

the National Defense Industrial Association, over 5,000 science and engineering positions are unfilled in private industry in defense-related fields.

The Nation confronts a major math and science challenge in elementary and secondary education and in higher education as well. We are tied with Latvia for 28th in the industrialized world today in math performance, and that is far from good enough. We have fallen from 3rd in the world to 15th in producing scientists and engineers. Clearly, we need a new National Defense Education Act of the size and scope passed nearly 50 years ago.

At the very least, however, the legislation before us needs to do more to maintain our military's technological advantage. The pending bill irresponsibly cuts science and technology research by 17 percent. It increases funding for the SMART civilian ROTC science program but to only one-third of the Defense Department's request. Last year, over 100 "highly rated" SMART Scholar applications were turned down because of insufficient funding. Our amendment has sufficient funds to support every one of those talented young people who want to learn and serve.

It also increases the investment in basic research in science and technology. Investments by DOD in science and technology through the 1980s helped the United States win the Cold War. But funding for basic research in the physical sciences, math and engineering has not kept pace with research in other areas. Federal funding for life sciences has risen four-fold since the 1980s. Over the same period, appropriations for the physical sciences, engineering, and mathematics have remained essentially flat. Funding for basic research fell from fiscal year 1993 to fiscal year 2004 by more than 10 percent in real terms.

The Defense Science Board has recommended that funding for Science and Technology reach 3 percent of total defense spending, and the administration and Congress have adopted this goal in the past. The Board also recommended that 20 percent of that amount be dedicated to basic research, but the pending bill would cut funding for such research by 17 percent. We must do better, and this amendment does that.

The amendment's offset reduces the defensewide administrative fund under the Secretary of Defense. It does not affect operations and maintenance funding for the Army, Navy, or Air Force. For example, it would reduce by 2½ percent the \$2 billion that the bill gives the Secretary for his "business and financial management" transformation proposal—an area that the Government Accountability Office has deemed at "high-risk" for waste.

We can't afford not to pass this amendment, and I urge my colleagues to support it.

#### ASSOCIATION HEALTH PLANS

Mr. KENNEDY. An important new study issued last week finds that exempting association health plans from State oversight will lead to increased health insurance fraud against small businesses and their workers.

The author of the study, Assistant Professor Mila Kofman at Georgetown University, is one of the Nation's leading experts on private health insurance fraud, and the report provides evidence of the potential harm that the pending association health plan legislation will have on patients and working families.

It finds that exempting association health plans from State oversight will "create a regulatory vacuum" and have the "unintended consequence of widespread fraud threatening the coverage and financial security of millions of Americans."

The report notes the 30-year history of health insurance scams involving associations and multiemployer arrangements after the Congress exempted such arrangements from State oversight in 1974. Widespread fraud resulted from the exemption, and Congress acted to restore State authority and oversight in 1982. In the years when the Federal Government was responsible for oversight of the plans, widespread fraud took place and large numbers of businesses and workers victimized.

Insurance fraud involving such plans continues, but without State oversight and enforcement, the numbers would have been much worse. States have shut down many illegal arrangements, and saved millions of dollars for consumers in recent years. We can't afford to take away State authority now, and give plans broad exemptions from oversight.

According to a study by the Government Accountability Office, the most common way for insurance scams to proliferate is by selling coverage through associations—many of which are the same bona-fide professional and business associations that would be shielded from oversight under this legislation.

The pending bill would create large loopholes and shield plans from oversight. It relies largely on self-reporting and self-regulation, and makes it far more difficult for regulators to shut down fraudulent plans.

The bill's convoluted regulatory structure would also create widespread confusion about who actually regulates association plans—the Federal Government or States, and this confusion will invite scams to proliferate.

We need to make affordable health insurance for working families a top priority, but this study shows the serious consequences of exempting association health plans from State and oversight and enforcement. The result is predictable: mounting medical bills, greater bankruptcy, medical care denied or delayed, and coverage lost. It is wrong for Congress to turn back the clock to the days of widespread fraud against small businesses and their em-

ployees by exempting association plans from appropriate oversight and enforcement, and I urge my colleagues not to take this damaging step.

#### MEDICAL DEVICE USER FEE STABILIZATION ACT OF 2005

Mr. KENNEDY. Mr. President, I strongly support the Medical Device User Fee Stabilization Act of 2005.

The bill makes needed corrections in the Device User Fee Act we passed in 2002. Most important, it extends this worthwhile program beyond September 30. It ensures stable growth for individual user fees by limiting increases to 8.5 percent a year in 2006 and 2007, and it raises the threshold for businesses to be eligible for the reduced small business fees from \$30 million to \$100 million.

The user fee program has provided much needed support for the Food and Drug Administration over the past 3 years to expedite its review of medical devices. The FDA has improved its ability to review devices more quickly, and laid the groundwork for further progress as well. Unfortunately, however, fees on individual applications have climbed rapidly in the past 3 years—much faster than anticipated.

Our bill maintains this valuable program and limits the rate of growth in fees. It strikes a fair balance between the competing interests of FDA and the various industries. The agency is not guaranteed the growth in fees that it received under the original legislation to meet the need to expedite its reviews. It makes sense to limit fee increases in response to the concern that the fees have climbed too quickly and are discouraging innovation in these valuable devices. That is why we call the bill the User Fee Stabilization Act.

The bill also clarifies the provision in current law on the identification of the makers of single-use medical devices. Adverse event reports should not be inaccurately attributed to the wrong company, and doctors should not be misled about the source of the device.

Since many so-called single-use devices are often reprocessed and used again, the legislation requires reproducers of single-use devices to identify their role in preparing the device. When the manufacturer of the original device is identified on the device, the reprocessor must do so as well. When the manufacturer of the original device has not done so, the bill permits the use of detachable labels on the package of the reprocessed device, so that the label can be placed in the patient's medical chart.

These provisions will become effective 12 months after the date of enactment, and they are a reasonable compromise of the interests of the FDA, the original manufacturers, and the reproducers.

I commend Chairman ENZI for his leadership in producing this much-needed legislation, and I welcome the strong, bipartisan support for the bill