes of the civil rights struggle, led a crusade to break down barriers in education in South Carolina;

(2) the efforts of Reverend De Laine led to the desegregation of public schools in the United States, but forever scarred his own life;

(3) in 1949, Joseph De Laine, a minister and principal, organized African-American parents in Summerton, South Carolina, to petition the school board for a bus for black students, who had to walk up to 10 miles through corn and cotton fields to attend a segregated school, while the white children in the school district rode to and from school in nice, clean buses;

(4) in 1950, these same parents sued to end public school segregation in Briggs v. Elliott, 1 of 5 cases that collectively led to the landmark 1954 Supreme Court decision of Brown v. Board of Education;

(5) because of his participation in the desegregation movement, Reverend De Laine was subjected to repeated acts of domestic terror, in which—

(A) he, along with 2 sisters and a niece, lost their jobs;

(B) he fought off an angry mob;

(C) he received frequent death threats; and

(D) his church and his home were burned to the ground;

(6) in October 1955, after Reverend De Laine relocated to Florence County in South Carolina, shots were fired at the De Laine home, and because Reverend De Laine fired back to mark the car, he was charged with assault and battery with intent to kill;

(7) the shooting incident drove him from South Carolina to Buffalo, New York, where he organized an African Methodist Episcopal Church;

(8) believing that he would not be treated fairly by the South Carolina judicial system if he returned to South Carolina, Reverend De Laine told the Federal Bureau of Investigation, ''I am not running from justice but injustice'', and it was not until 2000 (26 years after his death and 45 years after the incident) that Reverend De Laine was cleared of all charges relating to the October 1955 incident;

(9) Reverend De Laine was a humble and fearless man who showed the Nation that all people, regardless of the color of their skin, deserve a first-rate education, a lesson from which the Nation has benefited immeasurably; and

(10) Reverend De Laine deserves rightful recognition for the suffering that he and his family endured to teach the Nation one of the great civil rights lessons of the last century.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) PRESENTATION AUTHORIZED.—The President is authorized, on behalf of Congress, to award a gold medal of appropriate design to Joseph De Laine, Jr. to honor his father, Reverend Joseph Armstrong De Laine (posthumously), for his contributions to the Nation.

(b) DESIGN AND STRIKING.—For the purposes of the award referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the ''Secretary'') shall strike a gold medal with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

SEC. 3. DUPLICATE MEDALS.

The Secretary may strike and sell duplicates in bronze of the gold medal struck pursuant to section 2, under such regulations as the Secretary may prescribe, and at a price sufficient to cover the costs thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

SEC. 4. STATUS AS NATIONAL MEDALS.

The medals struck pursuant to this Act are national medals for purposes of chapter 51 of title 31, United States Code.

SEC. 5. FUNDING.

(a) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund an amount not to exceed $30,000 to pay for the cost of the medals authorized by this Act.

(b) PROCEEDS OF SALE.—Amounts received from the sale of duplicate bronze medals under section 3 shall be deposited in the United States Mint Public Enterprise Fund.

ORDERS FOR TOMORROW

Mr. TALENT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:15 a.m, Thursday, June 26. I further ask that following the prayer and the pledge, the morning hour be deemed to have expired, the Journal of the proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of S. 1, the prescription drug benefit bill, as provided under the previous order.

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

PROGRAM

Mr. TALENT. Mr. President, tomorrow the Senate will resume consideration of S. 1, the prescription drug benefit bill. Under the previous agreement, the Senate will begin with two back-to-back rollcall votes upon returning to the bill. The voting sequence will be as follows:

The first vote will be in relation to the Harkin amendment No. 991. The second vote will be in relation to the Edwards amendment No. 1052.

Again, the first vote of tomorrow's session will occur at 9:15 a.m. For the remainder of the day, we will continue to process amendments to S. 1. Members can expect rollcall votes throughout the day and late into the evening tomorrow as the Senate progresses toward completion of this landmark legislation.

ADJOURNMENT UNTIL 9:15 A.M. TOMORROW

Mr. TALENT. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:50 p.m., adjourned until Thursday, June 26, 2003, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate June 25, 2003:

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

RIXIO ENRIQUE MEDINA, OF OKLAHOMA, TO BE A MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS, VICE ANDREA KIDD TAYLOR, TERM EXPIRING.

DEPARTMENT OF COMMERCE

JULIE L. MYERS, OF KANSAS, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE MICHAEL J. GARCIA.

DEPARTMENT OF STATE

JEFFREY A. MARCUS, OF TEXAS, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BELGIUM.

DEPARTMENT OF JUSTICE

DEBORAH ANN SPAGNOLI, OF CALIFORNIA, TO BE A COMMISSIONER OF THE UNITED STATES PAROLE COMMISSION FOR A TERM OF SIX YEARS, VICE JOHN R. SIMPSON, TERM EXPIRED.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. (SELECT) ERIC T. OLSON, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. VICTOR E. RENUART JR., 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

CHAD F ACEY, 0000
MICKEY S BATSON, 0000
WILLIAM R BERTRAM, 0000
JOSEPH D BOOGREN, 0000
DAVID B CARSON, 0000
DARYL S DAVIS, 0000
ERIC S DIETZ, 0000
DAVID L FLAKE, 0000
SHELLIE FOUNTAIN JR., 0000
ROBERT J GIBSON JR., 0000
DONNA A HULSE, 0000
ALBERT C KINNEY III, 0000
DEBRA A LANKHORST, 0000
GARY A RICHARDS, 0000
TIMOTHY G ROHRER, 0000
STEPHEN K SAULS, 0000
VINCENT H SCOTT, 0000
FRANK A SHAUL, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

CONRADO K ALEJO, 0000
GEORGE M BAIN, 0000
JEFFREY S BAKER, 0000
JAMES C BEENE, 0000
MICHAEL P BETTS, 0000
DONALD A BUZARD, 0000
ANTONIO J CARDOSO, 0000
ALLEN CRISP, 0000
KNARVELL DAILEY, 0000
JAMES V DANIELS, 0000
EDWARD A FLINT, 0000
LEONARD M FRIDDLE, 0000
ALAN D FULLERTON, 0000
ANGELITO R GALICINAO, 0000
SHELDON GERINGER, 0000
DONALD GRIFFIN, 0000
RHONDA K HARDERS, 0000
JEFFREY K HAYHURST, 0000
DOUGLAS J HOLDERMAN, 0000
CHRISTOPHER L HULL, 0000
EDWARD J JOHNSON, 0000
RICHARD D JONES, 0000
DONALD H KELLER JR., 0000
LINDSAY C LECUYER, 0000
PATRICIA R LOONAM, 0000
MARK C LOOSE, 0000
JON B LUNDQUIST, 0000
RICHARD D MCCLELLAN, 0000
JIMMY R MCLAUGHLIN, 0000
DWAINE D MEAGHER, 0000
SYLVESTER MOORE, 0000
WILLIAM K NESMITH, 0000
ROBERT S NEVILLE, 0000
ROBERT E NOVOTNY, 0000
GARY E PERKINS, 0000
SEAN R PRASSER, 0000
THOMAS L PRICE, 0000
TERRY W PULLIAM, 0000
DALE C RAMSEY, 0000
JEFFREY S RANDALL, 0000
STEPHEN R SKAW, 0000
DANIEL SPAGONE, 0000
RUSTIN E STOBER, 0000
JOHN D THOMAS, 0000
PETER H THOMAS, 0000
JAMES H TRAVERS, 0000
RICHARD C VALENTINE, 0000
CARL B WEICKSEL, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

BARBARA M BURGETT, 0000
ROBERT A DEWS JR., 0000
ELLEN H EMERSON, 0000
ROBERT J FINK, 0000
KIM D HILL, 0000
ELIZABETH S HOSTETLER, 0000
DONNA M KASPAR, 0000
KATHLEEN A KEELY, 0000
CATHY M KIMMEL, 0000
LESA J KIRSCH, 0000
CARL K KLOTZSCHE, 0000
WILLIAM R KRONZER, 0000
JOHN D NELL, 0000
CAROLYN R OWENS, 0000
MARY E SMITH, 0000
KRISTIN B STRONG, 0000
CRAIG D UNION, 0000
MARGARET M WARD, 0000
ROBERT C WEITZMAN, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

ROBERT J ALLEN, 0000
RICKY D BALCOM, 0000
KYLE B BECKMAN, 0000
JOSEPH F BEVERLY, 0000
JAMES S BIGGS, 0000
THOMAS R CROWELL, 0000
BRIAN F EGGLESTON, 0000
MARK R H ELLIOTT, 0000
JAMES M ELLIS, 0000
MICHAEL A ELSBERG, 0000
ALLEN W HAMMERQUIST, 0000
HOWARD D HART, 0000
JUAN J HOGAN, 0000
DAVID R HUNT, 0000
MARK M JAREK, 0000
JAMES A KNORTZ, 0000
MICHAEL T LENTS, 0000
MICHAEL L MARAVILLA, 0000
FRANCIS M MOLINARI, 0000
LAURAN W RYE, 0000
MICHAEL W STUDEMAN, 0000
BLAKE D WARD, 0000
HAROLD E WILLIAMS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

ERIC J BUCH, 0000
RAYMOND E CHARTIER JR., 0000
TIMOTHY C GALLAUDET, 0000
JOHN V GURLEY, 0000
JAMES R JARVIS, 0000
GREG M JIMENEZ, 0000
PETER M KLEIN, 0000
PAUL E MATTHEWS, 0000
BRUCE J MORRIS, 0000
WILLIAM H NISLEY II, 0000
PAUL S OOSTERLING, 0000
DEAN A SADANAGA, 0000
EUGENE P TRAMM, 0000
ERIC J TREHUBENKO, 0000
ROBIN D TYNER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

LEE K ALLRED, 0000
TRACY A BARKHIMER, 0000
MARTIN R BEAULIEU, 0000
JOSEPH G DACQUISTO, 0000
DANA S DEWEY, 0000
SHAWN P HENDRICKS, 0000
ERIC D HOLMBERG, 0000
JOHN M HOOD, 0000
RICHARD W KAMMANN JR., 0000
STEVEN J LABOWS, 0000
RALPH D LEE, 0000
JOHN S LEMMON, 0000
MATTHEW A LETOURNEAU, 0000
THOMAS C POPP, 0000
SCOTT D PORTER, 0000
JAMES K REINING, 0000
PATRICK W SMITH, 0000
DAVID M SWENSON, 0000
JACK H WATERS, 0000
PETER M WATERS, 0000
DONALD L ZWICK, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

ALLAN D ANDREW, 0000
MICHAEL A BALLOU, 0000
JOHN H BITTING III, 0000
LAWRENCE J BRACHFELD, 0000
WILLIAM J BROUGHAM, 0000
ALVARO F CUELLAR, 0000
JOHN D DANNECKER, 0000
PHILLIP E DAWSON III, 0000
STEVEN M DEBUS, 0000
JAY F DILL, 0000
DILIP B GHATE, 0000
PATRICIA A GILL, 0000
DAVID A GOGGINS, 0000
WILLIAM C GREENE, 0000
DONALD R HARDER, 0000
THOMAS W HEATTER, 0000
SCOTT D HELLER, 0000
PAUL A HERBERT, 0000
TODD A HOOKS, 0000
MICHAEL C LADNER, 0000
DOUGLAS M LEMON, 0000
JOSEPH D MAUSER, 0000
JAMES E MELVIN, 0000
MARSHALL G MILLETT, 0000

BRIAN P MURPHY, 0000
F S NESSLER, 0000
SEAN P OMALLEY, 0000
WILLIAM G PLOTT, 0000
MARTIN RODRIGUEZ, 0000
ELTON G SAYWARD JR., 0000
ZACHARY M SCRUTON, 0000
DOUGLAS W SMALL, 0000
FRANCIS E SPENCER III, 0000
HENRY W STEVENS III, 0000
BRIAN S TAIT, 0000
VINH X TRAN, 0000
RONALD R VANCOURT, 0000
MARK R VANDROFF, 0000
RANDOLPH R WEEKLY, 0000
STEPHEN F WILLIAMSON, 0000
JOHNNY R WOLFE JR., 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

ANGELA D ALBERGOTTIE, 0000
JOYCE M BERNARD, 0000
AMY D BURIN, 0000
KATHLEEN M CREIGHTON, 0000
BRUCE R DEMELLO, 0000
PETER R FALK, 0000
CARRIE A HASBROUCK, 0000
WINNIE L HUSKEY, 0000
SANDRA M JAMSHIDI, 0000
DOREEN M JONES, 0000
MICHAEL G LARIOS, 0000
SCOTT A MARGULIS, 0000
BRANDEE L MURPHY, 0000
LAWRENCE A PEMBERTON, 0000
SUZANNE PROSE, 0000
KATHLEEN M SAYLOR, 0000
JOSEPH B SPEGELE, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

CHARLES J CHAN, 0000
BART L GROSSMAN, 0000
KENNETH W JALALI, 0000
JOHN L LARSON, 0000
GREGORY A MUNNING, 0000
KENNETH W PARNELL, 0000
KURT B REINHOLT, 0000
GEORGE S ROBINSON, 0000
ROBERT J STAILEY, 0000
RICK T TAYLOR, 0000
DANIEL VANORDEN, 0000
MARK S WASSIL, 0000
MATTHEW A WEBBER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

CHRISTOPHER A ADAMS, 0000
CHARLES N ALBRECHT, 0000
WILLIAM T ALEX, 0000
TOMAS A ALKSNINIS, 0000
DAVID W ALLDRIDGE, 0000
GLENN R ALLEN, 0000
THOMAS R AMBLAD, 0000
CRAIG A ANDERSON, 0000
MARK A ANDERSON, 0000
BRUCE A APGAR, 0000
DANIEL D ARENSMEYER, 0000
RAYMOND A ART, 0000
SCOTT W ASKINS, 0000
RUSSELL B AUSLEY, 0000
STUART P BAKER, 0000
BARRY BAKOS, 0000
JAY C BALLARD, 0000
JOHN S BANIGAN, 0000
MICHAEL P BARATTA, 0000
TIMOTHY S BARBIER, 0000
ERIC T BARKDULL, 0000
USHER L BARNUM JR., 0000
BENJAMIN K BARRETT, 0000
GREGORY L BARRINGER, 0000
JEFFREY B BARTA, 0000
KENNETH G BECK, 0000
MARK W BEDDOES, 0000
ALAN E BELL, 0000
TODD A BELTZ, 0000
MARK B BENJAMIN, 0000
AUGUSTUS P BENNETT, 0000
MICHAEL L BENO, 0000
JAMES H BENTON, 0000
PAUL R BERNADO, 0000
WILLIE D BILLINGSLEA, 0000
RANDY B BLACKMON, 0000
DAVID I BLAIR, 0000
ANTHONY R BLANKENSHIP, 0000
BRETT F BONIFAY, 0000
DAVID C BORAH, 0000
BRIAN K BORING, 0000
DAVID L BOSSERT, 0000
DAVID W BOUVE, 0000
MORDAUNT P BRABNER, 0000
ALBERT A BRADY, 0000
RANDY L BRATCHER, 0000
WILLIAM J BREITFELDER, 0000
KEVIN S BRENNAN, 0000
MICHAEL J BRESLAUER, 0000
BARRY D BROCKWAY, 0000
JOHN S BRUCE, 0000
DAN W BRUNE, 0000
CHRISTOPHER W BRUNETT, 0000
MARK R BRUNNER, 0000
ROBERT B BURGIO, 0000
ERIK A BURIAN, 0000
CHRISTOPHER T BURKETT, 0000
MICHAEL P BURNS, 0000
RONALD S BUSH, 0000
CHRISTOPHER J BUSHNELL, 0000
SHAN M BYRNE, 0000
ROBERT A H CADY, 0000
JAMES S CAMPBELL, 0000
GEORGE S CAPEN, 0000
LESLIE T CARDENAS, 0000
STEVEN M CARLISLE, 0000
JOHN A CARTER, 0000
DANIEL L CHEEVER, 0000
JOHN W CHEWNING, 0000
CHRISTOPHER W CHOPE, 0000
CHRISTIAN E CHRISTENSON, 0000
BRIAN K CHRISTIANSON, 0000
ARTHUR E CIMILUCA JR., 0000
STEVEN J CINCOTTA, 0000
KEVIN M CLAFFY, 0000
ANTHONY J CLAPP, 0000
BRYAN L CLARK, 0000
ROBERT E CLARK, 0000
JOHN S COFFEY, 0000
MATTHEW J COLBURN, 0000
MICHAEL J COLMAN, 0000
CLAYTON L CONLEY, 0000
BLAKE L CONVERSE, 0000
CHARLES B COOPER II, 0000
MATTHEW F COUGHLIN, 0000
STEPHEN J COUGHLIN, 0000
JOHN R CRAIG, 0000
MICHAEL L CROCKETT, 0000
MICHAEL S CRUDEN, 0000
THOMAS CURRAN, 0000
REX L CURTIN, 0000
RANDY C DARROW, 0000
REEVES A DAVES, 0000
YVETTE M DAVIDS, 0000
ANDREW N DAVIS, 0000
DUANE T DAVIS, 0000
JACK E DAVIS, 0000
JAMES P DAVIS, 0000
GARY L DEAL, 0000
STEVEN E DEAL, 0000
THOMAS L DEARBORN, 0000
JEFFREY E DEBOLT, 0000
BRUCE A DEFIBAUGH, 0000
ALBERT E DEMPSEY III, 0000
RONALD M DENNIS, 0000
DON E DIZON, 0000
RICHARD E DODSON JR., 0000
MICHAEL P DONNELLY, 0000
MICHAEL P DORAN, 0000
CHAD O DORR, 0000
FRANK J DOWD, 0000
PAUL T DRUGGAN, 0000
SHAWN P DUFFY, 0000
SCOTT E DUGAN, 0000
ROBERT B DUMONT III, 0000
JOHN T DYE JR., 0000
RANDELL W DYKES, 0000
JOHN P ECKARDT, 0000
BRIAN P ECKERLE, 0000
HENRY B EDWARDS III, 0000
JASON C EHRET, 0000
GERALD L ELLIOTT II, 0000
JAMES A EMMERT, 0000
DARREL W ENGWELL JR., 0000
ROMMEL M ESTEVES, 0000
NEWMAN J EVANS III, 0000
BRIAN G FALKE, 0000
ANDREW L FEINBERG, 0000
MICHAEL S FEYEDELEM, 0000
WILLIAM C FILAN, 0000
STEPHEN M FIMPLE, 0000
STEVEN C FINCO, 0000
CHRISTOPHER M FITZGERALD, 0000
EDWARD M FLANAGAN, 0000
TODD J FLANNERY, 0000
ANDREW FLEMING, 0000
CHRISTOPHER J FLETCHER, 0000
DAVID K FLICK, 0000
ROBERT L FLOYD, 0000
THOMAS D FOHR, 0000
DURANTE A FOOTMAN, 0000
BRETT C FOSTER, 0000
JOSEPH P FRANSON JR., 0000
TYLER L FRAUTSCHI, 0000
BRIAN W FRAZIER, 0000
MICHAEL S FULGHAM, 0000
FREDERICK E GAGHAN JR., 0000
THOMAS D GAJEWSKI, 0000
SCOTT R GALLAGHER, 0000
ROBERT D GAMBERG, 0000
HARRY L GANTEAUME, 0000
EDWARD G GANUN, 0000
DANIEL L GARCIA, 0000
MICHAEL C GARD, 0000
PETER A GARVIN, 0000
JOSEPH E GELARDI, 0000
GREGORY J GIBSON, 0000
JASON A GILBERT, 0000
CHARLES W GILL, 0000
JEFFREY W GILLETTE, 0000
CRAIG S GIVENS, 0000
DONALD J GLATT, 0000
THOMAS C GOMEZ, 0000
MARK R GONZALES, 0000
JUAN C GONZALEZ, 0000
CURTIS J GOODNIGHT, 0000
BENJAMIN B GOODWIN, 0000
ANDREW M GORZELA, 0000
FREDERICK J GOSEBRINK II, 0000
MICHAEL V GOSHGARIAN, 0000
SCOTT C GOVER, 0000
JEFFREY C GRAF, 0000
CHRISTOPHER E GRAY, 0000
CHRISTOPHER S GRAY, 0000
BRIAN C GRIMM, 0000
PAUL F GRONEMEYER, 0000
TIMOTHY J GROUT, 0000
WESLEY R GUINN, 0000
JOHN E GUMBLETON, 0000
STEVEN J HADDAD, 0000
PAUL C HAEBLER, 0000
MARK L HAGENLOCHER, 0000
ROBERT A HALL JR., 0000
PATRICK M HALLER, 0000
WILLIAM K HALVERSON, 0000
TIMOTHY W HANSEN, 0000
MICHAEL S HARBER, 0000
MICHAEL V HARBER, 0000
ROGER D HARDY, 0000
DANIEL P HARMON, 0000
MICHAEL S HARRINGTON, 0000
GREGORY M HARRIS, 0000
MITCHELL R HAYES, 0000
JURGEN HEITMANN, 0000
EDWIN M HENDERSON, 0000
GARY M HERBERT, 0000
JOHN W HERMAN, 0000
EDMUND B HERNANDEZ, 0000
PATRICK D HERRING, 0000
EDWARD L HERRINGTON, 0000
ALAN L HERRMANN, 0000
CHRISTOPHER E HICKS, 0000
GRANT R HIGHLAND, 0000
MATTHEW B HOGAN, 0000
ALVIN HOLSEY, 0000
WILLIAM D HOPPER, 0000
KENNETH M HOUCK, 0000
REGINALD M HOWARD, 0000
PATRICK N HUETE, 0000
GREGORY C HUFFMAN, 0000
EDWARD C HUTT, 0000
JAMES A IMANIAN, 0000
WILLIAM T IPOCK II, 0000
ROGER G ISOM, 0000
RHETT R JAEHN, 0000
ANDREW D JAMES, 0000
BRIAN S JAMES, 0000
JEFFREY W JAMES, 0000
ROBERT W JANSSEN, 0000
ANDREW C JARRETT, 0000
JOKER L JENKINS, 0000
BRADLEY T JENSEN, 0000
JON J JERGE, 0000
MARK A JOHNSON, 0000
ERNEST R JONES JR., 0000
JAMES T JONES, 0000
SARA A JOYNER, 0000
MARK A JOYNT, 0000
JOEL D JUNGEMANN, 0000
KURT A KASTNER, 0000
SUSANNE G KECK, 0000
GREGORY J KEITHLEY, 0000
SCOTT K KELLY, 0000
JOHN E KENNINGTON, 0000
ANDREW M KENNY JR., 0000
DABNEY R KERN, 0000
WILLIAM E KERN, 0000
IAN J KERR, 0000
JARED A KEYS, 0000
BRADLEY J KIDWELL, 0000
DOUGLAS P KIEM, 0000
KEVIN G KING, 0000
KEVIN E KINSLOW, 0000
GREGORY S KIRKWOOD, 0000
DAVID R KLAIN, 0000
JOHN J KLEIN, 0000
JOSEPH G KLEIN II, 0000
JAMES F KOELTZOW, 0000
WILLIAM S KOYAMA, 0000
NEAL D KRAFT, 0000
CARY J H KRAUSE, 0000
SCOTT C KRAVERATH, 0000
KEVIN F KROPP, 0000
THOMAS A KUBISTA, 0000
TIMOTHY C KUEHHAS, 0000
GLENN P KUFFEL JR., 0000
ERIC G KUKANICH, 0000
CARL A LAHTI, 0000
DENNIS A LAZAR JR., 0000
RICKY A LEE, 0000
DAVID T LEMLY, 0000
TODD L LENNON, 0000
ZIGMOND V LESZCZYNSKI, 0000
MICHAEL W LEUPOLD, 0000
RANDALL K LEWIS, 0000
STUART W LEWIS, 0000
MARK F LIGHT, 0000
STEVEN W LIGLER, 0000
PAUL J LING III, 0000
JAMES M LINS, 0000
DAVID J LOBDELL, 0000
PAUL J LOMMEL, 0000
JAMES P LOPER, 0000
STEPHEN E LORENTZEN, 0000
MARK LOTZE, 0000
WALLACE G LOVELY, 0000
JON E LUX, 0000
PAUL J LYONS, 0000
JOHN L MACMICHAEL JR., 0000
MARK P MAGLIN, 0000
GREGORY M MAGUIRE, 0000
JAMES A MANN, 0000
JEFFREY S MANNING, 0000
TIMOTHY J MARICLE, 0000
JEFFREY P MARSHALL, 0000
GREGG W MARTIN, 0000

MATTHEW J MARTIN II, 0000
MICHAEL W MARTIN, 0000
RANDALL H MARTIN, 0000
VINCENT R MARTINEZ, 0000
PETER W MATISOO, 0000
STEVEN P MCALEARNEY, 0000
MICHAEL W MCCALLUM, 0000
ANDREW C MCCUE, 0000
LARRY A MCELVAIN JR., 0000
TIM MCGARVEY, 0000
JAMES L MCREYNOLDS, 0000
PETER A MEHL, 0000
DARRYL C MELTON, 0000
JEFFREY P MENNE, 0000
MARK V METZGER, 0000
GEORGE D MICHAELS, 0000
MARIO MIFSUD, 0000
JOHN L MIHELICH III, 0000
ANDREW W MILES, 0000
JEFFERY S MILLER, 0000
MATTHEW C MILLER, 0000
RANDALL B MILLER, 0000
RICHARD M MILLER JR., 0000
ERIC J MITCHELL, 0000
GREGORY H MOLINARI, 0000
MASON K MOLPUS, 0000
BRIAN T MOORE, 0000
CHARLES C MOORE II, 0000
II C D MORAN, 0000
MICHAEL S MORENO, 0000
BRIAN L MORGAN, 0000
SEAN T MORIARTY, 0000
KURUSH F MORRIS, 0000
TERRY S MORRIS, 0000
GERALD M MOST, 0000
RICHARD P MOUNTAIN, 0000
SCOTT E MULVANIA, 0000
CHRISTOPHER P MURDOCH, 0000
MARK E MUZII, 0000
JEFFREY S MYERS, 0000
RICHARD D NELSON, 0000
JOHN R NETTLETON, 0000
ROBERT A NEWSON, 0000
TROY M NICHOLS, 0000
THAD E NISBETT, 0000
NORBERTO M D NOBREGA, 0000
RONALD J NOVAK, 0000
MARK T NOWICKI, 0000
HEIDI C OCHS, 0000
RICHARD M ODOM II, 0000
WILLIAM A OEFELEIN, 0000
STEVEN B OKUN, 0000
MICHAEL F OTT JR., 0000
GREGORY B OWENS, 0000
MARCELL S PADILLA, 0000
EUGENE F PALUSO II, 0000
SCOTT W PAPPANO, 0000
WILLIAM J PARKER III, 0000
VERNON J PARKS JR., 0000
PETER J PASQUALE, 0000
BENJAMIN J I PEARSON, 0000
GREGORY S PEKARI JR., 0000
ROBERT A PEREBOOM, 0000
DOUGLAS G PERRY, 0000
ERIC S PFISTER, 0000
CATHERINE K PHILLIPS, 0000
DUANE A PHILLIPS, 0000
PATRICK M PICKARD, 0000
WILLIAM S PIESESKI, 0000
IAN R POLLITT, 0000
PATRICK J PORTER, 0000
GANDOLFO A PRISINZANO, 0000
ERIC W PURDY, 0000
VINCENT J QUIDACHAY, 0000
FRANK N QUILES, 0000
KEVIN J QUINN, 0000
JOHN L RADKA, 0000
CHARLES E RADOSTA, 0000
CHRISTOPHER M RANKIN, 0000
KEVIN H RASCH, 0000
KENDALL M RASMUSSEN, 0000
STEVEN R RASMUSSEN, 0000
JOHN J REESE, 0000
JAMES C RENTFROW, 0000
KENNETH J REYNARD, 0000
JOHN E RIES, 0000
ROBERT M RIGGS, 0000
JR W J RILEY, 0000
DANIEL J RIVERA, 0000
JAMES L ROBBINS, 0000
DAVID A ROBERTS, 0000
WILBUR L J ROBERTS, 0000
CHRISTOPHER ROBINSON, 0000
CHRISTOPHER A RODEMAN, 0000
JAMES R ROGERS II, 0000
GREGORY R ROMERO, 0000
AARON L RONDEAU, 0000
MARC A RZEPCZYNSKI, 0000
BENJAMIN D SALERNO, 0000
MARK E SANDERS, 0000
LEONARD D SANTIAGO, 0000
MICHAEL T SCARRY, 0000
PAUL J SCHLISE, 0000
TIMOTHY L SCHORR, 0000
JAMES C SEALS JR., 0000
TODD J SENIFF, 0000
CURTIS A SETH, 0000
PATRICK J SHAFFER, 0000
JOHN E SHASSBERGER, 0000
DANIEL P SHAW, 0000
MICHAEL D SHEAHAN, 0000
JOHN M SHEEHAN, 0000
JOE C SHIPLEY, 0000
ERIC S SHIREY, 0000
KARIN A SHUEY, 0000
DANIEL A SHULTZ, 0000
PHILLIP T SICARD, 0000
OTTO F SIEBER, 0000
JAMES W SIGLER, 0000
RICHARD A SKIFF JR., 0000
KATHY L SLOAN, 0000
BRENT E SMITH, 0000
FRED W SMITH JR., 0000
JED C SMITH, 0000
THOMAS B SMITH II, 0000
TIMOTHY J SMITH, 0000
VICTOR S SMITH, 0000
JAMES B SNELL, 0000
MICHAEL C SPARKS, 0000
WESLEY W SPENCE, 0000
JAMES L SPENCER IV, 0000
MARK F SPRINGER, 0000
RAY A STAPF, 0000
STEPHEN P STARBOARD, 0000
MARC A STERN, 0000
MARK L STEVENS, 0000
JONATHAN R STEVENSON, 0000
WILLIAM R STEVENSON, 0000
JOHN L STOFAN, 0000
JERRY K STOKES, 0000
RICK J STONER, 0000
DAVID A STRACENER, 0000
SHRI J STROUD, 0000
ORLANDO A SUAREZ, 0000
KEVIN W SUTTON, 0000
PAUL TANKS JR., 0000
RANDALL D TASHJIAN, 0000
JAMES L TAYLOR JR., 0000
MICHAEL J TESAR, 0000
FREDERICK N TEUSCHER JR., 0000
CHRISTOPHER P THOMAS, 0000
MARK A THOMAS, 0000
JOHN J THOMPSON, 0000
JOSEPH M THOMPSON, 0000
THOMAS L THOMPSON, 0000
DAVID L TIDWELL, 0000
RYAN C TILLOTSON, 0000
JOHN V TOLLIVER, 0000
JOHN D TOUGAS, 0000
KARL W TRAHAN JR., 0000
TIMOTHY R TRAMPENAU, 0000
MARC G TRANCHEMONTAGNE, 0000
BRADDOCK W TREADWAY, 0000
JOHN C TREUTLER, 0000
WILLIAM M TRIPLETT, 0000
WADE D TURVOLD, 0000
RONALD B TUTTLE JR., 0000
KIERAN S TWOMEY, 0000
PATRICK J TWOMEY, 0000
MURRAY J TYNCH III, 0000
MATTHEW S TYSLER, 0000
ROY C UNDERSANDER, 0000
MAURICE R VARGAS, 0000
DAVID J VARNES, 0000
LAWRENCE R VASQUEZ, 0000
HENRY L VELARDE, 0000
ERIC H VENEMA, 0000
DEAN M VESELY, 0000
THOMAS K VINSON, 0000
DANIEL E VOTH, 0000
MARK D WADDELL, 0000
GREGORY J WALLS, 0000
COLIN S WALSH, 0000
DENNIS J WALSH JR., 0000
HOWARD C WARNER III, 0000
JAMES P WATERS III, 0000
ROBERT WEBBER JR., 0000
JAMES R WICKMAN, 0000
STEVEN J WIEMAN, 0000
DOUGLAS E WILCOX, 0000
JEFFREY B WILLIAMS, 0000
MARK T WILLIAMS, 0000
RICHARD C WILLIAMS JR., 0000
STEVEN M WILLIAMS, 0000
CRAIG L WILSON, 0000
JAMES A WINSHIP, 0000
JEFFREY S WINTER, 0000
PETER J WINTER, 0000
NEIL W WOODWARD III, 0000
RAYMOND B WORTHINGTON, 0000
ERIC K WRIGHT, 0000
BRIAN F WYSOCKI, 0000
ELIZABETH A YEOMANS, 0000
EUGENE S YOUNG, 0000
ROBERT E YOUNG, 0000
RICHARD J ZINS, 0000

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASS STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

JAMES M. CUNNINGHAM, OF CALIFORNIA
RICK A. DELAMBERT, OF CALIFORNIA
JAMES C. RIGASSIO, OF NEW JERSEY
JOHN E. SIMMONS, OF CALIFORNIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICER AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

MITCHEL I. AUERBACH, OF FLORIDA
REBECCA M. BALOGH, OF VIRGINIA
ISABELLA G. CASCARANO, OF THE DISTRICT OF COLUMBIA
WILLIAM B. CZAJKOWSKI, OF ILLINOIS
ANGELA R. DAWKINS, OF VIRGINIA
ROBERT J. DONOVAN, OF THE DISTRICT OF COLUMBIA
STEPHEN R. JACQUES, OF VIRGINIA
WILLIAM S. LAWTON, OF WASHINGTON
GREGORY J. O'CONNOR, OF VIRGINIA
ALYCE CAMILLE RICHARDSON, OF FLORIDA
PAMELA R. WARD, OF OREGON
JENNIFER ANNE WOODS, OF VIRGINIA

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE AND COMMERCE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

DOUGLAS J. WALLACE, OF MARYLAND

DEPARTMENT OF STATE

ORY S. ABRAMOWICZ, OF ILLINOIS
VALERIE T. ADAMCYK, OF NEW YORK
PETER JAMES ANTHES, OF VIRGINIA
JOHN M. BARRETT, OF CALIFORNIA
SALLY P. BEHRHORST, OF CALIFORNIA
MANU BHALLA, OF NEW HAMPSHIRE
THOMAS EDWARD BROWN JR., OF MARYLAND
JOSEPH J. CALLAHAN IV, OF FLORIDA
MICHAEL R. CARPENTER, OF MICHIGAN
MICHAEL CARVER, OF TEXAS
BENJAMIN CHIANG, OF VIRGINIA
JASON JOHN CHIODI, OF VIRGINIA
LEWIS ANDREW CLARK, OF VIRGINIA
MARY GARDNER COPPOLA, OF THE DISTRICT OF COLUMBIA
RODNEY DEVI CUNNINGHAM, OF NEW YORK
FRANK DEPARIS, OF VIRGINIA
SONIA M. DESAI, OF CALIFORNIA
DANIEL SCOTT DUANE, OF NEW YORK
JENNIFER W. EADIE, OF VIRGINIA
MEGAN ALLISON ELLIS, OF CALIFORNIA
SHANNON BELL FARRELL, OF WISCONSIN
TIMOTHY J. FINGARSON, OF NORTH DAKOTA
DONALD LOREN FRERICHS, OF TEXAS
ANGELA LOUISE GEMZA, OF MINNESOTA
SARAH GORDON, OF NEW YORK
C. COLIN GUEST, OF VIRGINIA
JASON KAMATA HACKWORTH, OF WASHINGTON
SCOTT WILLIAM HANSEN, OF COLORADO
RONALD E. HAWKINS JR., OF MARYLAND
RICH HEATON, OF COLORADO
CHRISTINE BINH-AN PHAM HENNING, OF MICHIGAN
DEBORAH ANN HICK, OF FLORIDA
ERIK JONATHAN HOLMGREN, OF ILLINOIS
BRADLEY A. HURST, OF CALIFORNIA
SUZANNE MARY INZERILLO, OF ILLINOIS
KENNETH JONES, OF NEW JERSEY
PAUL A. KIRSCHBAUM, OF VIRGINIA
ELIZABETH J. KONICK, OF NEW YORK
COURTNEY ALLISON KRAMER, OF THE DISTRICT OF COLUMBIA
JAMIE TYLER LA MORE, OF ARIZONA
MICHAEL D. LAMPEL, OF ILLINOIS
MEGAN E. LARSON-KONE, OF MARYLAND
SARA MARGARET LUTHER, OF COLORADO
THOMAS H. LYONS, OF TENNESSEE
PETER K. MALECHA, OF WASHINGTON
JOHN RUSH MARBURG, OF MARYLAND
ELIZABETH KATHLEEN MARTIN, OF ILLINOIS
MARISSA M. MARTIN, OF FLORIDA
ANDREW MCCLEARN, OF COLORADO
JASON MCINERNEY, OF CALIFORNIA
ANTHONY LUIS MIRANDA, OF WASHINGTON
GONS GUTIERREZ NACHMAN, OF FLORIDA
ARI NATHAN, OF CALIFORNIA
JAMES PATRICK NEEL, OF NEVADA
PETER NEISULER, OF THE DISTRICT OF COLUMBIA
TIMOTHY D. NELSON, OF CALIFORNIA
AMY LORENE NICODEMUS, OF NEW JERSEY
JONATHAN R. PECCIA, OF ILLINOIS
CAROLINE L. PRICE, OF GEORGIA
JUDITH RAVIN, OF NEW JERSEY
SIMEON RASAY RAYA JR., OF NEW JERSEY

ANTHONY FERRER RENZULLI, OF THE DISTRICT OF COLUMBIA
FREDERIC JORGE ROCAFORT-PABON, OF FLORIDA
JACQUELYN BURKE ROSHOLT, OF MINNESOTA
KIRK HARRIS SAMSON, OF WISCONSIN
JANET NICOLE SANDERS, OF GEORGIA
SATRAJIT SARDAR, OF TEXAS
GABRIELLE HAYES SARRANO, OF VIRGINIA
ERIN A. SAWYER, OF CALIFORNIA
VERONICA SCARBOROUGH, OF VIRGINIA
ELIZABETH GRACE NICHOLS SCHLACHTER, OF CALIFORNIA
LAURA KATHRYN SCHEIBE, OF SOUTH DAKOTA
JON M. SELLE, OF TEXAS
MICHAEL T. SESTAK, OF NEW YORK
GEOFFREY C. SIEBENGARTNER, OF NEW YORK
JESSICA LEIGH SIMON, OF OREGON
DAVID WALKER SIMPSON, OF TEXAS
CHRISTOPHER MAGNUS SMITH, OF MARYLAND
ALEXANDER W. SOKOLOFF, OF FLORIDA
ROBERT J. TATE, OF WASHINGTON
ADAM RICHARD VOGELZANG, OF MARYLAND
MARGARET C. WHITE, OF VIRGINIA
THOMAS WISE, OF MINNESOTA

THE FOLLOWING-NAMED CAREER MEMBER OF FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

HOWARD M. KRAWITZ, OF PENNSYLVANIA

EXTENSIONS OF REMARKS

THE GIFT OF OPPORTUNITY

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Laura Mendoza, a member of the Valley Center Teenage Republican Club.

Like every Friday morning, my mother had snuggled into bed with me; soon I was to get up and go to school. Only, on this morning, I was quite lazy and pleaded with my mom so that she would allow me to stay home. Like any other day she simply gave me a ''no.'' It had been worth a shot! As we laid in bed she said to me, ''Laura, you must strive for your goals and never allow anyone to prohibit you from following them. Take advantage of every moment and savor it, for you do not know what may lie ahead.'' What could possibly make her think I would understand her words at the age of eleven?

Now, I'm seventeen and I understand what she was implying. Throughout the years I have learned about my mother. My mother was unable to go to school due to many reasons, none that she could control. To begin with there wasn't a school in sight for about 20 miles and she had no transportation to get there. By the time there was a school that was somewhat near she was eight and her father was very unsupportive. He once told her not to worry about getting an education, instead she was to stay home and help in the fields and with the animals. ''Besides'' he said, ''you don't need to worry about being educated because you're going to end up married to some guy who will provide for you and your family. All you need to worry about is taking care of the house and children.''

I can see that my mother was denied a natural part of life. My mother was brought up in Mexico, where education is nothing big. It's like a luxury; if you have the time, then you can go to school; if not, you must stay home and attend to the responsibilities there. Education in Mexico has not changed much over the years, only four of my cousins go to school, and they're all boys. The females in my family are either married or living at home, helping out their parents.

I appreciate the many sacrifices my parents have done for my siblings and me. They have done everything possible and impossible so that we can receive a good education and so that one day we don't have to go through the same things and our own families will succeed. My parents are my inspiration. I know for a fact that if my parents had decided to stay in Mexico, all that I have achieved would have been unrealized. This is why education is so sacred to me. In my opinion, education is the key to my goals and I know that my parents weren't wrong when they saw something special in this land of opportunity. That is why they decided to bring our family here. I will not let my parents' sacrifice or the opportunity given to me go to waste. I now understand my mother's words and will live by them for the rest of my life.

A PROCLAMATION RECOGNIZING RAMSEY NABIL ALLOUSH

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. NEY. Mr. Speaker, whereas, Ramsey Alloush graduated from John F. Kennedy High School on June 7, 2003; and

Whereas, Ramsey Alloush has demonstrated a commitment to education; and

Whereas, Ramsey Alloush should be commended for reaching this academic milestone;

Therefore, I join with the residents of the entire 18th Congressional District of Ohio in honoring and congratulating Ramsey Nabil Alloush for his outstanding accomplishment.

HONORING THE 100TH ANNIVERSARY OF BRYN MAWR FIRE COMPANY

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. GERLACH. Mr. Speaker, I rise today to honor the Bryn Mawr Fire Company of Bryn Mawr, PA on its 100th anniversary.

Almost a century ago, citizens of Bryn Mawr, Haverford and Rosemont came together to form a fire company. The Montgomery County Court of Common Pleas approved the Certificate of Incorporation for the Bryn Mawr Fire Company on December 21, 1903, even before the Township in which it was located was chartered. The Company acquired its first horse-drawn engine the following year and the fire house was dedicated 2 years later in May of 1906.

The Bryn Mawr Fire Company has served its community in exemplary fashion over the past 100 years and today there are almost 40 volunteer firefighters in the Company. The Company responds to over 500 calls per year throughout Lower Merion, Radnor and Haverford Townships.

The volunteers of the Bryn Mawr Fire Company take every aspect of their job very seriously. Members drill every Monday night and participate in a live burn drill each month. Firefighters from the Company attend schools and conferences all across the country. The Company sends members into the local schools to talk about fire prevention and hosts an open house every year to educate the public about fire safety.

For the past 100 years, the citizens of Bryn Mawr and the surrounding communities have been able to depend on the courageous men and women of the Bryn Mawr Fire Company. I encourage my colleagues to join me in saluting the Bryn Mawr Fire Company on reaching this important milestone.

ESSAY OF MICHELLE WILKINSON

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Michelle Wilkinson, a member of the Valley Center Teenage Republican Club. ''The Republican Party embraces many noteworthy values, including personal responsibility, service, and integrity. Throughout my life, I have been taught to follow these principles. As a student in an AP Government class and as a member of the Teenage Republican Club, I have come to realize how these values have influenced my life.

A major Republican value is personal responsibility. From a political view, this means that the government should only do what individuals can not do by themselves. To me, personal responsibility is a way of living so that I am a contributing member of society rather than a burden. In my life, I have taken the accountability for my studies and other extracurricular activities. Because I know that I am responsible for my own actions, I have been able to excel in school, and have been accepted to the school of my choice. I have tried to make the most of my opportunity to attend school and believe that my efforts have been rewarding and worthwhile. As a Republican, I hope to be able to elect officers who believe in personal responsibility and strive to create laws that promote self-reliance in American citizens. I plan to major in History Education, and, as a teacher, I want my students to know how important this ideal was to our founding fathers. I will personally teach my children and my students to be conscientious and charitable members of the community in which they live. People who have cultivated an independent lifestyle are better able to give service to others.

Service to others is an integral part of the Republican ideal. When individuals voluntarily give their time and means, resources are used efficiently where they are truly needed. Government entitlements are not conducive to a strong work ethic and should only be depended upon for true emergencies, not as a planned lifestyle. Some of my service experiences include: registering voters, organizing a concert for an elderly care center, quilting blankets for a women's shelter, and organizing a dance for mentally and physically handicapped adults. Although no one expected or demanded my service, they were all very grateful for my time and talents, which I give freely because of the joy I receive in return. I know that I will continue to give my time and resources how and when I choose. I believe that I should be able to choose how my resources are used so that I know they are being used wisely and effectively. When we are compelled to give our resources through high taxes, we are deprived of the feelings of generosity and benevolence. I will continue to

use my influence and my vote to elect Republicans who share this ideal.

Finally, integrity is a vital Republican value. We must elect officials who will do what they believe is right even if it is not popular or easy. Karl G. Maeser, an educator, once said,

I have been asked what I mean by my word of honor . . . Place me behind prison walls . . . there is a possibility that in some way or another I may be able to escape, but stand me on that floor and draw a chalk line around me and have me give my world of honor never to cross it. Can I get out? No, never! I'd die first!

We need public officials who will abide by their word of honor, not the shifting of polls and public opinion. I have sought to be honest with all people, even if it is not to my advantage. The reward of integrity is trust, which is broken much easier than it is built. Our country has suffered from the lack of integrity in our leaders, I hope that we can find leaders who can restore honor and integrity to public offices. As a mother and a teacher, I will instill the value of honesty into my children and students. I will teach them that their word of honor defines their character.

I know that there are many problems with our current system of government. I also believe, however, that they can be reformed if the ideals of responsibility, service, and integrity, are utilized. Despite imperfections, I know that our country is the best in the world. I am grateful and proud to be an American.''

A PROCLAMATION RECOGNIZING BASEL ALLOUSH

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. NEY. Mr. Speaker,

Whereas, Basel Alloush graduated from Kent State University on December 14, 2002; and

Whereas, Basel Alloush earned a Bachelor's Degree in Business Administration and Marketing; and

Whereas, Basel Alloush has demonstrated a strong devotion to academics; and

Whereas, Basel Alloush should be commended for reaching this milestone;

Therefore, I join with the residents of the entire 18th Congressional District of Ohio in honoring and congratulating Basel Alloush for his distinguished achievement.

COMMENDING ALEXANDRA SCOTT FOR HER EFFORTS IN THE FIGHT AGAINST CANCER

HON. JIM GERLACH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. GERLACH. Mr. Speaker; I rise today to commend my constituent, 7-year-old Alexandra Scott, for the work she is doing to raise money for those living with cancer.

Alex was diagnosed with neuroblastoma, a cancer of the nervous system, when she was just a year old. Six years later, she has had six surgeries and still undergoes chemotherapy treatments at Children's Hospital of Philadelphia.

When Alex was four, she told her mother that she wanted to have a lemonade stand and give the money that she made to her hospital in Connecticut, where they lived at the time. In July of 2000, Alex started her first lemonade stand and raised over $2000. Shortly thereafter, the Scott family moved to Wynnewood, Pennsylvania. Each summer, Alex has opened her lemonade stand with proceeds going to help others battling cancer.

So far, Alex has raised over $80,000 for cancer research. Money has been donated to Children's Hospital of Philadelphia, Connecticut Children's Medical Center, and Toireasa's Dream, a neuroblastoma research fund set up in memory of Alex's friend, Toireasa Barry. The Philadelphia Foundation recently presented Alex with its ''Philanthropist of the Year'' award.

I encourage my colleagues to join me in applauding Alexandra Scott on her accomplishments and in sending her our prayers for her recovery. May she continue to serve as a role model for all of us.

ESSAY BY HEATHER MACPHEE

HON. RANDY ''DUKE'' CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Heather MacPhee, a member of the Valley Center Teenage Republican Club.

''As a sophomore at Valley Center High School, I had a basic idea of where I stood in the world. Despite my lack of experience and knowledge, I knew that I valued being a conservative woman in a time of uncertainty and compromise. I was confident in my beliefs, but could not effectively defend or even explain my reasoning. That was the year I became involved with the Teenage Republican Club, and now I have no doubts that I have the knowledge to proudly register as a Republican voter.

Two seniors I admired and looked up to introduced me to the Teenage Republican Club. Melissa Hill and Nicolete Lawrence were smart young women that I respected very much. I hoped to be like them when I was a senior and was extremely flattered when they recommended me for the 2–1 Federation for Republican Women Advocacy Workshop. While at the Advocacy, I was exposed to the true enthusiasm of the Republican Party. During the short two days in Sacramento, I learned from party members, including state legislators, where Republican stood on big issues and the little known issues. I learned from first hand experience how our state government operates and the importance of individuals in our society. Since the Advocacy, I have done my best to be involved in my political surroundings.

T.A.R.S. has given me the opportunity to fulfill my desires to play an active role in local government. Until last week, I was unable to vote, but through T.A.R.S. I assisted other people in taking advantage of their right to vote. I have registered voters at North County Fair and encouraged seniors around me to cast their votes. I have also assisted with the Federated Republican Women's Club fundraiser so that they could adequately publicize, encourage, educate, and spread Republican ideals. I personally feel the most satisfaction from being a leader, I know that the biggest impact I will make will be through my actions and not my words. With this in mind, I attempt to live each day in accordance to my faith and values which are inherently Republican. The best expression of my thoughts happens to be from the Republican Oath:

''I believe that Americans value and should preserve their feeling of national strength and pride, and at the same time, share with people everywhere a desire for peace and freedom and the extension of human rights throughout the world. Finally, I believe that the Republican Party is the best vehicle for translating these ideals into positive and successful principles of government.''

As I grow older, my appreciation for the freedoms of this country and the enthusiasm behind my beliefs will only become greater. I hope to take advantage of all opportunities to vote and never lose sight of the direction of our government. I will continue to serve our nation through my career and participation in the political process. I will also continue to proudly support the Grand Old Party.

A PROCLAMATION HONORING MONSIGNOR PAUL E. METZGER ON THE 60TH ANNIVERSARY OF ORDINATION

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. NEY. Mr. Speaker,

Whereas, Monsignor Paul E. Metzger celebrated the 60th anniversary of his ordination on April 17, 2003; and

Whereas, Monsignor Paul E. Metzger should be commended for his faithfulness to the church; and

Whereas, Monsignor Paul E. Metzger served as a pastor for the St. John Church in Bellaire, Ohio for 26 years; and

Whereas, Monsignor Paul E. Metzger continues to serve the community of Middletown as the Director of Residential Individual Options and through his dedication to the Holy Family Parish;

Therefore, I join with the residents of the entire 18th Congressional District in recognizing Monsignor Paul E. Metzger as he celebrates the 60th Anniversary of Ordination.

DEEPLY ROOTED PRINCIPLES

HON. RANDY ''DUKE'' CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Patrick Anabaldi, a member of the Valley Center Teenage Republican Club. He is currently a senior at Valley Center High School.

''As an active Teenage Republican Club (TARS) member for the past two years, I have come to realize what the Republican tenets are all about. The Republican Party has been around for quite a while now proving that it can stand the test of time. Over these years the GOP has also shown that it's economic and social policy are fully capable of leading this country into times of economic expansion

and much needed ethical revival. Some of the events that have aided in my political education include TARS meeting, the advocacy workshop, Advanced Placement (AP) Government class, and AP macroeconomics class. Because of the truth that the republican principles hold I have firmly established them into my own life.

One of the most politically education functions I have ever participated in was the Advocacy workshop, which took place in our state capital Sacramento. This was a TARS function supported by the charitable Federated Republican Women of Valley Center. During this trip I not only got to meet some powerful political leaders in today's world, but was also taught some key issues that separate us as republicans. For instance, I discovered why we hold to our economic ideals though the whole scandal that involved Gray Davis, electricity and our horrendous deficit here in California. At this point I began to see that Republicans have great solutions for our state and nation's numerous problems. At the conclusion of this trip I took advantage of the opportunity to tell the whole Valley Center Federated Republican Women's group what I had learned and how it had impacted my life. This was a clear milestone in the maturing of my political life. I was acting like a Republican not only by standing up and publicly proclaiming what I had leaned about the GOP, but also what I now believe.

I have earned the reputation of an accomplished scholar at VCHS by taking the hardest courses and excelling in them. AP government and AP Macroeconomics are the two current classes of mine that deal with politics. In these classes there is much debate about heated political issues, and this is another part of my life that reveals my sincerity to the republican values. I am known by my peers to thrive in this kind of environment not only because I know what I believe in as a republican, but also because I have a vehement passion to prove it right. I have revealed my opinion in class on countless issues. Some of these issues have dealt with fiscal policy, the role of our government bureaucracy, the office of the President, war and abortion. Not once has my view been contrary to that of the GOP, I am a proud member of the Republican Party!

Next year I will be attending a California University. These days Californian schools tend to be incredibly liberal. We've seen this in the news through 'war protests' and 'pro-choice rallies'. As a right-wing Republican it will be quite a task attending college. But I will persevere despite the obstacles in my path because of how deeply rooted the values are in my life.''

THE SAVE SOCIAL SECURITY FIRST ACT

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise today in support of a bill that will correct the mistake that the House made last week when it voted to repeal the estate tax. Not only that, but the Save Social Security First Act will also restore some credibility to the commitment that both parties in this House have made to safeguarding the Social Security trust fund.

In March of 2001, Speaker Hastert said, ''We are going to wall off Social Security trust funds.'' Two years later, our fiscal stability has eroded and we are racing towards half-trillion dollar annual deficits. Rather than protecting it, we are now dipping into the Social Security trust fund to finance another round of tax cuts for millionaires and billionaires. The wealthy few in our country are benefitting at the expense of the millions of seniors who currently rely on Social Security and the millions of American workers who will rely on it in the future.

The question is a simple one, Mr. Speaker. Would you rather add an additional $588 billion to the Social Security trust fund over the next 20 years, or give that money to families whose wealth already dwarfs the lifetime earnings of many Americans? The answer seems obvious. I believe that this House should keep its promise to protect Social Security and stop sacrificing the needs of the vast majority of Americans for the benefit of the privileged few. It is for these reasons that I have introduced the Save Social Security First Act.

The act will accelerate estate tax relief while not entirely repealing the tax. It raises the exemption amount to $3 million per person, or $6 million per couple, beginning in 2004, and dedicates all estate tax revenue to the Social Security trust fund. Many of those who voted to repeal the estate tax last week argued that the tax unjustly forces small business owners to sell their business in order to pay the tax rather than be able to pass the business on to the next generation. According to a Treasury Department study, however, this is very rarely the case. In only 1.6 percent of taxable estates did a family-owned business comprise at least half of the value of the estate, and that was with an exemption just one-fifth of what is proposed by the bill I have introduced. We do not need to fully repeal the tax in order to keep it from unfairly impacting small businesses.

Under the Save Social Security First Act, only the truly wealthy will remain subject to the estate tax, while 99.5 percent of families will be exempt from it. The whole country will benefit from the $588 billion that this bill will put into Social Security over the next 20 years. Over the next 75 years, it will make up for almost one quarter of the projected shortfall in Social Security funding.

Mr. Speaker, it's about time that we got our priorities straight. This bill says that even if you feel that fully repealing the estate tax is a priority, it is not a higher priority than ensuring the solvency of Social Security. It says that we should be committed to the growing number of seniors in our country. It says that we should be committed to today's workers who are depending on Social Security for their retirement. And it says that we should be committed to our children, who should not be forced to foot the bill of our fiscal irresponsibility.

I strongly urge this House to join me in supporting the Save Social Security First Act. We have two futures to choose from: on the one hand, we can make a tiny sliver of the wealthiest people in the country even wealthier. On the other, we can help save a program that will benefit untold millions of Americans for generations to come. This should be one of the easiest choices that we have made in a long time, and I hope to see my colleagues on both sides of the aisle join me to support this important bill.

JAMES ETTER HONORED BY THE SMALL BUSINESS ADMINISTRATION

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. WOLF. Mr. Speaker, I want to share with our colleagues that Mr. James Etter has been selected by the Small Business Administration, SBA, as a Virginia Small Business and Business Advocate Award winner, and named the Veteran Small Business Advocate of the Year for 2003. Mr. Etter is founder/chancellor of American Public University in Manassas, VA, and was also a winner at the regional level, receiving the Region III SBA award. SBA's Region III includes the States of Delaware, Maryland, Pennsylvania, Virginia, West Virginia and the District of Columbia. As the Region III winner, Mr. Etter is one of only 10 Veteran's Advocate winners in the Nation.

Mr. Etter, a retired U.S. Marine Corps officer, founded the university in 1991 to find innovative ways to empower veterans and active duty military, by providing educational opportunities. The university courses are delivered exclusively through distance learning. Before distance learning was an everyday concept, James Etter developed a way for veterans and active duty military stationed abroad or locked into rigid schedules to work toward their undergraduate or master of arts degrees. From an initial enrollment of 18 students, American Public University has grown to over 10,000 registered students, of which approximately 70 percent are active and reserve duty military. The nearly 600 faculty, 76 percent of whom are veterans, provide instruction and mentoring to students from all 50 States and 30 countries. I have been told that the university maintains the most expansive military studies, strategy and history curriculum in the world. Continuing education, through the flexibility of distance learning, affords veterans and active duty military the foundation they need to become entrepreneurs.

Virginia's SBA Award winners were honored at an Awards Gala in May that also celebrated the Small Business Administration's Richmond District Office's 50th Anniversary. Mr. Etter was nominated for the award by Linda Decker, who serves as president and CEO of the Flory Small Business Center in Manassas. She also serves as the chairman of the Virginia Small Business Awards Foundation.

Other winners included: Virginia Small Business Persons of the Year—Sharon Bennett, Founder & CEO and Evan Wooton, President, Premier Pet Products, LLC, Richmond; Runners Up for Small Business Person of the Year—Maxanne Taverniti, Williamsburg Group Tour Service, Williamsburg and James Cheng, President, Computer & Hi-Tech Management, Inc., Virginia Beach; Small Business Accountant Advocate of the Year—Elizabeth Moore, Partner, Goodman & Company, LLP, Newport News; Small Business Exporter of the Year—Marti Morenings, Universal Companies, Inc., Bristol; Financial Services Advocate of the Year—Teresa Walker, Vice President and Senior Community Development Officer, Wachovia Corporation, Roanoke; Small Business Journalist of the Year—Mary Flachsenhaar, Inside Business, Norfolk; Minority Small Business Advocate of the Year—Dr.

Donald Jones, Director, Office of Minority Procurement, University of Virginia, Charlottesville; Women in Business Advocate of the Year—Claire Gastañaga, Principal, CG2 Consulting, Richmond; Young Entrepreneur of the Year—Bryce Lee Robertson, LowTechWeb.com, Mechanicsville and Entrepreneurial Success of the Year—Dennis Gilbert, President, Tesoro Corporation, Virginia Beach.

ESSAY BY DANIEL ZAJDA

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Daniel Zajda, a member of the Valley Center Teenage Republican Club.

''As a T.A.R.S. member, I have worked hard for the Republican Party and have accepted the Republican values. These values have affected me in many ways and believe that they will stay positive in the future. For the past three years I have been an active supporter and beneficiary of the Teen Age Republicans at Valley Center High School. I have held many positions of office, including being a main contributor in the efforts of gaining an official club charter. As a Vice president in my sophomore year, I helped moderate the agenda and served as a stand in for the President, however, I didn't know much about the difference between conservatives and liberals, but all that eventually changed when I got the privilege to attend the Republican Advocacy Workshop in our state capitol. This particular journey opened my eyes to many of the problems that our state has burdened itself with, due to the incompetence of our governing office. After experience first hand what goes on at the capitol building, I realized the power of politics and eventually realized that I would lead a moral and conservative life as a Republican Party member.

The following year I was elected as President of the T.A.R.S. club and donated much of my time to the development and expansion of our organization. I can recall spending countless hours in hope of registering voters and urging people to get out and vote.

But now our country is dealing with different issues and right now is a great time for our nation to show their support and back our President. And that's exactly what the Republican Party is doing and I am proud to be a part of it.''

COMMENDING THE FIRST GRADUATING CLASS OF THE CONNECTICUT INTERNATIONAL BACCALAUREATE ACADEMY

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to pay tribute to a group of young constituents of mine in the First Congressional District. They are the first graduating class of the Connecticut International Baccalaureate Academy in my hometown of East Hartford. I would also like to specifically recognize one of the graduates, Alix Prinstil, for the extraordinary speech he gave at the graduation exercises, which I also had the honor of attending. Alix's words and the sentiments he expressed are of lasting value to the school and indeed to our entire education system in Connecticut. I am proud to insert his remarks into the RECORD today and again offer my sincerest congratulations to the Class of 2003.

GRADUATION EXERCISES

(Oration by Alix Prinstil)

So we've finally arrived at this day: Our High School Graduation Ceremony. Since I was in about 3rd grade, I dreamed about what it would be like at my high school graduation. This speech, as a matter of fact, was for the most part written in my mind for the past . . . let's see, 12th grade−4th grade = 8 years! I always pictured what the audience's reaction would be when I'd start off with:

''Many graduation speeches begin with, Graduation, Webster's Dictionary defines it as—the award or acceptance of an academic degree or diploma. But you won't hear such a definition in this speech.''

In light of what this program has brought to our attention, however, this definition that was probably established centuries ago barely skims the threshold of what ''graduation'' really means, especially for this C.I.B.A. class.

Ever since we were freshmen, I don't have to remind us how we've constantly been asked by not only friends, but parents and even strangers, the question: ''What is I.B.?'' But how many of us, except maybe Mr. Abelon, can even now give a detailed (or even correct) answer? If, at this point though, we were asked: What does IB do for a student?'', I think we could all give an appropriate response. To make a long explanation short, I'll partially quote the words of Mr. Abelon almost 4 years ago: ''It's a rigorous program established to produce a well-rounded-out individual.'' Well when he said ''rigorous'' that day, not only did I not know what I was in for, but I apparently didn't know what ''rigorous'' really meant.

We all walked in the first day with our middle school work ethic, bags that we'd soon discover weren't big enough, and among the presence of a group of approximately 50 people, most we never seen in our lives, and probably never would have. Never did I think that someone my age from towns like Marlborough and Ellington would be in the same classroom. It was through this school that every single one of us was able to see and experience diverse personalities and people from various towns of Connecticut. This diverse group of young people is one of the things within the Academy that I'll probably remember the most. And we've all grown along the way, now looking forward to this summer so we can catch up on the sleep we've lost.

But we can't just think about what we the students went through. Let me remind you, the audience: this is the first school in New England governed by the International Baccalaureate Organization. Our teachers were just as new and in for a treat just as much as we were. Those countless hours of homework that we received every night was put right back into the hands of our teachers who would sometimes experience countless hours of grading, whether it be watching our Chinese characters develop as we got older, reading how students explained why a dog isn't a cat, or grading a couple of derivative and integral problems. At this point, I'd really like to give a round of applause to the teachers who have gone through this alongside their students for the first 4 years of this school's establishment, to those who we've recently had, and to those we have had and lost.

Now after all of this reminiscing, we must examine what this graduation really means for us now and what it will mean for us in the future. When we go home this evening (whatever time that may be), what will we all think about? Parents: is the first thing that occurs to you going to be what color your child's room will be painted for that office or gym you always wanted after they go to college? Graduates: will you be wondering what you're going to do for fun tomorrow . . . if we can wake up for tomorrow? With 4 years of such great education behind us, I think we should all go home and take some time to reflect on the advantages we have gained over the majority of students in this state; country; and even the world.

Now for the backbone of this delivery; what I've been trying to lead into for the past 687 words . . .

I need to refer back to the beginning of this speech when I said that graduation means more than just receiving a diploma; more than just moving a tassel from one side of our hat to the other and officially ending the part of our lives as high school students. Graduation is what you make of it. And after experiencing life under the wings of the IBO, I should be correct when I say that the lives of each and every one of us will be successful ones, no matter where we go. When we have our 5 or 10-year reunion, or whenever Allison wants to organize it, I strongly doubt that my statement will be false. After 4 years of seeing the same exact faces everyday all day, we're finally each going our separate ways. College life is going to be much different from what we have had. Let's not forget exactly where we came from. We've put up with each other for what seemed forever. But I have to say something I realized just two days ago and that I got a little emotional when typing this: friends aren't always people you talk to everyday. There are a lot of people in the world that you may call a friend and could be one of the worst individuals to be involved with. But being with you guys for 4 years has showed me that there's greatness in every single one of you, things unmentionable to the mind's recollection, and that I really have to say I love you all. There was apparently apart in my heart that was being saved to be filled by a group of people, and I realized that the 21 of you, in each of your own ways, filled that void with a better feeling that I've had in a long time. The feeling I'll have for you next year is beyond the word ''miss''. I just hope the person I've been will be imprinted into your hearts as well. Please remember that this isn't goodbye, it's just ''see you later.''

Once again, I would like to thank Mr. Abelon for being patient with this class, the Governing Committee, the East Hartford Board of Education, Mr. Jordan, especially Dr. Fallon, our Guidance Counselor Mr.

Spiller for being there almost everyday for not only being a Guidance Counselor who organized our schedules, but a friend to talk to, teachers who made our high school transition the easiest and wonderful four years to look back on (I'd love to mention every single one but it would make this speech longer than it is), East Hartford High School staff but most importantly, the parents, who brought us onto this Earth, gave us life, and raised us to the best of their ability. And when I say best, I mean BEST. Whether they show it or not, every second we're alive on this Earth, they love us in a way we may not understand. We wouldn't be here today if it weren't for them. To this first CIBA graduating Class of 2003: The programs and tickets call this a Commencement of the Class of 2003. This means we're just starting where our lives will begin to pick up. Make this graduation one of dignity and remembrance; and treat today as your fast big step into the real world.

Thank you.

HONORING CHAIRMAN BOB STUMP

HON. DARRELL E. ISSA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. ISSA. Mr. Speaker, I rise tonight to remember the life and work of former Congressman Bob Stump. Mr. Stump was a true gentleman with whom I had the privilege of serving in this body for two years.

Before being elected to Congress, Mr. Stump served in the United States Navy and also served in the Arizona House of Representatives and in the Arizona State Senate.

He was first elected to Congress November 3, 1976, where he faithfully served the people of Arizona for 26 years in the U.S. House of Representatives. Mr. Stump was a man whose congressional career was spent working for our Nation's men and women in uniform. His commitment to the military and to our Nation's defense should be an example to us all.

I send my condolences to his wife Nancy, three children, and five grandchildren.

THE AMERICAN DREAM

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Elizabeth Hernandez, a member of the Valley Center Teenage Republican Club:

For many years people from Mexico have been coming to this country for a better opportunity, better life and a future for their children and family, the most common reason why they choose to come here, is because America gives them a chance to start a new life. They have special programs from which they can benefit, so they can progress in life and have something they can call their own. The economy has a great influence in this too. Mexico has many states that are very poor.

Economic issues are a strong reason why America is a good target for them. Mexico has many states that are poor and do not have the sufficient resources that a person should have during this century. Most towns are still without electricity, water pumps, and telephones. This makes daily life more difficult. They always hear that in America all of this is not an issue; that you can practically go everywhere and all of these resources are given to you. In Mexico, jobs are everywhere but they don't get enough money to have an average life. The cost of food constantly increases but the wages stay the same. That makes it harder to buy or afford anything. Here in America, we don't see that problem because if food or the daily necessity goes up, so does the minimum wage for every job. In Mexico, there is not a law that tells companies how much they have to pay their employees. Most of the time they pay a small amount of money for the amount of time they work. Some occasions they work up to sixteen hours straight a day for five or six days a week. Here in America you can't do that, the hours you can work is a maximum of forty hours a week; after that they have to pay you over time. When this happens in Mexico, parents can't afford to feed their children because they are not paid overtime. That is why they choose to come to America so they can have food on their table every night and a few other luxuries.

For that same reason, their education is affected. Most parents make their children work so they can get more money to be able to buy food and clothing. Usually the children drop out of school at an early age, some of them just complete the fifth grade. Children that keep on going to school usually have money or they live in the city. People that don't live in a major city don't have the same opportunity. In America there is always a public school minutes away from where you live even if you don't live in a major city. You are guaranteed a free education all the way until high school and after that you can also get a college education in a community college that is less expensive than a University. That is why the people of Mexico come to America so they can put food on their table and their children are guaranteed an education regardless from what country they originate. That is why the ''American Dream'' is the way they refer to America.

CONGRATULATIONS TO THE ALABAMA STATE DOCKS FOR 75 YEARS OF SERVICE TO SOCIETY

HON. JO BONNER

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. BONNER. Mr. Speaker, it gives me great pleasure to recognize the Alabama State Docks on the occasion of the 75th anniversary of its official dedication. The dedication took place on June 25, 1928, with several dignitaries attending, including Governor Bibb Graves, U.S. Congressman John McDuffie, U.S. Senator Hugo Black and the Assistant Chief of the United States Department of Transportation. Since that time, the port city of Mobile has enjoyed a lengthy history as an integral part of the State and National economy.

In 1519, just a short 27 years following Christopher Columbus's discovery of the New World, Spanish explorer Admiral Alvarez de Pineda sailed into what is now called Mobile Bay. The present-day city of Mobile was founded in 1702 by French explorers Jean Baptiste Le Moyne and Sieur de Bienville. The port of Mobile, which lies at the mouth of the Mobile River and the head of Mobile Bay, began contributing to the economy of the region by becoming one of the leading exporters of cotton. Since the early part of the 17th century, the port city has flourished to become Alabama's third largest city and among the national leaders in international trade.

The current 45 foot deep navigational channel, which is maintained by the U.S. Army Corps of Engineers, serves the port well in connecting Mobile to the Gulf of Mexico. The Mobile River, which is formed by the confluence of the Black Warrior and Tombigbee Rivers, functions as the gateway for the Tennessee/Tombigbee Waterway. The obvious economic possibilities and the lack of central organizational operation spurred the Alabama Legislature to submit a constitutional amendment to develop Alabama's Seaport with state financial assistance. The amendment was passed in 1922 and the State Docks Commission was formed to build, operate and maintain the facilities of the State Docks. With just $10 million to spend, the Commission chose retired Major General William L. Sibert to engineer and construct one of the finest seaports on the Gulf Coast. Construction was not yet completed when the new Docks received their first cargo ship in May of 1927.

The port, which ranked 14th in total tonnage in 1999, is ahead of other ports such as Tampa, Seattle, Charleston, and Savannah. Mobile also ranks first nationally in wood pulp and Gulf coast forest products exports. The State Docks has made an overwhelming impact on the State economy by generating approximately $3 billion in revenues statewide each year. With the ability to service many different products, the port continues to position itself among the leaders in international trade. And as a self-supporting enterprise agency of the executive branch of State government, the facilities prove that they can compete and operate to the benefit of not only the people of Alabama but also the Nation.

I ask my colleagues to join me today in recognizing the Alabama State Docks for 75 years of excellence and leadership in the shipping industry. The residents of Alabama and the American people have all benefited greatly from the Docks, existence and its important role in today's economy.

CONGRATULATIONS TO MS. KATHLEEN McGRATH ON ELECTION INTO NATIONAL TEACHERS HALL OF FAME

HON. CLIFF STEARNS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. STEARNS. The National Teachers Hall of Fame is an organization, which recognizes and honors exceptional teachers and the teaching profession. The Hall of Fame annually honors five teachers whom have demonstrated commitment and dedication to teaching our Nation's children. This year, I am fortunate to have one of my constituents, Kathleen McGrath, elected as a member of the Class of 2003.

Kathleen is a fifth grade teacher at Saddlewood Elementary School in Ocala, FL and has been teaching for 22 years at various schools throughout Marion County. Kathleen creates a learning environment in her class where students feel safe to take risks and

strive to do their personal best each day. Her classroom is a safe haven, where learning is natural and anything is attainable.

I would like to congratulate Ms. Kathleen McGrath on her election into the National Teachers Hall of Fame, and for continuing to provide the children of Marion County with a fun and inspiring learning environment.

INTERNATIONAL DAY IN SUPPORT OF THE VICTIMS OF TORTURE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SMITH of New Jersey. Mr. Speaker, as Chairman of the Commission on Security and Cooperation in Europe, I find myself dealing with the issue of torture many times over during the course of any given year—torture committed by Russian forces in Chechnya, systematic police abuse of Roma in Greece, prisoners tortured to death in Uzbekistan, to give just a few recent examples. Unfortunately, torture remains the weapon of choice by many oppressive regimes, systematically used to silence political opposition, punish religious minorities, or target those who are ethnically or racially different from those in power.

But on the occasion of the United Nations' Day in Support of the Victims of Torture, I'd like to reflect on the steps that can be taken to help prevent torture from occurring in the first place.

Torture is prohibited by a multitude of international instruments, including documents of the Organization on Security and Cooperation in Europe (OSCE). Moreover, it is absolute and nonderogable under any circumstances, even wartime. The challenge, then, is to translate this commitment into practice.

Amnesty International has issued a number of recommendations to help end torture. They are remarkably straightforward and easy to grasp: officials at the highest level should condemn torture; governments should ensure access to prisoners; secret detentions should be prohibited; and confessions obtained through torture should be excluded from evidence in the courtroom. I believe the implementation of these fundamental principles would have a significant impact in reducing torture. At the OSCE Parliamentary Assembly's Annual Session two years ago, I introduced a resolution, passed by the Assembly, that built on these basic concepts.

While we work to eradicate torture, we must not forget those who have already become its victims. Along with Representative TOM LANTOS, I have introduced H.R. 1813, legislation to re-authorize the Torture Victims Relief Act and the list of cosponsors is growing. The Senate companion bill, S. 854 was introduced by Senator COLEMAN. This reauthorization will continue funding for centers here in the United States that help provide treatment for the estimated half million survivors, most of whom came to this country as refugees. It will also provide funds, distributed through the Agency for International Development or the U.N. Voluntary Fund for the Victims of Torture, for treatment centers abroad. While life for torture survivors can never be the same, treatment can provide victims the hope of becoming stable and productive members of their communities. I urge my colleagues in the House to join in supporting this measure as a tangible support of the victims of torture.

HONORING DR. JAN VAN WAGTENDONK

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Dr. Jan van Wagtendonk, who recently received the 2002 Excellence in Wilderness Stewardship Research Award. Van Wagtendonk was presented the award on June 12, 2003 at the Forest Service's 2002 National Wilderness Awards ceremony in Arlington, VA.

Dr. Wagtendonk has been involved in wilderness science for over 30 years. Van Wagtendonk grew up in Indiana where he studied forestry at Purdue University. During the summer, he worked as a smokejumper for the U.S. Forest Service and the Bureau of Land Management. This led him to Oregon State University where he received his B.S. in Forest Management. He then served four and a half years in the U.S. Army as an officer in the 101st Airborne Division where he was also an advisor to the Vietnamese army. He entered graduate school at University of California, Berkeley where he received his M.S. in Range Management and his Ph.D. in Wildland Resource Science with a specialty in fire ecology. From 1972 through 1993, van Wagtendonk was a research scientist with the National Park Service at Yosemite National Park. Since then he has been a research scientist with the U.S. Geological Survey. In 2001, van Wagtendonk was chosen to be an invited speaker at the 7th World Wilderness Congress held in South Africa.

Through his extensive research, interagency wilderness programs in the Sierra Nevadas have improved greatly. His contributions have not only helped in Yosemite, but across the country, with his work on fuels dynamics, fire prescriptions, remote sensing and the application of geographic information systems to fire management. The techniques developed through van Wagtendonk's work have been used in the wildernesses of national forests in Oregon, North Carolina and California. Dr. David Parsons nominated van Wagtendonk for this because ''his dedication to providing sound science to the challenging dilemmas facing wilderness managers in Yosemite and across the country is unparalleled.''

Mr. Speaker, I urge my colleagues to join me in recognizing Dr. Jan van Wagtendonk for his significant and steadfast efforts to preserve and manage the wilderness of the United States.

SUPPORTING THE EFFORTS OF PUBLIC TRANSPORTATION ADVOCATES

HON. EARL BLUMENAUER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. BLUMENAUER. Mr. Speaker, I rise today to show my support for the efforts of public transportation advocates around the country.

Today, the National Alliance of Public Transportation Advocates (NAPTA) is distributing a letter to the Hill, which asks Congress to double the investment in public transportation to $14 billion by FY2009 when it reauthorizes the federal surface transportation program.

Providing increased, guaranteed transit funding is critical to improving the livability of our communities. In Portland, we have been proud to be leaders in understanding the connection between land use and transportation. Our light rail system has not only provided additional choices to our residents, it has also helped with environmental problems.

Portland's transit system, Tri-Met, has the 13th largest ridership in the nation, despite being only the 29th largest transit district. Rider totals increased 65 percent the last decade. This growth is a reflection of the increased transit investment provided by the federal, state and local levels. In my community, transit truly is making a difference in the quality of life for our citizens.

NAPTA also points to the strong success of such existing programs as the Congestion Mitigation and Air Quality (CMAQ), Enhancements, and Transportation and Community and System Pilot Preservation Program (TCSP).

Communities nationwide are experiencing the flexibility and freedom of having more public transportation choices. For every federal dollar invested in public transportation as many as $6 are returned in congestion reduction, safety benefits and access to economic opportunity. At the same time, 47,500 jobs are created for each $1 billion invested. Increasing guaranteed federal funding in public transportation can bring these benefits to people across the country.

TRIBUTE TO THE EMPLOYEES OF WYETH-PHARMACEUTICALS IN RICHMOND, VIRGINIA

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CANTOR. Mr. Speaker, the breakthroughs in medicine now occurring on a daily basis were unimaginable 40 years ago when Medicare was established. Seniors lead better lives due to these research breakthroughs and new prescription drugs; however, these medical breakthroughs are meaningless if seniors cannot access these lifesaving medications prescribed by their doctor.

Last year a constituent of mine from Bumpass, Virginia wrote me because she could not afford her mother's private assisted living care. She was paying over $550 a month for her mother's prescription drugs, and those huge costs severely limited the care available for her mother. I can only imagine how heartbreaking a decision this must have been for a daughter and her mother—choosing medicine over assisted living care.

That is why I want to recognize the 1,465 Richmond-based employees of Wyeth-Pharmaceuticals, a world-class pharmaceutical research company. These employees participate in charitable company program that offers patients lifesaving medications, free of charge.

The Wyeth Patient Assistant Program has been a very successful way for seniors in Richmond and the Nation to get lifesaving medicines free of charge. Wyeth employees are good community partners for Richmond and a group of people that we need to recognize for their kindness and compassion.

But we as Americans can and must do more to help our seniors afford prescription drugs.

Providing voluntary prescription drug coverage to Medicare beneficiaries will ensure that America's seniors will be able to enjoy their golden years while we as their children and grandchildren will be able to enjoy their wisdom and good health. Both a noble and worthy cause.

TRIBUTE TO THE HONORABLE BOB STUMP

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SKELTON. Mr. Speaker, today I join my colleagues as we pay tribute to our friend, Bob Stump of Arizona. I was deeply saddened to learn of his passing last weekend. I join my colleagues in extending our deepest sympathy to Bob's wife, Nancy, his children, and his entire family.

Bob Stump was my first friend in Congress. Almost 26 years ago, two newly-elected Members of Congress sat down next to each other at an organizational caucus for the 95th Congress, and formed a friendship that has endured and grown through the years. You have to understand that when we met, Bob Stump and I thought we were pretty important. After all, we had both served in the State Legislatures of Arizona and Missouri—as Senators. But we both adjusted and came to love the House of Representatives.

It should be no surprise that I liked Bob from the first time I met him. I could tell immediately that he was a person of character and integrity. He was a true son of the old Southwest:

Strong, yet gentle.
Tough, yet compassionate.
Fiercely independent, yet unfailingly loyal.

He was born in Phoenix in 1927, just 15 years after Arizona joined the Union as the 48th State. He was only 16 when he demonstrated the love of country and the patriotism that would characterize his life in public service. He left high school to join the Navy in 1943, and before his 20th birthday, he had served in combat in World War II. It was no doubt during this time that Bob acquired his life-long respect for the men and women who serve our Nation in uniform. This respect became a commitment, and the commitment became the hallmark of Bob's service here in Congress. As Chairman of both the Armed Services Committee and the Veterans Committee, he worked tirelessly on behalf of our men and women in uniform and our veterans.

No one has done more to ensure that our military and their families have decent pay and benefits, the best equipment and training, and quality housing and facilities. No one has done more to ensure that our Nation honors its commitments to its veterans.

Only last October, Bob's portrait was unveiled at the Armed Services Committee and placed up on the wall where it belongs—among the other great leaders who have chaired the Committee through the years. I feel blessed that I had the opportunity to work closely with Bob during the past two years in my role as Ranking Member of the House Armed Services Committee. As Chairman, he was respectful of others, fair, and honorable. Knowing him as I do, I would have expected no less. On most issues which Congress has faced over these many years, we agreed. On those rare occasions where we did not agree, our disagreement never got in the way of our friendship, and for that I am grateful.

KELLY SHINN'S ESSAY

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CUNNINGHAM. Mr. Speaker, I rise today to read the essay of Kelly Shinn, a member of the Valley Center Teenage Republican Club.

Being a part of the Teenage Republican club and working for the Republican Party means I have accepted the republican values. By accepting these values I have so far been affected by the party's efforts to keep public schools excellent and accountable. These values will also affect me in the future.

The value of ensuring affordable and accessible health care for children, families, and seniors has already affected my life. Without affordable health care I would not have been able to receive the medical assistance I needed to treat my Irritable Bowel Syndrome and get rid of a stomach parasite. These values will also affect my future and the future of my family. When I start a family of my own I will need affordable health care to keep my husband and children healthy and safe.

Also the value to ensure excellent and accountable public schools for children has already affected and will continue to affect me later in life. I have always attended public schools and because of the Republican Party's fight to keep the public school districts accountable, I have received a wonderful education. My education has given me the confidence I need to continue learning after high school. Keeping schools accountable and excellent will also affect my children. I want to give my children the same opportunity to receive a solid education and the only way to do this is to support the Republican Party.

All of the values that are held by the Republican Party will help secure a government that exists to protect the freedom of each individual. And this means that America will continue to be the home of the brave.

IN RECOGNITION OF CHRISTOPHER BALOGH FOR BEING HONORED WITH THE CONGRESSIONAL AWARD GOLD MEDAL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SHAW. Mr. Speaker, I rise today to recognize Christopher Balogh of Jupiter, FL, for receiving the Congressional Award Gold Medal. It is my pleasure to congratulate this fine young resident of the 22nd Congressional District of Florida who has been incredibly dedicated to the betterment of not only his community but himself.

Mr. Speaker, the Congressional Award Gold Medal requires more than 3 years to complete a minimum of 800 hours of community service, 200 hours in both personal development and physical fitness, in addition to a total of four nights of expedition/exploration. These are cumulative hours as Christopher has previously earned the Bronze and Silver Medals. I applaud his hard work and dedication.

Mr. Speaker, I would like to again congratulate Christopher Balogh of my district who is being presented with the Congressional Award Gold Medal today. The outstanding work done by this dedicated young man has been truly influential in his community, and I congratulate him as he is recognized among the Nation's most outstanding young people.

RECOGNIZING THE COMMITTEE FOR CITIZEN AWARENESS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. CRANE. Mr. Speaker, at a time when strained Federal, State, and local budgets are affecting our country's funding for the education of our people, some individuals and organizations in our private sector are doing something about it. They have combined efforts with the Committee for Citizen Awareness (CCA) to provide all the secondary schools and many others in their area with free educational videotapes. These videotapes explain civic issues about our country and how our government works.

The CCA is a nearly two-decade-old not-for-profit organization that produces and distributes award-winning educational videotapes that focus on civic issues. These videotapes feature appearances by people such as Secretary of State Colin Powell, Supreme Court Justice Ruth Bader Ginsburg, many Members of the U.S. House of Representatives, U.S. Senators, and other pertinent individuals.

The subjects covered in these videotapes are particularly important for a number of reasons. For example, although America is the world's greatest democracy, our people vote at a rate lower than any other country. Surveys have shown that one of the major reasons for not using the right to vote is a general lack of understanding of our government and the citizen's role in it. One of the many civic goals of the CCA and these civic-minded individuals and organizations is to correct this problem with the gift of these educational videotapes.

The videotapes are given free to all the public and private high schools, community and junior colleges, community access television stations, and to many libraries and chambers of commerce. Our country and our democracy are better because of the efforts of the CCA and because of its countless dedicated sponsors.

IN RECOGNITION OF ELIZABETH COUNTS FOR BEING HONORED WITH THE CONGRESSIONAL AWARD GOLD MEDAL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SHAW. Mr. Speaker, I rise today to recognize Elizabeth Counts of Jupiter, FL, for receiving the Congressional Award Gold Medal. It is my pleasure to congratulate this fine young resident of the 22nd Congressional District of Florida who has been incredibly dedicated to the betterment of not only her community but herself.

Mr. Speaker, the Congressional Award Gold Medal requires more than 3 years to complete a minimum of 800 hours of community service, 200 hours in both personal development and physical fitness, in addition to a total of four nights of expedition/exploration. These are cumulative hours as Elizabeth has previously earned the Bronze and Silver Medals. I applaud her for her hard work and dedication.

I would also like to take this opportunity to recognize Elizabeth's advisor, Ms. Lynn Lyons, who has shown tireless dedication to the Youth Congressional Award and has mentored countless youth over the years. The relationship between Ms. Lyons and her students has been an extraordinary one. Ms. Lyons is now retired after her years of teaching at St. Mark's Episcopal School.

Mr. Speaker, I would like to again congratulate Elizabeth Counts of my district who is being presented with the Congressional Award Gold Medal today. The outstanding work done by this dedicated young women has been truly influential in her community, and I congratulate her as she is recognized among the Nation's most outstanding young people.

HONORING RALPH NURNBERGER

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. MORAN of Virginia. Mr. Speaker, today I rise to honor Mr. Ralph Nurnberger who was honored by Georgetown University with their Excellence in Teaching Faculty Award. His dedication to the students and the Liberal Studies Program at Georgetown makes him most deserving of this honor.

Ralph has extensive experience on Capitol Hill. In former Senator James Person's office as the foreign policy legislative assistant and as professional staff on the Senate Foreign Relations committee, he became an international affairs expert.

After his time on the Hill, Ralph became a Senior Fellow and director of congressional relations at the Center for Strategic and International Studies, and later worked for eight years as a lobbyist with the American Israel Public Affairs Committee. Following the historic signing of the Oslo Accords, he was appointed as the Executive Director of ''Builders of Peace,'' an organization set up under the guidance of Vice President Al Gore to aid in the Arab-Israeli peace process. Through his work, Ralph can lead us down a roadmap to a sustainable peace.

Currently, Ralph is with Preston Gates Ellis and Rouvelas Meeds law firm and also heads the government relations firm, Nurnberger and Associates. He has also published extensively and written several books, sharing his insight and knowledge on the Middle-East and the foreign policy of the United States.

While his work with all of these organizations is impressive and worthy of praise, it is through his teaching that he has touched the most lives. Ralph's students have always showered him with the highest praise and always leave his classes with insights that only Professor Nurnberger can give. He engages his students and helps them to understand the most complicated situations through his real life experiences.

Most importantly, Ralph has taught his students how to have a debate over a contentious issue with civility. He encourages his students to hold conversations based on facts, rather than with the emotional intensity that some subjects conjure. Through his classes, Ralph has taught students to be thoughtful and considerate when engaged in civil discourse, something that is too rare in this world.

Ralph Nurnberger is very deserving of this award from Georgetown University. He has helped shape the minds of his students and colleagues with insights on the major issues facing the United States. I congratulate Ralph on all his accomplishments, and I look forward to seeing him one day in a deserved position of national leadership on international relations. Our Nation would be very well served.

IN RECOGNITION OF MATTHEW MILLS FOR BEING HONORED WITH THE CONGRESSIONAL AWARD GOLD MEDAL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SHAW. Mr. Speaker, I rise today to recognize Matthew Mills of Jupiter, FL, for receiving the Congressional Award Gold Medal. It is my pleasure to congratulate this fine young resident of the 22nd Congressional District of Florida who have been incredibly dedicated to the betterment of not only his community but himself.

Mr. Speaker, the Congressional Award Gold Medal requires more than 3 years to complete a minimum of 800 hours of community service, 200 hours in both personal development and physical fitness, in addition to a total of four nights of expedition/exploration. These are cumulative hours as Matthew has previously earned the Bronze and Silver Medals. I applaud his hard work and dedication.

I would also like to take this opportunity to recognize Matthew's advisor, Ms. Lynn Lyons, who has shown tireless dedication to the Youth Congressional Award and has mentored countless youth over the years. The relationship between Ms. Lyons and her students has been an extraordinary one. Ms. Lyons is now retired after her years of teaching at St. Mark's Episcopal School.

Mr. Speaker, I would like to again congratulate Matthew Mills of my district who is being presented with the Congressional Award Gold Medal today. The outstanding work done by this dedicated young man has been truly influential in his community, and I congratulate him as he is recognized among the Nation's most outstanding young people.

IN HONOR OF THE MINORITY BUSINESS AND PROFESSIONALS NETWORK'S ''FIFTY INFLUENTIAL MINORITIES IN BUSINESS'' ANNUAL AWARDS GALA

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. MENENDEZ. Mr. Speaker, I rise today to honor fifty men and women for their outstanding achievements as influential leaders in business. They will be recognized at the Minority Business and Professionals Network's 5th Annual Award Gala at the Crystal Gateway Marriott in Crystal City, Virginia, on June 25, 2003.

The fifty men and women being honored represent a leadership that is diverse, innovative, and incredibly driven. While there have been impressive advancements for minority-owned businesses and minority business leaders, there is much work to be done, and it is critical that such leadership continues to gain strength. These awardees help ensure that minority leadership is growing, and that the voices of minorities are not ignored. Their influence is critical to securing the future success of minority-owned businesses, and their efforts and achievements are a symbol of the strength of minority leadership. As dynamic leaders in their fields and in their communities, their accomplishments are an inspiration to all those looking to succeed.

I would like to recognize the importance of the Minority Business and Professionals Network for providing critical resources that continue to support minority-owned businesses. I thank the Network and its president, Debra Williams, for providing an opportunity to recognize and acknowledge these important leaders.

Today, I ask my colleagues to join me in honoring the Fifty Influential Minorities in Business and congratulating them on their achievements. I wish them continued success as they continue to lead the way for minorities in business.

HUMAN RIGHTS IN CUBA

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. JONES of North Carolina. Mr. Speaker, I rise today to submit this letter to the Editor for the CONGRESSIONAL RECORD.

The letter was written by a man for whom I have endless respect my friend Ray Flynn, the President of the American Catholic Alliance, former Mayor of Boston and U.S. Ambassador to the Vatican.

Like myself, Ambassador Flynn believes strongly in fighting for increased human rights and religious freedom throughout the world.

I support Ambassador Flynn and the entire American Catholic Alliance in their efforts to right the wrongs in Cuba.

I would like to enter this document from Ambassador Flynn, entitled, ''Human Rights in Cuba'' for the RECORD.

HUMAN RIGHTS IN CUBA

Dear Editor: Pope John Paul II publicly released a letter that the Vatican sent to Fidel Castro a couple of weeks ago expressing dismay at Cuba's crackdown on political dissent.

The pope personally appealed to Castro to show leniency with dissidents recently given harsh prison sentences and denounced the execution of the men who seized a ferry to reach the United States.

The letter, which was signed by the Vatican Secretary of State Angelo Cardinal Sodano, stated in part, ''The Holy Father felt deeply pained when he learned of the harsh sentences recently imposed on numerous Cuban citizens. And even, for some of them, the death penalty.'' Thus far, Castro has not acknowledged the letter.

Speaking at a political luncheon in Boston and also later on MSNBC national television on Saturday, I said, ''Castro has a human rights record of shame. He has oppressed and persecuted many Cubans including those in the Catholic Church and priests whose only objective was to teach the world about God.'' The U.S. Government and the international community have closed their eyes to this injustice and terror in Cuba for forty years.

Cuba sits only ninety miles off the United States coast, but it continues to be one of the world's worst violators of human rights. When you see what has been happening in Cuba these many years, you have to be concerned about whether we have lost our moral compass. Our government policy of looking the other way when it comes to human rights abuses must be changed. When members of the U.S. Congress visit Castro in the future, they should demand that the Cuban leader recognize and respect the God given rights of all individuals. Our policy in Cuba has been a failure. Economic boycotts and expanding business opportunities have not worked.

Pope John Paul II has been a clear and consistent moral voice on human rights issues throughout the world, but the international community must be equally committed.

IN RECOGNITION OF PETER BRANNEN, FOR BEING HONORED WITH THE CONGRESSIONAL AWARD GOLD MEDAL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SHAW. Mr. Speaker, I rise today to recognize Peter Brannen of Palm Beach Gardens, Florida for receiving the Congressional Award Gold Medal. It is my pleasure to congratulate this fine young resident of the 22nd Congressional District of Florida who has been incredibly dedicated to the betterment of not only his community but himself.

Mr. Speaker, the Congressional Award Gold Medal requires more than three years to complete a minimum of 800 hours of community service, 200 hours in both personal development and physical fitness, in addition to a total of four nights of expedition/exploration. These are cumulative hours as Peter has previously earned the Bronze and Silver Medals. I applaud him and his hard work and dedication.

I would also like to take this opportunity to recognize Peter's advisor, Ms. Lynn Lyons, who has shown tireless dedication to the Youth Congressional Award and has mentored countless youth over the years. The relationship between Ms. Lyons and her students has been an extraordinary one. Ms. Lyons is now retired after her years of teaching at St. Mark's Episcopal School.

Mr. Speaker, I would like to again congratulate Peter Brannen of my district who is being presented with the Congressional Award Gold Medal today. The outstanding work done by this dedicated young man has been truly influential in his community of Florida, and I congratulate him as he is recognized among the nation's most outstanding young people.

IN MEMORY AND PRAISE OF MAYNARD HOLBROOK JACKSON

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. OWENS. Mr. Speaker, I join with all of my colleagues, with the family and with all Americans in mourning the passage of a great political leader and a personal friend, Mayor Maynard Jackson. I rise to salute the outstanding achievements of the former Mayor of Atlanta who was also a national political leader and a major asset of the Democratic Party. But before I sound the loud trumpets which are appropriate for the highlighting of Mayor Jackson's public life, I would like to pause and note my fond personal memories of Maynard.

In the Morehouse College class of 1956 he was my classmate. But even more intimate than that space were the roles we shared as part of an experimental program sponsored by the Ford Foundation. Maynard and I were two of 30 college freshmen who had been admitted without completing the last 2 years of high school. Most of the so called ''Ford Boys'' were 16 years old. Maynard was the youngest at age 14.

Maynard was a native of Atlanta, the location of Morehouse College. He was a member of one of the oldest African American leadership families. Maynard even at that early age had a strong sense of mission and personal responsibility. Despite his youth he became the host for our group of 30 special students. We were from very different worlds. My father was a factory worker who had never earned more than the minimum wage. But during that freshman year Maynard's father who was the minister of one of Atlanta's most prestigious churches, died suddenly. My mother also died in the Spring of that year. Few understand better than I did the sudden escalated maturation of the 14 year old Maynard. It was probably the first great crisis of his life but he rallied his personal resources and he overcame that great emotional obstacle. It was a challenge which set a pattern for the rest of his life and career.

My classmate, Mayor Maynard Jackson leaves a clear and shining legacy for all to see and for African American leaders to utilize as a guiding beacon. Mayor Maynard sought power and through a very creative strategy and set of tactics he won power. But the truly distinguishing achievement of Mayor Maynard Jackson was his bold and uncompromising use of his power to further empower the African American community of Atlanta. In very concrete dollar and cents terms he confronted the business elite of Atlanta and forced the opening of new doors of significant business opportunities for minorities.

Under Mayor Jackson's early leadership as Mayor, Atlanta City contracts soared from less than 1 per cent in 1973 to 39 per cent within 5 years. Many of these contracts were related to the construction of the expanded world class Atlanta airport. It is believed that several dozen new black millionaires were created via Maynard's mandated joint venture models. It is important to note that the airport expansion was still completed ahead of time and under budget. For African Americans unprecedented new opportunities were opened up as a result of the Mayor's confrontation with the white business establishment. Maynard Jackson could never be called an ''empty suit'' concerned only with the ceremony and symbolism of being the first Black Mayor of Atlanta. The legacy he leaves is a lesson for all African American leaders: power is acquired for the purpose of empowering those who lacked power before. Martin Luther King's movement and the Voting Rights Act were constructed, not to install peacocks with their limited agendas for personal wealth and fame; instead the assumption of public office is a method of extending the struggle.

Let it be noted and fully understood that Maynard Jackson had to pay a price for his courage and his boldness on behalf of the continuing struggle. When he left office as Mayor, the white establishment attempted to lynch him economically by denying him an appropriate berth in the private sector. Fortunately, it was one more hurdle which Maynard overcame. More of the story of the battle of Atlanta must be told in order for the legacy to be understood clearly. Mayor Maynard Jackson was more than just a successful politician. He was a trailblazer, a hero who set high standards that all African American public officials must measure up to in performance.

ANNE E. SMITH—2003 PRESIDENTIAL SCHOLAR

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Ms. CARSON of Indiana. Mr. Speaker, it is with a great sense of pride that I rise today to extend heartfelt congratulations to Anne Elizabeth Smith, 2003 Presidential Scholar, Indianapolis, IN.

Anne is a recent graduate of North Central High School, Indianapolis, IN. Her myriad achievements include the prestigious Indiana Honor Diploma and the North Central Honor Diploma. Anne will continue her education at Williams College, Williamstown, MA.

The United States Presidential Scholars Program was established in 1964, by Executive Order of the President. This program was established to recognize and honor some of our Nation's distinguished graduating high school seniors. In almost 40 years since this program was implemented, 4,000 students have been recognized for their outstanding

achievement in leadership, scholarship, and community.

I would like to welcome Anne to Washington, DC, for National Recognition Week, where scholars are recognized for their academic achievements.

I would also like to thank Anne's parents, David and Alyson Smith, for providing Anne with the exceptional parental guidance that has contributed to her success.

I ask the House of Representatives to join me in saluting this extraordinary young woman for her academic excellence.

IN RECOGNITION OF CHAD VEZIN FOR BEING HONORED WITH THE CONGRESSIONAL AWARD GOLD MEDAL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 25, 2003

Mr. SHAW. Mr. Speaker, I rise today to recognize Chad Vezin of Jupiter, Florida for receiving the Congressional Award Gold Medal. It is my pleasure to congratulate this fine young resident of the 22nd Congressional District of Florida who has been incredibly dedicated to the betterment of not only his community but himself.

Mr. Speaker, the Congressional Award Gold Medal requires more than three years to complete a minimum of 800 hours of community service, 200 hours in both personal development and physical fitness, in addition to a total of four nights of expedition/exploration. These are cumulative hours as Chad has previously earned the Bronze and Silver Medals. I applaud him for his hard work and dedication.

I would also like to take this opportunity to recognize Chad's advisor, Ms. Lynn Lyons, who has shown tireless dedication to the Youth Congressional Award and has mentored countless youth over the years. The relationship between Ms. Lyons and her students has been an extraordinary one. Ms. Lyons is now retired after her years of teaching at St. Mark's Episcopal School.

Mr. Speaker, I would like to again congratulate Chad Vezin a resident of my district who is being presented with the Congressional Award Gold Medal today. The outstanding work done by this dedicated young man has been truly influential in his community, and I congratulate him as he is recognized among the nation's most outstanding young people.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 26, 2003 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 9

10 a.m.

Indian Affairs

To hold oversight hearings to examine the Indian Gaming Regulatory Act.

SD–106

JULY 16

10 a.m.

Indian Affairs

To hold hearings to examine S. 556, to amend the Indian Health Care Improvement Act to revise and extend that Act.

SR–485

JULY 23

10 a.m.

Indian Affairs

To hold hearings to examine S. 556, to amend the Indian Health Care Improvement Act to revise and extend that Act.

SR–485

Judiciary

To hold oversight hearings to examine certain pending matters.

SD–226

JULY 30

10 a.m.

Indian Affairs

To hold hearings to examine S. 578, to amend the Homeland Security Act of 2002 to include Indian tribes among the entities consulted with respect to activities carried out by the Secretary of Homeland Security.

SR–485

Daily Digest

HIGHLIGHTS

House Committee ordered reported the following appropriations for fiscal year 2004: Labor, HHS, Education and Related Agencies; Interior and Related Agencies; and Agriculture, Rural Development, FDA and Related Agencies.

House Committee ordered reported eight sundry measures.

Senate

Chamber Action

Routine Proceedings, pages S8479–S8604

Measures Introduced: Twelve bills and four resolutions were introduced, as follows: S. 1326–1337, and S. Res. 183–186. **Page S8559**

Measures Reported:

S. 1334, to facilitate check truncation by authorizing substitute checks, to foster innovation in the check collection system without mandating receipt of checks in electronic form, and to improve the overall efficiency of the Nation's payments system. (S. Rept. No. 108–79)

S. 498, to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the Nation, with an amendment.

Pages S8558–59

Measures Passed:

Michael J. Healy Post Office: Senate passed H.R. 825, to redesignate the facility of the United States Postal Service located at 7401 West 100th Place in Bridgeview, Illinois, as the "Michael J. Healy Post Office Building", clearing the measure for the President. **Page S8598**

Floyd Spence Post Office: Senate passed H.R. 917, to designate the facility of the United States Postal Service located at 1830 South Lake Drive in Lexington, South Carolina, as the "Floyd Spence Post Office Building", clearing the measure for the President. **Page S8598**

Cesar Chavez Post Office: Senate passed H.R. 925, to redesignate the facility of the United States Postal Service located at 1859 South Ashland Avenue in Chicago, Illinois, as the "Cesar Chavez Post Office", clearing the measure for the President.

Page S8598

James R. Merry Post Office: Senate passed H.R. 981, to designate the facility of the United States Postal Service located at 141 Erie Street in Linesville, Pennsylvania, as the "James R. Merry Post Office", clearing the measure for the President.

Page S8598

Delbert L. Latta Post Office: Senate passed

H.R. 985, to designate the facility of the United States Postal Service located at 111 West Washington Street in Bowling Green, Ohio, as the "Delbert L. Latta Post Office Building", clearing the measure for the President. **Page S8598**

Dr. Roswell N. Beck Post Office: Senate passed H.R. 1055, to designate the facility of the United States Postal Service located at 1901 West Evans Street in Florence, South Carolina, as the "Dr. Roswell N. Beck Post Office Building", clearing the measure for the President. **Page S8598**

Norman D. Shumway Post Office: Senate passed H.R. 1368, To designate the facility of the United States Postal Service located at 7554 Pacific Avenue in Stockton, California, as the "Norman D. Shumway Post Office Building", clearing the measure for the President. **Page S8598**

General Charles Gabriel Post Office: Senate passed H.R. 1465, to designate the facility of the United States Postal Service located at 4832 East Highway 27 in Iron Station, North Carolina, as the "General Charles Gabriel Post Office", clearing the measure for the President. **Pages S8598–99**

Timothy Michael Gaffney Post Office: Senate passed H.R. 1596, to designate the facility of the

United States Postal Service located at 2318 Woodson Road in St. Louis, Missouri, as the ''Timothy Michael Gaffney Post Office Building'', clearing the measure for the President. **Page S8599**

Admiral Donald Davis Post Office: Senate passed H.R. 1609, to redesignate the facility of the United States Postal Service located at 201 West Boston Street in Brookfield, Missouri, as the ''Admiral Donald Davis Post Office Building'', clearing the measure for the President. **Page S8599**

Dr. Caesar A.W. Clark, Sr. Post Office: Senate passed H.R. 1740, to designate the facility of the United States Postal Service located at 1502 East Kiest Boulevard in Dallas, Texas, as the ''Dr. Caesar A.W. Clark, Sr. Post Office Building'', clearing the measure for the President. **Page S8599**

Patsy Takemoto Mink Post Office: Senate passed H.R. 2030, to designate the facility of the United States Postal Service located at 120 Baldwin Avenue in Paia, Maui, Hawaii, as the ''Patsy Takemoto Mink Post Office Building'', clearing the measure for the President. **Page S8599**

Ronald Reagan Post Office: Senate passed S. 867, to designate the facility of the United States Postal Service located at 710 Wick Lane in Billings, Montana, as the ''Ronald Reagan Post Office Building''. **Page S8598**

Walt Disney Post Office: Senate passed S. 1207, to redesignate the facility of the United States Postal Service located at 120 East Ritchie Avenue in Marceline, Missouri, as the ''Walt Disney Post Office Building''. **Page S8598**

National Internet Safety Month: Senate agreed to S. Res. 185, expressing the sense of the Senate with respect to raising awareness and encouraging education about safety on the Internet and supporting the goals and ideals of National Internet Safety Month. **Pages S8599–S8600**

Environmental Policy and Conflict Resolution Advancement Act: Senate passed S. 163, to reauthorize the United States Institute for Environmental Conflict Resolution. **Page S8600**

Joseph A. De Laine Posthumous Gold Medal Award Act: Senate passed S. 498, to authorize the President to posthumously award a gold medal on behalf of Congress to Joseph A. De Laine in recognition of his contributions to the Nation, after agreeing to the committee amendment. **Page S8600**

Prescription Drug and Medicare Improvement Act: Senate continued consideration of S. 1, to amend title XVIII of the Social Security Act to make improvements in the Medicare program, to provide prescription drug coverage under the Medicare program, taking action on the following amendments proposed thereto: **Pages S8479–S8546**

Adopted:

By 94 yeas to 1 nay (Vote No. 242), Snowe/Bingaman Amendment No. 972, to provide reimbursement for Federally qualified health centers participating in Medicare managed care. **Pages S8481–83, S8485**

Grassley (for Wyden) Amendment No. 941, to provide for a study by MedPAC on Medicare payments and efficiencies in the health care system. **Page S8538**

Baucus (for Harkin) Modified Amendment No. 967, to provide improved payment for certain mammography services. **Page S8538**

Grassley (for Murray) Amendment No. 961, to fund the blended capitation rate for purposes of determining benchmarks under the MedicareAdvantage program. **Page S8538**

Grassley Amendment No. 974, to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs. **Page S8538**

Grassley (for Specter) Amendment No. 983, to provide Medicare beneficiaries with information on advance directives. **Page S8538**

Sununu Amendment No. 1010, to improve outpatient vision services under part B of the Medicare program. **Page S8538**

Rejected:

By 26 yeas to 69 nays (Vote No. 243), Baucus (for Edwards) Further Modified Amendment No. 985, to strengthen protections for consumers against misleading direct-to-consumer drug advertising. **Pages S8483–86**

By 39 yeas to 56 nays (Vote No. 244), Graham (FL) Amendment No. 956, to provide that an eligible beneficiary is not responsible for paying the applicable percent of the monthly national average premium while the beneficiary is in the coverage gap and to sunset the bill. **Page S8486**

By 39 yeas to 56 nays (Vote No. 245), Durbin Amendment No. 994, to deliver a meaningful benefit and lower prescription drug prices. **Pages S8516–21, S8523–29**

By 43 yeas to 52 nays (Vote No. 246), Clinton Amendment No. 1000, to study the comparative effectiveness and safety of important Medicare covered drugs to ensure that consumers can make meaningful comparisons about the quality and efficacy. **Pages S8529–30**

Withdrawn:

Reid (for Boxer) Amendment No. 1062 (to Amendment No. 974) to eliminate the coverage gap for individuals with cancer. **Pages S8496–98**

Schumer Amendment No. 1040, to provide for equitable reimbursement rates in 2004 and 2005 for Medicare+Choice organizations making the transition to MedicareAdvantage organizations. **Pages S8500–02, S8506–12**

Baucus (for Stabenow) Amendment No. 992, to clarify that the Medicaid statute does not prohibit a State from entering into drug rebate agreements in order to make outpatient prescription drugs accessible and affordable for residents of the State who are not otherwise eligible for medical assistance under the Medicaid program. **Page S8538**

Pending:

Kerry Amendment No. 958, to increase the availability of discounted prescription drugs. **Page S8479**

Lincoln Modified Amendment No. 934, to ensure coverage for syringes for the administration of insulin, and necessary medical supplies associated with the administration of insulin. **Page S8479**

Lincoln Amendment No. 935, to clarify the intent of Congress regarding an exception to the initial residency period for geriatric residency or fellowship programs. **Page S8479**

Lincoln Amendment No. 959, to establish a demonstration project for direct access to physical therapy services under the Medicare program. **Page S8479**

Baucus (for Jeffords) Amendment No. 964, to include coverage for tobacco cessation products. **Page S8479**

Baucus (for Jeffords) Amendment No. 965, to establish a Council for Technology and Innovation. **Page S8479**

Nelson (FL) Amendment No. 938, to provide for a study and report on the propagation of concierge care. **Page S8479**

Nelson (FL) Amendment No. 936, to provide for an extension of the demonstration for ESRD managed care. **Page S8479**

Baucus (for Harkin) Amendment No. 968, to restore reimbursement for total body orthotic management for nonambulatory, severely disabled nursing home residents. **Page S8479**

Baucus (for Cantwell) Amendment No. 942, to prohibit an eligible entity offering a Medicare Prescription Drug plan, a MedicareAdvantage Organization offering a MedicareAdvantage plan, and other health plans from contracting with a pharmacy benefit manager (PBM) unless the PBM satisfies certain requirements. **Page S8479**

Rockefeller Amendment No. 975, to make all Medicare beneficiaries eligible for Medicare prescription drug coverage. **Page S8480**

Akaka Amendment No. 980, to expand assistance with coverage for legal immigrants under the Medicaid program and SCHIP to include citizens of the Freely Associated States. **Page S8480**

Akaka Amendment No. 979, to ensure that current prescription drug benefits to Medicare-eligible enrollees in the Federal Employees Health Benefits Program will not be diminished. **Page S8480**

Bingaman Amendment No. 973, to amend title XVIII of the Social Security Act to provide for the authorization of reimbursement for all Medicare part B services furnished by certain Indian hospitals and clinics. **Page S8480**

Baucus (for Lautenberg) Amendment No. 986, to make prescription drug coverage available beginning on July 1, 2004. **Page S8480**

Murray Amendment No. 990, to make improvements in the MedicareAdvantage benchmark determinations. **Page S8480**

Harkin Modified Amendment No. 991, to establish a demonstration project under the Medicaid program to encourage the provision of community-based services to individuals with disabilities. **Pages S8480, S8534–37**

Dayton Amendment No. 960, to require a streamlining of the Medicare regulations. **Page S8480**

Dayton Amendment No. 977, to require that benefits be made available under part D on January 1, 2004. **Page S8480**

Baucus (for Dorgan) Amendment No. 993, to amend title XVIII of the Social Security Act to provide for coverage of cardiovascular screening tests under the Medicare program. **Page S8480**

Smith/Bingaman Amendment No. 962, to provide reimbursement for Federally qualified health centers participating in Medicare managed care. **Page S8480**

Hutchison Amendment No. 1004, to amend title XVIII of the Social Security Act to freeze the indirect medical education adjustment percentage under the Medicare program at 6.5 percent. **Page S8480**

Sessions Amendment No. 1011, to express the sense of the Senate that the Committee on Finance should hold hearings regarding permitting States to provide health benefits to legal immigrants under Medicaid and SCHIP as part of the reauthorization of the temporary assistance for needy families program. **Page S8480**

Conrad Amendment No. 1019, to provide for coverage of self-injected biologicals under part B of the Medicare program until Medicare Prescription Drug plans are available. **Page S8480**

Conrad Amendment No. 1020, to permanently and fully equalize the standardized payment rate beginning in fiscal year 2004. **Page S8480**

Conrad Amendment No. 1021, to address Medicare payment inequities. **Page S8480**

Clinton Amendment No. 999, to provide for the development of quality indicators for the priority areas of the Institute of Medicine, for the standardization of quality indicators for Federal agencies, and for the establishment of a demonstration program for the reporting of health care quality data at the community level. **Page S8480**

Clinton Amendment No. 953, to provide training to long-term care ombudsman. **Page S8480**

Clinton Amendment No. 954, to require the Secretary of Health and Human Services to develop literacy standards for informational materials, particularly drug information. **Page S8480**

Reid (for Boxer) Amendment No. 1036, to eliminate the coverage gap for individuals with cancer. **Page S8480**

Reid (for Corzine) Amendment No. 1037, to permit Medicare beneficiaries to use Federally qualified health centers to fill their prescriptions. **Page S8480**

Reid (for Jeffords) Amendment No. 1038, to improve the critical access hospital program. **Page S8480**

Reid (for Inouye) Amendment No. 1039, to amend title XIX of the Social Security Act to provide 100 percent reimbursement for medical assistance provided to a Native Hawaiian through a Federally-qualified health center or a Native Hawaiian health care system. **Page S8480**

Thomas/Lincoln Amendment No. 988, to provide for the coverage of marriage and family therapist services and mental health counselor services under part B of the Medicare program. **Pages S8480–81**

Edwards/Harkin Amendment No. 1052, to strengthen protections for consumers against misleading direct-to-consumer drug advertising. **Page S8487**

Enzi/Lincoln Amendment No. 1051, to ensure convenient access to pharmacies and prohibit the tying of contracts. **Pages S8487–89**

Enzi Amendment No. 1030, to encourage the availability of MedicareAdvantage benefits in medically underserved areas. **Pages S8489–93**

Hagel/Ensign Amendment No. 1012, to provide Medicare beneficiaries with an additional choice of Medicare Prescription Drug plans under part D that consists of a drug discount card and protection against high out-of-pocket drug costs. **Pages S8493–95**

Hagel Amendment No. 1026, to provide Medicare beneficiaries with a discount card that ensures access to privately-negotiated discounts on drugs and protection against high out-of-pocket drug costs. **Page S8493**

Baucus (for Feinstein) Amendment No. 1060, to provide for an income-related increase in the part B premium for individuals with income in excess of $75,000 and married couples with income in excess of $150,000. **Page S8495**

Baucus (for Akaka) Amendment No. 1061, to provide for treatment of Hawaii as a low-DSH State for purposes of determining a Medicaid DSH allotment for the State for fiscal years 2004 and 2005. **Pages S8495–96**

Bingaman/Domenici Amendment No. 1065, to update, beginning in 2009, the asset or resource test used for purposes of determining the eligibility of low-income beneficiaries for premium and cost-sharing subsidies. **Page S8502**

Bingaman Amendment No. 1066, to permit the establishment of 2 new Medigap plans for Medicare beneficiaries enrolled for prescription drug coverage under part D. **Pages S8502–06**

Graham (SC) Modified Amendment No. 948, to provide for the establishment of a National Bipartisan Commission on Medicare Reform. **Pages S8512–15**

Stabenow/Levin Amendment No. 1075, to permanently extend a moratorium on the treatment of a certain facility as an institution for mental diseases. **Pages S8515–16**

Stabenow/Levin Amendment No. 1076, to provide for the treatment of payments to certain comprehensive cancer centers. **Page S8516**

Stabenow/Levin Amendment No. 1077, to provide for the redistribution of unused resident positions. **Page S8516**

Ensign/Lincoln Amendment No. 1024, to amend title XVIII of the Social Security Act to repeal the Medicare outpatient rehabilitation therapy caps. **Pages S8521–22**

Smith/Feingold Amendment No. 1073, to allow the Secretary to include in the definition of 'specialized Medicare+Choice plans for special needs beneficiaries' plans that disproportionately serve such special needs beneficiaries or frail, elderly Medicare beneficiaries. **Pages S8522–23**

Grassley (for Craig) Amendment No. 1087, to permit the offering of consumer-driven health plans under MedicareAdvantage. **Pages S8537–38**

Baucus (for Mikulski) Amendment No. 1088, to provide equitable treatment for children's hospitals. **Page S8539**

Baucus (for Milulski) Amendment No. 1089, to provide equitable treatment for certain children's hospitals. **Page S8539**

Baucus (for Mikulski) Amendment No. 1090, to permit direct payment under the Medicare program for clinical social worker services provided to residents of skilled nursing facilities. **Page S8539**

Baucus (for Mikulski) Amendment No. 1091, to extend certain municipal health service demonstration projects. **Page S8539**

Grassley/Baucus Amendment No. 1092, to evaluate alternative payment and delivery systems.

Pages S8539–42

Kyl Amendment No. 1093 (to Amendment No. 1092), in the nature of a substitute. **Pages S8542–46**

A unanimous-consent agreement was reached providing that at 9:15 a.m., on Thursday, June 26, 2003, Senate proceed to vote on or in relation to Harkin Amendment No. 991 (listed above), to be followed by a vote on or in relation to Edwards Amendment No. 1052 (listed above); and that no second degree amendments be in order to the amendments prior to the votes. **Page S8601**

A unanimous-consent agreement was reached providing for further consideration of the bill at 9:15 a.m., on Thursday, June 26, 2003. **Page S8601**

Nominations Received: Senate received the following nominations:

Rixio Enrique Medina, of Oklahoma, to be a Member of the Chemical Safety and Hazard Investigation Board for a term of five years.

Julie L. Myers, of Kansas, to be an Assistant Secretary of Commerce.

Jeffrey A. Marcus, of Texas, to be Ambassador to Belgium.

Deborah Ann Spagnoli, of California, to be a Commissioner of the United States Parole Commission for a term of six years.

1 Air Force nomination in the rank of general.

1 Navy nomination in the rank of admiral.

Routine lists in the Foreign Service, Navy.

Pages S8601–04

Messages From the House: **Page S8556**

Measures Referred: **Page S8556**

Measures Placed on Calendar: **Page S8556**

Measures Held at Desk: **Page S8556**

Executive Communications: **Pages S8556–58**

Executive Reports of Committees: **Page S8559**

Additional Cosponsors: **Pages S8559–61**

Statements on Introduced Bills/Resolutions: **Pages S8562–77**

Additional Statements: **Pages S8554–56**

Amendments Submitted: **Pages S8577–96**

Notices of Hearings/Meetings: **Page S8596**

Authority for Committees to Meet: **Pages S8596–98**

Privilege of the Floor: **Page S8598**

Record Votes: Five record votes were taken today. (Total—246) **Page S8485, S8486, S8529, S8530**

Adjournment: Senate met at 9:30 a.m., and adjourned at 10:50 p.m., until 9:15 a.m., on Thursday, June 26, 2003. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S8601.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS LABOR—HHS/EDUCATION

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education approved for full Committee consideration an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies for the fiscal year ending September 30, 2004.

NOMINATION

Committee on Armed Services: Committee concluded hearings to examine the nomination of Lieutenant General John P. Abizaid, USA, for appointment to the grade of general and to be Commander, United States Central Command, after the nominee testified and answered questions in his own behalf.

RURAL ECONOMY

Committee on Banking, Housing, and Urban Affairs: Subcommittee on Economic Policy concluded oversight hearings to examine the problems and challenges facing rural America, focusing on certain job and economic development measurers, including the Land Grant mission, after receiving testimony from Hilda Gay Legg, Administrator, Rural Utilities Service, Rural Development Mission Area, Department of Agriculture; M. Scott Smith, University of Kentucky College of Agriculture, Lexington; and Mark Haney, Kentucky Farm Bureau Federation, Nancy.

BUSINESS MEETING

Committee on Energy and Natural Resources: Committee ordered favorably reported the following bills:

S. 470, to extend the authority for the construction of a memorial to Martin Luther King, Jr., with an amendment in the nature of a substitute;

S. 490, to direct the Secretary of Agriculture to convey certain land in the Lake Tahoe Basin Management Unit, Nevada, to the Secretary of the Interior, in trust for the Washoe Indian Tribe of Nevada and California, with an amendment;

S. 499, to authorize the American Battle Monuments Commission to establish in the State of Louisiana a memorial to honor the Buffalo Soldiers, with an amendment in the nature of a substitute;

S. 546, to provide for the protection of paleontological resources on Federal lands, with an amendment in the nature of a substitute;

S. 643, to authorize the Secretary of the Interior, in cooperation with the University of New Mexico, to construct and occupy a portion of the Hibben Center for Archaeological Research at the University of New Mexico, with an amendment in the nature of a substitute;

S. 651, to amend the National Trails System Act to clarify Federal authority relating to land acquisition from willing sellers for the majority of the trails in the System, with an amendment in the nature of a substitute;

S. 677, to revise the boundary of the Black Canyon of the Gunnison National Park and Gunnison Gorge National Conservation Area in the State of Colorado, with an amendment in the nature of a substitute;

S. 924, to authorize the exchange of lands between an Alaska Native Village Corporation and the Department of the Interior, with an amendment in the nature of a substitute;

S. 1076, to authorize construction of an education center at or near the Vietnam Veterans Memorial, with an amendment in the nature of a substitute;

H.R. 255, to authorize the Secretary of the Interior to grant an easement to facilitate access to the Lewis and Clark Interpretative Center in Nebraska City, Nebraska; and

H.R. 1577, to designate the visitor center in Organ Pipe National Monument in Arizona as the ''Kris Eggle Visitor Center''.

GRAZING MANAGEMENT

Committee on Energy and Natural Resources: Subcommittee on Public Lands and Forests concluded oversight hearings to examine grazing programs of the Bureau of Land Management and the Forest Service, focusing on grazing permit renewal, BLM's potential changes to grazing regulations, range monitoring, drought, and other grazing issues, after receiving testimony from Mark Rey, Under Secretary of Agriculture for Natural Resources and Environment; and Rebecca Watson, Assistant Secretary of the Interior for Land and Minerals Management.

ENDANGERED SPECIES

Committee on Environment and Public Works: Subcommittee on Fisheries, Wildlife, and Water concluded hearings to examine the consulting process required by section 7 of the Endangered Species Act, including improvement efforts in the Pacific Northwest, after receiving testimony from Senator Domenici; Barry T. Hill, Director, Natural Resources and Environment, General Accounting Office; Alan Glen, Smith, Robertson, Elliott, and Glen, Austin, Texas; John F. Kostyack, National Wildlife Federation, Reston, Virginia; Patricia D. Horn, Enogex Inc., Oklahoma City, Oklahoma; Jim Chilton, Arivaca, Arizona, on behalf of the National Cattlemen's Beef Association and the Public Lands Council; and William J. Snape III, Defenders of Wildlife, Washington, D.C.

AFRICA

Committee on Foreign Relations: Committee concluded hearings to examine the implementation of the African Growth and Opportunity Act (P.L. 106–200), focusing on short-term and long-term measures to integrate Africa into the global community, and issues relative to the free market and fair trade, African civil society, and debt relief, after receiving testimony from Florizelle B. Liser, Assistant United States Trade Representative for Africa; Walter H. Kansteiner III, Assistant Secretary of State for African Affairs; Stephen Hayes, Corporate Council on Africa, and Leon P. Spencer, Washington Office on Africa, both of Washington, D.C.; and James A. Harmon, Commission on Capital Flows to Africa, New York, New York.

YUGOSLAVIA SUCCESSOR STATES

Committee on Foreign Relations: Subcommittee on European Affairs concluded hearings to examine the progress and challenges relative to the transformations taking place in the successor states to the former Yugoslavia, including Serbia and Montenegro, Kosovo, Croatia, Macedonia, Bosnia and Herzegovina, after receiving testimony from Paul W. Jones, Acting Deputy Assistant Secretary of State for Europe and Eurasia; Mira Ricardel, Deputy Assistant Secretary of Defense; Daniel Serwer, Director, U.S. Institute of Peace; and James O'Brien, Albright Group, and Major General William L. Nash USA, (Ret.), Council on Foreign Relations, both of Washington, D.C.

NOMINATION

Committee on Governmental Affairs: Committee concluded hearings to examine the nomination of Joshua B. Bolten, of the District of Columbia, to be Director of the Office of Management and Budget, after the nominee, who was introduced by Senator Corzine, testified and answered questions in his own behalf.

BUSINESS MEETING

Committee on Health, Education, Labor, and Pensions: Committee ordered favorably reported the following business items:

S. 1248, to reauthorize the Individuals with Disabilities Education Act, with an amendment in the nature of a substitute; and

The nominations of David Hall, of Massachusetts, to be a Member of the Board of Directors of the

Legal Services Corporation, Lillian R. BeVier, of Virginia, to be a Member of the Board of Directors of the Legal Services Corporation, and certain nominations in the Public Health Service Corps.

9/11 DETAINEES REPORT

Committee on the Judiciary: Committee concluded hearings to examine the treatment of aliens held on immigration charges in connection with the investigation of the September 11, 2001, terrorist attacks, as outlined in the Department of Justice Office of Inspector General's report, after receiving testimony from Glenn A. Fine, Inspector General, Harley G. Lappin, Director, Federal Bureau of Prisons, Michael E. Rolince, Acting Assistant Director in Charge, Federal Bureau of Investigation, Washington Field Office, and David Nahmias, Counsel to the Assistant Attorney General, Criminal Division, all of the Department of Justice.

NOMINATIONS

Committee on the Judiciary: Committee concluded hearings on the nominations of Louise W. Flanagan, to be United States District Judge for the Eastern District of North Carolina, and Allyson K. Duncan, of North Carolina, to be United States Circuit Judge for the Fourth Circuit, who were both introduced by Senators Dole and Edwards; Samuel Der-Yeghiayan, to be United States District Judge for the Northern District of Illinois, who was introduced by Senators Fitzgerald and Durbin; Lonny R. Suko, to be United States District Judge for the Eastern District of Washington, who was introduced by Senator Murray, and Representatives Hastings and Nethercutt; Earl Leroy Yeakel III, to be United States District Judge for the Western District of Texas, who was introduced by Senators Hutchison and Cornyn; Karen P. Tandy, of Virginia, to be Administrator of Drug Enforcement, who was introduced by Senator Hutchison, and Christopher A. Wray, of Georgia, to be an Assistant Attorney General, who was introduced by Senators Chambliss and Miller, both of the Department of Justice; and Robert C. Brack, to be United States District Judge for the District of New Mexico, who was introduced by Senators Domenici and Bingaman.

IRAQ

Committee on the Judiciary: Subcommittee on the Constitution concluded joint hearings with the Committee on Foreign Relations' Subcommittee on Near Eastern and South Asian Affairs to examine constitutionalism, human rights, and the Rule of Law in Iraq, focusing on the monopoly of power and influence, public participation and ownership, democratic representation, ratification, and the role of the international community, after receiving testimony from Neil J. Kritz, Director, Rule of Law Program, U.S. Institute of Peace; Sermid Al-Sarraf, Iraqi Jurists Association, and Khaled Abou El Fadl, University of California at Los Angeles School of Law, both of Los Angeles, California; Bernard Haykel, New York University, New York, New York; Donald P. Kommers, University of Notre Dame Law School, Notre Dame, Indiana; Kenneth M. Pollack, Brookings Institution, Zainab Salbi, Women for Women International, and Naoyuki Agawa, Embassy of Japan, all of Washington, D.C. and John Yoo, University of California Boalt School of Law, Berkeley; and A.E. Dick Howard, University of Virginia School of Law, Charlottesville.

House of Representatives

Chamber Action

Measures Introduced: Measures introduced today will be found in the next issue of the Record.

Additional Cosponsors: **(See next issue.)**

Reports Filed: Reports were filed today as follows:

H.R. 2351, to amend the Internal Revenue Code of 1986 to allow a deduction to individuals for amounts contributed to health savings accounts and to provide for the disposition of unused health benefits in cafeteria plans and flexible spending arrangements, amended (H. Rept. 108–177); and

H.R. 2473, to amend title XVIII of the Social Security Act to provide for a voluntary program for prescription drug coverage under the Medicare Program, to modernize the Medicare Program, amended (H. Rept. 108–178, Pt. 1) **(See next issue.)**

Speaker Pro Tempore: Read a letter from the Speaker wherein he appointed Representative Terry to act as Speaker pro tempore for today. **Page H5819**

Guest Chaplain: Rev. Michael J. Greer, Pastor, Good Shepherd Catholic Church of Miami, Florida. **Page H5819**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Abraham Lincoln Bicentennial Commission Extension: S. 858, to extend the Abraham Lincoln Bicentennial Commission (agreed to by 2/3 yea-and-nay vote of 409 yeas to 2 nays, Roll No. 312)—clearing the measure for the President;

Pages H5822–25, H5847–48

Administration of the Bill Emerson and Mickey Leland Hunger Fellowships by the Congressional Hunger Center: H.R. 2474 amended, to require that funds made available for fiscal years 2003 and 2004 for the Bill Emerson and Mickey Leland Hunger Fellowships be administered through the Congressional Hunger Center (agreed to by 2/3 yea-and-nay vote of 411 yeas with none voting ''nay,'' Roll No. 313). Agreed to amend the title so as to read: ''A bill to authorize the Congressional Hunger Center to award Bill Emerson and Mickey Leland Hunger Fellowships for fiscal years 2003 and 2004.'';

Pages H5825–28, H5848–49

Recognizing the 50th anniversary of the Foreign Agricultural Service: H.J. Res. 49, recognizing the important service to the Nation provided by the Foreign Agricultural Service of the Department of Agriculture on the occasion of its 50th anniversary (agreed to by 2/3 yea-and-nay vote of 409 yeas with none voting ''nay,'' Roll No. 314);

Pages H5828–29, H5849

Awarding the Congressional Gold Medal to Prime Minister Tony Blair: H.R. 1511, To award a congressional gold medal to Prime Minister Tony Blair; **Pages H5830–37**

Profound Concern Regarding Anti-Semitic Violence within States of the Organization for Security and Cooperation in Europe: H. Con. Res. 49, expressing the sense of the Congress that the sharp escalation of anti-Semitic violence within many participating States of the Organization for Security and Cooperation in Europe (OSCE) is of profound concern and efforts should be undertaken to prevent future occurrences (agree by yea-and-nay vote of 412 yeas with none voting ''nay,'' Roll No. 315);

Pages H5841–47, H5881

Calling on the Government of the People's Republic of China to Release Dr. Yang Jianli: H. Res. 199, amended, calling on the Government of the People's Republic of China immediately and unconditionally to release Dr. Yang Jianli, calling on the President of the United States to continue working on behalf of Dr. Yang Jianli for his release (agreed to by 2/3 yea-and-nay vote of 412 yeas with none voting ''nay,'' Roll No. 316; and

Pages H5850–53, H5881–82

Condemning the Terrorism Inflicted on Israel: H. Res. 294, condemning the terrorism inflicted on Israel since the Aqaba Summit and expressing solidarity with the Israeli people in their fight against terrorism (agreed to by ⅔ yea-and-nay vote of 399 yeas to 5 nays with 7 voting ''present'', Roll No. 317). **Pages H5853–66, H5882–83**

Suspension—Proceedings Postponed: The House completed debate on the motion to suspend the rules and agree to H. Res. 277, expressing support for freedom in Hong Kong. Further proceedings were postponed until Thursday, June 26. **Pages H5837–41**

Intelligence Authorization Act for FY 2004: The House completed general debate and began considering amendments to H.R. 2417, to authorize appropriations for fiscal year 2004 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. Further proceedings will resume on Thursday. **Pages H5866–81, H5883–H5903**

Pursuant to the rule the amendment in the nature of a substitute recommended by the Permanent Select Committee on Intelligence now printed in the bill (H. Rept. 108–163) was considered as an original bill for the purpose of amendment. **Page H5883**

Agree To:

Harman amendment No. 3 printed in H. Rept. 108–176 that requires the Director of Central Intelligence to report on watch list databases in Federal departments and agencies to determine if the further consolidation will contribute to the effectiveness of the Terrorist Identification Classification System in identifying known or suspected terrorists. **Pages H5890–91**

Proceedings Postponed:

Hastings of Florida amendment No. 4 printed in H. Rept. 108–176 was offered that seeks to direct the Director of Central Intelligence to establish a pilot project to improve recruitment of ethnic and cultural minorities and women with diverse skills and language abilities. **Page H5891–94**

Kucinich amendment No. 5 printed in H. Rept. 108–176 was offered that seeks to direct the Inspector General of the Central Intelligence Agency to conduct an audit of all communications between the CIA and the Office of the Vice President that relate to weapons of mass destruction obtained or developed by Iraq; and **Pages H5894–H5900**

Lee amendment No. 6 printed H. Rept. 108–176 was offered that seeks to require a GAO study on the extent of intelligence sharing by the Department of Defense and intelligence community with United Nations inspectors searching for weapons of mass destruction. **Pages H5900–03**

Withdrawn:

Cox amendment No. 1 printed in H. Rept. 108–176 was offered but subsequently withdrawn that sought to strike Sec. 336, Improvement of Information Sharing Among Federal, State, and local Government Officials. **Pages H5888–90**

H. Res. 295, the rule that is providing for consideration of the bill was agreed to by voice vote. **Page H5903**

Discharge Petition: Representative Taylor of Mississippi moved to discharge the Committee on Rules from the consideration of H. Res. 275, providing for consideration of H.J. Res. 22, proposing a balanced budget amendment to the Constitution of the United States. **(See next issue.)**

Recess: The House recessed at 11:15 p.m. and stands in recess subject to the call of the Chair.

Amendment: Amendments ordered pursuant to the rule will appear in the next issue.

Quorum Calls—Votes: Six yea-and-nay votes developed during the proceedings of the House today and appear on pages H5847–48, H5848–49, H5849, H5881, H5881–82, and H5882–83. There were no quorum calls.

Adjournment: The House met at 10 a.m. and at 11:15 p.m. the House stands in recess subject to the call of the Chair.

Committee Meetings

USDA DISTANCE LEARNING AND TELEMEDICINE PROGRAM

Committee on Agriculture: Held a hearing to review the USDA Distance Learning and Telemedicine Program. Testimony was heard from Thomas C. Dorr, Under Secretary, Rural Development, USDA; and public witnesses.

LABOR, HHS, EDUCATION AND RELATED AGENCIES; INTERIOR AND RELATED AGENCIES; AND AGRICULTURE, RURAL DEVELOPMENT, FDA AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Ordered reported the following appropriations for fiscal year 2004: Labor, Health and Human Services, Education and Related Agencies; Interior and Related Agencies; and Agriculture, Rural Development, Food and Drug Administration and Related Agencies.

GSE OVERSIGHT

Committee on Financial Services: Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled ''GSE Oversight: The Need for Reform and Modernization.'' Testimony was heard from public witnesses.

SAVING TAXPAYER MONEY THROUGH SOUND FINANCIAL MANAGEMENT

Committee on Financial Services: Subcommittee on Oversight and Investigations held a hearing entitled ''Saving Taxpayer Money Through Sound Financial Management,'' Testimony was heard from Angela M. Antonelli, Chief Financial Officer, Department of Housing and Urban Development; and Thomas C. Dorr, Under Secretary, Rural Development, USDA.

OVERSIGHT—WINNING THE WAR ON FINANCIAL MANAGEMENT—STATUS OF DOD REFORM

Committee on Government Reform: Subcommittee on Government Efficiency and Financial Management held an oversight hearing on ''Winning the War on Financial Management—Status of the Department of

Defense Reform.'' Testimony was heard from Gregory D. Kutz, Director, Financial Management Assurance, GAO; and the following officials of the Department of Defense: Lawrence J. Lanzillotta, Principle Deputy and the Deputy Under Secretary, Management Reform, Office of the Under Secretary (Comptroller); and Paul Granetto, Director, Defense Financial Auditing Service, Office of the Inspector General.

CANADIAN DRUG IMPORTATION

Committee on Government Reform: Subcommittee on Human Rights and Wellness held a hearing on ''The Practical and Economical Aspects of Canadian Drug Importation.'' Testimony was heard from Representative Gutknecht; and public witnesses.

U.S. TRADE POLICY AND COMMERCIAL POLICY IN SOUTHEAST ASIA AND OCEANIA

Committee on International Relations: Subcommittee on Asia and the Pacific held a hearing on U.S. Trade Policy and Commercial Policy in Southeast Asia and Oceania. Testimony was heard from James A. Kelly, Assistant Secretary, Bureau of East Asian and Pacific Affairs, Department of State; and Ralph F. Ives, Assistant U.S. Trade Representative for Asia-Pacific and APEC Affairs.

TRAFFICKINIG—GLOBAL TRENDS AND TRAFFICKING IN PERSONS REPORT

Committee on International Relations: Subcommittee on International Terrorism Nonproliferation and Human Rights held a hearing on ''Global Trends in Trafficking and the Trafficking in Persons Report.'' Testimony was heard from John Miller, Senior Advisor to the Secretary, Director, Office of Monitor and Combat Trafficking in Persons, Department of State; and public witnesses.

IRAN-LIBYA SANCTIONS ACT—INCREASING THREATS FROM IRAN

Committee on International Relations: Subcommittee on Middle East and Central Asia held a hearing on Enforcement of the Iran-Libya Sanctions Act and Increasing Security Threats from Iran (Part 1). Testimony was heard from the following officials of the Department of State: Charles English, Acting Deputy Assistant Secretary, Bureau of European and Eurasian Affairs; Anna Borg, Deputy Assistant Secretary, Bureau of Economic and Business Affairs; and Philo Dibble, Deputy Assistant Secretary, Bureau of Near Eastern Affairs; and public witnesses.

FOREIGN CURRENCY MANIPULATION EFFECT ON SMALL MANUFACTURERS AND EXPORTERS

Committee on Small Business: Held a hearing on the Effect of Foreign Currency Manipulation on Small Manufacturers and Exporters. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on Transportation and Infrastructure: Ordered reported the following bills: H.R. 1572, to designate the historic Federal District Court Building located at 100 North Palafox Street in Pensacola, Florida, as the ''Winston E. Arnow Federal Building''; H.R. 1668, to designate the United States courthouse located at 101 North Fifth Street in Muskogee, Oklahoma, as the ''Ed Edmondson United States Courthouse,'' H.R. 2144, amended, Aviation Security Technical Corrections and Improvements Act of 2003; H.R. 2443, amended, Coast Guard and Maritime Transportation Act of 2003; H.R. 2535, amended, Economic Development Administration Reauthorization Act of 2003; H.R. 2572, Amtrak Reauthorization Act of 2003; H.R. 2571, Rail Infrastructure Development and Expansion Act for the 21st Century; and H.R. 2573, Public Private Partnership Act.

VETERAN'S LEGISLATION

Committee on Veterans' Affairs, Subcommittee on Benefits approved for full Committee action, as amended, the following bills: H.R. 1516, to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in southeastern Pennsylvania; and H.R. 2297, to amend title 38, United States Code, to modify and improve certain benefits for veterans.

SECURE AMERICA'S BORDERS—ASSESS DHS INITIATIVES

Select Committee on Homeland Security: Held a hearing entitled ''Assessment of DHS Initiatives to Secure America's Borders.'' Testimony was heard from Asa Hutchinson, Under Secretary, Border and Transportation Security, Department of Homeland Security.

CYBER PROBLEM OVERVIEW

Select Committee on Homeland Security: Subcommittee on Cybersecurity, Science, and Research and Development held a hearing entitled ''Overview of the Cyber Problem: A Nation Dependent and Dealing with Risk.'' Testimony was heard from public witnesses.

COMMITTEE MEETINGS FOR THURSDAY, JUNE 26, 2003

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Agriculture, Nutrition, and Forestry: to hold hearings to examine H.R. 1904, to improve the capacity of the Secretary of Agriculture and the Secretary of the Interior to plan and conduct hazardous fuels reduction projects on National Forest System lands and Bureau of Land Management lands aimed at protecting communities, watersheds, and certain other at-risk lands from catastrophic wildfire, to enhance efforts to protect watersheds and address threats to forest and rangeland health, including catastrophic wildfire, across the landscape, 9 a.m., SR–328A.

Committee on Appropriations: business meeting to consider proposed legislation making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies for the fiscal year ending September 30, 2004, and proposed legislation making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2004, 2 p.m., SD–192.

Committee on Banking, Housing, and Urban Affairs: to hold hearings to examine affiliate sharing practices in relation to the Fair Credit Reporting Act, 10 a.m., SD–538.

Committee on Commerce, Science, and Transportation: business meeting to consider S. 1264, to reauthorize the Federal Communications Commission, S. 1218, to provide for Presidential support and coordination of interagency ocean science programs and development and coordination of a comprehensive and integrated United States research and monitoring program, H.R. 1320, to amend the National Telecommunications and Information Administration Organization Act to facilitate the reallocation of spectrum from governmental to commercial users, S. 1262, to authorize appropriations for fiscal years 2004, 2005, and 2006 for certain maritime programs of the Department of Transportation, and S. 1106, to establish National Standards for Fishing Quota Systems, an original bill authorizing funds for TEA–21 programs, and pending nominations, 9:30 a.m., SR–253.

Committee on Finance: to hold hearings to examine the nominations of Josette Sheeran Shiner, of Virginia, to be a Deputy United States Trade Representative, with the rank of Ambassador, and James J. Jochum, of Virginia, to be an Assistant Secretary of Commerce, 10 a.m., SD–215.

Committee on Foreign Relations: business meeting to consider S. Res. 90, expressing the sense of the Senate that the Senate strongly supports the nonproliferation programs of the United States, S. Res. 62, calling upon the Organization of American States (OAS) Inter-American Commission on Human Rights, the United Nations High Commissioner for Human Rights, the European Union, and human rights activists throughout the world to take certain actions in regard to the human rights situation in Cuba, S. Res. 149, expressing the sense of the Senate that the international response to the current need for food in the Horn of Africa remains inadequate, and the nominations of Robert W. Fitts, of New Hampshire, to be Ambassador to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador to the Solomon Islands and Ambassador to the Republic of Vanuatu, Marsha E. Barnes, of Maryland, to be Ambassador to the Republic of Suriname, John E. Herbst, of Virginia, to be Ambassador to Ukraine, Tracey Ann Jacobson, of the District of Columbia, to be Ambassador to Turkmenistan, George A. Krol, of New Jersey, to be Ambassador to the Republic of Belarus, John F. Maisto, of Pennsylvania, to be Permanent Representative of the United States of America to the Organization of American States, with the rank of Ambassador, Greta N. Morris, of California, to be Ambassador to the Republic of the Marshall Islands, Roger Francisco Noriega, of Kansas, to be an Assistant Secretary of State (Western Hemisphere Affairs), William B. Wood, of New York, to be Ambassador to the Republic of Colombia, and certain Foreign Service Officer promotion lists, 9:15 a.m., SD–419.

Full Committee, to hold hearings to examine the Department of State's Office of Children's Issues, focusing on responding to international parental abduction, 2 p.m., SD–106.

Committee on Governmental Affairs: business meeting to consider the nominations of Judith Nan Macaluso, to be an Associate Judge of the Superior Court of the District of Columbia, Fern Flanagan Saddler, to be an Associate Judge of the Superior Court of the District of Columbia, and Joshua B. Bolten, of the District of Columbia, to be Director of the Office of Management and Budget, Time to be announced, S–211, Capitol.

Committee on Indian Affairs: business meeting to consider pending calendar business, 11 a.m., SR–485.

Committee on the Judiciary: business meeting to resume consideration of S. 1125, to create a fair and efficient system to resolve claims of victims for bodily injury caused by asbestos exposure, and begin consideration of S.J. Res. 1, proposing an amendment to the Constitution of the United States to protect the rights of crime victims, S. 1280, to amend the Protect Act to clarify certain volunteer liability, S. Res. 174, designating Thursday, November 20, 2003, as "Feed America Thursday", S. Res. 175, designating the month of October 2003, as "Family History Month", and the nominations of William H. Pryor, Jr., of Alabama, to be United States Circuit Judge for the Eleventh Circuit, Diane M. Stuart, of Utah, to be Director of the Violence Against Women Office, Department of Justice, and Thomas M. Hardiman, to be United States District Judge for the Western District of Pennsylvania, 9:30 a.m., SR–325.

Subcommittee on Terrorism, Technology and Homeland Security, to hold hearings to examine the ideological structure of Wahhabism, an extreme and violent form of Islam, and its potential for political and social influence in the United States, 2 p.m., SD–226.

Select Committee on Intelligence: to hold closed hearings to examine certain intelligence matters, 2:30 p.m., SH–219.

House

Committee on Agriculture, hearing to review the mandatory country-of-origin labeling law, 9:30 a.m., 1300 Longworth.

Committee on Appropriations, to consider the following appropriations for fiscal year 2004; Defense and Legislative, 10 a.m., 2539 Rayburn.

Committee on Financial Services, Subcommittee on Financial Institutions and Consumer Credit, hearing entitled ''Serving the Underserved: Initiatives to Broaden Access to the Financial Mainstream,'' 10 a.m., 2128 Rayburn.

Committee on Governmental Reform, hearing titled ''New Century, New Process: A Preview of Competitive Sourcing for the 21st Century,'' 9:30 a.m., and to mark up H.R. 2556, DC Parental Choice Incentive Act of 2003, 1 p.m., 2154 Rayburn.

Committee on International Relations, Subcommittee on East Asia and the Pacific, hearing on U.S. Security Policy in Asia and the Pacific; Restructuring America's Forward Deployment, 12 p.m., 2172 Rayburn.

Subcommittee on Europe, to mark up H.R. 2550, to amend the American Servicemembers' Protection Act of 2002 to provide clarification with respect to the eligibility of certain countries for United States military assistance, 11:30 a.m., 2200 Rayburn.

Committee on the Judiciary, Subcommittee on Crime, Terrorism, and Homeland Security, hearing on H.R. 919, Hometown Heroes Survivors Benefits, 9 a.m., 2141 Rayburn.

Subcommittee on Immigration, Border Security, and Claims, to mark up private relief measures; and to hold an oversight hearing on 'The Federal Government's Response to the Issuance and Acceptance in the U.S. of Consular Identification Cards,'' 11 a.m., 2237 Rayburn.

Committee on Resources, Subcommittee on Fisheries Conservation, Wildlife and Oceans, hearing on the following bills: H.R. 1204, to amend the National Wildlife Refuge System Administration Act of 1966 to establish requirements for the award of concessions in the National Wildlife Refuge System, to provide for maintenance and repair of properties located in the System by concessionaires authorized to use such properties; and H.R. 2408, National Wildlife Refuge Volunteer Act of 2003, 10 a.m., 1334 Longworth.

Committee on Science, Subcommittee on Space and Aeronautics, to mark up H.R. 1085, NASA Flexibility Act of 2003, 10 a.m., 2318 Rayburn.

Committee on Small Business, Subcommittee on Regulatory Reform and Oversight, hearing entitled: ''CRS Regulations and Small Business in the Travel Industry,'' 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Railroads, oversight hearing on National Rail Infrastructure Financing Proposals, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, to mark up the following bills: H.R. 1516, as amended, National Cemetery Expansion Act of 2003; H.R. 2297, as amended, Veterans Benefits Act of 2003; H.R. 116, as amended, Veterans' New Fitzsimons Health Care Facilities Act of 2003; H.R. 1720, as amended, Veterans Health Care Facilities Capital Improvement Act; H.R. 2357, as amended, to amend title 38, United States Code, to establish standards of access to care for veterans seeking health care from the Department of Veterans Affairs; and H.R. 2433, as amended, Health Care for Veterans of Project 112/Project SHAD Act of 2003, 10 a.m., 334 Cannon.

Select Committee on Homeland Security, to mark up H.R. 2122, Project BioShield Act of 2003, 10 a.m., 210 Cannon.

Next Meeting of the SENATE

9:15 a.m., Thursday, June 26

Senate Chamber

Program for Thursday: Senate will continue consideration of S. 1, to amend title XVIII of the Social Security Act to make improvements in the Medicare program, to provide prescription drug coverage under the Medicare program, and proceed to vote on or in relation to Harkin Amendment No. 991, to be followed by a vote on or in relation to Edwards Amendment No. 1052.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Thursday, June 26

House Chamber

Program for Thursday: Consideration of H.R. 1, Medicare Prescription Drug and Modernization Act (subject to a rule);

Consideration of H.R. 2596, Health Savings and Affordability Act (subject to a rule); and

Complete consideration of H.R. 2417, Intelligence Authorization Act (modified open rule); and

Consideration of H.R. 2559, Military Construction Appropriations Act for Fiscal Year 2004 (subject to a rule).

Extensions of Remarks, as inserted in this issue

HOUSE

Blumenauer, Earl, Ore., E1350
Bonner, Jo, Ala., E1349
Cantor, Eric, Va., E1350
Carson, Julia, Ind., E1353
Crane, Philip M., Ill., E1351
Cunningham, Randy ''Duke'', Calif., E1345, E1345, E1346, E1346, E1348, E1349, E1351
Gerlach, Jim, Pa., E1345, E1346
Issa, Darrell E., Calif., E1349
Jones, Walter B., N.C., E1352
Kennedy, Patrick J., R.I., E1347
Larson, John B., Conn., E1348
Menendez, Robert, N.J., E1352
Moran, James P., Va., E1352
Ney, Robert W., Ohio, E1345, E1346, E1346
Owens, Major R., N.Y., E1353
Radanovich, George, Calif., E1350
Shaw, E. Clay, Jr., Fla., E1351, E1352, E1352, E1353, E1354
Skelton, Ike, Mo., E1351
Smith, Christopher H., N.J., E1350
Stearns, Cliff, Fla., E1349
Wolf, Frank R., Va., E1347

(House proceedings for today will be continued in the next issue of the Record.)

Congressional Record

The *Congressional Record* (USPS 087–390). The Periodicals postage is paid at Washington, D.C. The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed one time. ¶Public access to the Congressional Record is available online through *GPO Access*, a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available through GPO Access at www.gpo.gov/gpoaccess. Customers can also access this information with WAIS client software, via telnet at swais.access.gpo.gov, or dial-in using communications software and a modem at (202) 512–1661. Questions or comments regarding this database or GPO Access can be directed to the GPO Access User Support Team at: E-Mail: gpoaccess@gpo.gov; Phone 1–888–293–6498 (toll-free), 202–512–1530 (D.C. area); Fax: 202–512–1262. The Team's hours of availability are Monday through Friday, 7:00 a.m. to 5:30 p.m., Eastern Standard Time, except Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $217.00 for six months, $434.00 per year, or purchased for $6.00 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. To place an order for any of these products, visit the U.S. Government Online Bookstore at: bookstore.gpo.gov. Mail orders to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954, or phone orders to (866) 512–1800 (toll free), (202) 512–1800 (D.C. Area), or fax to (202) 512–2250. Remit check or money order, made payable to the Superintendent of Documents, or use VISA, MasterCard, Discover, American Express, or GPO Deposit Account. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.

POSTMASTER: Send address changes to the Superintendent of Documents, Congressional Record, U.S. Government Printing Office, Washington, D.C. 20402, along with the entire mailing label from the last issue received.